VIOLENCE, INEQUALITY AND DEVELOPMENT

David Barkin

Inequality is the watchword associated with development these days. Throughout the Global South the burgeoning literature on growing inequality is testimony to the profound social impacts that ‘development’ is having on people’s lives and their environments. A great deal of the material on inequality comes from the North, in part stimulated by Piketty’s book (2014) and on-going work by Milanovic (2015). In general, however, the literature and its critics do not take into account the structural conditions of the global economy that increased inequality among and within countries (Barkin 2015).

Present development strategies are not only exacerbating inequality but also directly provoking violence in our countries. Rather than repeat the well-documented processes for the advance of inequality (e.g., Stilwell 1993; Stilwell and Jordan 2007; Obeng-Odoom 2014), in this short article I examine the relationship between growth promotion policies and the intensification of violence within countries in Latin America. The focus is on extractive industries because these are at the centre of development policy in the region. The conflicts are aggravated by a series of complementary approaches being implemented in line with international commitments to achieve the ‘Sustainable Development Goals’ agreed upon within the United Nations framework and to reduce greenhouse gas emissions in accord with the Kyoto Protocol of 1997 culminating in the Paris meeting of 2015.

From Industrialisation to Extractivist Policies

During past decades, Latin America moved from an industrialisation and finance-based development strategy to the modernisation approach

reminiscent of its colonial and 19th century history: a ‘deepening’ of primary sector production, fuelled by the sharp rise in international commodity prices and the growth of external demand. This shift is producing significant structural changes in the region’s economy with important effects on the social structure and well-being of the population (Nadal 2011). The shift marks a sharp turn from the state-led initiatives adopted in the post-World War II period based on the controversial ‘inward-oriented’ import substitution policies promoted by the Economic Commission for Latin America, grounded on the innovative ‘Singer-Prebisch thesis’ of the historical tendency of ‘declining terms of trade’ (Prebisch 1950; Singer 1950).

This radical turn in development policy was especially evident in Mexico. The impetus created by incipient industrialization during World War II was extended by encouraging and protecting new industries and stimulating agriculture with a two-prong thrust to encourage peasant production for internal markets and to promote agroexports in its new irrigation districts that were to be the spearhead of a new decentralized regional development strategy. This approach incorporated large numbers of peoples into a new industrial labor force, generating a dynamic that created a ‘middle class’, complemented by public policies to support rising wages, improved living conditions for broad segments of the population, the extension of public education and the creation of infrastructure that would support future development (Barkin, 1990; Morton, 2011).

The profound changes imposed on the region during the last decades of the 20th century reflected an important realignment of political forces and economic power in the global economy. This transformation was achieved by the implementation of structural adjustment policies; later dubbed the ‘Washington Consensus’ (Williamson 1990, 2000). The neoliberal programme facilitated access of transnational capital to the most productive activities, the opening up of the economies to international competition, the deregulation of markets, the liberalisation of capital flows, the restructuring of fiscal policy to shift burdens from the rich to the middle sectors and consumers, and the renewed emphasis on monetary policy to control inflation through exchange controls and tight limits on wage increases.

The reordering of institutional arrangements set the stage for the wholesale opening up of the region’s economies to a new wave of
investment oriented towards natural resources and other activities with low value-added like assembly operations employing unskilled workers. As a result, the continent is now embroiled in a seemingly unending series of problems with unforeseeable consequences for its future evolution (Veltmeyer and Petras 2014; Gudynas 2016).

It is significant, however, that in most countries the advance of capitalist projects is not going unopposed; there are innumerable examples of peoples and regions joining forces to create alternatives that offer examples of the diverse ways in which others might transcend the seemingly overwhelming power of the present stage of capitalist development.

The reorientation of economies in Latin America is a dramatic story. Without going into the details and the data, which are readily available, it is accurate to say that the region has undergone a ‘simplification’ of its economic structure over the past twenty years in marked contrast to what has been happening in other parts of the world (e.g., Altomonte and Sanchez 2016: 63ss). Because of important changes in the sectoral composition of production and trade, there has been a reduction in the diversity of the economic structures in the region. The analysis continues with an explanation linking this transformation to the production of inequality.

