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Symposium on Financialization In 1996, Useem described how money managers were changing the face of corporate America converting economic dominance into political muscle. The essays by Wm Tabb and Wm Robinson make that former (national) face of capitalism seem rather benign. The essay by Saskia Sassen argues for moving away from the national-global dichotomy and replacing it with three complex institutions—territory, authority, and rights—each with a different capacity to be ‘denationalized’. Thus, the global involves the repositioning of particular national capabilities. Our contributors address the loss of national capacity. For Robinson, the global economic crisis offered an opportunity for a reconfiguration of territory and rights, viz., a dismantling of the national logics of welfare systems. He offers an excellent summary of how we moved through different phases of capitalism and their respective social, economic, and political implications. Tabb delves into the very mechanism of financialization. He writes that if monetarism is about minimizing state intervention, financialization is “about transforming the accumulation dynamic of contemporary capitalism”, with clear negative redistributive effects. On a lighter note, Schwartzman offers some thoughts on the phantasmas of currency crises. (K. Schwartzman)

Currency Crises and their Iconic Phantasmas

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In 1873, the U.S. dollar was taken off the silver standard. It was labeled the ‘Crime of 1873’. In 1994, Mexico devalued its peso by 40 percent. It was labeled the “Error of December” (El error de diciembre).

Monetarists have written a great deal about these two currency shifts. Each was preceded by deep economic crises for which the currency shift was the alleged antidote. Each had social, political, and economic repercussions that provoked vociferous opposition. And each was symbolized with an iconic “phantasma”. This is what the Wizard of Oz and Chupacabra have in common.

Devaluation and Rise of the Goatsucker (Chupacabra)

The decision of the Mexican government to devalue the peso by 40 percent was derisively called the “Error of December”. The 1994 devaluation had devastating economic, social, and political consequences. It also had its icon in popular culture—the chupacabra. This creature drained blood from livestock, including chickens, sheep, cows, and of course, goats. Descriptions of the creature varied; it was described as part gargoyle, dog or lizard like, with bulging red eyes, and sharp spines or

quills running down its back. Some described it as grayish-green, and hopping like a kangaroo. The chupacabra was reportedly responsible for animal deaths in Argentina, Bolivia, Brazil, Chile, Dominican Republic, Colombia, Mexico, Peru, Puerto Rico several southern parts of the United States (particularly California, Florida and Texas). The dead animals showed signs of two bite-wounds on the neck and were drained of blood. Mexico was not its place of origin or its only ‘hunting ground’, but it gained its greatest fame in Mexico and Puerto Rico.

In 1992, Puerto Rican newspapers *El Vocero* and *El Nuevo Dia* reported sightings of a Vampire (*El Vampiro de Moca*) that had killed and sucked the blood of livestock. By 1994, the creature, which was called chupacabra, was commercialized and appeared on t-shirts and in video games and films. By 1996, the chupacabra was reportedly responsible for thousands of blood-sucking killings in Puerto Rico and Mexico. 1996 was declared the Year of the Chupacabra in Mexico.

Speculation was rampant. One common theme was that the imaginary monster was an invention of the government to distract attention from the Mexican reality of the Salinas presidency (1988-1994), a period beset with radical economic transformations and extreme political violence against the opposition. Chupacabra was also blamed for the assassination of

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presidential candidate Luis Donaldo Colosio in 1994. Derby provides the historical context for two prominent popular interpretations: the beast is President Salinas who sucked blood out of Mexican citizens; or, the beast is the "Imperialist" United States that sucked life out of Mexico. In the case of the first, the chupacabra, bore a resemblance to President Salinas, and represented Salinas and other dishonest politicians who were accused of sucking the life out of the nation (chupapatris) with corruption, drug trafficking, and misappropriation of public funds. In the second, the chupacabra represented the United States which extracted the vital fluids from Mexico. This image reflects the popular anguish provoked by the dissolution of the national boundary and the erosion of national autonomy in the era of NAFTA (Derby 2005, 322). Both representations partake of Marx's sentiment—"Capital is dead labour, that, vampire-like, only lives by sucking living labour. . . and lives the more, the more labour it sucks" (1972, 233).

