

There's Life Beyond GDP

Ulrich | Markus
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Cáliz

Henry
Mora

**A CRITIQUE OF
THE PATTERNS
OF ACCUMULATION
AND DEVELOPMENT
APPROACHES
IN LATIN AMERICA**





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**There's Life Beyond GDP - A Critique
of the Patterns of Accumulation and
Development Approaches in Latin America**

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Social-Ecological Transformation Regional Project

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PROLOGUE

Since 1973, when the publication of the now-infamous *The Limits to Growth: Report to the Club of Rome* first alerted humanity to the social and ecological consequences, risks, and threats presented by the global economy, thousands of published scientific studies have supported the concerns first posed by Dennis and Donella Meadows almost 50 years ago. Despite the significant progress made in terms of recognizing the Anthropocene and the harmful and fatal impact that humanity's patterns of production and consumption have caused and continue to cause for the planet,¹ governments around the world have done little to limit their CO₂ emissions. Based on the follow-up to the United Nations Framework Convention on Climate Change (UNFCCC), the nationally determined contributions (NDC) through the end of 2017 indicate that there will be a 3°C increase in global temperatures by the year 2100, which will lead to irreversible and literally fatal consequences for the planet's ecosystems.

Now an official United Nations publication is sounding the alarm once again. The recently published *Special Report on Global Warming of 1.5°*, presented by the Intergovernmental Panel on Climate Change (IPCC), indicates that countries must change their development styles drastically and immediately if the world plans to

¹ Including the 1987 Brundtland Report, the 1992 Rio Declaration, the 1997 Kyoto Protocol, and the 2015 Paris Agreement, to mention a few.

achieve the stated goal of limiting global warming to 1.5°. Achieving this goal would preserve the lives of millions of people, particularly those that live in coastal and island areas in the global South, along with various ocean and terrestrial ecosystems. In order to keep the average global temperature from exceeding a 1.5° increase, CO₂ emissions must be reduced by 45% of their 2010 levels by the year 2030 and be nonexistent by 2050, while renewable energy must account for between 75% and 80% of electricity production by the same year.

Although our current environmental crisis goes beyond the impact and data associated with climate change, the magnitude of this impact has facilitated a more profound critique of today's dominant visions—particularly in terms of economic development. The relationship between humanity and nature has been conditioned by utilitarianism, encouraging economic benefit at the cost of long-term environmental balance. The omnipresent mantra of economic growth expressed through GDP and the establishment of this metric as the objective of every development agenda has destroyed the answer to the question of what kind of world we want to live in. The inevitable changes that must occur in our relationship with nature—and, therefore, in our forms of production and consumption of energy, transportation systems and industries, and agriculture, among other areas—force us to rethink our conception of the status quo and promote other trajectories for the future.

Considering the above, we are proud to present *There's Life Beyond GDP: A Critique of the Patterns of Accumulation and Development Approaches in Latin America*. This is the second title published as part of the Transformation Library of the Friedrich-Ebert-Stiftung Regional Project on Social-Ecological Transformation in Latin America. Using a network of experts, the creation of spaces for dialog and debate, and the implementation of research studies, the Regional Project seeks to support critical analysis and discussions of development alternatives and transformation trajectories that are socially just and ecologically sustainable.

We hope that the essays contained within this volume contribute to conversations to question the changes that must be made to the current economic trajectories and orientations of Latin American societies.

— CHRISTIAN DENZIN

Director of the Friedrich-Ebert-Stiftung
Regional Project on
Social-Ecological Transformation
in Latin America

INTRODUCTION

There's Life Beyond GDP: A Critique of the Patterns of Accumulation and Development Approaches in Latin America is the second book published as part of the *Transformation Library*. This new publication is the result of discussions and reflections that have occurred as part of the Friedrich-Ebert-Stiftung Regional Project on Social-Ecological Transformation.

The first book, *The Waters Ahead for Latin America: Challenges and Opportunities for Social-Ecological Transformation*, analyzed the region's international, economic, and political conditions. This second publication of the Transformation Library focuses on the conceptual debate regarding patterns of accumulation in Latin America and the need for inclusive and sustainable transformation. The objective of this publication is to question the hegemonic focuses and practices regarding development and economic performance that have imposed themselves on the conversation about the meaning and orientations of public policies meant to generate well-being. To varying degrees and through different approaches, the essays published as part of this volume profoundly critique the models that position economic growth as the end rather than the means of satisfying authentic needs.

The five well-founded and well-structured chapters presented here contribute valuable analysis of past and present patterns of accumulation in Latin America. No less importantly, they suggest a reconfiguration of the concept of utopia in order to shift towards new

paths that encourage transformation and focus on the well-being of all human beings and respect for nature and its different ecosystems.

The first chapter, “The Imperial Mode of Living and Working: Domination, Crisis, and the Continuity of Societal Relationships with Nature,” written by Ulrich Brand and Markus Wissen, presents a critique of the unsustainable global model of production and consumption, which substantially conditions the dynamics of production and consumption in Latin America. The authors analyze how the concept of the *imperial mode of living* is suitable to emphasize the connection between hegemonic everyday practices, state and business strategies, the ecological crisis, and increasing imperial tensions in international politics. This term allows the authors to describe the hegemonic nature and condition of society, as well as to measure the limited scope available to develop emancipatory strategies in times of “great crisis.”

The imperial mode of living restructured and intensified access to global resources and the global workforce via the global market. Fossil-based consumption patterns, founded on fossil fuels and typical of Fordism, survived the crisis of Fordism without undergoing any significant change; in fact, they emerged even stronger than before. The economies of two-thirds of humanity are still in transition, and their modes of living are fundamentally based on agriculture and industry.

Additionally, middle and upper classes are being established in countries such as China and India. Known as the so-called “new consumers,” members of these newly formed social classes have adopted the “Western” mode of living as a model. In fact, economic dynamics in countries such as China and India—as well as in parts of Latin America—are the result of the increasing commodification of the workforce. Workers are paid extremely low wages, giving the country its “comparative advantage” in the international division of labor.

Moreover, the obvious appeal of the imperial mode of living for the Latin American middle classes also leads to the hegemony of neo-extractivism, as this model allows these social classes to obtain the resources needed to fund it.

This tends to proliferate a mode of living that, from an ecological perspective, is simply not sustainable. A consequence of this is

increased demand for resources from developing nations, which then claim the right to use global sinks, allowing the costs of the imperial mode of living to be irresponsibly externalized in space and time.

As current geopolitical and geo-economic changes question the exclusive use of not only human and natural resources but also of the planet's sinks, by countries from the global North, the "outside" available to developed capitalism is reduced. This decreases the spatial and temporal possibility of externalizing the ecological costs of developed capitalism.

According to the authors, the imperial mode of living, as well as the dominant forms of organizing social work and the social and international division of labor, provides key insights into the concurrent crises of the State's management of the ecological issue and the continuity of capitalist relations with nature.

Additionally, the imperial mode of living is reflected in Latin America's neo-extractivist model. To date, none of Latin America's progressive governments have developed practically any alternatives to the unconditional extraction of raw materials and the cultivation of agricultural products for the global market.