Reprimarisation

During the present century, there has been an important increase in foreign investment in natural resource exploitation as a result of two inter-related factors: 1) the lack of dynamism in industry, and 2) the buoyancy of commodity prices for regional raw materials. This increase in natural resources production was not accompanied by the expected increase in the complexity of the economy, that is, denser interindustry linkages and feed-back mechanisms to generate demand for skilled labor. Foreign investments in agriculture, electronics, consumer products and extractive industries became enclaves with little integration to the rest of the economy (e.g., Gallagher and Zarsky 2007). While this development

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1 After writing this paper, I was referred to an article with a similar title highlighting this phenomena in the southern cone of South America (Cooney 2016).
led to different sectoral specialisations among countries, the increase in production of minerals in the Andean countries (Chile, Bolivia, Peru, and Ecuador) and Mexico, petroleum output in Ecuador and Venezuela, forestry and mining in Uruguay, soybeans in Argentina and Brazil (along with forestry and mining) all had predictably similar impacts: as in the past, they generated sizable rents for the foreign investors and left considerable environmental damage (or liabilities) in their wake.\(^2\) While this development did stimulate economic growth, it did not lead to the generation of employment on a scale required to meet the needs of the country. On the contrary, as we shall see below, they are forcing the displacement of many communities and provoking serious social and political conflicts virtually everywhere they locate.

This expansion of the extractive industries is now affecting many more dimensions of social life than was the case with the mining projects of yore. For this reason, in Latin America, analysts (e.g., Alberto Acosta, Eduardo Gudynas, Maristella Svampa) have begun speaking of 'neo-extractivism' to refer to this much more intense process involving faster depletion of the soil, greater use of chemicals in agriculture and mineral processing, export orientation, and little local value added (cf. Gudynas 2013; Lang 2013; Svampa 2015). With our greater knowledge about the dynamics of the mining industries and their environmental impacts, we can examine with certainty its effects on biodiversity and trace the ways in which control of lands is uprooting communities from their territories. The ‘neo’ aspect of this process is being extended to the new resource economy’s impacts on the agro-food chain, by channeling of fertile lands to biofuels and soy, mentioned above; unlike the changes in land usage in the past, this new pattern involves profound changes in social relations, territorial management, and resource degradation on a much greater scale than ever before (Dietz and Burchardt 2014; Veltmeyer and Petras 2014).

\(^2\) An important discussion has been raised about the rents generated in some Latin American countries from the imposition of sizable taxes on these incomes; in some cases, this surplus has been captured by joint (public-private) enterprises. In Bolivia, the government is using this income to finance social and physical infrastructure throughout the country, while in Argentina it was important for strengthening social welfare programs until the change in administration in 2016; in Ecuador, it was expected to finance industrialization programs that were never implemented. In Venezuela and Mexico, rents from state-owned petroleum enterprises were used to finance the government budget, creating the basis for the ‘Bolivarian Revolution’ of Hugo Chavez in one case and the transition to a hardening of neo-liberal policies in the other (Katz 2016).
There are other aspects of the structural transformations that drive the relationship between promoting development and inequality. One of the most important is the commitment to large-scale investments in infrastructures, either to ‘service’ the needs of the primary sector producers and/or to create the basis for future industrialisation. These construction projects are being implemented on a grandiose scale; the Integrated South American Regional Infrastructure Initiative (IIRSA) for a transcontinental highway system starting in Brazil and extending across the Amazon into Peru and Ecuador is one of the most ambitious (Barkin 2009). Another important group of projects involves the construction of large hydroelectric projects that flood large areas to retain the waters needed for full-scale operation of the turbines; one of the most notable of these is the Dam at Belo Monte on the Xingu River in Para State, Brazil (Fearnside 2006, 2014; Klein 2015). Built with the stated aim of promoting welfare by generating electricity needed for processing minerals, they involve large-scale displacements of indigenous groups, destroying the cultural and material heritages that these governments had pledged to protect.

