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**Red & Brown Perspectives  
on the Global Crisis**

*by Dionicio Valdés*  
*Michigan State University*

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# **Red & Brown Perspectives on the Global Crisis**

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## **Abstract**

*It is very important to insert Chicana and Chicano Studies scholarship into global examinations of history and current events. While there are occasional discussions of the topic, our understanding of Chicanas/Chicanos in global perspectives tends to be quite limited. Most of our literature is still dominated by local or Southwestern regional perspectives.*

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# Red & Brown Perspectives on the Global Crisis

It is very important to insert Chicana and Chicano Studies scholarship into global examinations of history and current events. While there are occasional discussions of the topic, our understanding of Chicanas/Chicanos in global perspectives tends to be quite limited. Most of our literature is still dominated by local or Southwestern regional perspectives.

The case I will examine involves the crisis of the world economy.

A number of popular explanations seek to account for current and predicted future bad times, three of which stand out. The first blames people from the Middle East, particularly greedy oil producers who have cornered the market. This theme, with a number of variations, has become pervasive in the media in the past three years. A second view, especially popular in my section of the country, attributes the crisis to the outsourcing of jobs with roots in the Mexican Border Industrialization Program that started in 1965.<sup>1</sup> Another popular lament of much longer standing is that the problem is due to Mexican and other Latino citizens and immigrants. Samuel P. Huntington writes in the March/April 2004 issue of *Foreign Policy*, that a cultural and economic crisis is looming that “threatens to divide the United States into two peoples.”<sup>2</sup> Chicanos and Latinos are taking jobs from others, and refuse to assimilate. The three viewpoints have powerful racial undertones, and can be read as blaming Brown Third World peoples for the woes of the White First World.

These interpretations are persistent, but they neglect a lot, including the former Second World. This is Ronald Reagan’s Evil Empire of Communism that met its demise in the 1980s and early 1990s. In order to find deeper meaning to current events, we also must consider the former Reds along with the White and the shades of Brown.

Another view of the role of the Middle East in the crisis points the finger directly to George Bush, Jr., and his policies, particularly the war on terror and the invasion of Iraq. An adherent of this interpretation, Jeremy Rifkin, in “The Perfect Storm,” notes that war policies have weakened the dollar, on which the price of oil is based.<sup>3</sup> Because oil prices are pegged to the dollar, which has lost one-third of its value in the past two years, Middle Eastern producers, who buy mostly from Europe in Euros, are suffering. He argues that they will be forced to continue increasing prices, resulting in a vicious cycle of economic disasters that will lead the world into massive recession. Another clear impact of the war on terror in the United States, is that Arabs have been racialized, and especially in settings like Michigan where the population is large and visible, the meaning of Brown is becoming more complicated.

Turning to history and current events in Brown Latin America, a very important precursor of the current so-called “free trade” regime dates from the immediate aftermath of World War II. Like its successor, it was characterized by the United States’ investment in a cheap labor environment to engage in assembly of goods destined for the U.S. rather than the local market. Notably, it long preceded Milton Friedman and the current doctrine of neoliberalism. This was Puerto Rico’s “Operation Bootstrap.” For a generation from its beginning it was touted as a great success. Puerto Rico was billed as the showcase of democracy, and its export-based industry functioned contrary to the dominant economic policy of import substitution and nation-based production.

The Second World, or Red component, merits much more serious examination for understanding current events. Economic success globally accompanied the separation of the “West” and “East,” while the latter expanded massively following World War II and the 1949 coming to power of the Chinese Revolution. It divided the world politically and economically into the “Capitalist” First and “Communist” Second Worlds.

The end of World War II also initiated a period during which living standards improved in most parts of the first, second, and third worlds.<sup>4</sup> The U.S. stood out as the richest nation, and portrayed itself as an economic and political beacon. It represented the capitalist system, ostensibly competitive, but which it flourished under a system of monopoly capitalism. Its greatest competition was not within capitalism, but against “Communism.” The east and the west were closed to each other, and each was able to thrive because it was shut off. Furthermore, many political crises in areas including the Middle East were contained and/or mediated through the offices of the Soviet Union, which offered a competitive counterweight to the United States.

But the United States devoted a massive economic and political effort fighting the Reds. In the 1980s Ronald Reagan and his advisers engaged in massive efforts to destabilize the Soviet Union<sup>5</sup> and took credit for the making possible collapse of the so-called “Evil Empire.”<sup>6</sup> They and their successors gloated, claiming that their efforts had created a boom in the United States. But it had neglected the rest of the world’s population.

For most of the Second World, particularly the former USSR, the immediate result of entering the capitalist economic sphere was an institutional implosion and severe economic distress. Living standards for the USSR, whose per capita levels in the late 1980s were slightly higher than those of Chicanos and African Americans, considered as nations (35th to 37th

and 38th in the world, respectively), took a nosedive.<sup>7</sup> Reports indicate that per capita income in the Russia fell from \$8,362 in 1988 to \$2,680 in 1992.<sup>8</sup>

In the Latin American Third World, a crisis dating from the 1980s severely worsened living conditions for the vast majority while investors perfected the economic model begun in Puerto Rico. For Mexico, it involved an intensification of the Border Industrialization Program with the maquiladoras and later the North American Free Trade Agreement. The U.S. campaign to undo import substitution in Latin America simultaneously involved the schooling or ‘training’ of foreign economists who often doubled as politicians, along with soldiers who engaged in more overt forms of repression.<sup>9</sup> The implantation of neoliberal regimes involved implanting and enforcing more unequal regimes while simultaneously cutting off criticism. Politically, the consequences were similar to what was occurring in the United States, where the Chicano Movement, among others, became more of a whimper than the bang it had been earlier.

Furthermore, the political capacity of the USSR to provide stability in the second and parts of the Third World, and to put a brake on Western imperialism that has reached a peak in the current war on terror, is a thing of the past. The failure to control the voracious empire appears to be taking the world economy into a nosedive, and this time the U.S. will be unable to deflect the bad times off on the former Reds or the Browns.

In the midst of this global disaster, the lost generation of Chicano Studies scholarship became burrowed in studies of culture, self reflection, and a narrow essentialization of the Southwest, too often referring to complication and ambiguity without trying to confront the complications. A reintroduction of critical perspectives, including from global perspectives will enable the field to get back on track.

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