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An Andean Avatar: Post-neoliberal and neoliberal strategies for promoting extractive industries

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Abstract

Recent years have seen increasingly aggressive expansion of the extractive economy in the Andean-Amazonian region, as both hard-rock mining and hydrocarbon frontiers move into new territories and deepen their presence in old ones. In ways reminiscent of the film *Avatar*, this expansion drives conflicts over land, territory and political control of space with populations that reside in the areas targeted by the extractive economy. This expansion is occurring as much in overtly neoliberal regimes as in self-styled, and self-consciously post-neoliberal regimes. This paper documents this convergence, as well as the convergence among the different governments' ways of governing extraction and responding to socio-environmental conflicts. The paper then explores the reasons for this apparent convergence. It identifies factors related to: long-standing resource curse effects; the need to generate resources to fund social policy instruments that are integral to the governments' overall political strategies; power and information asymmetries among companies and governments; and global divisions of labour and trade agreements, among others. We conclude that convergences among Bolivia, Ecuador and Peru regarding the governance of extraction and the conflicts that it catalyses suggest the need for great critical caution before using the terminology of post-neoliberalism.

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Keywords: post-neoliberalism; extractive industry; mining; oil and gas; social policy; resource curse; indigenous peoples; Andes; Latin America

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'Enough is enough. These peoples are not monarchy, they are not first-class citizens. Who are 400,000 natives to tell 28 million Peruvians that you have no right to come here? This is a grave error, and whoever thinks this way wants to lead us to irrationality and a retrograde primitivism.' (Alan Garcia, President of Perú, 5 June, 2009)

'Is it mandatory to get gas and oil from the Amazon north of La Paz? Yes. Why?.... combined with the right of a people to the land is the right of the state, of the state led by the indigenous-popular and campesino movement, to superimpose the greater collective interest of all the peoples. And that is how we are going to go forward' (Álvaro García Linera, Vice-President of Bolivia, 11 September, 2009).

'It's absurd to be sitting on top of hundreds of thousands of millions of dollars, and to say no to mining because of romanticisms, stories, obsessions, or who knows what' (Rafael Correa, President of Ecuador, 11 October, 2008)

When Ecuadorian indigenous leaders went to a Quito cinema to watch the recent box-office hit, *Avatar*, several of the film's messages struck close to home (Spitzer, 2010). *Avatar* tells the tale of a planet Earth in which today's oil states (Nigeria, Venezuela) are militarised battlegrounds where global powers use force to secure access to oil. This is also an Earth so over-consumed that the US looks to outer space to secure the natural resources it needs to survive. There is no second contradiction of capitalism[1] at work here, however, because this search for and extraction of natural resources appears as big, and highly profitable, business. The film focuses on the encounter of one such business seeking out the precious sub-soil mineral 'Unobtainium' on the moon *Pandora*, also home to an indigenous people. The film charts the efforts of the company to use science, corporate social responsibility and military action in order to secure the deposits of Unobtainium that lie beneath the homeland and sacred sites of one particular indigenous tribe. The film culminates in a series of violent confrontations, with the indigenous people ultimately victorious, company staff summarily dispatched back to Earth, and a human supporter of the indigenous people going genetically native.

> It left a huge impression on us. For example, the movies are almost real. It's an example that makes us think a lot because the indigenous are defending their rights. We have to defend, just as the indigenous so clearly defended in the movie. We had an uprising; we had a confrontation with gases. It's the same as what we just saw in the movie,

commented Mayra Vega, a Shuar leader.[2] While some of the leaders' observations were more ironic – Luis Vargas, an Achuar, commented that 'This is a Hollywood movie, so it's practically a given that a *mestizo* comes to the defence and leads [the people] to triumph' – the similarity to their own experiences

[1] O'Connor (1998).
[2] This and all other citations are taken from Melaina Spitzer's report for Public Radio International describing the leaders' visit to the cinema (Spitzer, 2010).

with hydrocarbons and mining companies was palpable.[3] '[I]t's reality, what's happening now just in another dimension,' commented Marlon Santi, the leader of the Confederation of Indigenous Nationalities of Ecuador. The only difference for Santi lay in the level of conflict – in his own Sarayacu, the Kichwa population has been able to hold oil companies at bay without extreme violence.

