

Transitions and Post-Extractivism in South America

An Interview with Alejandra Alayza Moncloa

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This was supposed to be the point in the program when I would introduce to you **Alejandra Alayza Moncloa**, a sociologist from Lima, Perú who is currently heading up the Peruvian Network for Globalization with Equity.ⁱ

The Peruvian Network for Globalization with Equity is a network of eleven Peruvian civil society organizations that has been studying trade and investment policies from a perspective of rights and sustainable development, regional integration, south-south relationships, as well as discussion and development of proposals for the insertion of Peru in processes of globalization with equity. It was formed in 2007, first in response to the negotiations of the FTA with the US.

Alejandra has recently co-edited with Uruguayan Eduardo Gudynas from the Latin American Centre for Social Ecology (CLAES)ⁱⁱ two volumes of essays about the concept of Transitions and Post-Extractivism in Peru and the Andean Region.ⁱⁱⁱ

Unfortunately, Alejandra was unable to join us by skype today, so we recorded an interview by skype yesterday. Given the shortage of time to edit and translate the interview, which I would gladly make available in its entirety to anyone interested along with supporting materials, I'm going to give an introduction to this current school of thought based on that 35 minute interview, which only skirted the surface of the basic ideas. I'll draw on some direct excerpts from Alejandra and inevitably adding a couple of reflections of my own based on the experiences that I've had since 2007 looking at Canadian mining conflicts in the Andes and the tensions that emerge between communities, social movements, companies and the state at both the local and the national level.

First, in recent years, given how conflicts over natural resource extraction, especially but not exclusively in the areas of mining, gas and oil, have reached an impasse with both staunchly neoliberal and more progressive governments in the Latin America, rather than strictly dividing governments up into neoliberal or post-neoliberal, we are starting to hear intellectuals like Alejandra and others talk about extractivism and post-extractivism. The concept tends to characterize most governments as extractivist – in other words, highly dependent or increasingly dependent on the primary resource extraction – but lumps those who are making reforms that step away from strictly neoliberal models, such as to capture greater rents for redistribution into social programs and other more progressive initiatives, as neo-extractivist. This has helped to identify a central problem in Latin America in terms of the economic development model and how this continues to run roughshod over the values of Indigenous, campesino and Afro-descendent communities, to jeopardize ecologically, socially and culturally important areas, and to threaten crucial water supplies, even of larger metropolitan areas.

Alejandra and I started out talking about how the idea of extractivism emerged. She told me that in their on Free Trade Agreements that they “found an element that turned up over and over, about the way in which Peru was being inserted into the globalized economy, in a way that they considered perverse, as a provider of primary materials and that fundamental dimensions necessary for more inclusive forms of development were being abandoned.”

So they started looking at new ways of relating not just from the perspective of natural resources and nature, but also to put on the agenda the importance of discussing how to think in a model of development in the context of globalization that would give our country a level of autonomy, that would strengthen processes of regional integration, but that would transform our perverse dependence on the export of natural resources in order to meet the national budget.

First, **Extractivism** is understood, and this is part of the reason for denominating it an “ism”, as extraction in excess. Extraction of natural resources that are exported with no or little value-added processing. It also takes into consideration the important environmental and social costs that these activities are generating. These tend toward the concentration of land, and whose impacts tend to enter into competition with other local economic activities,

for example the competition between mining and agricultural activities for water. In their most aggressive form, this is called **predatory extraction**. Although, recently the concept of **extrahección** or **hyper-extraction**, was coined, which incorporates the idea of the use of violence in the context of the extraction of large volumes of primary resources.

The concept of predatory extraction is a problem not just for local actors, and not only given its large scale impacts, but given the concern, such as in the case of large-scale and intensive extraction of minerals in Peru, that these are non-renewable resources, so what happens when they run out? When a family runs out of their life savings, how do they keep going?

So, then we start to talk about **Transitions**. This isn't about no extraction at all, recognizing, for example, that activities such as agriculture also imply extraction. But rather about addressing the dimension or degree of extraction taking place, considering that this is currently not sustainable. So we need to change this. So, using the example of Peru as a country in which the model of predatory extractionism is installed, we need to establish a regulatory framework that would allow first for a shift toward a regulated extractivism or a rational extractivism, which are two terms in debate, which implies respect for collective community rights and full cost accounting in extractive activities. This involves, for example, addressing the obscene state subsidies or incentives that foment this sort of activity, whether in terms of infrastructure or tax breaks. This also requires diversification of the economic activities required to meet the national budget, for instance.

