

## Latin America: contesting extraction, producing geographies<sup>i</sup>

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Characterizing continents is the business of fools, inviting the charge of essentialization, over-generalization, and caricature of nuanced and complex processes varying across space and over time. Likewise it can attract the criticism that to privilege the national or the regional understates the transnational dimensions of social change, and to take a territorialized view diverts attention from the networks that cut across space, linking distant actors and places. This short essay therefore claims neither to be a reflection on Latin America-wide phenomena, and far less a statement on the most significant aspects of the political economy of the region. It does, however, hope to draw attention to issues that merit greater attention from development and economic geographers, issues that are both relevant for and often related to processes of transformation occurring in other regions of the world. I peg these observations around the notion of *extraction* because I will argue that across the region the last decade has witnessed – or is soon to witness – a deepening of the extractive economy, that this deepening has involved and elicited an intriguing range of state and societal responses, and that these responses are integral to the production of development geographies. I also suggest that these processes offer much fuel for broader discussions in development and economic geography of neo(and post-neo)-liberalisms (Castree, 2008a, b), of the relationships between territory and networks (Bridge, 2008), and of the social production of nature and economy (Prudham, 2005).

### **Extraction: from Open Veins to Open Pits**

Resource extraction has a long history in Latin America: indeed, it could be defined as *the* history of the region. Galeano's classic *Open Veins of Latin America* (Galeano, 1973) traced what he sub-titled "five centuries of the pillage of a continent" involving the extraction of gold, silver, iron, nickel, manganese, copper, bauxite, tin, nitrates, petroleum, cacao, cotton, rubber, coffee, fruit, hides and wool. During the twentieth century, the visceral anger generated by so much extraction, so much suffering, so much inequality and so little development to show for it became another vein, this one tapped not by capital but by intellectuals and activists of various hues. This vein has proven to be particularly rich, and has been the source of raw material for remarkably fruitful forms of intellectual and political production. As Cristóbal Kay (1989) has insisted, this production has bequeathed to the world a great legacy: theories of structuralist and dependent development, the concept of import substitution industrialization, and forms of social and political organization that continue to inspire and serve as points of reference well beyond the physical borders of the region. Arguably, "Latin American Theories of Development and Underdevelopment" (Kay's book title) have marked critical development studies and development geography more than theories emanating from any other region of the world. These theories are in considerable measure (unintended) by-products of extraction, forms of intellectual resistance that have reworked political landscapes.

Concepts embedded within these theories – in both their intellectual and popular-political forms – have exercised significant influence over the governance (if not always the nature) of resource extraction. The nationalizations of Bolivian, Peruvian, Chilean and other mining industries, as well as of petroleum sectors in various countries, owe their origins to convergences between processes of socio-political mobilization and intellectual production in the region. Such governance changes were, however, relatively short-lived (with the ironic exception of copper mining in Chile that remained a public sector company right through the Pinochet period) for reasons that, though contested in the literature, at the very least have something to do with failures to get management models right. Their failures stand as a reminder that even revolutionary socialisms and nationalisms cannot escape from that law of success that “the devil is in the detail.”

While the post-1970s return to private sector led extraction did not lead to an immediate boom in extractive activities, since the mid-1990s, the mineral and hydrocarbon sectors have seen rapid geographical and economic expansion reflecting technological change, price increase and policy reforms (Bridge, 2004; Bebbington et al., forthcoming). Growing volumes of foreign direct (as well as domestic) investment have driven an expansion of the extractive frontier into new areas at the same time as intensifying extraction in many areas with long traditions of mining and hydrocarbons. Increasingly, this has involved not only North American, European and Australian resource extracting corporations, but also Chinese, Russian, Indian, Brazilian and S.E. Asian companies each looking for a bit of the action.

There has also been something of a change in the relative significance of sources of finance for this extraction, with private sector and export-import banks becoming increasingly important. While the international financial institutions (IFIs) continue to play a role, this is far more one of supporting policy reform and risk management for private investors than it is of money provision. These IFIs (in particular the Andean Finance Corporation and Inter-American Development Bank) are also important in facilitating a new round of infrastructural investment that lends support to the extractive economy (among others) with roads, waterways, energy grids, ports, and airports. These strategies of coordinated infrastructural transformation are brought together in two mega-initiatives, IIRSA (the South American Regional Initiative for Infrastructural Integration) and the variously named Plan Puebla-Panama/Corredor Logístico in MesoAmerica.

So while *plus ça change* (“extraction again,” Galeano still applies), some things have changed: the scale and pace of expansion, the financial flows involved, the domiciles and governance of the companies and finance houses investing in extraction, the interactions between extraction and investment. Meanwhile geographical research seems to lag too far behind these processes to be of much help to anyone at all (activist research seems considerably more nimble).

### **Contestation: movements/states**

Extraction in Latin America has long been accompanied by contestation. Mine workers played important roles in the emergence of mass organizations in various countries and in some cases (e.g. Bolivia in the 1950s) were pivotal in regime

transitions and revolutions. These were, however, mostly contestations around labour relations, forms of ownership and labour conditions. With oil since the 1970s, and the more recent round of expansion in both mineral and hydrocarbon economies, contestation has been quite distinct. Under market conditions that are driving remarkable profits, and technological conditions that imply a dramatically reduced need for unskilled labour, but an increased need for water, energy, land and landscape (this because new open pit and heap leaching-based technologies demand far greater access to each of these resources), who contests and why they are protesting has changed. While workers are less visible (though not absent) in contestation, rural and urban populations in areas affected by extraction have become much more important in these protests. Their protests are increasingly protests against dispossession (c.f. Harvey, 2005) – dispossession of land, water quantity and quality, landscape, security and everyday certainties about environment and livelihood. In some cases they are also contestations around dispossession of monetary value – with companies paying low taxes and royalties (and sometimes *no* royalties) for their use of the subsoil (Christian Aid, 2008). These protests have involved alliances across classes, across countryside and city, and across radical, environmentalist and nationalist-populist discourses (TCD-Andes, 2008). They constitute an object of study at the interface of social movements, environment and development (Peet and Watts, 1996) that differs in interesting ways from many prior objects of social movements research.