The second chapter, written by Rafael Domínguez and Sara Caria and entitled "The Latin American Roots of Another Development: Development Styles and Human Scale Development," proposes a historic reconstruction of the *ideas regarding alternative development in Latin America* as understood from the 1960s to the 1980s, as well as an assessment of the repercussions that have been felt in the trajectories of different countries. The authors use the following statement as a jumping-off point for their work: "[I]deas are a driving force in human progress," which "is not to deny the role of power and material interests but to highlight the role of ideas in helping to shape interests and constrain the exercise of raw power."

From this perspective, Domínguez and Caria conduct a historical analysis of the ideas on alternative development in Latin America in an effort to evaluate their direct and indirect connection to other, current development models. The analysis begins with the debate regarding the "meaning of development," which was introduced by Dudley Seers in 1969 when he began to question the idea of development understood

as growth. The connection Seers, a pioneer of development, had with Latin America was fundamental. He was the first to dethrone gross national product (GNP) as a development indicator, replacing it with a concept that combines two complementary ingredients: Marx and Veblen's concept of work as a creative and essential human activity and Gandhi's community-based principle of equality.

Domínguez and Caria also explore Celso Furtado's conclusion that development needed to be turned on its head in order to convert it into a mobilizing socialist ideology, based on the progressive recovery "of the capacity for self-determination."

The chapter also touches on Varsavsky and his collaborators from the Center for Development Studies (CENDES), who mathematically modeled three styles of development ("consumerist," "authoritarian," and "creative"). They argue in favor of the creative style, as it "generates a lot of employment, improves labor and capital productivity, does not require high levels of imports, can free itself from foreign capital, and, by definition, is capable of efficiently organizing the population." To the authors of this chapter, the parallels between the "creative" development style and Ecuador's National Plans for Good Living do not seem to be the product of mere coincidence, but rather a result of the same socialist philosophical inspiration.

The term "environmental crisis" describes the growing social awareness of the damage caused to the ecosphere by the capitalist model of economic growth, together with the first oil crisis (1973). The emergence of that term meant that development became a dirty word, in need of new qualifications and certain transformations to restore its former legitimacy.

Eco-development and the debate over development styles should be understood within the context of the activities to prepare for the United Nations Conference on the Human Environment (Stockholm, 1972) and discussions regarding the New International Economic Order (NIEO). Thus, eco-development arose as a third option—an alternative for those who did not agree with the supporters of "savage growth" capitalist development or with its critics, who supported zero growth.

The *Cocoyoc Declaration* was published after the United Nations Environmental Programme (UNEP)/United Nations Conference

on Trade and Development (UNCTAD) symposium on Patterns of Resource Use, Environment and Development Strategies, held in Cocoyoc (Mexico) in 1974. It appealed not “to develop things but to develop man,” for which it demanded development based on meeting the basic needs of food, clothing, housing, health, and education, as well as the reduction of inequalities between and within countries.

Domínguez and Caria also mention the United Nations’ Third Development Decade, during which emphasis was placed on alternative development styles and human scale development (HSD). The authors cite Oscar Sunkel, who draws attention to the modes of social appropriation of the elements of the biosphere (land, water, and natural resources) as one of the “crucial determining factors of social inequality and the power structure.” Sunkel questions the sustainability of the ascending imported and transnational development style. His words resound today, more than ever, in the debates on the progressive neo-extractivism of Good Living: “With time, will this pattern of development succeed in diversifying and expanding the export potential broadly and dynamically enough to fund a good part of its own growing needs for external financing?”

Lastly, Manfred Max-Neef adds his “barefoot economics” to the mix, along with his matrix of needs and satisfiers and the three relational elements (harmony with oneself, with the community, and with nature). These three elements will come to define Good Living and will be a synthesis of alternative development styles (and alternatives to development) throughout the 21st century.

If the UN’s First Development Decade was dominated by social aspects (or inner limits) of development and the Second by the ecological aspects (or outer limits), the Third saw the rise of subjective questions. Domínguez and Caria believe that it is time that these alternative ideas begin to be taken seriously through a rigorous historical reconstruction of Latin American economic thought.

The third chapter, written by Alicia Puyana Mutis and entitled “Neo-extractivism in Latin America: A New Direction or Rent Extraction Through Globalization?” *analyzes the recent period marked by the raw material boom.* The latter facilitated changes in the role of

the State and in distribution policies but did not build the foundation necessary to create more inclusive and sustainable systems.

Puyana analyzes neo-extractivism in Latin America and the advance of raw material exports in the region from 1995 to 2008. She proposes that neo-extractivism strengthens, rather than breaks with, the liberal economic model implemented in the region with the structural reforms passed at the beginning of the 1980s. However, current neo-extractivism differs from its predecessor in that some of the rents generated are used in certain countries to increase social spending and legitimize the model, thus preserving its essence and strengthening its connection with transnational capital.

The chapter shows that significant changes were not expected in the economic dynamics recorded between 1980 and the end of the 1990s. To prove her point, Puyana estimates the impacts of the new model from 1980 to the present day, broken down into two periods: 1980-2000 and 2000-2016. To do so, she uses the theoretical assumptions associated with Dutch disease (DD) and the “natural resource curse,” all appropriately adapted for the Latin American environment at the dawn of the 21st century.

Puyana also explores the economic effects of extractivism in general in Latin America, with a particular focus on Argentina, Brazil, Colombia, and Mexico, in order to verify certain assumptions of the DD models regarding structural changes, economic performance, and social development. Far from being a break with the liberal economic development model that began with structural reforms, the chapter posits that neo-extractivism is, in fact, its *hallmark*. It is the renewal of transnational capital’s penetration of Latin America, representing rent extraction from goods that are not produced by this same transnational capital. However, in comparison to the events of the early 20th century, society, rather than extractivism, is the factor that has changed the most. Society sets the course, demanding new political, economic, and social norms.

Puyana also mentions a new line of political and academic reflection that studies the ability of extractivism to profoundly disrupt economic, social, and political structures. Capital can destroy biodiversity, contribute to land grabs, and displace rural, indigenous,

and farming communities, primarily impacting women and children while also undermining citizen participation in decision-making. The intensity and the damage of this process have led to multiple mining conflicts that occasionally turn violent, generally because of authorities' reactions to the demands of the local population, while other complaints are simply ignored or denied.

According to Puyana, the noteworthy difference between extractivism and neo-extractivism is the management of oil rents. The latter have been used to fund social, economic, and political transformations in Latin American societies, increasing social spending. This has aimed to reduce the discrimination that has impacted the majority of the population and to allow for greater participation in natural resource decision-making and input regarding the economic impacts of extractivism. However, Puyana concludes that neo-extractivism deepens the structural problems that are present in Latin America and makes sustainable economic, political, social, and environmental development increasingly difficult. As a result, it is crucially necessary to seek new alternatives.

In the fourth chapter, "Development Approaches in Latin America: Towards Social-Ecological Transformation," Álvaro Cáliz seeks to *prove how economic accumulation patterns* were deliberately conflated with *development approaches*. The author makes a very valuable contribution to the search for alternatives to transform the development approaches used in the region.

