

# The Dilemmas of Extractivism

by **Thea Riofrancos** | Providence College | triofran@providence.edu

Pink Tide or self-designated left-of-center governments in Latin America inherited, and intensified, a model of capital accumulation based on the extraction and export of natural resources. This model enabled socioeconomic inclusion and political empowerment for the masses, while simultaneously undermining more radical transformations. Reactions from the domestic right and transnational capital also imposed a serious constraint.

Anti-extractive movements faced challenges, too. On the one hand, they demonstrated the capacity to stall or disrupt oil and mining projects. On the other hand, they had difficulty assembling a popular sector coalition at the national scale with the power to enact an alternative to the extractive model.

In a warming world riven by inequality, it is vital to understand the accomplishments and the shortcomings of both of these leftist orientations to extraction. Below, I reflect on the Left-in-power and then on the Left-in-resistance.<sup>1</sup>

## Dilemmas of the Left-in-Power

For the Left-in-power, hydrocarbon and mineral resources provide crucial revenues to fund social spending and public infrastructure. In deeply unequal societies, such policies benefit the majority of the population and consolidate the electoral Left's political support. For the Left in Latin America, equally important is the ideological resonance of resource nationalism: if a country is rich in natural resources, the benefits should flow to the people in the broadest sense, not just to the rich and foreign corporations. In Ecuador, a long history of popular demands for nationalization, rooted not only in militancy among oil workers

but also in the Indigenous movements that would go on to reject extractivism tout court, framed natural resources as the collective property of the sovereign people.

Reliance on primary commodity exports, however, renders the goal of sovereignty elusive. Instead, this reliance has implicated Latin American countries in new forms of dependency—especially vis-à-vis China—and exposed them to the volatilities of global markets. Despite important innovations in the contract model for oil and mining concessions that increased the state's take, the extent of nationalizations via wholesale expropriation has been limited. Foreign firms retain influence over the extractive process, the territories in which it unfolds, and the state agencies ostensibly tasked with its regulation.

If midcentury developmentalism aimed for industrialization, which would reduce the share of the economy occupied by extraction while climbing the ladder of economic sophistication, Pink Tide governments made peace with service-sector-dominated labor markets and prioritized extraction over manufacturing.

The dilemmas of national sovereignty also raise the question: Who is “the nation” presumed to own resource wealth? In Ecuador, it had been first articulated from above, by the 1970s developmentalist military government that asserted state control over the oil sector, and then, decades later, from below, by a rebellious popular sector coalition that claimed popular sovereignty over subsoil resources. Indigenous groups have defined themselves as “nations” and “peoples,” claiming sovereignty and territorial self-determination. These claims were bolstered by the 2008 Constitution.

<sup>1</sup> This essay is adapted from the conclusion of my book *Resource Radicals: From Petro-Nationalism to Post-Extractivism in Ecuador* (Durham, NC: Duke University Press, 2020). See the original for full text and citations.

Meanwhile, with the 2006 election of Rafael Correa, a leftist president, the anti-neoliberal grassroots coalition, in which the national and regional Indigenous federations played a vital role, lost its unity. By pitting Indigenous and environmentalist activists against the beneficiaries of state spending, Correa contributed to this dynamic. His administration's vilification of anti-extractive protesters fragmented the popular alliance that had spearheaded anti-neoliberal protest. The "nation" to which Correa continued to appeal was increasingly unmoored from its historical conditions of articulation: meetings, assemblies, and protests. The "nation," or *el pueblo*, became an ideological resource for commodity-fueled, top-down leftist populism rather than a reflexively mediated collective subjectivity.

In addition to undermining national sovereignty, resource rents presented dilemmas for the leftist goal of equality. During Correa's decade in power, the combination of sustained growth, increased state revenues, and redistributive social spending slashed poverty from 37.6 to 22.5 percent. Resource rents, however, enable material benefits for the least well-off precisely because they do not require more radical redistribution. Commodity export-led growth is a positive-sum game: governments can boost the incomes of the poor without reducing the wealth of the rich, thus ensuring the political support of the former without provoking the reaction of the latter.

