

Bolivia's Extractive Economy and Alternatives - In Debate at the WSF

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WHEN THE WORLD Social Forum (WSF) began in 2001 the possibilities of a leftist victory, either through elections or via an armed struggle, appeared remote in Latin America. In contrast, social movements were in ascendancy in their battles against neoliberal capitalism. In this environment, the WSF embraced civil society as the best path forward toward a transformation of society.

Grassroots mobilizations quickly remade Latin America's political landscape. Their successes led to a wave of leftist electoral victories across the region. With the notable exceptions of Colombia and Mexico, almost every country elected a leftist government.

Ironically, this development introduced a complicated dance between social movements and elected leftist governments, and one that has persisted ever since with both sides throwing ever-sharper barbs back and forth across a yawning divide.

The rift between movements and parties was once again full on display when the WSF reconvened in Montreal, Quebec during the dog days of August. The forum started as an explicit social movement response from the south to the ravages of neoliberal capitalism as represented by the World Economic Forum that met every year in Davos, Switzerland.

The WSF formally excluded governmental participation, but this prohibition soon was compromised in practice and then ignored in policy. In 2003, when Venezuelan president Hugo Chávez arrived with the intent of riding the wave of anti-systemic protests, Forum organizers shuffled him off to a small venue outside the forum where he talked to those supporters who could squeeze into the hall.

Two years later, the largest event at the forum was Chávez joining Brazilian president Luiz Inácio Lula da Silva at the "estadio gigantinho" for their show.

The 2016 WSF in Montreal was no different, although the show was conducted on a much smaller scale than the oversized mobilizations that greeted the early years of the forum. The program featured a series of late afternoon "Grand Conferences."

One titled "Stand up for social justice!" advertised Bernie Sanders as the speaker. A sign on the door indicated that the program had an "error" and Bolivian vice president Álvaro García Linera would speak instead of the socialist senator and former United States Democratic presidential candidate.

Introducing Álvaro García Linera

García Linera is well known in Latin American leftist circles. He studied math at the Universidad Nacional Autónoma de México (UNAM) in the early 1980s before returning to Bolivia and joining the insurgent Tupac Katari Guerrilla Army (EGTK).

In 1991, he was convicted of insurrection and terrorism. He studied sociology in prison, and after his release he taught at a university and became a prolific author on Indigenous communities, social movements and Marxist theory. In 2005, as part of Latin America's swing to the left he was elected vice president on a ticket with Evo Morales. He has held that position ever since.

García Linera comes out of a political tradition that emphasizes Indigenous rights, the rights of nature, and the nationalization of natural resources. In office, his thinking and positions began to change. In 2011, he wrote a book attacking non-governmental organizations (NGOs) as part of a rightwing conspiracy that undermined his government's progressive policies.

The following year, he published the even more controversial book *Geopolitics of the Amazon, Landed Hereditary Power and Capitalist Accumulation* that defended his government's extractivist policies and attacked Indigenous organizations that criticized those policies [\[1\]](#). Many of his writings are available on the vice president's website, and in translation on other websites.

García Linera followed these intellectual and political lines in his talk at the WSF. The Bolivian vice presidency will probably publish his presentation of ten theses against neoliberalism, and his comments will probably be widely available, so they will not be summarized here.

More instructive and interesting, however, was his responses to the moderator's and audience questions after the formal talk. His formal presentation struck a measured, academic tone, but his informal comments were much more polemical. "Free trade is a fiction," he declared to loud audience cheers.

The vice president proceeded to argue that so-called free trade was just a pretext for powerful economic interests to advance their control, but popular mobilizations had halted the trade pacts such as the Free Trade Area of the Americas (FTAA).

"More poverty doesn't necessarily mean more struggle," he continued. "It often means more tolerance of oppression." In this context, "hope moves people," and García Linera proclaimed our need for collective optimism.

Arguing Extractive Policy

Audience questions on extractive policies under new left governments became much more pointed than the moderator's initial friendly queries that had elicited supportive audience reactions.

In response to a question about the climate, García Linera explained how capitalism treats nature as something that is free, and that the cost to the environment should be added to the price of commodities. The Bolivian vice president then entered directly into historical debates in the WSF over what role the state should play in making societal changes.

García Linera noted the anti-statist influences on the forum of Subcomandante Marcos from the neo-Zapatista army in Chiapas, Mexico, and the codification of that perspective in John Holloway's book *Change The World Without Taking Power*. At one point García Linera may once have had some

sympathy for such viewpoints, but now that he is in government he had nothing but criticism for them.