The hegemonic models and approaches in Latin America are seriously limited in their ability to take on a comprehensive approach to development. Cáliz critically analyzes the approaches that have dominated in Latin America since the second half of the 19th century: the primary export model (PEM), the import substitution industrialization model (ISIM), the neoliberal model (NM), and the post-neoliberal approach (PNA). He concludes that these four models more or less share the following characteristics: a) they conceive of modernity as an evolutionary and linear process based on growth, b) they subordinate and deny the intrinsic value of nature in the relationship between humans and nature, and c) they exclude knowledge that falls outside of the dominant Western worldview. In general, each of these models

has an innate flaw: rather than focusing on meeting human needs, they focus on solving problems related to the accumulation of capital.

The impacts of these development models have enhanced the crisis in terms of managing social change, with serious consequences for people's quality of life and the metabolic rhythms of the ecosystem. However, the crisis also represents an opportunity to change direction, and defining a horizon for social-ecological transformation is a major challenge.

Based on the overview and critique of the main development approaches in the region, Cáliz identifies three major focuses that should be present in Latin American transformation processes: 1) identifying and satisfying the population's basic needs; 2) respect for the biosystematic equilibriums that facilitate different ways of life by reorienting humanity's relationship with nature, which requires a multidimensional understanding of our impact on our environment; and 3) horizontal coexistence between different types of human societies—in other words, the vicious cycle in which the well-being of some is possible thanks to the displacement of others must be abandoned for transformation.

Synergy among these three focuses could facilitate a different approach to the classical concepts of development, and the feedback between these three approaches would help identify the parameters that should be shared among alternative social change initiatives. In an effort to support progress in this direction, Cáliz identifies the following critical issues as points of reflection and reference in order to question and refine possible courses of action and give continuity to a potential transformation process:

1. Renouncing extractivism as the core logic of accumulation in Latin American states. This would require implementing strategic actions to reduce Latin America's economic dependence on raw material exports.
2. Establishing the substantial reduction of inequality as one of the primary purposes of public policy.
3. Strengthening and expanding a socially responsible, democratic state.

4. Redefining the integration processes to encourage collaborative structures that empower communities.

Cáliz emphasizes that proposing and implementing an alternative understanding of development in Latin America should not be left to luck or the goodwill of the elites. It is fundamentally important to include the actors that have been most affected by traditional development approaches in this process, as their knowledge and collective action can serve as a necessary counterweight to force the elites to cede certain privileges in the interest of transforming Latin American societies.

Cáliz does clarify that this is not about a transformation focused on accumulated surplus, but instead on the requirements for the reproduction of life in its various forms—a dignified life free of oppression that allows all beings to find harmony with themselves, their peers, and the planet as a whole. From his perspective, the economy would be a subordinate subsystem to the ecosystem rather than being the core.

In the fifth essay, “Utopia and Alternative Projects: A ‘Categorical Framework’ for Socio-Ecological Transformation in Latin America,” Henry Mora provides an apt corollary to this volume, *questioning the concept of utopia and the way it can be used to orient alternative social projects*.

Mora presents the reader with the relationships between the concept of utopia and alternative development projects. As Mora writes:

To begin, in answer to the question: “Which is the best possible society?” we would answer dryly: “It is impossible to answer this question,” because we need a point of reference regarding what is “the best possible.” And such a point of reference cannot be taken from any preconceived ethical framework, because it would not include feasibility criteria. We are not able to formulate societal duties or models without first determining a feasibility framework.

However, reality is a reality of life. Real is that with which one can live and what one needs to live: nature and the human community. To

return to this reality, the point of departure can only be the revindication of human beings as concrete, corporal subjects who insist on their needs and rights, often in conflict with the logic of institutional systems. This is not just a class conflict; rather, it is fundamentally the conflict between the possibility of life versus the logic of systems.

In this context, Mora mentions three simplistic structures that hinder understanding of alternatives guided by the basic principle of “a society with space for all”:

1. The first is the messianic, neoliberal model of the market, which tries to impose its limited vision that there are no possible solutions outside of the market.
2. The second is “conservative possibilism,” in which the utopian horizon is determined based entirely on what is accepted as possible by those who do very well within the logic of exclusion. In this “utopization of the real,” the existing present is made into a utopia, undermining the political will necessary to undertake significant transformations.
3. The third is what Mora calls “radicalism without mediation,” in which the expectation is to jump directly to a world that is completely different from the present world, without considering historical interventions and humanity itself.

This is why, according to Mora, an alternative project corresponding to the necessary utopia of a society with space for all cannot be a definitive project of definitive institutions, but instead must transform institutions—including property systems and the systems of the market and of the State—so that they include all humans.

Mora concludes that “such a transformation is not a governmental plan; rather, it is the program through which policies that support and promote the alternative project can and should be exercised, both generally and via specific actions. This presupposes an ethic of life, an ethic of the common good.”

After addressing conceptual reflections and analyzing past and present patterns of accumulation in Latin America, the authors of this book agree that we must abandon neo-extractivism and traditional

capitalist accumulation patterns to move towards human well-being and sustainability in the region.

What conditions are necessary to move towards alternative forms of transformation and emancipation? According to the authors of this publication, some of the foundations for transformation can be summarized as follows:

1. Focus on individual and communal needs and the rights of each human being;
2. Revindicate the intrinsic, non-monetary, value of nature and take on the unavoidable challenge of ensuring that human interactions understand, respect, and contribute to ecological balance;
3. Develop “a society with space for all,” or horizontal coexistence;
4. Guarantee the active participation of civil society in the decision-making process or collaboration between the government and civil society;
5. Transform institutions, the property system (including alternative property forms and nationalized vs. private property), and the relationship between the State and the market, among other changes.

This publication provides an important analysis of the patterns of accumulation in Latin America and contributes new ideas and proposals to support the implementation of alternative paths to ensure the well-being of humanity and the natural ecosystems that support it. There is no doubt that spending time with the essays contained herein will benefit both decision-makers and scholars in the areas of development, sustainability, and human rights.

— ANTONINA IVANOVA

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CHAPTER I

**The Imperial Mode
of Living and Working**

Domination, Crisis, and
the Continuity of Societal
Relationships with Nature

ULRICH BRAND
MARKUS WISSEN
Germany

Introduction: On the Relationship Between Economic Crisis, Labor Crisis, and Ecological Crisis¹

In capitalist societies, economic crises are particularly significant because they impact the bases of reproduction for capital and its institutions, as well as those of wage earners and those that represent their interests. Many struggle to obtain paid employment opportunities and achieve social stability and planning that ensure development, at least in the medium term. Similarly, economic crises always involve

1. We would like to thank Ana Cárdenas, Georg Jochum, Franziska Kusche, Miriam Lang, Alexandra Martínez, Katu Arkonada, Mario Rodríguez, and Alejandra Santilana for their valuable and important comments, as well as Christopher Beil for his support in completing the reference list. A preliminary version of this text without the focus on labor issues was published in *Alternativas al capitalismo/colonialismo del siglo xxi* [Alternatives to 21st-Century Capitalism/Colonialism] (2013) as part of the Development Alternatives Permanent Working Group in 2013.

a crisis in the existing forms of paid and unpaid labor and the social division of labor. Now, we must add the generally accepted issue of climate change, the exploitation of natural resources (such as oil, gas, copper, or silver), and industrialized agriculture to the consequences of the current economic and labor crises and the predominant ways of addressing them. Such activities have devastating socio-ecological implications, above all in the countries of the global South. This is in stark contrast to the global North, where these phenomena are hardly felt in everyday life.