Not so elsewhere. Across the border in Peru, June 2008 saw an attempt by the government of Alan Garcia to pass into law a series of decrees that would, *inter alia*, ease third party access to collectively held indigenous and *campesino*[4] land (Burneo, 2008). Though apparently intended to unblock stalled mining projects in the Andean highlands, this barrage of laws catalysed an 'Amazonian strike' led by indigenous organisations and involving river blockades and occupation of hydrocarbon installations. That strike ended when the government agreed to revisit some of the laws, but when by 2009 it was still dragging its feet, indigenous organisations mobilised again. That mobilisation culminated in a stand-off between protestors and the police on the Curva del Diablo, a stretch of road outside the town of Bagua. By the end of the day, 33 people had been killed, including 23 policemen, eleven of whom had been held hostage at an oil pumping station and deliberately murdered by their Awajun-Wampis captors in retaliation for the shooting of indigenous people. Even in a country so accustomed to violence, and where some 70,000 people were killed during the armed conflict of the 1980s and 90s (CVR, 2003), the events in Bagua rocked political debate and everyday conversation, and absorbed pages in both national and international press (e.g. Vidal, 2009). This was not violence on the Hollywood scale of *Avatar*, but it was brutal – and, as in *Avatar*, the killing was being done by indigenous people as well as the armed wings of the state or industry.

The Peruvian government's responses to Bagua were at best half-hearted, if not cynical. A Commission was created to investigate events, and round tables were convened so that government and indigenous leaders could negotiate a way forward. However, at the same time as indigenous leaders participated in round tables, they were also being pursued by public prosecutors as the intellectual authors of the deaths in Bagua. Meanwhile, when the Commission finally delivered its report, it was signed by just four of its seven members, and two members (a nun and the indigenous President of the Commission) produced a letter citing 43 reasons why they did not sign (Manacés Valverde and Gómez Calleja, 2009).

At the time of writing, and all this dissent notwithstanding, the Executive had sent a bill to Congress (Proyecto de Ley 3917) to ease forced resettlement of populations for projects that are of 'public or primordial interest' (Alerta Peru, 2010). Meanwhile, Awajun-Wampis leaders were meeting again to discuss the possibility of new mobilisations, and other lowland and highland indigenous and peasant organisations have called for public protest against the new bill.

In the remainder of this paper we argue that beyond the terrible human tragedy of Bagua, these events also have a more general relevance. We suggest that what occurred in Bagua can be understood in terms of broader processes unfolding in the Andean-Amazonian region. These processes raise difficult questions for those who claim that parts of Latin America are now governed by regimes that can be

[3] Another clear and striking similarity was with the mining company executive's incredulity as to why these backward peoples would not give access to their subsoil and agree to relocate in return for some schools and social services. It is impossible to count how often we have we heard the same consternation, apparently genuine at times, in our own interviews with extractive industry staff and consultants.
[4] 'Campesino' most literally translates as 'peasant', though in many instances also conveys a far stronger sense of culture and collective identity than does the English term.

characterised as post-neoliberal, and also throw very troubling light on the prospects for crafting new political economies in the many peripheral economies that are characterised by resource extraction.

Violent environments: what difference does post-neoliberalism make?

Neoliberal violence

The violence in Bagua had evident roots in deeper processes of structural change – the long history of usurpation of indigenous lands, the four decades of indigenous organising in the lowlands, the sustained failure of government to respond to lowland territorial claims. However, its immediate precursor was what Peruvian political and economic commentator Humberto Campodonico (2008) called a 'torrent' of decrees issued by the Executive Office under competencies given to it in December 2007 by Law 29157. This law delegated to the Executive the power to circumvent Congress and directly pass legislation necessary for implementing the terms of the Free Trade Agreement signed in 2006 with the USA. These powers were delegated for 180 days from 1 January, 2008, and on their basis the Executive issued a hundred or so decrees, a great many of which were issued towards the end of the 180-day period (hence the notion of 'torrent'). A number of the proposed laws had the effect of weakening communal forms of property, of facilitating private investment in areas historically occupied and owned by peasant and indigenous communities, and of strengthening the hand of the state in achieving the outcomes it wanted on these properties. A leading constitutional lawyer, Francisco Eguiguren, deemed that several of these laws had nothing to do with the Free Trade Agreement, and that as such the Executive Office had misused the powers given to it (CNR, 2008). Other actors – including indigenous organisations, legal defence groups and the Ombudsman – also considered that under the provisions of ILO 169 and Peru's Constitution, several of these laws should have been (but were not) consulted on with indigenous communities prior to their emission, and that as such they were neither legitimate nor constitutional (Chase Smith, 2009; Rénique, 2009).

Many of these decrees reflected the translation into legislative proposals of a manifesto for Peruvian development that Peru's President Alan Garcia had published (just two months before the passage of Law 29157) under the banner of 'The Dog-in-the-Manger Syndrome'. He used columns in the main national newspaper, *El Comercio*, to lay out his views regarding the main factors preventing Peru from entering into a full-blown 'take-off' along the lines proposed by W.W. Rostow in his theory of the stages of growth (Rostow, 1960). In essence, Garcia saw two main problems: a land and resource tenure system that offered indigenous and formally registered communities a degree of protection to rights of collective property and of consultation prior to large-scale capital investment on their lands; and a set of civil society organisations and activists that sought to defend these rights. These organisations were, for Garcia, the dogs-in-the-manger who wanted to prevent large-scale capital from deriving value from resources that indigenous and peasant communities could not transform themselves. Garcia (2007) complained:

> there are millions of hectares for timber extraction that lie idle, millions more that communities and associations have not, and will never, cultivate, in addition to hundreds of mineral deposits that cannot be worked. […] That same land, sold in large lots, would bring in technology from which community members would also benefit but the ideological web of the 19th century continues as an impediment: the dog in the manger.

