

The Extraction Imperative or the Curse of Development?

Mining, Law and Equity
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SOAS

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Latin American Development

- Resurgence of the Left: Left Turn, Pink Tide, the New Left, Socialism of the 21st century, Andean-Amazonian Capitalism...
- “Latin America is the only region in the world where some counter-hegemonic processes of importance might be taking place at the level of the State at present” (Escobar 2010, p. 1)

Crisis of development & neoliberalism

- 1950s-late 1970s Import Substituting Industrialization (ISI)
- 1980s Shift toward neoliberalism
- Overwhelming domination of neoliberal policies
 - Insufficient progress with poverty reduction
 - Worsening socioeconomic inequality
 - Intensified extraction of natural resources
 - Marginalization of peasant and indigenous communities – particularly those living at the commodity frontiers
- Re-placing the state:
 - Increased penetration of the market logic into all spheres of life, displacing the regulatory function of the state with the price mechanism
 - Changing role for the state – from actively leading socioeconomic development and providing social protection to facilitator of markets



Rafael Correa

- Diagnosis: “...perverse system [had] destroyed our democracy, our economy and our society”
- Prescription: “refound” the country’s institutions, particularly the state”
- Long term prognosis: Construction of the “Socialism of the 21st century” with a “Citizens’ Revolution”, which will put an end to the “long and sad night of neoliberalism”

Citizens Revolution

- New Ecuadorian constitution:
 - New conception of development and ‘living well’:
Sumak Kawsay – buen vivir
 - New role for nature: endowed with constitutional rights to existence, preservation and restoration and integral to living well
 - Renewed role for the state: Top-down developmentalism

Buen Vivir

“In its most general sense, *buen vivir* denotes, organizes, and constructs a system of knowledge and living based on the communion of humans and nature and on the spatial-temporal-harmonious totality of existence. That is, on the necessary interrelation of beings, knowledges, logics, and rationalities of thought, action, existence, and living. This notion is part and parcel of the cosmovision, cosmology, or philosophy of the indigenous peoples of Abya Yala but also, and in a somewhat different way, of the descendents of the African Diaspora” (Walsh 2010: 18)

Citizens' Revolution in practice

- 'Bolivarian Nationalism'
 - Anti-US rhetoric
 - Increased presence of China
- 'Nationalization of extraction'
 - Expansion of oil exploration and exploitation (through service contracts)
 - Introduction of large scale gold and copper mining
- Default on 'illegitimate' foreign debt
- Tripling of minimum wage to \$318
- Expansion and intensification of infrastructure building
- Public investment \$63 in 2006 to \$353 in 2011
 - Education, healthcare, income support for disabled and elderly, CCTs

New mining law

- Large-scale, open pit mining
- At first: state-negotiating directly and aggressively with foreign mining companies, demanding high royalties, service contracts, etc.
- Kinross pulls out in 2013
- Law is revised, royalties are capped at 8 percent
- CRCC Tongguan begins US\$ 8.5 billion investment in Zamora
- Codelco receives state support for mining in Intag Valley





<http://underrichearth.ryecinema.com/>

INTAG

LIBRE



NO MINERIA



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LONGITUD TOTAL: 231.00 m.

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监理单位:
FISCALIZACIÓN:



INDETEC

施工单位:
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Extractive Imperative

- Democracy, time-scales and sustainability
- Poverty-reducing growth, not redistribution
- Scales of benefits:
 - Urban and peri-urban working classes vs. communities (mostly, not exclusively, indigenous) depending on natural resources
- Criminalization of dissent
- Expectations and curse of development:
 - “Ecuador’s mineral riches...trapped in the ground”