An audience member asked a rather direct question about how Bolivia's extractive economy is consistent with the constitution's embrace of the *buen vivir*. The *buen vivir*, loosely translated as "the good life," has gained wide acceptance as a rhetorical condemnation of the destructive aspects of capitalism's commodification of human existence.

It is on the execution of sustainable development models, however, that one of the deepest rubs between different tendencies on the left becomes apparent.

García Linera responded to the question about the *buen vivir* with a now standard line that the country cannot change overnight. He reviewed a well-trod Bolivian history of resource extraction, starting with the Potosí silver mines in the 16th century and continuing through tin mines in the 20th, all of which underdeveloped Bolivia's economy.

The vice president argued that it was a long process to overcome 450 years of colonial exploitation, and that a government could not undo in one decade what capitalism had taken centuries to construct.

García Linera has become known for his embrace of what he calls "Andean-Amazonian capitalism." From an orthodox Marxist perspective, his argument has a deep internal logic. Obviously, located on the periphery of the global economy, Bolivia does not meet the objective economic conditions necessary to move toward socialism.

Furthermore, Bolivia could not construct communism on its own. Rather, it has to be a broader process. As other intellectuals have argued, post-capitalism has to happen on a global level, or it will not be successful. Socialism, the vice president argued, cannot just appear as an isolated phenomenon in one's garden.

Furthermore, he complained about critics who condemn Bolivia for not moving more quickly to socialism, and said activists who want those immediate transformations should implement them in their own countries rather than denounce Bolivia for its shortcomings.

The goal of communism is still centuries away. In the meantime, he said, we are in this transitional stage. He claimed that his term of "Andean-Amazonian capitalism" is just a matter of honesty to reflect Bolivia's current realities.

Bolivia is by no means unique in terms of being a new left government that continues to rely on the export of raw commodities to fund social development programs. After more than fifteen years of "Bolivarian revolution" — first under Hugo Chávez and then Nicolás Maduro — Venezuela is no closer to freeing itself from dependency on petroleum exports than it was under previous neoliberal regimes.

Similarly, Brazil under the Workers Party (PT) administrations of Luiz Inácio Lula da Silva and Dilma Rousseff increased the agro-industrial export industry, with a particular focus on soy production. Genetically engineered crops and petroleum exploration also experienced boom times under Néstor Kirchner and Cristina Fernández in Argentina.

In Ecuador, Rafael Correa likewise encouraged the expansion of petroleum extraction and gold mining. In each case, leftist governments contended, as does García Linera, that such policies were necessary to fund social programs and provide financing to industrialize the local economy.

In response to a question at the WSF about the Bolivian government's conflicts with social movements, García Linera discussed a tradeoff between democracy and efficiency. He argued that the tension between the two is an ongoing struggle, and that these divergences could last for centuries. In the meantime, society is caught in persistent contradictions, and in the process the government risks losing popular support.

But García Linera highlights the significant progress that Bolivia had made in reducing the country's poverty rates — at a gradual but ever quickening pace. He stressed the importance of industrializing the economy to move beyond poverty.

Pablo Solón for the Movements

Bolivia's former ambassador to the United Nations Pablo Solón also had a significant presence at the World Social Forum in Montreal, although not on a stage in a large auditorium as a political superstar, but rather in a series of smaller sessions where he spoke as part of a movement of grassroots opposition to leftist government extractive policies.

Solón had split with Evo Morales in 2011 over concern that his extractive policies, including the controversial construction of a road through the Isiboro Secure National Park and Indigenous Territory (TIPNIS), were not consistent with the government's rhetoric in defense of the environment.

Those conflicts were on full display at the forum in the contrasting presentations of Solón and García Linera, and reflect broader debates that are currently playing out across Latin America. Whereas García Linera emphasized the roles of governments in transforming society, Solón argued that the process of change must be rooted in social movements, not political parties.

Solón pointed to his experience with the Cochabamba war waters fifteen years ago when large protests erupted over a government attempt to privatize the municipal water supply. If we can kick out Bechtel, Solón contended, then we can also defeat other transnational institutions.

The former ambassador summarized debates within the Bolivian left over how to make those urgent and necessary changes, and the conclusion they reached of the need to create a political instrument to implement them. This led to the formation of the political party Movement to Socialism (MAS) and the election of Morales and García Linera in 2005.