Hydrocarbon expansion was moving slowly because 'against oil they have created the image of the "non-contact" jungle native', while for mineral development the problem was that 'barely a tenth of these resources are being exploited because here we are still discussing whether mining destroys the environment,' a non-issue for him. These arguments imply a vision of development for Peru in which the role of modern technology, private property, large-scale capital, and a combination of both foreign direct and domestic investment are paramount – a development process led by capitalists and in which the rest of the population participates as beneficiaries.

There is much to justify Richard Chase Smith's argument that Garcia's is a manifesto for a 'clear project of state reform that leads to an ultra-neoliberal model oriented towards the concentration of land and natural resources in private hands' (Chase Smith, 2009: 51): a project that is, furthermore, remarkably well organised. A 'torrent' of a hundred or so new laws does not appear easily – it requires an orchestrated network of lawyers to prepare these laws, guided and resourced by interests committed to this project. But the question is whether what is going on in Peru should be only, or best, understood as an exercise in ultra-neoliberalism; and, by the same token, whether the violence in Bagua should be understood as the product of one more dislocation of neoliberalism – one more neoliberal, violent environment (Peluso and Watts, 2001).

Post-neoliberal violence?

Peru's neighbours, Ecuador and Bolivia, are pursuing projects deemed anything but neoliberal – as much by international financial markets as by their own governments. After assuming power in January 2007, Ecuador's president Rafael Correa spoke of his new government as bringing the country out of its 'long neoliberal night'. One of the indicators, for him, of this unbridled neoliberalism had been the mining sector where, following reforms in the 1990s and early 2000s, rights to the subsoil had been handed out indiscriminately, leaving a large part of the central-southern highlands and Amazonian lowlands under concession. Legislation was so neoliberal that once a private party requested a concession, the state had to grant it; and to a very considerable degree, concessions could be renewed indefinitely. During his electoral campaign, Correa had suggested that Ecuador was on the verge of exploding, such was the level of social conflict induced by this situation.

Initially, Correa's government appeared to target the extractive sector as one in which it was going to prove its post-neoliberal credentials and craft new ways of governing the economy and natural resources. Indeed, the first Minister of Energy and Mines, Alberto Acosta, was an ecological economist in the Martinez Alier[5] mould, who sought to substantially rein in, if not ban, open cast mining. He and Correa also declared a commitment to a different way of managing oil (and carbon). This proposal hinged around the sensitive field of Yasuní-ITT (Ishpingo Tambococha Tiputini), located beneath a protected area of astounding biodiversity and occupied by Huaraoni and Ecuador's two remaining indigenous peoples living in voluntary isolation (Sevilla, 2010). Yasuní is, perhaps, *Avatar*'s Pandora on Earth. The government committed itself to pursuing an alternative proposal for the governance of ITT,[6] in which the oil would be left under the ground if the international community put half the revenue that Ecuador would otherwise have received from the oil into a trust fund that Ecuador could use for broad development

[5] Joan Martinez Alier is an influential ecological economist based at the Universitat Autònoma de Barcelona.
[6] The proposal had been floating around, and steadily elaborated over a period of years, in a process involving civil society groups, activists and academics. See Rival (2009 and forthcoming).

purposes. In a context of apparently growing discrepancy with Correa over issues of extraction, but also one in which Correa still needed Acosta politically, he left the Ministry and moved to the Presidency of the Constituent Assembly, which was charged with writing a new, post-neoliberal, constitution. While this weakened his agenda (including ITT) within the Ministry, Acosta carried his concerns with him to the Assembly, declaring that he would propose a ban on open-pit mining as part of the new constitution (Reuters, 18 April, 2008). Indeed, early in its work the Assembly passed interim mining legislation that declared stringent environmental and social controls, rescinded many concessions, froze a series of exploration projects until irregularities were addressed, and laid a basis for the creation of a state mining company. Yet, by the time the Constituent Assembly was finishing its work in late 2008, the distance between Acosta and Correa had widened. Acosta was sticking to his ecological economist's principles, while Correa clearly worried more and more about growth. The parting of ways became so palpable that Correa began to intervene directly by telephone in sessions of assembly working groups that were finessing articles dealing with, among other things, extractive industries and the issues of free, prior and informed consent.[7]

