

Progressive Extractivism: Hope or Dystopia?

by Don Fitz

The controversy over extractivism in Latin America has become a lot hotter. Though social justice and environmental activists have sought a partnership for years, this could become a wedge issue. The debate is core to our conceptualization of what type of society we are working to build and how we plan to get there.

Historically, social justice advocates have pointed to economic growth as the road to eliminating poverty. Inspired by authors such as Andre Gunder Frank and Eduardo Galeano, they understood that “underdevelopment” is not a result of Latin American countries’ lagging behind Europe and the US. It has flowed from their wealth being drained as they produced raw materials for rich countries. [1, 2] Could they break out of the “underdevelopment” cycle by keeping the profits from extracted raw materials?

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A new generation of Latin American authors has challenged the focus on extractivism because of the damage it does to indigenous cultures, the environment, and the health of current and future generations. Yet, their challenge is itself being challenged by those who insist that governments such as those elected in Venezuela, Bolivia, Ecuador, Uruguay and Brazil are improving the quality of life of millions of people by retaining a much greater proportion of extracted wealth.

Extraction is the beginning point of economic systems. It provides the physical basis for production. Wealth from manufacturing allows for the financing of medical care, education and other social services. Extraction includes not only critical metals of iron, tin, copper, zinc, lead, manganese, chrome, gold and silver, but also fossil fuels from gas fracking, coal mining and oil drilling (essential for plastics), tree harvesting, crop monocultures, and massive exhaustion of water, both for electrical power and aiding every other type of extraction.

If pro-extractivists are correct, then building a just society requires continuously raising levels of production and consumption in Latin America. If anti-extractivists are correct, the heightened awareness of crises in biodiversity, toxins, resource depletion and climate change means that we must dramatically redefine “progress.”

Though dozens of articles have appeared in print and on-line, four recent ones briefly lay out essential issues. Two are anti-extractivist, two are pro-extractivist, and all are easily accessible.

Anti-extractivism

Uruguayan Raul Zibechi describes the enormity of movements raging all across Latin America, in-

cluding those opposing mining, fumigation, crops with GMOs (genetically modified organisms) and fracking. [3] In just one year an amazing number of conflicts occurred in Peru (34), Chile (33), Mexico (28), Argentina (26), Brazil (20), and Colombia (12). Zibechi reviews a few of the serious health consequences of extractivism: kidney damage, birth defects, tumors, and a variety of nasty chemicals in the blood. One of the often unnoted extraction effects is using one type of natural resource for extracting another natural resource (37% of Chile’s electricity goes to mining).

A strong critic of extractionism, Benjamin Dangl nevertheless acknowledges that left governments in Latin America often use extraction income to fund significant social programs. This makes them less beholden to financial institutions such as the International Monetary Fund. Perhaps his greatest concern is that so many indigenous communities see no real change in the ongoing destruction of their culture when a left government comes to power. In fact, progressive governments may make conditions of life worse by expanding iron ore mining (Uruguay), fracking (Argentina) or GMOs (Brazil). Dangl hopes for the development of an alternative model based on sustainability. [4]

Pro-extractivism

Federico Fuentes charges that both Zibechi and Dangl advocate “a narrow ‘extractivist vs. anti-extractivism’” politics that “could end up hurting those it claims to support.” He acknowledges that there are many native-led anti-extractivist movements, yet he strongly defends what he identifies as “peoples’ governments trying to use their country’s resources to break imperialist dependency and improve living standards for the majority.” [5]

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Though most of Fuentes’ observations are well-reasoned, he raises two points that are dubious. First, he rejects “framing the debate as one between proponents and opponents of extractivism” because virtually nobody wants the economic damage that elimination of all extraction would bring. But the dichotomy distinguishes between two points of view which contrast in whether they desire to increase or decrease extraction.

Fuentes’ other disconcerting point is often made by those defending the proposed highway through the TIPNIS National Park in Bolivia. This

is the claim that opposition to the highway is manipulated by anti-environmental NGOs. Thus, opposition to policies of the Morales government serves “to stoke, rather than resolve tensions among the regions’ diverse social movements.” The logic seems a bit

strange since extractive projects throughout Latin America are done in partnership with

multi-national corporations. Is Monsanto not seeking allies to divide popular movements?

The reasoning is: To resist corporate power, we must be unified; opposition to a progressive government destroys unity; therefore, opposition is pro-imperialist. Such reasoning could easily be turned on its head: Since “progressive” extractivist governments divide the movements that put them in power, are they puppets of the 1%? A strong left is one that stimulates diversity and discussion rather than discouraging it.