Increasing popular sector income, while a good in and of itself, also expanded domestic markets for consumer goods. Absent state regulation, domestic market expansion in turn encouraged firm consolidation and the increasing concentration of capital. In Ecuador, such concentration was evident in the healthcare, construction, supermarket, and other sectors. As these sectors grew, so did the political influence of their leading businesses, rendering it less likely that the state would strengthen regulations. Changes in class structure compounded these market dynamics: with more discretionary income, new consumer habits reshaped the political subjectivity of leftist governments' popular sector constituency. Even if economically

precarious, an emergent "middle-class" identity was politically mobilized by conservative political forces. Meanwhile, when the 2014 commodity bust drained state revenues, even leftist governments resorted to austerity measures, weakening their political support.

State spending thus mapped onto boom-and-bust cycles. Correa did attempt to smooth out state revenues: contra stereotypes of "rentier states," his administration expanded direct taxation and, with new taxes on large properties and capital exports, made fiscal policy more progressive. Spending, however, outpaced both resource rents and taxation, and Ecuador became increasingly indebted to China and to regional development banks. Additionally, the reliance on resource rents for social spending only reinforced the extractive imperative. When anti-extractive activists mobilized against socio-environmental impacts, state actors invoked redistribution and compensation policies to legitimize extraction. The tendency to ratchet up social spending evidences the provisional nature of any "political settlement" in extractive economies, and the mutually reinforcing and ideologically mediated dynamic of broad redistribution, localized compensation, and extractive development (Bebbington et al. 2017, 38).

Across the region, declining commodity prices—in 2012 for agricultural exports, and in 2014 for oil, ending the boom—destabilized the balance of class forces that had buffered leftist governments from conservative reaction. Meanwhile, the characteristics of the model of accumulation and accompanying state-society relations—popular incorporation via welfare programs and compensations for affected communities, funded by resource rents, and the fragmentation of the grassroots coalition—limited leftist governments' options once revenues shrank. From Venezuela to Brazil to Ecuador, austerity measures undermined popular support at the same time that elites defected and, in some cases, turned to extra-electoral means to remove the Left from power as in Brazil (see Teixeira, Motta, and Galindo in this issue).

During the Pink Tide, leftist governments did not exhaust leftist politics. In collaboration and conflict with these administrations was the Left-in-resistance: social movements that employed extra-electoral means of mobilization and protest, pushing elected officials to enact the transformations promised in campaign platforms. The relationship between state officials and social movement activists varied across contexts. Likewise, “the state” is not a monolithic entity but a variegated terrain shot through with internal disputes, power asymmetries, and institutional spaces more or less open to activist pressure—or to alliances with economic elites. Despite this diversity, in all cases Pink Tide governments neither fully implemented social demands nor fully co-opted or repressed movements. Intra-leftist contention was an ongoing feature of the Left-in-power. In this regional setting, Ecuador stands for the especially agonistic confrontations between a leftist government and the social movements and radical intellectuals that originally supported its rise to power. Once extractivism crystallized as the crux of dispute, a polarized dynamic ensued, diminishing possibilities for collaboration.

### **Dilemmas of the Left-in-Resistance**

In Ecuador and elsewhere, just as the Left-in-power was caught by a series of dilemmas, so too was the Left-in-resistance. Anti-extractive movements achieved impressive accomplishments: they stalled specific extractive projects and reshaped the debate over resource extraction, forcing states and firms to respond to new grievances and demands. However, anti-extractive activists have not mobilized a mass movement of the scale and strength of the anti-neoliberal popular-sector coalition that swept the leftist governments into office in the first place. To understand these achievements and limits, I reflect on three dilemmas anti-extractive movements faced: the dilemmas of extractivism as critique; the dilemmas of post-extractivism as positive vision; and the dilemmas of anti-extractivism as political strategy.