While all was not lost in the final constitution, the period since late 2008 has seen *both* new legislation that is much more favourable to the large-scale mining sector *and* a progressive hardening of Correa's positions on the rights of citizens to protest against extractive industry. If in late 2007 he was already saying:

> The ecologists are extortionists. It is not the communities that are protesting, just a small group of terrorists. People from the Amazon support us. It is romantic environmentalists and those infantile leftists who want to destabilize government (Correa, 2007),

by late 2008 his position had moved from ridicule to intolerance: 'I'll say it again, with the law in my hand, we will not allow such abuse, we will not allow uprisings that block roads that attack private property' (Correa, 2008). By late 2009 a healthy number of mining protestors were being pursued by the law, the government had moved towards (but then stepped back from) rescinding the legal status of Ecuador's most outspoken environmentalist NGO,[8] and a radio station in the Southeast of the country had its licence revoked because it had broadcast radical statements of indigenous Shuar leaders during protests against mining.[9]

As the executive's commitment to extraction hardened, the likelihood that Yasuní-ITT would become an oil field has also appeared ever greater. In January 2010, Correa rejected a long negotiated deal brokered by his own government with the UNDP, Germany, Spain and others that would have secured about half of the money required for the trust fund. The interpretation (made with the benefit of hindsight) of one member of this negotiating team is that Correa had never expected or wanted it to succeed, and had only set it up as a way of ultimately blaming oil-consuming countries (who he assumed would not pay the requested money) for the exploitation of hydrocarbons in Yasuni (Sevilla, 2010; Chiriboga, 2010). The success of the commission was, then, a surprise to Correa who, in an effort (according to Sevilla, 2010) to deliberately sabotage it, insisted that the conditions tied to the use of trust fund resources were

[7] We draw here on interviews with elected representatives and advisors present in those sessions.
[8] This occurred in March, 2009 – the NGO was Acción Ecológica.
[9] Following outcries the licence was later restored until the completion of a legal enquiry into the behaviour of the station (Moore, 2010).

too constraining: 'If that is how it is going to be, keep your money and in June we'll begin to exploit ITT. Here we are not going to trade in our sovereignty' (Correa cited in EFE, 2010). His Foreign Minister resigned in response. The significance of the Yasuní-ITT experiment failing would stretch well beyond Ecuador (where Correa's statements have left a profound sense of disappointment among some public intellectuals (Chiriboga, 2010)). Not only would failure suggest that efforts to keep oil underground are likely to fail, it might also mean that those OECD donors who had become inclined to support such an initiative would be less likely to risk wasting their efforts and political capital should a similar initiative arise elsewhere in the future.

While we cannot be sure of the reasons for this progressive hardening, many of them may well be fiscal. A member of Correa's first cabinet, by instinct an environmentalist sceptical of expanded extraction, recounts how, on seeing the government accounts, they first became aware of just how far the structure of government expenditure was dependent on the extractive economy. With the output of current oil fields projected to decline, the minister could see no way of sustaining social sector spending other than through expanding the oil frontier southwards (by implication towards Yasuni) and opening up large-scale mining. One imagines an 'ah-ha moment' of tragic revelation as the minister recognised the resource curse incarnate, staring up at them from the accounts and challenging the foundations of several political and ecological principles they had hoped to bring to their cabinet work.

This said, while fiscal concerns may constitute one set of factors that lead towards expanded extraction, another is undoubtedly interest group and coalition politics.[10] The lobbies – both domestic and international – to expand extractive industry in Ecuador are very powerful. In addition to the normal suspects (hydrocarbon companies, consultancies, civil engineering companies, publicly owned oil companies) sit less frequently commented ones (extractive industry workers' unions and the military). In the Ecuadorian case the last of these is particularly significant, the military having had at different times economic (income), strategic (border security) and territorial reasons for wanting to see the expansion of extractive industry. So, while Correa has his evident preferences as President, he negotiates a way towards these through a web of influences and diverse coalitions surrounding extraction.

The links between fiscal realities, extractive policy and political projects are clearer in the case of Bolivia, because the government makes no bones about the matter. The issue of extraction figured prominently in the politics that culminated in the election of Evo Morales' Movement to Socialism (MAS).[11] This process has been reviewed elsewhere (Perreault, 2006). Here the main point to make is that at the core of MAS's strategy on extraction is to secure surplus for redistribution: in the words of Bolivia's Vice President Alvaro García Linera,

> The social-state need[s] to generate economic surpluses that are the state's responsibility, […] you need to produce on a large scale, to implement processes of expansive industrialization that provide you with a social surplus that can be redistributed and support other processes of campesino, communitarian and small scale modernization (García Linera, 2009).