Like the primary production projects, almost all of the infrastructure projects are seriously disrupting the social structures of the affected regions. They often involve the displacement of communities and the transformation of their lives. One of the most extreme examples of this transformation is the project to establish ‘Sustainable Rural Cities’ (SRC) in the jungle areas of Mexico; officially proposed to provide safer conditions for peoples affected by ‘natural disasters’, the displaced communities were expected to move to new settlements where no consideration was given for traditional living patterns or forms of social organisation. Fashioned after the failed ‘strategic hamlet’ programme created in 1961 in Vietnam (Gravel 1972, Vol. 2: 128-59), the SRCs are undisguised programmes to move peoples from their traditional lands, regional production and supply systems, and dispersed living patterns in order to bring these areas under control of ‘modern’ forms of extractive or market-oriented production, to be managed by large Mexican (or

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3 In a previous version (El Pantanal), the international development community proposed a different link from Rio de Janeiro on the Atlantic, crossing Argentina and Chile to the Pacific, via inland waterways in southern Brazil and Uruguay (Gottgens et al. 2001).
Neo-Extractivism and the Concentration of Rent and Wealth

The transition from structural change to growth-first policies led to a massive concentration of wealth. It promoted an avalanche of new investments in natural resource ventures pursuing the extraordinary profits anticipated by the companies and the vulnerability of the governments negotiating these concessions. However, they provoked a plethora of legal disputes in the wake of these foreign investments between the companies and the impacted peoples living in the impacted regions, leading to complex legal proceedings. An analysis of the corporate claims against ‘host’ countries prosecuted before the secretive International Centre for Settlement of Investment Disputes, part of the World Bank group offers some appreciation of the scope of this new phase of international expansion of capital. Most of the countries in the western hemisphere, including the US and Canada, are currently facing multimillion dollar demands for ‘foregone profits’. These conflicts continue to arise as a result of official attempts to enforce environmental regulations and other public interest legislation, including the protection of access to water and respect for the territorial and cultural integrity of indigenous peoples, as provided in the ILO Convention 69 and UN

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4 This strong condemnation of the SRC program is based on field work by students of the author in several regions where the program was expected to be implemented. For an analysis from the official point of view, see Garcia Medina, et al. (2012) and the transcribed interviews in the otherwise critical undergraduate thesis by Elias Vigil (2012).

5 Data on conflicts brought before the ICSID are available on its web site (https://icsid.worldbank.org/apps/ICSIDWEB/resources/Pages/ICSID-Caseload-Statistics.aspx). For a discussion of this information and an evaluation of the conflict resolution process see Trakman (2013).
Declaration on the Rights of Indigenous Peoples that these governments have ratified.6

A particularly egregious award by the Centre is the almost one billion dollar claim against Ecuador in 2006 for cancelling the operating permit of Occidental Petroleum Corp; Chevron was also awarded 700 million dollars. In both cases, the claims were that the suspensions involved an unacceptable application of existing environmental regulations, regardless of the admitted fact that there has been large-scale spills that destroyed important areas of biodiversity and threatened the health and very existence of the indigenous peoples living in the region (Matelski 2015; Sankey 2016). Similar proceedings are currently in process regarding investments by Canadian, Swiss, and United States firms in three Central American and five South American countries, in addition to Mexico and Canada.

The processes described in this section involve important transfers of wealth (rents) from poorer nations to powerful national and transnational capitalists. The judicial processes themselves offer a vivid picture of the stakes involved. In most cases, the benefits accrue to the private interests with little or no consideration for the peoples living in the regions, many of whom have historical rights to these territories. The documented negative human and environmental impacts of these enterprises can only be imagined by those examining the situation from afar; it is now being enriched with a virtual explosion of literature on land and water grabbing that is affecting literally hundreds of millions of people on every continent as Obeng-Odoom describes (2014) (see also, Borras et al. 2012).

Inequality and Violence

In many parts of the world, growing inequality and ‘accumulation by dispossession’ (Harvey 2005), as many of the processes described above have been characterised, do not proceed unnoticed or unopposed.

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Resistance movements are growing and becoming increasingly militant as the dispossessed realise that peaceful protests and resort to peaceful processes are ineffective. The proliferation of conflict organised by local and regional has become so significant as to merit a serious global effort to document the individual events and analyse the overall process (e.g., Walter and Martinez Alier 2010); the European Commission awarded a research contract to a global consortium of twenty-three universities and environmental justice organisations to undertake this process and provided support for communities seeking to resist the process.

The Environmental Justice Organisations, Liabilities and Trade project (EJOLT) is undertaking to document the impacts of pollution [that] are distributed unequally among populations. Those most heavily impacted are marginalised sectors of the population including poor people, women, minorities and particularly indigenous peoples, who depend most directly on natural resources for their livelihood. [The project brought together materials from] civil society organisations involved in conflicts over resource extraction or waste disposal, focusing on the link between the need for environmental security and the defense of basic human rights with the aim to redress inequitable environmental burdens (project description from Web site: http://www.ejolt.org/project/accessed 15 may 2016). It created a database and, emblematically, an interactive map where researchers, citizens and activists are able to insert information and develop analyses that will help make their reactions to the spread of investment more systematic and effective.