And yet, the patterns of production (including labor) and consumption (determined in part by income, and therefore by paid labor) have yet to be questioned. Moreover, thanks to the lobbies of the fossil fuel industry, hydrocarbons are not even mentioned as the main cause of climate change in the Paris Agreement.²

This essay uses political ecology³ and regulation theory, along with Gramsci's theory of hegemony,⁴ to analyze the relationship between continuity and rupture in the current multiple crises of capitalism. To do so, we introduce a term that we feel is important from a (counter-) hegemonic perspective: the *imperial mode of living*. The concept does not simply refer to a lifestyle implemented by different social classes. Rather, it refers to imperial patterns of production, distribution, and consumption and to cultural imaginaries and subjectivities that are strongly rooted in the everyday practices of most people in the global North and increasingly in the upper and middle classes in the emerging countries of the global South. Within the context of this term, this essay argues that the imperial mode of living is closely linked to the *imperial mode of working*. From our perspective, the concept of the imperial mode of working can be used to shed light on specific

2. Formulated during the United Nations Framework Convention on Climate Change (UNFCCC) held in December 2015, the Paris Agreement contains voluntary objectives proposed by each government to reduce emissions.

3. Alimonda (2011), Toro Pérez *et al.* (2012), Delgado Ramos (2013), Machado Aráoz (2015), Gudynas (2015), Brand, Dietz, and Lang (2016).

4. Aglietta (1979), Boyer and Saillard (2002), Mann (2009), Atzmüller *et al.* (2013), Brand and Wissen (2018).

realities of paid and unpaid work and the social and international divisions of labor.

According to our thesis, the concept of the imperial mode of living can be used to first explain the (apparent) contradiction between the observed reality, i.e., the real and widely acknowledged increase in the crises of human society's relationships with nature, as well as the still-inadequate sociopolitical measures to address these crises.

In other words, despite the recent politicization of the socio-ecological crisis and its general acceptance as a problem in the dominant discourse, it appears that global patterns of production and consumption, as well as their underlying cultural paradigms, are being consolidated and replicated worldwide (with the support of the State and the political sphere).

It is important to understand that social and ecological crises are closely linked to dominant social structures, power relationships, state policy, the dynamics of the commodification of the workforce, human and non-human nature, and knowledge, as well as the tendency towards crisis that is typical of capitalist societies.

Furthermore, this analytical perspective allows us to comprehend certain reasons that tend to be ignored in critical assessments of crises and help understand why there are so few emancipatory initiatives to confront the multiple crises in the global North. In other words, we can use the concepts of the imperial mode of living and working to explain why the undeniable crisis of financial capitalism in many regions has yet to become a crisis of legitimacy for capitalism.

Third, the concepts of the imperial mode of living and the imperial mode of working help clarify why it was so difficult for Latin America to overcome the socioeconomic, political, and cultural structures that formed the basis of neo-extractivism during the commodity "super-cycle" that occurred in 2001–2004 and 2011–2014.⁵

5. Acosta (2011), Lang and Mokrani (2011), Lander *et al.* (2013), Svampa (2015), Gudynas (2015), Brand, Dietz, and Lang (2016).

The Mode of Living and Model of Development

One central element of regulation theory is the *model of development*. This refers to the continuity over time of the historical development of certain production and consumption patterns, which collectively constitute an accumulation regime during a given period in history. In this sense, capitalist dynamics and the capacity for hegemony occur especially, although not exclusively, when a more or less “stable” accumulation regime has crystallized. In regulation theory, the different branches of economic activity (productive asset and consumer goods industries) and their corresponding norms must be more or less compatible with final consumption conditions and the socially accepted ideas of the “good life.” For example, the automobile industry is engaged in brutal, worldwide competition. Its technological research and development areas must make projections based on estimated global demand, which only materializes at the point of sale. This generates overcapacity and the destruction of capital, which can be seen today.

As a result, the concept of consumption patterns and norms as understood by regulation theory does not just refer to the consumption of goods and services but to a dynamic model of development that materially structures social existence and relationships. This includes food, housing, and transport; paid labor and other socially necessary forms of labor; leisure time; the public in its broadest sense and the political in its strictest sense; and community, family life, and individuality.

The specific form taken by the model of development is the result of historical experiences, including social conflicts and commitments, which consolidate into a certain form of technological, ideological, and institutional development. This is also how subsistence production endures, which significantly contributes to the reproduction of capitalist societies, although in very different arenas and through extremely unequal gender relations.

As previously mentioned, the concept of the mode of living is based on production and consumption patterns, in accordance with

regulation theory. Moreover, it relies on the concept of the model of development. However, it differs from the latter in that it gives more importance to everyday micro-practices and common sense—e.g., in the labor market and beyond—focuses that are rarely explicitly addressed by regulation theory. Furthermore, these are not considered autonomous factors that influence how certain consumption patterns spread or how established production patterns create certain conditions. Instead, these factors are considered through their function and/or dysfunction within the context of macroeconomic continuity.⁶ Our argument assumes that a *hegemonic* mode of living is generated in certain historical periods based on an alignment between production and consumption patterns. This hegemonic mode of living is broadly accepted, tied to certain institutions, and deeply rooted in people's everyday practices—both within the world of work and outside it. It is a mode of living related to specific ideas about progress. For example, computers are expected to become ever-more powerful and food is expected to become increasingly cheaper, regardless of the social and ecological conditions in which they are produced.

Production/labor and consumption patterns that become hegemonic in certain regions or countries can spread globally in an irregular fashion, with considerable differences in space and over time. This spread is connected to specific business strategies and capital interests, state-level trade and investment policies, the organization and negotiation power of employees and their unions, and geopolitics. But it is also linked to purchasing power, as well as the worldviews that are built around what constitutes an attractive mode of living in periphery societies that are introduced to new production and consumption patterns via the global market.

The term “generalization” in this context does not mean that everybody lives in the same way, but rather that certain worldviews are created that are deeply rooted in what is understood as “quality

6. For a critique of the regulation theory approach, see Barfuss (2002, p. 30): “The concept of regulation presupposes a level of abstraction that does not allow for the consideration of the singular phenomena of film, advertising, literature, or popular culture without relating them in an overly-generalized way to a given accumulation regime.”

of life,” “the good life,” and “social development”. These worldviews impact the daily lives of an increasing number of people at both the symbolic and material levels, i.e., in the mode of reproduction of one’s private life. The symbolic dimension is important both because it provides continuity to a certain accumulation regime and because the creation and day-to-day aspects of a mode of living have their own dynamics (which, incidentally, are not completely independent from the macroeconomic context). Moreover, it is important to note that this process is not socially neutral, but is instead transmitted through global inequities and class, gender, and ethnic relations. Managing social contradictions is becoming easier in the global North due to the *externalization* of the ecological costs that emerge from the reproduction of the workforce (Brand and Wissen, 2018). However, as we will demonstrate below, the consumption patterns inherent to the imperial mode of living are specifically based on class discrimination.