The strategy for doing this has been twofold. First has been a form of hydrocarbons nationalisation that, while not involving outright state ownership (Kaup, forthcoming), has massively increased the state's

[10] We are indebted to Manuel Chiriboga for raising these points.
[11] Morales took office in January 2006.

revenue from hydrocarbons (by an order of seven, according to some claims by Morales).[12] Second has been the concerted effort to extend the extractive frontier into both traditional and non-traditional areas of extraction.

In addition to securing overall macroeconomic stability,[13] this surplus is needed, according to the government, for two main reasons. The first is to increase transfers to those departments (sub-national administrative units) that currently receive no or few fiscal transfers from extraction because they have little or no hydrocarbon or mining activity within their boundaries. In the short term this revenue would be delivered through a hydrocarbons tax (IDH) on existing operations. Some of this IDH tax will be re-directed by central government to non-producing departments. In the longer term, the goal is to open new extractive frontiers in these departments, so that they too can produce their own oil, gas and minerals and hence receive royalties directly. The second reason is to fund the range of social programmes initiated or broadened by the MAS government, which together constitute an important programme of redistributive and targeted social spending. The reach and visibility of these programmes[14] has made them central pillars of the viability of MAS' political project.

Evo Morales himself has emphasised this association of targeted social spending and the extractive economy in his efforts both to justify the government commitment to extraction and to criticise the position of environmental and activist groups such as Fobomade (the Bolivian Forum on Environment and Development):

> What, then, is Bolivia going to live off if some NGOs say 'Amazonia without oil'? ….They are saying, in other words, that the Bolivian people should not have money, that there should be neither IDH nor royalties, and also that there should be no Juancito Pinto, Renta Dignidad nor Juana Azurduy [all cash transfer and social programmes] (Morales, 2009).

At times Morales implies that if there were other alternatives they would be pursued, but that this is not the case:

> necessity obliges us to exploit this natural resource, the gas, the oil, for all Bolivians…. If there's oil, gas, you know it is for all Bolivians and this money that we collect from oil, from gas, has to go to all Bolivians (Morales, 2009).

Even if the extraction encounters resistance, it has to go ahead because its fruits are for all and because there is no other quick[15] pathway to increased social investment.

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[12] See his speech in El Alto on You Tube: http://www.youtube.com/watch?v=g7G_oYDpKlQ (accessed 19 March 2010).

[13] The Morales government has, counter-intuitively, become a darling of the international financial institutions on account of its healthy budget surplus generated, above all, by gas.

[14] As evidenced by the many billboards advertising them as evidence of Evo's and MAS's ability to bring new resources to the popular sectors.

[15] Speed is important here. Political logic demands that Morales (and Correa) show results within the electoral cycle. Hydrocarbons offer one of the few ways of increasing government revenue in ways that are consonant with this need to demonstrate rapid increases in social expenditure. Politically and economically, growing and nationalising the hydrocarbon sector are more viable means of increasing resources for social investment than is the expropriation of domestic wealth (be this through either direct means or large tax increases).

Nonetheless, this felt necessity to extract has indeed triggered resistance and has done so among MAS's own ostensible bases, in particular lowland indigenous organisations, but on occasion highland organisations also. The chorus of discontent from these groups has gathered progressively more adherents and visibility since 2008. Recently, for instance, the Consejo de Capitanes Guaraní-Tapiete de Tarija (CCGTT), the coordinating body of indigenous organisations in Tarija (by far the main gas-producing department of Bolivia) issued a resolution complaining that:

> we are not prepared to continue seeing our demands subordinated to the interests and whims of other sectors and continuously passed over…. We wish to express our concern and annoyance that our territories are being permanently affected by natural resource extraction activities and infrastructure construction without any consultation with our organizations as laid down by constitutional principles and current laws…. No argument can justify government authorities or representatives of state or private companies simply ignoring all the rights that have been gained by indigenous peoples and that constitute the essence of the process of change underway in our country (CCGTT, 2010).

The resolution ends stating that the organisations will be mobilised until their demands are met.

And if relations with the Guaraní in Tarija have become tense, those with indigenous groups in the North of La Paz are yet more so. In this region the government – through Petroandina, a joint enterprise of the Bolivian and Venezuelan state hydrocarbon companies – is attempting to open a new hydrocarbon frontier in order that La Paz can generate its own royalties. The response of CPILAP, the Confederation of Indigenous Peoples of La Paz, echoes that in Tarija, expressing a sense both that their rights have been passed over and that they feel deeply let down by the government. Their Natural Resources Secretary declared on January 2010:

> we the indigenous peoples have been leaders in this process of change, but the minute we ask respect for indigenous issues and processes of consultation we've been accused of belonging to the right, and of being part of separatist movements (Servindi, 2010).