The breadth and depth of resistance being documented is significant. But, unlike many other research efforts, this one proposed to actually increase the ability of environmental justice organisations to directly become involved in their regions and even contribute to negotiating with project operators to improve conditions for people in the impacted communities. As one outside reviewer phrased it, the societal impacts of research processes and outputs are...evident, highlighting the unique nature of the project...[T]he project has had outstanding outreach for raising broader awareness...there is evidence that the project is contributing more broadly to social mobilisation around ecological justice issues, including the strengthening of environmental justice organisations [and awareness among policy makers] (Clapp 2014).
Unfortunately, not all resistance activities are successful in developing constructive solutions to conflict. Throughout the world, reports of violent repression against local protests involving major infrastructure and productive investments are all too common. In Latin America these involve mining (Yanacocha in Peru), hydroelectric (Belo Monte in Brazil), wind power (Tehuantepec in Mexico), petroleum (Yasuni in Ecuador), fracking (Pemex in Mexico), plantations (African Palm in Colombia), and fish farms (shrimping in Ecuador), to name but a few of the targets that are provoking the ire of communities whose resources, lifestyles and very existence is threatened. There is also a very sizable human toll, in terms of people being assassinated or harshly beaten and the dismembering of communities and cultures, often tracing their origins back hundreds if not thousands of years.

Searching for Alternatives

A growing segment of professionals, especially in the Global South, is involved in efforts to support peoples attempting to avoid their insertion into global markets on disadvantageous terms. Many people are suffering or being defrauded as workers in local or regional markets. This integration centered on the pursuit of growth is also pushing peoples from their traditional territories, separating them from their communities, and disarticulating their societies and cultural networks. Our evolving analysis obliges us to combine theoretical concerns of integrating analysis with empirical studies of the dynamics of capitalist expansion to improve their abilities to forge alternatives.

7 All of these examples can be explored on the EJOLT web site mentioned above.

8 In addition to the many faces of violence unleashed by powerful corporate interests referred to in the text, there are the serious effects from the production and trafficking of drugs for national markets and most notably for consumers in the United States (Paley, 2015).

9 Evidence for this collaboration with professionals is the wealth of literature that circulates within their communities and also within international academic circles describing their cosmologies and theories while exploring means for implementing their proposals for building alternative societies throughout the world – for example, in New Zealand (Smith 2012); in Colombia (Escobar 2008); in India (Shrivastava and Kothari 2012); and in Africa (Branch and Mampilly 2015).
Of course, as Karl Polanyi explained decades ago (2001), the aggressive intromission of international capital into the interstices of societies around the world does not go unchallenged. Local struggles and international alliances like those mentioned in this section are part of a double movement that is continually springing up to attempt to stem its spread. More recently, however, these resistance movements are transforming themselves into creative and powerful initiatives to design alternative strategies for social and productive organisation consistent with assuring ecosystem conservation and balance. This is where radical analysis and theory is making a particularly important contribution, collaborating to understand the environmental processes and participate in developing new productive activities (Barkin 2016). There are numerous examples of these activities. In this final section we offer examples of communities involved in such changes, individually and in collaboration with others (Barkin and Lemus 2016).

Throughout the Third World resistance is transforming itself into a positive move towards building new societies. Peoples are moving beyond the confines of their existing relations with the capitalist societies. In many parts of the world dispossessed and marginalized communities are realising that they can be better off by devising ways to avoid workplaces organised along proletarian lines and life styles that contribute to their alienation and ill health. In order to advance, they generally must seek control over their territories and regroup collectively to assure the satisfaction of their needs and the conservation of their environments. This capacity for autonomous self-government, guided by communal principles of direct democracy, is crucial for consolidating alternative ways of living. Generally, implementing this approach is not possible without an underlying set of common beliefs to guide the community in its search for its own process for local advance.10

A unique feature of the approach in many of these societies is an explicit recognition of the centrality of gaining control over the surplus generated as they implement their strategies, a surplus that often increased by mobilising social resources of a non-monetary form, such as voluntary