Extractivism is the central term of a critical discourse that recombines preexisting strains of Latin American thought with more recent discourses around the environment and indigeneity. It critiques the social formation it calls extractivism, folding into it the traditional Left and seeing in both capitalism and state socialism a wanton disregard for socio-natural harmony. This critique is indebted to dependency theory, sharing with this school of thought a narrative that begins with the violence of colonial encounter and traces its enduring effects in neocolonial patterns of “plunder, accumulation, concentration, and devastation” (Acosta 2016, 5). Indeed, both Pink Tide governments’ resource nationalism and movements’ anti-extractivism drew on dependency theory. The former saw underdevelopment as rooted in the absence of national sovereignty and regarded state-directed extraction as the route to equitable development; the latter focused on the pathologies of the super-exploitation of natural resources.

The critical discourse of extractivism also deviates from leftist tradition. Dependency theorists contemplated routes out of the situation of dependency, whether revolutionary or developmentalist. In contrast, extractivism discourse not only rejects “development” as a goal but regards the extractive model as deeply embedded in social structure, ideology, and even subjectivity, troubling the very possibility of transformation.

The framework of extractivism combines a *longue durée* timescale (from conquest to the present) with attention to the expansionary territorial dynamic of extraction. For example, the transportation infrastructure that accompanies extractive projects triggers a domino effect of territorial reorganization, as new roads attract human settlement, expand the agricultural frontier, and lead to further deforestation. From the perspective of extractivism as critique, the ideological spillover effects are even more pervasive. Extractivism becomes hegemonic common sense, what Maristella Svampa refers to as “the commodities consensus,” which structures

the parameters of politics and affectively binds subjects to the logic of extractive capital (Svampa 2015, 50).

Given this depiction of extractivism as an ideologically closed and constantly expanding system, short of an exogenous shock the possibility of transformation would appear foreclosed. Whence the problem of envisioning how a post-extractive society could be built out of an extractive society. Relatedly, there are the challenges of anti-extractivism as political strategy. Who is the imagined collective subject leading this transformative process? How is this subject composed, and by what means could it dismantle extractivism and assemble a new social form?

A post-extractive transition would have to wind down extractive projects, secure alternative sources of state revenue, and remediate social and environmental harm. Such an effort would face the immediate obstacle of capital's disciplinary power: revoking concessions or contracts inevitably provokes foreign firms to appeal to investor arbitration tribunals. This hurdle aside, there is the question of the temporality of such a transition. While anti-extractive activists demanded an immediate cessation of oil and mining projects, allied intellectuals have proposed a "planned decrease" that would phase out extraction while still channeling extractive rents to address social needs until new economic sectors are developed and taxation capacity is consolidated (Acosta). Ultimately, such a transition cannot unfold on the national scale alone: regional coordination would be necessary to reorient production and consumption toward satisfying human needs while maintaining ecological balance and to avoid the race-to-the-bottom dynamic that undermines domestic regulatory capacities.

If such a transition could be achieved, what would this new type of society look like? *Sumak kawsay/buen vivir* (living well) offers just such a positive vision. This concept imagines a society founded on the principle of harmony between individuals, communities, and nature, governed by social relations rooted in reciprocity and solidarity.

Though often framed in terms of ancestral cosmovisions, *sumak kawsay/buen vivir* is both a recent discourse and oriented toward the future, envisioned as "Andean and Amazonian utopias" (Acosta 2018, 102–103; Svampa 2016, 381). But the concept's ambiguity unsettles its own utopian vision. This is in part due to the versatility of the Quechua word *kawsay*. The word is very broad and capacious, and therefore can be used rhetorically to support different political projects. Hence, it reflects the opposed political projects to which the concept has been attached. Critics of extractivism use the concept in a utopian register: critiquing what exists from the standpoint of a desired future. But in Ecuador and Bolivia, it was a key term in official discourse.

In addition to these ambiguities, post-extractive utopian visions such as *sumak kawsay/buen vivir* face the dilemma of territorial scale. Whether the focus is on sustainable agriculture, artisanal production, governing the commons, or cultural practices, the recurrent point of departure for these visions is a rural—and usually Indigenous—community. The first challenge is scaling "up" to more encompassing orders of social life; the second is scaling "out" from the rural to the urban.

