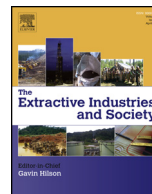




Contents lists available at ScienceDirect

## The Extractive Industries and Society

journal homepage: [www.elsevier.com/locate/exis](http://www.elsevier.com/locate/exis)



Original article

# The extractive imperative in Latin America

Murat Arsel<sup>a,\*</sup>, Barbara Hogenboom<sup>b</sup>, Lorenzo Pellegrini<sup>a,1</sup>

<sup>a</sup> International Institute of Social Studies, Erasmus University Rotterdam, The Hague, The Netherlands

<sup>b</sup> Centre for Latin American Research and Documentation (CEDLA), University of Amsterdam, Amsterdam, The Netherlands

### ARTICLE INFO

#### Article history:

Received 20 October 2016

Received in revised form 31 October 2016

Accepted 31 October 2016

Available online xxx

#### Keywords:

Extractive imperative

Latin America

State

Development

Poverty

### ABSTRACT

One of the main features of contemporary development politics in Latin America is the prominent role of the state. Another feature is the intensification of natural resource extraction. This extractivist drive is especially pronounced in the countries that are part of the 'turn to the left', which have at the same time played host to alternative development approaches. While Venezuela, Bolivia, and Ecuador have become emblematic of these processes, their impact can be felt across much of the region.

These changes have emerged within a particular context in which the electoral successes of the leaders in power have been underwritten by promises to eradicate what has been seen as the two cardinal sins of neoliberal policies: poverty and inequality. Eschewing aggressive redistribution, they have sought to achieve redistributive extractivism accompanied with largely expanded expenditure for social policies.

An 'extractive imperative' was thus borne as natural resource extraction came to be seen simultaneously as sources of income and employment generation and financing for increased social policy expenditure. According to this imperative, extraction needs to continue and expand regardless of prevailing circumstances, with the state playing a leading role and capturing a large share of the ensuing revenues.

© 2016 Elsevier Ltd. All rights reserved.

## 1. Introduction

The relationship between natural resources and development has emerged as one of the most contentious issues in development studies. The conventional wisdom suggests that for countries richly endowed with natural resources, extraction – for domestic use but in particular for export – is an integral part of the process of economic development. This position has increasingly come under attack, and not just in relation to the negative socio-environmental impacts of extraction. Even the economic benefits of extractive industries have come under question, especially since the late 1970s. Notwithstanding the bulk of global evidence on the tension between development and extraction, the view that resource-rich countries can leverage extractive activities to speed up the process of development, which can be characterized as 'extractivism', continues to hold currency (Svampa, 2013; Pellegrini, 2016a). In fact, the extractives sector is experiencing an unparalleled

expansion across the world with the commodity frontier reaching further and deeper.

This extractivist expansion is global. From the United States, which with its growing use of 'fracking' is slated to become the world's largest producer of oil and gas<sup>2</sup> (Evensen et al., 2014), to renewed interest in the rich resources of Africa (Büscher, 2015) and to non-conventional sources of extractives exports such as Turkey (Arsel 2003), there has been a boom in the extraction of minerals and hydrocarbons. But Latin America is the region that is emblematic of not only the extent of this expanding extractivism, with the spectacular advancement of the extraction frontier to most of the Amazon, but also the widespread anticipation that the sector will pave the way to socioeconomic development.

That Latin America has placed extractivism at the heart of modern development is rather surprising since the extraction of natural resources for export has a particularly long and dark history in this continent. The myriad tragedies – environmental, social as well as economic – inflicted at the juncture of colonialism and national extractive processes starting in the late 15th century have continued to unfold within the context of global capitalism up to the 20th century (and many would assert that they continue

\* Corresponding author.

E-mail address: [arsel@iss.nl](mailto:arsel@iss.nl) (M. Arsel).

<sup>1</sup> These authors gratefully acknowledge funding received from the Netherlands Organisation for Scientific Research (NWO) from its Conflict and Co-operation over Natural Resources (COCOON) research program.

<sup>2</sup> <http://www.bloomberg.com/news/articles/2015-06-10/u-s-ousts-russia-as-world-s-top-oil-gas-producer-in-bp-report>.

today) (Galeano, 1973). Yet, extractivism continues to be central to development policy and planning across the region today. It is increasingly taking a specific form, which is characterized by the fact that extraction itself is so central to development that it overrides any other concern; in other words, extractive activities seem to enjoy teleological primacy.

This means that what is observed in Latin America is more than extractivism as an economic policy. To state that it is extractivism taken to an extreme is accurate but not representative of the full story, not even if we describe it as 'neo-extractivism', qualifying extractivism with public expenditures in social programmes and investment in human and physical capital (Gudynas, 2010, 2012). Rather, the current shape of extractivist development policy has taken over the logic of other state activities, reorienting policy objectives to further justify and advance the policy of extractivism. It is this broadened, deepened and self-sustained form of extractivism that this paper describes as the 'extractive imperative'.

