



# Extractionism and the economic and political basis of the Correa administration

## FROM THE DIRECTOR

The OPSA-PUCE is an academic initiative undertaken in response to Ecuador's unique natural conditions and the challenges resulting from those advantages as regards designing policies and solutions aimed at achieving a sustainable balance between the environment and the country's productive, social and financial needs.

As part of the university with most influence in the framing of public policies and private decision-making, the OPSA devises—and has developed since its inception—mechanisms for the mainstreaming in society of environment-themed debate and research. This approach is taken with the conviction that a departure is necessary—a divorce from the reductionism with which physics and economics problems are commonly addressed, as well as the isolation and methodological individualism typical of academia.

On the other hand, the observatory's strategies, dialogue and research processes of this observatory correspond to the epistemology of complexity, and totality, as well as an ethos of plurality and tolerance of various points of view, knowledge and considerations concerning the environment in a context that—in addition to its biological-ecosystematic diversity—is home to invaluable cultures and knowledge intrinsically linked to nature which nourish academia in ways that transcend the results of scientific research.

Furthermore, the OPSA's motivation is strengthened by global policy aimed at investing in the mitigation of the impact of human activities—primarily those economic in nature—on the operation of the climate systems of the planet. In the last decades, these consequences have evinced the civilizatory threats to nature and humanity's potential to endanger the generality of life.

In short, the OPSA-PUCE has become a meeting ground for ancestral and scientific knowledge and their diffusion, as well as research, data gathering and analysis in one of the most environmentally sensitive and diverse territories on Earth.

A handwritten signature in black ink, appearing to read 'J. Salgado'.

Jorge Salgado,  
Director  
February 2016  
Quito, Ecuador.

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**The definition of insanity is doing something over and over again and expecting a different result.**

-Albert Einstein

On October, 1492, the colonization of the American peoples, and the control of their territories, production models, culture and their very humanity made use of Catholicism as a justification for violence, plundering and geopolitical control of territory and resources. Since then, stories of resistance and struggle have permeated the various regions. The independence, emancipation or decolonization of the Americas began with the independence of Ecuador in 1809; however, conviction in the notion of progress and modernity would maintain the established exploitation of land and workers and determine subsequent colonization models (Solíz, 2015).

Ecuador, much like many Latin-American countries, was characterized by having raw material-export-led economies subject to booms determined by international demand. Ecuador's economic history has thus been circular as a result of it repeatedly relying on various raw materials. Of those products and dreams, oil has been the most impactful in the sense that the oil boom resulted in a period of growing indebtedness. The oil-producing Ecuador received the credit that the banana-producing Ecuador —let alone the cacao-producing Ecuador— did not. In this context of indebtedness, implementation of the neoliberal program by means of the Washington Consensus became a mere formality. Geopolitical control of Ecuador had been surrendered. This intensified and consolidated an economic model focused on external factor-led growth, particularly from remittances of migrants and oil extraction (Acosta, 2009).

Neoliberalism was the starting point for a second colonization: technological colonization. In this period, the State, on the grounds of importing socially and environmental friendly technology, conceded large extensions of national territory. The territory, beyond the resources in the subsoil, is understood as the living expression of the peoples and their ecosystems, productive organization and power relations. In this dynamic, multinational concessions establish a structure of supranational control and replace those states that sponsor them; hence the popular chant with which indigenous communities condemn dispossession: "traitor governments, sellout governments".

During the time of government of the *Revolución Ciudadana* (Citizen Revolution) a capitalist modernization process was established that has upheld its commitment to a business model of development, economic acceleration and intensification of extractivism and agroindustry, and now incorporates new figures of global geopolitical control: namely China, Canada and Brazil.

These social and economic policies remain encysted in the Dutch disease, as this administration was responsible for expanding the oil frontier in the south-central Amazon (previously unexploited by neoliberal governments) with the XI Oil-Licensing Round and the start of large scale mining in the hands of Chinese and Canadian multinational corporations. The administration of Rafael Correa is, more than any neoliberal government, the greatest advocate of the raw material-export-led accumulation model —said production reprimarization trends were acknowledged in 2012 by the SENPLADES (Solíz, 2016: 211).

The production matrix has remained intact, and the concentration of production and sale, possession of land and the monopoly of water have not changed. The agrarian reform and revolution of the productive apparatus perhaps rank highest among the failures of this government. The depeasantization and destruction of small production by the agroindustry are important milestones on the road to modernization that Ecuador insists on taking. New forms of exploitation have appeared, and agriculture by contract and public programs, such as *Sociobosque* and *Socioparamo* are just few of the proposals that enchain small producers, farmers and indigenous people to economies of payment for services (Solíz, 2016: 212). This is compounded by the announced signing of the Trade Agreement with Europe in the next months.