These challenges are linked to the third set of dilemmas facing the Left-in-resistance: those related to political strategy. I focus on the collective subject of resistance: the protagonist and the emergent outcome of processes of social mobilization. Anti-extractivism centers on the directly affected community, at once collective subject and geographic site of protest. This local territorialization of resistance is a strength and a limit. Local mobilization can obstruct extraction at a crucial choke point, but faces the difficulty of assembling a broader popular coalition with the capacity to take political power and transform the model of accumulation.

Across the region, scholars have noted an increase in resource-related conflict. The uneven territoriality of extraction is one key reason, and more importantly its socio-environmental impacts. Geography, however, is not destiny. Rather, the relationship between local communities and extraction is mediated by social,

economic, and political conditions. Opposition to oil and mining is more likely when projects are new (especially in areas without a prior history of extraction), threaten preexisting livelihoods, disrupt social reproduction, or conflict with place-based cultural practices. Project features matter: in the mining sector, foreign-owned, large-scale, open-pit mines are particularly contentious.

Legal norms and community organization are also relevant. The salience of the “directly affected community” is partly a product of international and national legal instruments such as the *consulta* and the writ of *amparo* or *tutela*, which aim to protect human rights from states or corporations. These instruments recognize the local community as a subject of rights and provide an institutional venue to contest projects, whether local consultations, environmental impact assessments, or courts. Communities that are politically organized (e.g., neighborhood associations, water committees, Indigenous organizations) and allied with other movements are more equipped to deploy such instruments against firms and states.

An anti-extractive strategy centering affected communities is a limited one, however: the legal and moral force of their grievances and demands is rooted in claims of spatial proximity and, often, rights linked to that proximity (and/or to ethnic status). Though this strategy is effective at contesting specific projects, it is contained by the uneven territoriality of extraction. Moreover, in the absence of strong alliances and organized solidarity, the territorial isolation of affected communities can leave them vulnerable to repression.

To shift from a defensive position of resistance to an offensive position of hegemony, anti-extractivism would need to join forces with a broader coalition of rural and urban popular sectors—including those who benefit from the social programs and infrastructure currently funded by resource rents.

## Coda: A Note of Generosity

These are among the thorny dilemmas confronting the Left-in-power and the Left-in-resistance in the context of an extractive model of accumulation on the peripheries of global capitalism. In Ecuador, these two forms of leftism confronted one another in a dispute that became so polarized that each saw in the other a political enemy more dangerous than neoliberalism. Lost in this internecine dispute was the radical promise of “twenty-first-century socialism”: collective, democratic control over the conditions of socio-natural existence. Such a program could have demanded the redistribution of oil and mining revenues and a transition away from the extractive model of accumulation into an endogenous, self-sustaining path.

Yet “socialism” and “anti-extractivism” came to name two counterposed political projects. Socialism meant state investment and spending in the pursuit of national development without transforming the model of accumulation or the class relations that it generates. Anti-extractivism referred to the militant defense of communities and ecosystems against the threat of extraction without mobilizing the majority not immediately affected by socio-environmental destruction.

At this juncture, it is worth highlighting the necessity of both the Left-in-power and the Left-in-resistance. Achieving socioeconomic equality on a livable planet constitutes the key political task for the hemisphere—and the globe. For all the contradictions of the Pink Tide, without the Left in power, political, social, and economic inequalities mutually reinforce one another, denying a dignified life to the vast majority, and protecting the privileges of the few. And, for all of the challenges of building an anti-extractive mass movement, resistance against oil, coal, natural gas, and large-scale mining projects is absolutely vital if we are to avert the worst of climate chaos. What is the possibility of Latin American leftists reconstructing a viable political project that can weave together egalitarian and ecological demands? The future is, more than ever, unpredictable. But if the past three decades of contentious politics in the region offer any

indication, resource extraction will remain a fertile terrain of radical politics. We can expect militant activists to refashion their critiques, revise their strategies, and assemble new resource radicalisms.

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