The same is seen in the imperial mode of working. Regulation theory also provides several analytical tools that can be used to consider the interaction between the historical phases of capitalism and the ways of organizing paid and unpaid labor in various regions around the world. In this chapter, the following are understood to be concrete workforce activities: mere availability to work, technical organization of the production and distribution process, qualifications, discipline, degree of commodification, organization of interests, and the connection between paid labor and other forms of labor, especially unpaid care work.

The Imperial Nature of the North’s Mode of Living and Working and its Spread Towards the South

An *imperial mode of living*—which has always included production—was first implemented through the colonization that began in the 16th century, and then again through the global liberal capitalist system

established in the 19th century. However, only the upper classes reproduced this mode of living during these time periods, i.e., it was not hegemonic in the sense of representing the life and everyday activities of the majority of the population. By the 19th century, certain aspects of the imperial mode of living had spread to the upper-middle classes located in the capitalist centers. Recently, the development of Fordism—in 1910 in the United States and in the mid-20th century in the rest of the world—caused significant changes in social relationships and society’s relations with nature, and thus in the mode of living. At this point, the imperial mode of living took root in the everyday lives of the majority of the population, particularly in global-North countries. This shift was compounded by the fact that the sector of the population that had barely subsisted in the capitalist centers up until that point experienced an enormous reduction, similar to what occurred in the urban centers of semi-periphery countries, particularly in Latin America.

The profound Taylorist transformation of the organization of labor and the corresponding increase in the production of capitalist centers were *some* of the bases of the Fordist model of development. Another change that occurred with the advent of the Fordist model was that these same wage earners came to be defined by their use of these products: they began to transport themselves in automobiles, to eat industrially manufactured products, to request housing, and to acquire homes for their families using loans. Similarly, increasing productivity reduced the costs of consumer goods and, as a result, the cost of the reproduction of the workforce. Wage earners participated in the growing surplus value through an increase in their real wages—a result of the Fordist class compromise. Automobile and home ownership—equipped with industrially manufactured goods and insured through state policies and the credit system—were hegemonic objectives of Fordist production and consumption.

Furthermore, technological innovations in areas including chemistry, agriculture, telecommunications, mechanical engineering, electronics, and transportation represented fundamental elements of Fordist dynamics and had specific implications for social and ecological relationships.

The global North's mode of living is "imperial" to the extent that it assumes theoretically unlimited access to the resources, space, labor capacities, and sinks⁷ of the entire planet, usually via the global market and generally guaranteed through policies, laws, or the use of force. Within this context, development of the productivity and well-being of these metropolises was the result of a global division of resources that favored them (Altvater, 1992). In turn, the immense growth experienced during Fordism was achieved thanks to the massive exploitation of fossil fuels—first coal, then oil—and the indiscriminate use of global sinks. The important thing was to have access to a relative and permanent surplus of cheap natural resources and raw materials, which is where the agricultural market got involved. Finally, the military and political dominance of the United States during the Cold War with the Soviet Union allowed for a certain global political stability, which was also reflected in constant access to low-cost resources such as oil.

After the crisis of Fordism in the 1980s, a *post-Fordist* development model emerged within the framework of a harshly disputed restructuring process. If Fordism can be understood as a form of intensive accumulation that facilitated the increase in relative surplus value through the permanent *intensification* of the labor process, the mode of accumulation that emerged again in the 1980s and 1990s was instead an *extensive* model. The latter was based on extending working hours and, above all, the global increase in the number of wage earners in countries such as China (Sablowski, 2009).

Other milestones that marked this restructuring process—which can be classified as the "neo-liberalization of society," with both conservative and social-democratic elements—were new models of production, a new international division of labor, the transformation of the State into a competitive and internationalized entity, a competitive corporatism that was accepted by many unions, and changing social structures and subjectivities (Candeias and Deppe, 2001).

7. Ecosystems capable of absorbing emissions are called sinks. For example, forests and oceans are CO₂ sinks.

Our classification of the Fordist and post-Fordist mode of living as “imperial” does not seek to deny or dismiss the strategies based on brute or structural force that acquired even more importance after September 11, 2001. Nor do we wish to abstractly moralize or criticize the wage earners of capitalist metropolises and the middle and upper classes of the so-called (semi-)periphery countries for their consumption habits and/or lifestyles. The dividing lines are maintained and reproduced, consciously or unconsciously. However, we do believe that the term *imperial mode of living* is suitable to emphasize the connection that exists between hegemonic everyday practices, state and business strategies, the ecological crisis, and increasing imperial tensions in international politics. We understand the imperial mode of living as a structural concept, which is why this chapter does not explicitly refer to any political or social stakeholders (which are, of course, very important). Specifically, this term allows us to describe the hegemonic nature and condition of society, in terms of active and passive consensus, and allows us to measure the limited scope available to develop emancipatory strategies in times of “great crisis.” At the same time, the term goes beyond the classical or modern concept of imperialism, which does not tend to consider the mode of living.

The imperial nature of the mode of living in the global North is reflected, above all, in the use of fossil fuels, mostly imported from the global South (which, for our purposes, also includes Eastern Europe). The use of fossil fuels is the driving force behind climate change, which, in turn, more significantly impacts the population of global-South societies. However, the imperial nature of the global North’s mode of living can also be seen in the resources used to develop the “Information Age,” including the exploitation of rare metals, which are then handled by workers in China in conditions that are highly dangerous for them and for the environment; the solid-waste management generated by the post-Fordist model of development; and African children’s extraction of recyclable elements from European electronic junk in order to survive, endangering their health in the process.

For our purposes, the deciding factor is that the imperial mode of living has grown stronger in two areas.

First, access to global resources and the global workforce has been restructured and intensified via the global market. Fossil-based consumption patterns, typical of Fordism, survived the crisis of that period. Not only have these patterns not changed, they have become even stronger. In this regard, Haberl *et al.* (2011) argue that the economies of two-thirds of humanity are still in transition, and their modes of living are fundamentally based on agriculture and industry. Contrary to 1990s discourse on the “virtualization” of the economy, modern communication technologies require significant resources, both in terms of electricity consumption and materials needed for their production, which mostly come from nations in the global South.

Second, extensive middle and upper classes are being established in countries such as China and India, known as the so-called “new consumers” (Myers and Kent, 2004). Members of these newly formed social classes have adopted the “Western” mode of living as a point of reference (in some Latin American countries, this phenomenon occurred during Fordism). In fact, economic dynamics in countries such as China and India—as well as in parts of Latin America—are the result of the enormous commodification of the workforce. Workers are paid extremely low wages, thus resulting in the country’s “comparative advantage” in the international division of labor. Moreover, the obvious appeal of the imperial mode of living for the Latin American middle classes also leads to the hegemony of neo-extractivism, as this model allows these social classes to obtain the resources needed to fund their lifestyle.