Extraction of Mexico's resources has a long history, but, Derby argues, the increased sightings of the creature symbolized a qualitatively different meaning in the middle of the 1990s. The diabolic consumption of livestock by the chupacabra represented the loss of Mexican sovereignty and state power to the United States; albeit implemented by Mexican elites and framed as the power of the "market" not of the United States. Neoliberalism and NAFTA opened Mexico to flows of capital and goods, substantially remodeled the countryside and left little economic space for small rural proprietors. Government subsidies to small independent ranchers and farmers were becoming extinct. They were unable to compete with goods either from the north or from the growing Mexican agribusiness. Without subsidies and facing inflation and soaring interest rates, many perished. They abandoned their plots. The monster put a face on the cause of the declining economic fate of the rural poor in the midst of much praised economic growth and market openings. The chupacabras was like the United States and its arm the IMF: elusive, invisible, yet extractive and controlling (Derby 2005, 323-325). Of course there were numerous internal cycles of business and nature that contributed to the fate of small farmers: demand dropped in 1993 and a 1996 drought was responsible for death of 3 million livestock and the loss of ten million tons of grains.

"El error de diciembre", one act of currency devaluation, highlighted the ongoing processes of neoliberalism; Chupacabra's victims highlighted the tragedy that had befallen the rural population.

The Crime of 1873 and the Wizard of Oz

The Wonderful Wizard of Oz, an allegory capturing the political and economic debates of the Populist Era, was written by Frank Baum in 1900. It contains a number of evil phantasmas. The wicked witch of the East symbolizes the Eastern financial and

business interests; the Wicked witch of the West symbolizes the large industrial corporations (or McKinley who defended the gold standard and denied independence to the Philippines after winning it). The fearless crows represent mortgage holders who peck relentlessly at farmers (the scarecrow).

The Crime of 1873 refers to the Coinage Act of 1873 which took the U.S. dollar off the silver standard. Those years of hardship and recession, were also times of grass-roots mobilization including the rise and decline of the populist movement. By 1894 unemployment had risen to 18.4 percent; the business failure rate was 133 per thousand, and bank suspensions numbered 496 in 1893, 89 in 1894, 124 in 1895, and 155 in 1896 (Rockoff 1990, 744). Farmers were being squeezed by low prices, high freight rates, and tight credit, leading to a distrust of railroad barons and bankers. Workers and farmers complained they were growing poorer while monopolies were growing richer. Many blamed the recession and impoverishment on the short money supply aggravated by the "Crime". The grass-roots movement, referred to as populism, advocated government ownership of the railroad, telephone and telegraph industries. The movement grew stronger during the 1892 depression, as farm prices plummeted and unemployment grew. Populists joined with supporters of Democratic Presidential candidate William Jennings Bryan to advocate for silver's return. They argued that the bimetallic standard, set by Alexander Hamilton in 1792 and functioning for most of the previous 100 years would ensure industrial growth and eliminate unemployment (essentially a support for an inflationary policy). They were opposed by supporters of gold who opposed increasing the money supply by adding silver.

Some have questioned any allegoric interpretation of Baum's book. Perhaps he was just writing a children's story with no intended commentary on the rise and eventual failure of populism. The most persuasive evidence to support the allegoric interpretation, given by Littlefield (1964), Rockoff (1990), and others is that Baum was a reform-minded Democrat who supported William Jennings Bryan's pro-silver candidacy and that references to current affairs also appear in his later works (Rockoff 1990, 757). While some have thought it was about the progressive movement not populism; or that the Wicked Witch of the West was not large corporations but the populist movement itself (especially Democratic reformers who thought the populists were dangerous radicals); one point remains: The Wizard of Oz and Chupacabra were monetary phantasmas, cultural productions that reflected the real hardships of lower classes that were powerless to ameliorate their own fate in the face of major economic shifts. In both cases, the villain was a currency shift. And thus the phantasmas of the Crime of 1873 and El Error de diciembre became icons of popular culture. ■