As with the CCGTT in Tarija, CPILAP in La Paz also declared itself in mobilisation.

At the time of writing, this increasing stand-off between lowland indigenous groups and MAS seems acute, with the government showing no sign of stepping back. On the contrary, the head of Bolivia's state hydrocarbons company YPFB, Carlos Villegas, recently stated that: 'The issue of environmental permits and consultation and participation has become an obstacle (to investment)', and that: 'This year we want to undo these obstacles.' A new draft hydrocarbons law reworking social and environmental safeguards so that 'social issues will not be an obstacle to investment' is now on its way to Congress (quotations from La Razón, 2010).

New (geo-)political economies?

The argument here is not to suggest that contemporary political and economic dynamics in Bolivia, Ecuador and Peru look exactly the same. There remain evident differences among the three countries' policies and approaches to extraction. Peru does not speak of increased state investment in, or regulation of, the sector; Bolivia and Ecuador do. Peru appears to welcome capital from all over, while

Bolivia and Ecuador suggest a certain predisposition to collaborate with state and private companies from Venezuela, Russia, Iran and others. There are also political differences. Peru has not gone through a Constitutional Assembly process, while Bolivia and Ecuador have rewritten their Constitutions in ways that should offer new constitutional resources to indigenous and *campesino* populations. Also, the Morales administration in Bolivia is still more open and able to negotiate and deal with its *campesino* and indigenous critics than is the case in Peru, where such critics are more likely to be persecuted and demonised (Ecuador appears to lie somewhere between these two positions). And evidently, the use of armed police and military violence on protestors has been by far the most severe in Peru (though it has not been insignificant in Ecuador either). So we do *not* want to suggest that there is nothing that is *post*- in Bolivia and Ecuador.

However, there *are* also convergences among the three countries, and the extractive sector seems to channel these convergences.[16] All three countries are encouraging the expansion of extractive industry as a pillar of macroeconomic strategy, and they each link this expansion to the possibility of poverty reduction and social investment. Of more concern is the sense that Peru, Ecuador and Bolivia also share a growing intolerance of resistance to this policy and each have greeted this intolerance with increasingly harsh rhetoric, criminalisation of protest (or at least threats to this effect), and a tendency on the part of their executive branches to emit proposals for legislative reform that reduce the scope for the exercise of citizen voice during the project cycle of extractive investment.

Another shared characteristic is that the extractive booms in Bolivia, Ecuador and Peru are each part of a far larger re-ordering of Latin America's geopolitical economy and economic geography. Of central importance here is the so-called 'Initiative for Regional Infrastructural Integration in South America' (IIRSA) – US$69 billion worth of 514 infrastructural investments in transport, energy and communications.[17] The logic binding these projects together draws on the shared historical imaginary of a geographically integrated South America, in which inter-oceanic roads connect the Atlantic and Pacific coasts of the continent, widened rivers (*hidrovías*) connect inland production zones (of soybean, grains, biofuels or whatever) with modernised ports, and pipelines and high-tension transmission lines link sources of hydrocarbons and hydroelectricity to consumers, exporters and energy-hungry sites of mineral extraction and processing. While senior managers at the Inter-American Development Bank have said, in interviews, that there is no strategic relationship between extractive industry investments and IIRSA, the potential synergies are not lost on some of the industry representatives we have also interviewed. These synergies include, for instance: the building of ports that will facilitate mineral exports; the building of pipelines that facilitate the transport of hydrocarbons; and the building of power lines that will, inter alia, bring electricity to extractive industry installations.

Synergies aside, the wider point is that South American geographies are being profoundly reworked in ways that converge on the Andes-Amazon region. Of particular significance here are the roles of Brazil and, to a lesser extent, Venezuela. In many respects, IIRSA reflects a Brazilian vision of Latin America,

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[16] At least as regards the logic of expansion in the extractive sector, one is tempted to refer to these as 'family resemblances' (Peck, 2004) and not merely convergences.
[17] For more information on IIRSA, see www.iirsa.org. According to IIRSA, by the beginning of 2009, 51 of its projects had been concluded and 196 were being implemented, with a combined cost of $38 billion; another 103 projects were being prepared, with a cost of $17 billion, and 31 projects had been defined as strategically important and so were being given priority (IIRSA, 2008). Given the scale of investment in IIRSA, and the transformations in South American environments that it will catalyse, there is remarkably little work on it in the academic literature.

while some of the key regional players in the extractive and infrastructural sectors are also Brazil based: Petrobras (hydrocarbons), Vale (mining), Odebrecht (civil engineering) and the Brazilian Development Bank-BNDES (finance). Meanwhile PDVSA, Venezuela's state hydrocarbons company, is an increasingly important partner in investment and technical expertise in Bolivia and Ecuador. But another factor in this reworking is 'China'. As the performance of the Chinese economy places yet further pressure on the competitiveness of Latin America (Phillips, 2009), this only increases the dependence on, and proclivity to promote, primary production and resource extraction as sectors in which a subsidy from nature sustains at least some global comparative advantage.[18] And in these sectors too, across all three countries, China appears as an increasingly important foreign direct investor.