In office, the MAS government achieved significant social and economic advancements. Among these was a renegotiation of contracts with transnational petroleum companies so that more of the revenue from the exportation of natural gas and other commodities would flow into the government's coffers.

Instead of 20% of the rents accruing to the government with the rest going to private companies, those figures were reversed with 80% of the profits funding government social programs. Even with this policy change, the transnational companies remained in Bolivia because they were still making significant sums of money.

During economic boom times in the first decade of the 21st century, other leftist governments similarly experienced success in extracting more favorable concessions from extractive industries.

A second noteworthy achievement was a constitutional assembly that included a transformation of Bolivian identities and a redistribution of land resources. On a deeply symbolic level, in recognition

of the multiple Indigenous nationalities (Quechua, Aymara, Guaraní, and others) that live in the country, legislators changed the name of country to the Plurinational State of Bolivia.

Bolivia followed in the tracks of Venezuela and Ecuador, both of which also rewrote the ground rules for their countries under leftist administrations. Both García Linera and Solón shared appreciation for these reforms.

Economic Complications

While changes in identity politics without accompanying material concessions can be quite painless, economic policies are more complicated. Again, both García Linera and Solón pointed to one of the new Bolivian government's most important gains as providing peasants with title to the land that they work. Furthermore, they have also gained subsoil rights.

The two leftists, however, painted quite different images of how this happened. In his Grand Conference, García Linera declared that the government had implemented caps on the size of landownership, which forced a downward distribution of land resources. Solón, however, claimed that the land titling was accomplished through a redistribution of government land to peasants.

This policy, he complained, has not affected wealthy landholders. On a most fundamental level, preexisting land tenure structures had not been touched.

Solón acknowledged that the government had engaged in important political changes, but he also maintained that they were limited in that they did not fundamentally change an extractivist and neoliberal economic model.

Renegotiating gas contracts provided the government with more revenue for social programs, especially after petroleum prices rose. But the government stopped short of the important step of nationalizing natural resources. As a result, the means of production still lay in the hands of foreign interests that subjugated Bolivia to imperial control.

This is a common complaint that has been voiced across the continent. Furthermore, now that commodity prices have declined, a country has to double the amount of exports and expand into other extractive sectors to continue the desirable social programs. In Bolivia, that means the development of hydroelectric power — with all of the accompanying environmental damages that building dams creates.

Solón complained that Bolivia was now more dependent on extractivist industries than when the MAS government took office, and that the country had become even more reliant for its tax revenues on these exports. Although over the last several years Bolivia has achieved impressive growth rates, falling commodity prices means that it now faces the prospect of an economic crisis.

Bolivia has not reached the depths that Venezuela or Brazil are currently experiencing, but Solón cautioned that the country was headed in that direction, and that it was going to be a hard landing.

Facing this reality, Solón asked why Bolivia has not been able to change its extractivist model. It was not due to a lack of political desire or recognition of the importance of changing that model. In fact, protecting the environment and diversifying the economy were originally the MAS government's central goals. But at the end of the day, Bolivia has stayed the same, and in fact is more dependent on extractive industries than it was ten or fifteen years ago.

Solón acknowledged the positive changes that the Morales' government has made, but also observed that it has reinforced a destructive model that is not consistent with a professed allegiance to the ideals of a buen vivir. This contradiction has been particularly difficult because one of the original goals for which they fought was to achieve harmony with nature. Indigenous rights activists in Ecuador have come into conflict with the Correa administration over very similar issues.

The State, Capital and Extractivism

Solón suggested that an underlying problem was that the left has a bad understanding of the state. The MAS members thought that they would transform society and state structures when they won political office. In reality, however, the state has its own dynamic, and ends up transforming people.

Similar to how people speak about the logic of capital, Solón said leftists need to understand the logic of power and recognize the process by which it transforms people. This is key to understanding the shortcomings of leftist governments.

The logic of power, similar to the logic of capitalism, demands a continual need to produce more, and a desire to consolidate one's position. A result is that people begin to make decisions not based on their original political principles, but out of a wish to maintain themselves in power.

Leftists justify their actions by telling supporters that the alternative is a much less desirable conservative government imposed through CIA imperialism. They become guardians of power as they defend leftist gains from rightwing sabotage.

This logic of power is related to an extractivist model. For left governments to maintain themselves in power they engage in clientelist actions that require revenue streams, and these come from the export of commodities.