The extractive imperative is grounded on three ideological positions: that intensified extraction is indispensable to advance through a (implicitly Rostowian) process of structural economic transformation; that such a transition away from primary commodity exports to higher value added (and putatively more sustainable) goods and services (biotechnology rather than timber, electric cars rather than lithium ore, etc.) needs to be orchestrated and, to a large extent, executed by the state; and that poverty and inequality need to be addressed urgently throughout this transition and not put aside as the ultimate goal of development. As such, the difference between 'extractivism' (or neo-extractivism) and the extractive imperative is more than a semantic one. The former refers to development policies, whereas the latter can be located at a higher ontological plane as it describes the overall political zeitgeist, including but certainly going beyond state policies. That is, extractive activities play a foundational role in a model of development that shapes expectations and policies.

In this paper, we focus on the extractive imperative coinciding with the Latin American 'Left Turn' that has brought with it various policy experiments for constructing a post-neoliberal development paradigm. The confluence of the extractive imperative and rise of leftist governments has resulted in a specific set of state-society relations, marked by the presence of a strong state involved directly in extractive activities, seizing a large share of the rents accruing through extraction. These revenues have been invested in ambitious social policies and infrastructure for economic development assuring the legitimacy of the incipient post-neoliberal state and ensuring continuing popular support of the extractivist drive especially among the urban and peri-urban working classes. Backed by strong electoral majorities, many of these left turn governments have come to antagonize their early supporters within their countries' indigenous communities and progressive non-governmental organizations (Hogenboom, 2012). From TIPNIS in Bolivia to the Intag Valley in Ecuador, state forces have taken a hard line against resistance, criminalizing various forms of dissent (Hope, 2016 this issue; Avcı and Salvador, 2016 this issue). This, in turn, has started to change once again the relationship between the state and indigenous communities, putting at risk the tenuously maintained territorial sovereignties of the latter. These three interrelated dynamics require closer scrutiny to fully understand the implications of the extractive imperative developing under the Left Turn.

The paper has four main tasks. First, it defines and demonstrates the existence of an extractive imperative, which is central to understanding contemporary Latin American debates on development and social change. Second, it discusses the contextual factors that enabled the rise of an extractive imperative, which has come to dominate politics and policy making in the region even after

some of these factors have ceased to exist. Third, it locates the extractive imperative within a broad overview of debates on the relationship between natural resources and development. Fourth, it critically evaluates the impact of the extractive imperative on environmental sustainability, socioeconomic equality, cultural autonomy and the political room for participation and democratic dissent in Latin America. In developing these arguments, the paper engages with broader debates on the relationship between natural resources and development as well as the possibility of articulating a post-neoliberal development paradigm.

## 2. Contextual factors enabling the birth of an imperative

The extractive imperative became constituted during a specific historical moment when a number of important factors were aligned. The high commodity prices that prevailed for ten years since the mid-2000s are one such factor. Another, closely related factor is the increased appetite of the Chinese economy for such resources and the specific shape this demand took in China's foreign economic relations. Finally, the rise of a wave of administrations that aspired to create a post-neoliberal policy framework is also an integral development. These administrations had more room for manoeuvre since US foreign policy had less attention for the region than before. It is important to note, however, that while these factors were instrumental to prompting the extractive imperative they are not required to maintain it. Conversely, their subsequent disappearance could serve to demonstrate that an imperative to extract remains in place. For example, having entrenched the extractive imperative, high prices are no longer necessary to sustain it—at least in the short term. In fact, lower prices need to correspond with increasing volume of extraction to stabilize state revenues. If the continued presence of other factors are required to maintain the imperative remains to be seen.

The rise of commodity prices was certainly an important driver of a number of the dynamics discussed here. As Table 1 demonstrates, since 2004 there has been a substantial increase in the world market prices of some of the key commodities, such as gold, copper and oil, produced by Latin American countries. Putting aside ongoing debates whether these price increases can be explained as a super commodity cycle or whether they are likely to swing back to their high levels in the near future (Erten and Ocampo, 2013), it is important to recognize that the timing of the upswing allowed for the capture of substantially higher revenues by Latin American states. The increase is both in absolute terms and as a share of rents generated by extractive industries. The push

**Table 1**  
Indices of primary commodities prices, 2003–2015 (index 2000 = 100).

	Minerals and metals	Crude petroleum
2003	98	102
2004	137	131
2005	173	184
2006	278	221
2007	313	250
2008	332	342
2009	232	221
2010	327	281
2011	375	393
2012	322	397
2013	306	384
2014	280	349
2015 (I–III)	227	191

Source: United Nations, World Economic Situation and Prospects (Statistical Annex).

Download English Version:

<https://daneshyari.com/en/article/5114415>

Download Persian Version:

<https://daneshyari.com/article/5114415>

[Daneshyari.com](https://daneshyari.com)