They also differ in that in a number of cases, contestations around extraction intersect with state processes in ways which may have significance for thinking through the relationships between movements, states and alternative national discourses on development. While it would be a stretch to say that contestation over extraction is the prime mover behind the different experiments with languages of “post-neoliberalism” in the region, the two are not entirely independent of each other. Venezuela’s experiment, while not a response to extraction, is largely made possible because of state controlled revenue from hydrocarbons. At the less populist-radical end of these experiments, the centre-left model in Chile also owes some of its success (in particular its ability to finance social investment) to revenue from the National Copper Corporation, Codelco, brought into state ownership by Allende’s government.<sup>ii</sup> Indeed, Codelco has been a point of reference and advice for Ecuador’s current government that, while it was not elected because of protests around extraction, *was* elected in an environment affected by such contestations (in this case over oil). Moreover, Ecuador’s cabinet in 2007 included two ministers with a background of activism and intellectual production in debates around the extractive economy. Indeed, each of them subsequently played important roles in taking the debate over how, and indeed whether, Ecuador should continue basing its economy in extraction, to the process for drawing up the countries’ new constitution.<sup>iii</sup> Meanwhile, the Bolivian case is the one where the election of a government committed to some sort of post-neoliberal development path is clearly related to protests around extraction. The so-called water wars and gas wars (Perreault, 2006)<sup>iv</sup> played an important part in laying both social and ideological groundwork for the election of Evo Morales.

Notwithstanding obvious differences, these recent national experiences suggest that past and present contestations around the extractive economy are linked in interesting – at times perhaps counterintuitive – ways to the different pathways along which a more or less post-neoliberal model is being elaborated in Latin America. They also

suggest that post-neoliberal economies will certainly not be post-extractive economies. Indeed, Chile, Venezuela and increasingly Bolivia suggest that the subsidy of nature is also a critical subsidy to post-neoliberalism. What might change in these political transitions (if transitions they are) is not the practice of extraction, but rather the governance of nature and the social control and subsequent use of its subsidy.

### **Geographies: networks, nations, territories**

These combined processes of extraction and contestation are producing new geographies of Latin America. Of course there are many other producers of geographies in the region, but the significance of initiatives such as IIRSA, of new energy supply networks, and of investment on the scale being anticipated for mining and hydrocarbons ought not to be underestimated. The changes are, in a word, enormous – and too few geographers are unearthing their dynamics and their implications.

There are many dimensions to these new geographies, here I close by noting three. First, in this process of expansion, whole new global production networks are being fashioned, linking specific territories and countries in the region to a wide range of actors, places and flows. As just two examples – in May, 2008 the President of the Shanghai Gold Exchange noted that fifty Chinese companies would soon be contacting gold miners in Peru (Caretas, 2008). Meanwhile in April, 2008, investors on the Toronto Stock Exchange went through a short period of panic as the Ecuadorian government appeared to freeze all mining activity (heavily dominated in Ecuador by Canadian companies and finance) in anticipation of greater regulation and state control of the sector.<sup>v</sup> Indeed, as my colleague Gavin Bridge (2008) has recently argued, bringing a global production network lens to an analysis of the new extractive economy (in Latin America) would be immensely helpful in tracing the complex networks involved in this expansion. Among other things it would help trace some of the links between trends noted here and several of those commented on by Mohan, Power and Sidaway in other essays in this same forum. The challenge, however, in making such linkages would be to avoid conveying a sense of the same global processes working themselves out in different continents, and instead to explore the ways in which the dynamics in these different continents, countries and territories are also shaping the forms that these global networks take.

Second, paralleling some, but by no means all, of these global production networks has been the further emergence, stretching (and over-stretching) of transnational networks of protest. Actors within these networks seek a range of different outcomes (not all can simply be labelled as environmentalist, rights based or the like). These networks also have peculiar geographical forms and consequences and bring “Latin America” into Europe, North America and Australasia in rather different ways – ways that themselves influence the ways in which Latin America is imagined by others.

Third, the intersections between contestation and extraction are constitutive of the production of new national and territorial dynamics. I have already commented on some of the ways this may be so for national post-neoliberal experiments in the region, suggesting important implications for theoretical work on the relationships between extraction, democracy and neoliberalization. But it is also the case that sub-

national territories are being transformed by extraction, arguably forever. These transformations, cultural and political, economic and environmental, offer valuable raw material for theorizing at the interfaces of development geography, political ecology and economic geography. The challenge is to avoid such theorization becoming one more exercise in extraction.

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<sup>ii</sup> As well as tax revenue from private sector mining companies.

<sup>iii</sup> One of these, Maria Fernanda Espinosa, Minister of Foreign Relations during 2007, is furthermore a US trained geographical political ecologist.

<sup>iv</sup> One of the social movement bases to Evo Morales’ political party (Movement Towards Socialism) was also an extractive economy based movement – the coca producers.

<sup>v</sup> Whether this will happen is, of course, a different question.