Solón pointed out that Bolivia could have moved toward an agroecology instead of an extractivist model of development. Such a model would emphasize food sovereignty and privilege sustainable development over export-fueled growth patterns. In fact, the new Bolivian constitution, as with the ones in Venezuela and Ecuador, prioritize solidarity economies and sustainable development practices.

Likewise in Brazil, the Landless Workers' Movement (MST) hoped that the PT government would move in a direction of improving conditions for local farmers. Grassroots organizations have made similar demands in Argentina for fundamental structural changes in production and consumption that would improve the lives of the most disadvantaged members of society, rather than striving to improve macro economic indicators to the benefit of privileged sectors and foreign corporations.

The MAS government intentionally opted instead for an extractivist model to generate revenue for social programs that contributed to its high levels of popular support. Exporting petroleum resources simply provides more money than a sustainable agricultural economy. Similarly, the government is pursuing plans to build new hydropower plants to export electricity to Brazil.

Moving from exporting gas to exporting electrical power, Solón noted, is just maintaining the same extractivist model with the associated negative environmental impacts. He asked why the government does not search out another model that would benefit people rather than endlessly pursuing these same developmentalist logics.

Furthermore, in order to maintain its grasp on power the MAS government reached agreements with

rightwing forces to prevent a civil war. In exchange for not expropriating the property of large landowners and for accepting the importation of genetically modified organisms (GMOs), the conservative opposition does not challenge the leftist MAS government.

A similar growth in agro-industrial exports also occurred in Brazil and Argentina, and Ecuador has backed away from its ban on the import of GMOs.

Finally, Solón observed a phenomenon of leftist activists coming into government and beginning to earn more money than they ever had before. From living on \$50 a month, they gained official posts that earned \$1000 or \$1500 a month.

Similar to how critics observe the emergence of a revolutionary “Bolibourgeoisie,” or people who became wealthy under the Chávez administration in Venezuela, Bolivia has witnessed the appearance of a new Aymara popular bourgeoisie that has become very conservative in its outlook.

Sectors from within the movement start improving their personal position. Previously they wanted change, but now they want to stop structural modifications and instead enjoy their new privileged situation.

Social Movements

A fault line that currently runs through discussions regarding the Latin American left, and one that was visibly apparent at the World Social Forum in the contrasting comments of García Linera and Solón, is whether social movements are the roots of the problem or the answer to the crisis that Latin America is facing.

Leftist governments and their supporters have become increasingly visceral in their criticisms of social movement activists, and accuse them of working in concert with a resurgent rightwing to remove leftist governments from power.

Solón, in contrast, contended that the worst thing that leftist governments in Latin America have done is to weaken social movements. In order to maintain themselves in power, these governments have undermined their ability to organize and mobilize. As a result, across the hemisphere, social movements are weaker today than they were ten years ago.

Some of those who previously held governmental posts and subsequently have had a falling out with the direction that those administrations have taken now complain about their authoritarian tendencies. Instead, they argue in favor of a democratic and pluralistic political system in which different parties alternate in power.

This can easily be seen as an opportunistic position that is not in the interests of either the left or social movements. If the only viable alternative to an entrenched left in power is the return of the conservative oligarchy with their discredited neoliberal policies, how is that possibly a good thing or a reasonable position to advocate?

A theme in many of the discussions at the World Social Forum is the need for a fuller study of previous leftist experiences, and better theoretical reflections. It can be difficult to have these important discussions in the middle of intense political debates. These are not easy issues with simple answers, and the forum provides a space for these deliberations.

The WSF's origins in anti-systemic protests have always provided it with a certain amount of affinity

with an anarchist rejection of state power. The past fifteen years of leftists in government, however, have also highlighted in the minds of many activists of the need and the possibilities of interacting with state power.

Many of the less dogmatic voices at the WSF argued for the need to democratize power, even while recognizing that a completely democratic society is an elusive goal that may not be achievable. It is necessary to build more participative, transparent, and less patriarchal power structures, but at the same time construct independent counter-powers.

Solón pondered whether the biggest mistake in Bolivia was to admit social movements into government. They may have played a more useful role as a critical voice outside of power, even if they provided an irritant to those in office. We need to continue to engage in critical self-criticism to find new ways to move forward.

Marc Becker

P.S.

* Against the Current n° 185. November-December 2016:
<http://www.solidarity-us.org/site/node/4806>

Footnotes

[1] see a review of this book available at ESSF (article 32112), [The Politics of Extractivism and Bolivia – Alvaro García Linera: From “Live Well” to Extractivism](#).