At one level these patterns (if that is what they are) might be read as a straightforward manifestation of the resource curse as a path-dependent effect of long histories of extraction (Kaup, forthcoming). Here we appear to have three national governments with extraction-dependent public budgets,[19] whose ability to diversify their economies is circumscribed and who show signs of creeping authoritarian practices in order to secure the extractive base of their macro-economy, social spending and political projects. These tendencies towards authoritarianism in turn produce progressively more difficult contexts for social movements, who, for their part, seem increasingly predisposed to threaten, and even use, direct action. If there *is* something to this interpretation, then the implication is that the spectre of the resource curse, if not determining all political outcomes, is at least an important constraint on the possibilities of political innovation and of the construction of government (and societal) practices that can make substantive, and not merely discursive, claims to post-neoliberal credentials.

These resource curse effects (if, again, that is what they are) interact with other international and global phenomena.[20] First, the Andean-Amazonian region is of strategic interest to a range of global hydrocarbon and mining companies, not only because of its geological conditions but also its

[18] Though, as Bridge (2004) has argued persuasively, much of the comparative advantage in mineral extraction derives from policy frameworks, not geology.

[19] As indicators of this dependence, note the following figures generated by Leonith Hinojosa within the context of the programme on Territories, Conflicts and Development (www.sed.manchester.ac.uk/research/andes). Between 1990 and 2007, mining and hydrocarbons constituted on average 7.5 percent of GDP in Bolivia, 13.3 percent in Ecuador and 5.9 percent in Peru. This contribution has, however, increased markedly since 2000, and in 2007, the figures were 23 percent for Ecuador, 12 percent for Bolivia and 11 percent for Peru. The contributions of the extractive sectors to foreign exchange are far greater. On average, between 1990 and 2007, extractives made up 57 percent of total exports in Bolivia and Peru and 42 percent in Ecuador. Between 2004 and 2007, as commodity prices boomed, these figures jumped to 70 percent, 59 percent and 68 percent, respectively. Calculating direct contributions to government revenue is more complex – and not always transparent – but estimates suggest that in Ecuador some 50 percent of government income comes from the oil sector, while in Bolivia the average contribution from oil and gas over the last decade has been 34 percent (UNCTAD, 2007). As another measure of Bolivia's fiscal dependence on hydrocarbons, when overall income from hydrocarbons fell by 35 percent between 2009 and 2010, the central state's total revenue from taxes declined by 12 percent, and eight of Bolivia's nine departmental governments saw their budgets fall by 23 percent on average (Fundación Jubileo, 2010). In Peru, between 2000 and 2006 the contribution from extractives to total fiscal revenue increased from 10 percent to 42 percent. The trend lines for total GDP and the percentage contribution of extractives to GDP move together in Peru and Bolivia, as do the trend lines for the weight of extractives in GDP and government social spending, implying a clear link between income from extractives and social investment (Hinojosa, 2009). Gudynas (2009) likewise notes that governments, above all the socially progressive ones, have used incomes from extractive industry for social policy. The relationship is most direct in Bolivia, where the Direct Tax on Hydrocarbons was identified by the MAS government as the means of funding its commitments to fund a universal pension programme (*Renta Dignidad*) and the social policies brought together in its programme *Bolivia Digna* (which included a Social Protection Network, the Juancito Pinto programme [a payment to keep children in school] and an integrated community development initiative).

[20] We are indebted to Fernando Eguren, Manuel Chiriboga and Miguel Urioste for several of these reflections.

geographical location, which has led the region to occupy an important space within different visions of how the supply and distribution of energy within the Americas might be organised. These companies are of such power that there are not only asymmetries in their relationships with communities, but also with governments. The Spanish hydrocarbon giant Repsol, for instance, is colloquially referred to as the octopus because its tentacles spread everywhere in the region, occupying as it does tremendously strategic slots in the gas sectors in Bolivia, Peru and Argentina (which inter alia allow it to play countries off against each other). Second, and related, companies resist increasing levels of local processing, thus limiting the extent to which the host country can gain from extraction. This is perhaps clearest in Bolivia, where Morales' government insists on the need to increase value added in country (for instance in the case of lithium, where the government wants to see extraction linked to battery production), yet international capital shows little proclivity to engage in this. This reflects, more generally, the relative inability of host countries to create new modes of more geopolitically autonomous forms of decision making. Third, as Phillips (2009) notes for the specific case of China and Latin America, the overall structure of international trade appears to work to constrain development options for the Andean countries beyond any path-dependent constraints that derive from the resource curse itself. These structuring effects are then further consolidated by free trade agreements. Continuing with the case of China, in March 2010 Peru and China signed a free trade treaty that was based on a trade relation in which 70 percent of Peru's exports to China are minerals (and another 10 percent fish products). While these exports give Peru an overall trade surplus with China, in all sectors other than natural resources China enjoys a surplus, especially in textiles and manufactured products – a classic centre-periphery model that seems likely only to deepen Peru's dependence on resource extraction (Otra Mirada, 2010).