Within this context, the concept of the imperial mode of living illuminates the imperial nature of wage work in capitalist centers. Natural resources and intermediate and semi-finished goods, produced by cheap labor in other regions of the world, are increasingly available for the production processes of the capitalist cores and, in turn, of “emerging” economies. Furthermore, this mode of living is linked to the colonialism of global social relations, as the international structures of labor are connected to globalized racism in addition to class discrimination and patriarchy within countries (Quijano, 1992).

The Imperial Mode of Living and Crisis in the State's Problem Management

The central problem that emerges with booms in developing countries, particularly India and China, is the expansion of consumption and production patterns that depend on fossil energy sources and the dissemination of worldviews portraying an attractive life in the global North. This tends to proliferate a mode of living that, from an ecological perspective, cannot be allowed to spread.⁸ A consequence of their expansion is an increased demand for resources from developing nations, which then claim the right to use global sinks. This is precisely why booms in countries such as India and China clash with the imperial mode of the global North, as the latter is based on an *ecological exclusivity* that assumes that not all inhabitants will have the same access to the Earth's resources and sinks. This is the only way that the costs of the imperial mode of living can be externalized in space and over time.

Using classical theories of imperialism, it could be said that developed capitalism requires a non-capitalist or less-developed “outside” to avoid succumbing to its ecological contradictions (Luxemburg, 1967; Dörre, 2015). This “outside” is the condition that allows for the “environmental arrangement” of capitalist society (see Castree, 2008, p. 146 ff.; Brand and Wissen, 2017).

As current geopolitical and geo-economic changes question the global North's exclusive use of not only human and natural resources but also of the planet's sinks, the “outside” available to developed capitalism has started to decrease. This, in turn, decreases the spatial and temporal possibility of externalizing the ecological costs of developed capitalism.

8. Röckström *et al.* (2009). A critique in Moreno *et al.* (2015); from the historical point of view, Haberl *et al.* (2011).

This trend has significant implications for the political structures that have been created since the 1990s in an effort to manage the ecological crisis. The core of this structure consists of the “Rio institutions,” particularly the United Nations Framework Convention on Climate Change, signed in 1992, and the Kyoto Protocol, signed in 1997. However, both international regulatory instruments have been characterized by a core contradiction since the very beginning. On the one hand, the conceptual basis of these agreements—not their specific details and much less their disappointing results—constitutes a high-level attack on the imperial mode of living. It is based precisely on the idea that the global North, protected by legal regulations, has the right to unlimited and disproportionate access to and use of the Earth’s sinks. The Kyoto Protocol limits this access, to the extent that it limits the pollution of industrialized countries. The 2015 Paris Agreement also acknowledges the dynamics of the past two decades—i.e., the economic boom of certain countries and the pollution related to this boom—and attempts (like the Kyoto Protocol) to limit emissions.

On the other hand, the imperial mode of living is deeply rooted in the relationships of social forces, accepted common sense, and the everyday practices of inhabitants of the global North, as well as in a general focus on economic growth and competitiveness. Moreover, the imperial mode of living has become entrenched in state apparatuses, determining the perceptions and actions of politicians who time and time again are seen defending production and consumption patterns (the foundations of the imperial mode of living). They haggle over emissions levels at international events or meetings, returning home proud of having managed to negotiate very low reductions for “their” country, with a guarantee to subsidize agroindustry or build thermoelectric power stations that run on coal or gas.

The case of the “car-scrapping bonus” in Germany is a concrete example of the everyday practices that form the basis for the imperial mode of living. During the 2008-2009 crisis, the German government passed stimulus packages, the second of which included an “environmental bonus.” From January to September 2009, the government offered people 2,500 euros to scrap their old cars and buy new ones.

The initiative was a resounding success. A total of 1.75 million people participated and bought a new car (there were 42 million private cars in Germany in 2010, 40,000 of which had electric motors or hybrid engines).

This political intervention—implemented with the consent of companies and unions—guaranteed industry production and jobs during the crisis and maintained the economic foundation of a country that exports many industrial products. In recent years, 25% of Germany’s export income has come from the transportation industry, while 15% has come from the machine industry and 15% from the chemical industry. Maintaining “good employment” in the automobile industry was the main justification for the aforementioned political measure.

A similar situation can currently be seen in the car emissions fraud scandals (colloquially known as “dieselgate”), which have shown how companies, unions, and the State attempt to minimize the benefits of using less-contaminating vehicles. This contradiction between the defense and the implicit questioning of the imperial mode of living is what has always characterized the State’s management of the ecological crisis. It is therefore unsurprising that the United States, until recently the largest source of carbon dioxide (CO₂) emissions and currently the largest source of emissions per capita, never ratified the Kyoto Protocol and has abandoned the Paris Agreement during Donald Trump’s presidency.

Crisis and Continuity of Societal Relationships with Nature and the Implications for Labor

In our opinion, the imperial mode of living, as well as the dominant forms of organizing social labor and the social and international division of labor, provides key insights into the crisis of the State’s management of the ecological issue, as well as the concurrent crisis

of continuity of capitalist relations with nature. We have outlined a few aspects that we consider important below.

The dominant societal trends are oriented towards the destruction of natural living conditions, material growth, a State that is dependent on tax revenue, institutionalized commitments between paid labor (and unpaid labor) and capital and its dynamics of accumulation, and the competition between capital and different societies (“production sites”). The structural vulnerability lies in how the predominant societal forms appropriate nature. However, it is also true that this institutional organization grants a certain permanence to capitalist dynamics and social and political commitments and, in turn, contributes to the management of other crisis phenomena. This occurs within the context of the over-accumulation of capital—a characteristic phenomenon of the current economic crisis, which is apparently managed by investing excess capital in “nature,” i.e., in land, food and agrofuel crops or in emissions credits (Moreno *et al.*, 2015). As a result, the selective ecological distribution and modernization of ecological production and consumption patterns (Mol *et al.*, 2009) become the means of managing accumulation problems. This is very clear in the most recent strategic documents published by the European Union (European Commission, 2010, 2011).

On the other hand, the imperial mode of living is reproduced through a type of labor that is based on and developed from the enormous inequalities that exist between individuals and groups that have to sell their labor. The recent restructuring of the international division of labor intensified imperial access to the labor capacity and resources of global-South countries. Liberal investment and trade policies have also contributed to this intensification, along with the deregulation of raw-material and product markets through the end of price-stabilization measures and the creation of the World Trade Organization.

In the name of energy security, state policies regarding raw materials have begun to play an increasingly important role. Despite total resource expenditure in the European Union, for example, stagnating at a high level since the mid-1980s, imports of resources have increased and the “ecological rucksack” generated in the export

countries of the global South has grown too.⁹ The “ecologically unequal exchange” expressed in this value supplies global-North economies with cheap raw materials and helps keep the expenses associated with the reproduction of labor low.¹⁰

Referring to the hegemonic nature of the imperial mode of living does not ignore the fact that social structures differ, and there are different environments and contexts. Ecological issues have gained importance, particularly in alternative, “post-materialist” environments that emerged from the ecological movement or from politically and culturally similar initiatives. However, ecological issues have also gained importance in conservative environments. Unfortunately, studies show that awareness and action do not necessarily go hand in hand when it comes to social and ecological issues. For example, highly educated people with relatively high income levels and a strong ecological awareness have the highest consumption levels of resources per capita, while social classes or environments where there is little ecological awareness, but also a lower income level, consume fewer resources (Wuppertal Institut für Klima, Umwelt, Energie, 2008, pp. 144–154). These different visions are more or less problematic based on the social and ecological understanding of the good life that one aspires to—adapted to business strategies and guaranteed by the State. However, from the perspective of hegemonic theory, they can be used to explain why “so little has been done” in terms of emancipatory projects during the multiple crises.