At the same time, human rights organizations, ecologists, popular leaders, indigenous people and farmers who oppose extractionist policies and were dispossessed of their land have spoken out against a repressive policy of criminalization and prosecution of social protest.

It can thus be held that the neo-colonizing processes established under neoliberalism have not only endured but intensified during the administration of

President Correa and been characterized by the advanced sale of resources (e.g. the contract with the Chinese multinational Ecuacorriente S.A.), scientific-technical cooperation, the unwavering belief in industrialization, extractionism and the green revolution.

Amidst these structures of multinational power, the struggle to resist has been led by indigenous people and farmers dispossessed of their land due to grants to multinational private firms. Their part as stakeholders has been crucial in exposing the environmental debt of the northern hemisphere and speaking out against human, social, political and economic rights violations that international capital commits with the blessing of national states.

Examples include the communities of San Antonio, El Zarza and Rio Blanco where after 6 years of subtle and systematic dispossession tactics, the multinational mining corporation Kinross Aurelian succeeded in seizing that land. The first community to disappear was San Antonio —Kinross decided to close the school, and by means of dishonest and extreme legal mechanisms took over the farms. To date, only two families remain there. **The government referred to this dispossession as “migration”.**

The other communities had hired themselves out to Kinross and crops are no longer grown there, all of the livestock has been sold and small mining (river panning) has been forbidden. This Canadian multinational, which took the confiscation and burning of the material of small miners upon itself, also had the power of repression —it had supplanted the state.

**The current actual historical moment undoubtedly** calls for a radical break from these expropriation and exploitation models. It is however regrettable that the reshaping of governments —which to an extent aroused certain expectations— has resulted in capitalist modernization paradigms with pro-cyclical policies.

“Progressive” governments have been characterized by confronting and opposing environmental currents, as well as the indigenous movement while interpreting, from their developmental viewpoint, **popular environmentalism as a bourgeois privilege and not a sine qua non condition for a truly revolutionary process.** In the words of Jaime Breilh (2004), “This stance —typical of the rural area-city breach and of mercenary views of environmentalism— is the basis for upholding industrial metabolisms at the expense of peasant, small, family and community agrarian metabolisms; metabolisms respectful of community sovereignty and of the sovereignty of the nature in which they insert themselves; solidary, healthy and sustainable metabolisms.”

The concentration of water, land and production, as well as the proletarianization of farmers, agriculture under contract and work linkage are

some of the many expressions of the route the Correa administration insists on taking towards the dream of modernity. Indigenous and peasant claims to territories free from extractionist activities and a real agrarian reform, have been discredited as *childlessness* or *caveman proposals*. Fortunately, as Francois Houtart (2015) says “nowadays the peasant struggle and indigenous protests, i.e. the resistance movements, are also **anti-capitalist** movements and if there is room for **anti-patriarchal** and **anticolonial** terms, we should remember that women are the keepers of the seeds, it is they who preserve the genetic heritage.”

A recent example took place in August, 2015, when the Saraguro people took to the streets and peacefully blocked roads as per their constitutional right to resistance. The Saraguro population were protesting against violence and state-sanctioned racism, such as the closing of intercultural bilingual community schools, interference in indigenous justice, the concession of their sacred hills to transnational corporations —particularly mining corporations— and the confiscation of hundreds of liters of milk and pounds of cheese for supposedly not meeting agricultural quality standards imposed under the free trade agreement that is currently being negotiated with the European Union. The government responded with brutal repression: 29 people were arrested who reported physical, psychological and sexual assault. Luisa Lozano and Amable Angamarca were sentenced to 5 years of prison. There have been at least 200 cases like this.

Now that Ecuador is beginning a new election process, the Colectivo Yasunidos —internationally recognized for promoting a post-oil Ecuador— is insistently calling for civil society to ask itself where its candidates stand on oil and mining exploitation. I believe that an indissoluble corollary of that is what the candidates have to say about the agrarian agenda. Remember the terrible paradox of President Kirchner who, while advocating sovereignty by claiming ownership of the Falklands and imposing some regulations on the multinational Repsol, surrendered a large portion of the Patagonia to Monsanto.

Revolution is not possible without an agrarian revolution. In the words of a good friend and agroecologist: “**nothing is more subversive under capitalism that growing your own food.**” Ecuador, without a doubt, has a long way to go, and only by breaking away from the dominance of exchange value over use value will we arrive at solutions.

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