These global factors also draw attention to some of the interest groups and coalitions that constantly lobby for the expansion of extractives. These lobbies, both international and national, mean that while it is clearly the case that Presidents (and Vice-Presidents, in the case of García Linera) are ultimately responsible for the overall course of policy as well as specific policy decisions, it is important not to overstate the agency even of the executive. In this sense, the trend towards expansion of extractives is an artefact of national and global political economy, as well as of presidential fiat. Furthermore, one should not forget that there are also coalitions and organised interests, especially in Ecuador and Bolivia, that are not yet convinced of the wisdom of expanding extraction and which, because of their political leverage, can limit the extent to which presidencies can be openly gung-ho about such a policy. Indeed, by some accounts, it is precisely because of the need to appease such interests that Correa appears to be killing the ITT initiative by a thousand cuts rather than with a single blow.

Other questions also arise. If the Peruvian experience is anything to go by, protestors will demand that their localities receive a greater share of the revenue generated by extraction, and the industry will support this, in the hope that it eases their operating difficulties. However, the experience so far from Peru is that these transfers create even more conflict than the extractive projects themselves (Arellano-Yanguas, forthcoming, a and b). The difference, however, is that these conflicts are now *within* local society and local government rather than *between* society, enterprise and central authorities. In a context in which extraction moves deeper into areas historically occupied by indigenous peoples and claimed by them as territory, then the possibility must exist that conflict *within* indigenous society will increase.[21] This

[21] In the case of Bolivia, we have already noted this trend among the Weenhayek (Humphreys Bebbington and Bebbington, 2010).

raises important questions about the longer-term nature and viability of indigenous populations in these areas.

Finally, reading across the three countries raises troubling issues of geographical and social justice, for the logics and consequences of extraction seem very similar, regardless of the political project or ideological model. In each case, the argument is made that the subsoil belongs to the nation, and that it should be extracted so that its benefits can be shared by that nation. While the absolute benefits that are actually enjoyed by this 'nation' may vary among the three cases – the government's proportional shares of the value of the subsoil may be higher in Bolivia than in Peru – the distributional effects are similar. Value is taken from certain spaces and distributed to others. The spaces that bear the brunt of the externalities generated by extraction are in the vicinity of the wells, mines, pipelines and smelters, and in none of these three countries are environmental safeguards and regulations handled with the seriousness necessary to offset the risk that today's sites of extraction will be tomorrow's sites of contamination and reduced viability. Meanwhile, benefits and opportunities accrue in other spaces – in departmental and national capitals and more generally in areas of demographic concentration. This seems to be exactly the same, whether we are talking of the north of La Paz in Bolivia, Yasuní in Ecuador, or Rio Corrientes in Peru. And, once again, these are spaces that are occupied by indigenous groups who have been systematically and repeatedly disadvantaged by national development models. That pattern shows no sign of changing, whether under neoliberal or post-neoliberal regimes.

Taken together, the politics and economics surrounding extraction in these three countries complicate distinctions between neoliberalism and post-neoliberalism, raising questions as to what the pre-fix 'post' refers to. If it is supposed to refer to differences in macroeconomic policy, then as far as the extractive economy is concerned these differences are not that great. If it merely refers to differences in political discourses and the ways in which nationalism, imperialism and capitalism are *talked* about, then the difference implied by being 'post' would seem to be more rhetorical that substantive. And if it refers to differences in political style and practice, distinguishing regimes that are brazenly sympathetic to extractive capital from those that are just actually sympathetic, then ironically the 'post'-neoliberal seems the less transparent of the two. To the extent, then, that Bolivia and Ecuador have been sources of inspiration for those who hope for a post-neoliberal agenda, the implication is that much more hard work has to be done to define the substance of this agenda.[22]

Whether these various neoliberal and post-neoliberal dynamics around extraction will translate into replays of Bagua is impossible to say, though the increasing assertiveness of presidents and indigenous organisations alike is cause for concern. What seems far clearer is that this is a pattern that translates into replays of long histories of colonialism, of violent incorporation of peripheries, and of resource dependence. In that regard, the *post* in post-neoliberalism seems to count for too little.

[22] Thanks to Matthias vom Hau for pushing us on these issues.

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