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10 These struggles for recognition (and the efforts to negotiate their rights under existing international law), reinforced by belief systems or cosmologies, strengthen their resolve to consolidate their ability to implement productive, social and environmental strategies that contribute to their well-being.
labor and social organisation. By focusing on the control of the various sources of surplus, they can effectively distribute it for individual and collective purposes while avoiding the concentration of income and power characteristic of the societies that have long tried to control them, and from which they are trying to distance themselves. This offers an important lesson, highlighted by Paul Baran many years ago (1957): eliminating capitalist market tethers, societies can identify important reserves of untapped reserves of material and social resources that can be made available for collective benefit. It is remarkable that many communities are implementing mechanisms to generate and control surplus by replacing capitalist productive (social) relations with communitarian relationships and collective management of their communal resources and ecosystems (Barkin and Lemus 2016).

The Via Campesina (VC) is the largest social organisation proposing an alternative organisation of production around the principle of Food Sovereignty. It brings together affiliates in more than 80 countries with more than 200 million members, creating local systems for sustainable food production. Since its founding in 1996, it has moved to generate new ways of disseminating information and strengthening its commitment to peasant based production focusing on supplying local markets, using agroecological farming systems suitably adapted to local environmental conditions. The VC also sponsors a network of peasant-to-peasant schools where people exchange information and teach about different farming techniques, while also trading seeds and information about markets, credit systems, and outside assistance (Martínez-Torres and Rosset 2008; Desmarais et al. 2014). A similar organisation developed in China, the New Rural Reconstruction Movement, about which much less is known (Wen 2012).

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11 This use of the concept of surplus draws its inspiration from the seminal work of Paul Baran (1957). It differs from ‘rent’ as it derives from deliberate and organized collective decisions to undertake activities that generate resources available for strengthening community institutions, improving well-being, and assuring environmental conservation.

12 In Mexico, there are perhaps 15 million people living in communities engaged in forging societies deliberately involved in overcoming the terror that colonial and capitalist organizations imposed on them for generations. Details are provided in the references included in the text. In other parts of Latin America, there are more than one hundred million others involved in similar processes.
Communities living in forest areas are also creating new ways of managing their resources to assure the long term health of their ecosystems, while also generating employment and income to sustain themselves. There are numerous accounts of successful examples in which communities have organised to recuperate and then protect degraded or overcut systems while creating productive activities (Borrini et al. 2007; Barkin and Fuente 2013). Community control of coastal wetlands, small-scale fishing organisations and water resources also contribute to local well-being, generating new productive activities and sources of income (Laird et al. 2010).

These specific examples can only offer an introduction to the contributions to political economy that communities are making while escaping from the strait jackets of mainstream analysis. It is significant, however, that this work now involves us in understanding and participating in the dynamic efforts to build new forms of society. These include the important example of the Zapatistas in southern Mexico, who are consolidating an experience of almost a quarter-century, consolidating their unique approach to economic and ecosystem management that has improved the material well-being of the more than one-half million people living in its territory, while assuring privileged opportunities for women and schooling for all (Vergara 2014). In other parts of Latin America, communities are also moving from ‘resistance’ to ‘r-existence’, as some have recently described this transformation (Escobar 2008; Porto-Goncalves and Leff 2015).  

Focusing on these movements of transformation is extraordinarily important. Too many still insist on simply reforming existing institutions. Even as I finish this essay, we are witnessing an important new development in Colombia, where the government and the FARC guerilla movement have agreed to a peace agreement following more than one-half century of hostilities; throughout the world, people hope that this will create new opportunities for communities to build new institutions and create new opportunities. Similarly, other movements throughout the world are proposing to restructure the relations between society,

13 The use of the expression ‘r-existence’ explicitly obliges the reader to reconsider its meaning, a thought process that might not occur if the word ‘re-existence’ were used. Escobar explained this elegantly in his 2013 keynote address (in English) to the 2nd Workshop on ‘Scales of Governance: The UN and Indigenous Peoples’, http://www.sogip.ehess.fr/spip.php?article603&lang=fr.
economy and nature. Exciting work is being done by those who are informed by the most imaginative and generous contributions to its burgeoning literatures (e.g., Martinez-Alier 2002; Healy et al. 2012). This stimulating work—together with this paper—demonstrates that growth-centred mainstream economics and economic policy only generate inequality and violence—the very opposite of development.

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