The impact of the imperial mode of living becomes more acute while simultaneously potentially converting the crisis into something actionable, within certain spatial and social boundaries. The normality of the imperial mode of living filters the perception of the crisis, thus mediating its management. In the global North, at least, the ecological crisis is considered first and foremost to be an *environmental*

9. The “ecological rucksack” is the total quantity (in kg) of resources used to manufacture a product, minus the actual weight of the product itself.

10. An “ecologically unequal exchange” is when a country “imports a volume of energy, substances, and—indirectly—areas greater than the volume it exports.” (Wuppertal Institut für Klima, Umwelt, Energie, 2005, p. 71)

issue and not a widespread *social crisis*. This favors a certain form of public politicization that tends towards catastrophe and a type of management that, in the best of cases, can be characterized as incremental: the ecological crisis is a disaster that is the result of “mankind” or “human civilization” not having respected its “natural limits,” or it is the result of human “interventions” that have disturbed the natural balance. However, this approach omits the fact that mankind’s interventions in nature have always been based on processes of socialization. This is how the dominant socializations have been consolidated, leaving practically no room for alternatives and only permitting variation within an established framework.

The result is the predominance of market-based patterns of crisis management (e.g., the carbon credit market as part of climate policy), an approach that also goes unquestioned by the defenders of a more extensive ecological modernization and/or a Green New Deal (Moreno, 2013; Salleh, 2012; Brand and Lang, 2015). In other words, the dominant discourse on the crisis in the global North acknowledges the existence of an ecological crisis but politicizes and addresses this crisis in a way that does not question accepted patterns of production, labor, and consumption. On the contrary, this discourse ends up consolidating these patterns through selective ecological modernization.

This is facilitated by many aspects of the ecological crisis being relatively indirect, as mentioned at the beginning of this chapter. Climate change is not manifested directly, like air pollution and polluted rivers; instead, it is barely and indirectly perceived in everyday life in the storms or torrential rains that, according to climatologists, are due to the increase in the average global temperature.

Additionally, from the perspective of global-North countries, these disasters seem to affect everyone equally, regardless of their social position. Climate change is, above all, conceived of as a future global catastrophe. The only experience of the ecological crisis in the global North tends to be through scientific descriptions that are presented to the public with some uncertainty. This opens the door to differing interpretations in which the perceptions of the crisis must align with the fundamental social conditions.

Representatives of subaltern populations play an important role, presenting more radical arguments to address the economic crisis when they are involved in social policy and the labor market and developing ideas that push the envelope. For example, German unions were in favor of the car-scrapping bonus, which they negotiated with the German government. The correlation between the ecological crisis and fossil-fuel-based patterns of production and consumption—and subsequently the nature of the ecological crisis as an issue of global and social distribution—is treated as a non-issue by labor representatives and those that defend a redistribution policy. In other words, the imperial mode of living implies that the ecological crisis is considered secondary to social issues or is presented as an imminent catastrophe. In both cases, the social nature of this crisis is *invisibilized*, including its connection to social relations of power and domination and its unequal social and global effects. As a result, market-based and technological solutions and strategies are favored, including carbon credit markets, more energy-efficient cars, and even geoengineering.¹¹

In essence, this is about transforming and perpetuating capitalist relationships with nature, presenting these relationships as an inevitable necessity and excluding any alternatives to humanity's appropriation of nature.

On a United Mode of Living: What is Sustainable Labor?

The term *imperial mode of living* has a theoretical dimension and a diagnostic dimension, both of which are related to the current context. Since development of the global market began, living conditions in the capitalist centers have depended on the resources and

11. Mostly theoretical at this point, geoengineering refers to technical interventions in geochemical processes, such as fertilizing oceans in order to increase their capacity to absorb CO₂ or sending sulfur dioxide into the stratosphere to reflect sunlight back into space.

labor of other regions. As a result, labor's imperial nature and role in reproducing life in the global North is generally made invisible in such a way that the hegemonic nature of the conditions of production and capitalist life cannot otherwise be explained. Despite this, many societies have been exposed to this mode of living since the mid-20th century. It has gradually spread, particularly among countries in the global North and, increasingly and more dynamically, to countries in the global South (Latin America after World War II and Asia since the 1990s).

The imperial mode of living includes deeply rooted structures that are reproduced in day-to-day life and that contribute to the crisis of social and ecological relationships. However, this mode of living has not been sufficient to date to justify the suggestion of a “rupture.” In other words, the imperial mode of living simultaneously facilitates continuity and the crisis of social relationships—e.g., unemployment and the efforts to combat it—as well as societal relationships with nature. This mode of living is *imperial* because it assumes, from the very beginning, the unlimited appropriation of the resources and labor capacity of the North and South, as well as the disproportionate use of global sinks. The expansion of this mode of living in emerging countries has led state management of the ecological crisis to a total crisis.

On the one hand, the enormous impact of the imperial mode of living can be explained by the reduction in workforce reproduction expenses. On the other hand, this mode of living is hegemonically propagated, not only through social institutions but also through and within the microstructures of everyday life.

From our perspective, the political and analytical surplus value of the concept of the imperial mode of living and working is reflected in the following points:

1. It is not only powerful economic and political groups that limit transformative environmental policies, which are often considered necessary. An assessment of the current context shows that the determining factors of the ecological crisis are also rooted in everyday political, economic, labor, and cultural structures (the global market is a social-capitalist

relationship that has strong implications for the way the day-to-day mode of living is organized). Therefore, the concept of the imperial mode of living prevents us from expecting much when it comes to state or intergovernmental policies to fundamentally transform ecological relationships. This is because the predominant social (power) relationships and orientations form the basis of ecological relationships, and these cannot be overcome solely by state policies (Brand, 2016).

The progressive governments of Latin America exemplify this dynamic. To date, these governments have not practically developed any alternatives to extractivism, i.e., the unconditional extraction of raw materials and the cultivation of agricultural products for consumption by the global market (Gudynas, 2009, 2011; Lang and Mokrani, 2011; Svampa, 2015; Brand, Dietz, and Lang, 2016; www.otrodesarrollo.org). As a result of local social struggles, these countries want a larger slice of the pie in terms of the global market but they do not question the pie itself or the way it is made.

2. The concept of the imperial mode of living relativizes the demanding expectations of good arguments, rational public discourse, or the enlightened self-interest of “humanity” or of the dominant forces. This is because they often go unperceived due to deeply rooted or selectively integrated attitudes. As a result, certain consumption and production patterns are consolidated precisely because they are partially modernized.