These transitions are phases of change, and they are not just economic, but also political and cultural. This signifies revisioning our concepts of development, for instance, not just diversifying production, but also to change our current perspective of endless possibilities of consumption, which we know is simply not the case.

Other stages in the transitions include **Indispensable Extractivism** and **Post-Extractivism**. Getting there also requires strengthening, for example, institutions such as Ministries of the Environment and environmental laws and regulations. We are also questioning within Peru, for example, whether it is necessary to exploit every deposit of minerals that we have just because it has a certain value, which requires the construction of large dams which also have large impacts in order to provide energy for the mining boom.

This leads us to consider how much we value other resources that will be important to us in the future, like water, and to adjust the costs of the metals, like copper, that we are using in the consumer goods that we frequently use and throw away.

Post-Extractivism is a long term project. It is about other models of development.

The concept of extractivism also forces us to think beyond national borders, and to think more regionally. Mineral deposits and ecosystems don't respect national borders. We need regional perspectives about the importance of these resources. Just to give a very specific example: anchovies. Peru put some controls on anchovy harvesting because of the importance of anchovy regeneration in order to maintain the stocks of larger fish, but then the fishers started to complain that this was just giving away business to Chilean fishers downstream. These aren't national resources, they're at a minimum regional. We have to see them in the context of ecosystems. We'd need some regional strategies to address the issue of prices in the markets for gold and copper, as well, like OPEP has done.

Given the stress over our water resources, for example, this is a crisis that crosses political lines. That we need to think past electoral schedules, to think long term about state policies to address extractivism, particularly when the electoral cycle itself is perversely tied to short term imperatives and that have continued to reinforce extractivism because of the importance of the short term gains for the short-term success of political authorities.

Recently, they have starting to look at extractivism in light of foreign investment, although we haven't started writing about it yet. First, they are looking at the concept in vogue under the current system, promoted by the World Bank and the IMF in the 90s in Peru, that says all investment is good and that a country like Peru is capable of attracting an endless amount of it. Most recently this has been reinforced through first bilateral trade agreements and now through perverse and worrisome agreements such as the Trans Pacific Partnership, which should be of concern in Canada as well.

These sorts of agreements end up punishing and holding governments hostage from making the sorts of changes necessary to transition away from predatory extractivism, such as through investor-state arbitration that allows private investors to sue sovereign

governments for decisions they have made in the public interest. Even threatening potential arbitration can be enough to put a chill on progressive public policy decision making. She notes that they are seeing even conservative governments, pointing to the example of Australia, conditioning their agreements to a certain extent. But ultimately we are going to need a new investment framework, that will facilitate a different kind of investment, new policies in areas of production, innovation that respond to who we are, culturally, nationally, and to be more in step the ecosystems in which we live.

The role of affected communities has been vital and courageous. This is important to recognize. Those who have stepped up to resist their local environments, up against tremendous inequity, and repression, **this has put the importance of putting limits on extraction on the agenda**. For this, she says, they are thankful. It is communities that have also been creating mechanisms for respect of collective rights, such as respect for prior consultation and consent. The Consultation Law in Peru has not only been important for the consolidation of identities of peoples, but also national and local institutionality in this area. Another area of innovation has been the declaration of no-go zones. These local level decisions might go beyond the existing legal framework, but they have nonetheless put on the agenda the importance of land use planning and ecological zoning that integrates a diverse range of values. It is reasonable to think that there would be areas that are not exploited because they have another value. These formal debates exist because of courageous, daring people who have creatively sought how up against tremendous inequality think about better mechanisms to reinforce local power and their power to negotiate their interests and demands.

Ultimately, this is an ongoing process. There is an open invitation to participate and work through some uncomfortable questions. Thinking beyond the short term agenda, toward a more macro-agenda and thinking about where we're heading. *It's not enough, for example, to think about the consultation process, if the extractive model can find a way to comply with prior consultation processes and still fail to address central issues that would transform this economic model.*

Ways that we're working on this: Publications. Group of investigators. Debates in the Andean region. Working through the idea of neoextractivism, it's not just about doing

extractivism better. Workshops. Dissemination of information, discussions, materials, articles, videos. Will start soon on a process to ask in Peru what sort of mining they want toward thinking about concrete measures that need to be taken to get there.

ⁱ <http://www.redge.org.pe>

ⁱⁱ <http://ambiental.net/claes/>

ⁱⁱⁱ <http://www.transiciones.org/publicaciones.html> and
<http://www.redge.org.pe/publicaciones-y-materiales>