A most interesting polemic is by Christian Tym, who argues that the phrase “Drill, Baby, Drill!” is progressive when applied to the Yasuni National Park in Ecuador. Like Fuentes, he acknowledges that there is huge indigenous opposition to drilling within the Park. But he documents that many indigenous Amazonians just as fervently support drilling. What gets his goat is activists who listen to only one side and do not recognize the serious divisions between indigenous peoples. [6]

Tym returns to the classic left argument that “There is a huge difference between drilling for oil in a neoliberal corporatocracy and drilling in Ecuador, where the public collects 85¢ of every dollar in profit.”

He emphasizes that, under President Correa, income from extraction has gone to improving the lives of the poorest Ecuadorians. Tym hopes that Ecuador will build more “Millennium Communities” where citizens “are provided with running water, sewerage, electricity, fiber-optic internet, satellite television and gas stoves and refrigerators.”

Left out of the discussion

The two sides often talk past each other while paying scant attention to fundamental issues of their opponents. And there are multiple problems which are insufficiently addressed by either side. Anti-extractivists often write of horrible effects of extractivism without delving deeply into the question “How can Latin America lift people out of poverty?” This weakness is flaunted by virtually every one of their critics.

Pro-extractivists write well of the need to reduce poverty while paying little more than lip service to the objection that extraction is destroying humanity-of-the-future. The “pro” side also tends to downplay “externalities” such as destruction of

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community and damage to health. Instead, authors imply that the quality of life would be better if people could buy more things, without taking into account increases in asthma, cancer and water-borne illnesses.

Water looms through every dimension of extractivism, which diverts it for electricity, contaminates it by mining and fracking, and leaves it poisoned through the increased chemical use which accompanies GMO crops. Actually, pro-extractivists tend to limit their discussions to mining and leave out the damage caused by logging, agriculture and water exhaustion. The pro side has not proven its case simply by documenting an increase in housing, hospitals and schools—they must demonstrate that these improvements outweigh the enormous destruction.

Exhaustion and ideology

Neither pro- nor anti-extractive authors ask what will happen when finite sources are used up. An economy based on a product which will disappear can promise only transient wealth. Extraction has a legacy of conjuring wondrous mirages of happiness and then draining an area of its riches, decimating its biota, leaving the community poisoned, and then moving on down the road.

Both sides should be looking at the alternative “slow extraction” method adopted after the 20th century Mexican Revolution. The county’s oil was conceptualized as a “patrimony” of the society, to be removed slowly so that it would last through many generations. It may have been history’s first “Leave the oil in the soil” campaign. It contrasts sharply with the recent “reforms” which allow more extraction profits to go to foreign corporations. It also contrasts with ongoing efforts by progressive Latin American countries to increase their rate of extraction. [7]

Neither the pro nor the anti side asks if extraction reinforces the corporate ideology that growth is the fundamental purpose of economics. This is abundantly clear from Tym’s approval of Sarah Palin’s phraseology of “Drill, Baby, Drill!” Playing fast and loose with health and environmental efforts to help the world’s poor has become a central part of corporate ideology. As Michael Klare documents, in June 2012, Exxon CEO Rex Tillerson remarked to the Council on Foreign Relations:

There are still hundreds of millions, billions of people living in abject poverty around the world. They need electricity... They need fuel to cook their food on that’s not animal dung... They’d love to burn fossil fuels because their quality of life would rise immeasurably, and their quality of health and the health of their children and their future would rise immeasurably. You’d save millions upon millions of lives by making fossil fuels more available to a lot of the part of the world that doesn’t have it. [8]

... extraction reinforces the corporate ideology [of] growth ...

This bears an eerie similarity to arguments advocating more extraction by progressive governments.

Fair trade coffee or fair trade GMOs?

There is an important economic detail that seems to have slipped by both pro- and anti-extraction authors: After obtaining raw materials it is necessary to sell them. Positions which organizations take toward extractivism in Latin America profoundly affect their environmental perspectives.

Consider these portions of the platform of *Québec Solidaire* for the Quebec general election of April 7, 2014:

- a reduction in greenhouse gas emissions by at least 40% of 1990 levels by 2020, and by 95% by 2050;
- development of a strategy to abandon the use of fossil fuels by 2030;
- a ban on additional exploration and production of fossil fuels and nuclear energy;
- a ban on the transportation over Quebec territory of non-conventional oil and gas (shale oil and gas, tar sands oil), whether by train, pipeline, boats or trucks. [9]

Support for progressive extraction in Latin America would require removing similar positions from every socialist, labor and environmental platform. If progressive governments are to participate in the frenzy to remove fossil fuels from the ground, then solidarity movements need to advocate the purchase of these products. They must do so even if those purchases mean reversing previous positions of being free of fossil fuels, prohibiting their transport over one's territory, or even being opposed to climate change. The logic of supporting progressive governments' putting more fossil fuel on the market requires either climate change denial, climate change muteness, or adopting an electoral platform that favors increased fossil fuel sale out of one side of its mouth while calling for decreased fossil fuels usage out of the other side.

It doesn't stop with fossil fuels. Solidarity movements the world over would need to reverse their positions on the use of a wide range of destructive products. This would include GMO crops, which are increasingly grown for export in Brazil and Argentina. Monocultures of GMO corn are particularly destructive since high fructose corn syrup contributes enormously to the childhood obesity epidemic. To stand in solidarity with "progressive" production of GMOs, millions of March Against Monsanto participants would have to turn around and march in the opposite direction. (Perhaps healthy food advocates would take down their conservative banners reading "Eat right!" and

instead inscribe upon them a new progressive slogan, "Make every kid fat!")

Who needs it?

This leads us to the question that could be the most rare for any economist to address: Does this product really help people? Again, both pro- and anti-extractivists tend to overlook whether the end results of products manufactured from extractivism are at all necessary for improving the quality of life.

An exception is Uruguayan Eduardo Gudynas, whose recent essay on gold mining should be read by anyone who still believes gold is useful. He calculates that only 10% of gold is used for technology and medicine while the vast majority is for jewelry and finance. [10]

We might ask if it is truly necessary for every person in the world to own a cell phone and other gadgets designed to become non-functional or obsolete in 1–5 years. If the answer is "no," then the majority of gold dedicated to technology is not helpful.

What about gold used in medical equipment? Cuba shows that many more lives can be saved by preventive and community medicine than by expensive machines. Multiple investigations document that a huge portion of medical technology is dedicated to machines that are unnecessary for diagnoses, merely prolong suffering at the end of life, accomplish little to nothing, or actually increase sickness. [11, 12]

This could drop the amount of necessary gold to 2–5% of that which is currently mined. That naturally leads to the question: Could the world sustain a total moratorium on Latin American gold mining and use recycled gold from machines, jewelry and ingots to provide that which is necessary for technology and medicine?

Similar analyses for other products of extractive industries would also be likely to result in the conclusion that only a very small proportion of that which is ripped out of the Earth actually makes anyone's life better.

Enough already?

While the accusation that anti-extractivists have not charted an alternative path for improving the quality of life seems accurate, it is also the case that

pro-extractivists have never proven that extractivism is the only exit route from poverty. The single most important point of the debate is curiously avoided by both sides: Is there

already enough wealth in Latin America to provide basic necessities? If the wealth is there but concentrated in the hands of a few, then an alternative solution would be to redistribute that wealth.

The solution needs to go beyond sharing and ask: What is being produced? The trillions of dollars devoted to armaments is massive waste that should be redirected to human needs. And the question most rarely addressed by progressives is: If we

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produced goods designed to endure rather than fall apart or go out of fashion, could we actually produce less while having more available for consumers?

By taking into account wealth which is hidden in destructive goods and planned obsolescence, there is good reason to believe that much more wealth already exists than is necessary to eliminate poverty. Additionally, there is a very large literature on how changes such as carless cities, passive-house design, and organic vegetarianism can reduce production enormously. These types of wealth are “hidden” from economic calculations because they reflect wealth that would come from producing less, and not more. For example, the quality of life could improve as people move out of air-conditioned buildings to enjoy outdoor breezes. [13]

Leftists may dismiss these as being nothing but “lifestyle” changes, but Cuba turned extensively to permaculture during its “special period” following the collapse of the USSR. [14] Cuba’s approach to

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medicine reveals how wealth can be attained by relying less on complex technology and more on meeting basic needs. Cuba spends merely 4% per capita of what the US does on medical care at the same time it sends medical brigades to dozens of countries, trains doctors from over 100 countries, and maintains a life expectancy equal to that of the US. [15, 16, 17]

What kind of world?

Scrutinizing the strengths and weaknesses of each side on the extraction discussion leads to the conclusion that anti-extractivist writers should devote more time to explaining how the poor will improve their quality of life without additional national income. But greater oversight must be shown by pro-extractivists, who need to look at more than the financial income of a single generation. They should examine long-term effects of extraction on 10, 100 or 1000 generations.

Both sides in the debate need to devote more consideration to what could be called the “eternity” issues. Once a species is extinct, it is gone forever. Once toxins are released into the environment, they persist for decades, centuries or millennia. Once finite resources are used up, they do not come back. Once enough climate change tipping points are reached, life for humans, if possible, will be hell. Tipping points are self-perpetuating and cannot be undone. Ways that extraction undermines the physical, chemical and biological basis of human existence deserve some weight in the class struggle.

This returns to the observation that extractivism in Latin America is a global question of what type of society we are striving to create. If we dream of a society which is a mirror image of capitalist obsession with the accumulation of objects, but without

poverty, then extraction may be the road to take. But if we work toward a fundamentally different society where caring for people replaces caring for things, then we could eliminate poverty by sharing the wealth that is existent and the wealth that is hidden. In such a world, extraction would continuously decrease.

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Notes

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