A similar phenomenon applies to many (supposedly) alternative approaches in which hegemonic problems are hardly considered, such as the Green New Deal initiative. In Germany, this strategy was understood until the 1990s to be a form of social alliance, connecting social matters to ecological issues, along with their social protagonists: the unions and social democracy on one side and the green parties and new social movements on the other (Brüggen, 2001). Now, this initiative lacks this political focus on alliance and/or is limited to the participation of neoliberal-leaning, environmentally conscious companies who wish to modernize instead of overcoming the

production and consumption patterns that form the foundation of the hegemonic mode of living (see Brand, 2012). Thus, the “green economy” is the term meant to guide policies towards ecological modernization (see Lander, 2011; Arkonada and Santillana, 2011). This has strong implications in terms of the possibilities for rethinking the concept of labor based on this structure. The dominant “green” version is that of the “green economy,” which leaves global structures of exploitation intact and selective eco-capitalist modernization of the cores of the world-system at the expense of other regions. In this sense, it is more appropriate to talk about a “green capitalism” initiative (Brand and Wissen, 2015, 2018).

3. The term *imperial mode of living and working* is enlightening because it underscores the limits of the well-known concept of green jobs. This concept proposes creating jobs in green industries as a way to contribute to solving the problems associated with the social, ecological, and even economic crisis (e.g., creating jobs in the automobile industry to produce electric cars).

Within this system, the same patterns of production, the commodification of paid work, the dominating and exploitative employment relationships, and the capital-labor relationship go unquestioned. Moreover, the concept addresses why it is so difficult for laborers and their unions to implement concrete international solidarity that, nonetheless, could still be achieved with a profound transformation in social relationships, including labor relationships, in the capitalist cores. Such a transformation would require a totally different understanding regarding the meaning of labor (paid and unpaid), division of labor, and well-being (see the contributions of Boris Marañón and Beate Littig).

4. The concept of the imperial mode of living clarifies the requirements, approaches, and forms necessary for an emancipatory politicization of the ecological crisis. We believe it is important to oppose the ecological catastrophism that is used, as we have seen, to consolidate the relationships that are

the very cause of the imagined catastrophe itself. This is not to say that we should ignore the well-argued scenarios of the Intergovernmental Panel on Climate Change (2007). However, despite any possible urgency, including the imminence of so-called tipping points of the climate crisis (such as the thawing of permafrost that would release enormous quantities of methane, a powerful greenhouse gas), it is important to stay firmly committed to the emancipation project and oppose authoritarian and technocratic forms of crisis management.

Within this context, it is crucial to overcome the dichotomy between society and nature, which is also widespread among social forces and progressive policies. Politically, this dichotomy is reflected in the manner in which ecological issues are positioned in opposition to social matters, among other things. The tendency to declare ecology as a secondary contradiction is manifested precisely in the current economic crisis, within the framework of which ecological catastrophism (“We don’t have much time left”) and ignorance (“There’s no time for that now”) are forming a dangerous alliance. However, there are also clear indications that ecological issues are being politicized as social and vice versa. This can be seen in the concept of climate justice—promoted by social movements—a concept that imagines climate change not as a socially neutral future catastrophe but as a social and global problem.¹² Systematically linking social issues to ecological ones also comes with a discussion regarding the term *sufficiency* and the proposals and practices related to it.

At an analytical level, this analysis requires identifying, explaining, and estimating the political potential of select state policy structures that privilege certain interests, as well as certain forms of knowledge

12. When referring to the global South, Köhler (2008) states that “increasingly, central social conflicts are articulated in the form of conflicts due to control and conditions of access to natural resources and/or, more generally, due to the concept of social and ecological relationships.”

about the ecological crisis, over others. Politically, we believe that the central challenge is establishing objectives and demands in a way that facilitates concrete intervention but also allows the existing rules of play to be questioned. The best way to achieve this is by reconciling social conflicts with people's everyday practices, including those of paid laborers and their unions.

There are several possible approaches to ecological issues, including focusing on transportation, food, or energy consumption. In this sense, the concept of the imperial mode of living can contribute to raising awareness: if the central determining factors of the ecological crisis and the patterns of management using power and domination are rooted in the relationships of social forces and in everyday practices, then these are an important space for counter-hegemonic struggles.

This entrenchment also applies to the labor market in the sense that we need a concept of sustainable employment that goes beyond a green economy and green jobs. This indicates the need for a fundamental restructuring of labor itself, including its form and content, its societal relationships with nature, its role in society, and its division, among other aspects.

From a broad, critical perspective, sustainable employment does not contribute to the selective modernization of capitalism and neo-colonialism in certain regions of the capitalist cores and the (semi-) periphery. Rather, it is part of a social-ecological transformation that goes beyond neocolonial capitalism (Lang, Cevallos, and López, 2015; Brand and Wissen, 2017).

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CHAPTER II

**The Latin American
Roots of Another
Development**

Development Styles and
Human Scale Development

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Introduction

This chapter looks back at the ideas regarding alternative development, or “another development,” that emerged as an intellectual trend in Latin America and Europe in the 1960s, 1970s, and 1980s within the context of the international debates about the first three decades of United Nations (UN) development. Specifically, we analyze proposals on human-centered development (Seers, 1969), development styles (Centro de Estudios del Desarrollo [CENDES], 1969), eco-development (Sachs, 1974a, 1974b, 1977, and 1980; United Nations Environment Programme/United Nations Conference on Trade and Development [UNEP/UNCTAD], 1974), another development (Dag Hammarskjöld Foundation, 1975), social and human development (Economic Commission for Latin America and the Caribbean

[ECLAC], 1981), alternative development styles (Sunkel, 1980), and human scale development (Max-Neef, Elizalde, and Hopenhayn, 1986). This latter concept was greatly influenced by the original thinking of the Spaniard José Luis Sampedro. He paved the way for the most controversial post-development approaches, particularly those referred to by Hidalgo-Capitán and Cubillo-Guevara (2014, pp. 27–28) as the environmentalist and indigenous interpretations of Good Living (*Buen Vivir*).

The theoretical and methodological framework for this text is indebted to several traditions on the history of ideas and their importance in history: Hegel's dialectical approach and Marx's sociology of knowledge filtered through Weber, Mannheim, and Lovejoy. When applied to the topics in question, they can be summarized as follows: "ideas are a driving force in human progress," which "is not to deny the role of power and material interests but to highlight the role of ideas in helping to shape interests and constrain the exercise of raw power" (Emmerij, Jolly, and Weiss, 2005, p. 212). If ideas can be defined as "normative or causal beliefs held by individuals or adopted by institutions that influence their attitudes and actions" (Emmerij *et al.*, 2005, p. 214), we propose a historical reconstruction of the ideas on alternative development in Latin America in order to evaluate their direct and indirect connection to other current development styles.¹ The latter have gained momentum in the region since the beginning of the 21st century—particularly the socialist interpretation of the concept of Good Living (Hidalgo-Capitán and Cubillo-Guevara, 2014,

1. According to the Deputy Director of the Social Development Division of ECLAC, "a 'style' is a kind of integration of development strategies with the power factors which enable them to be carried out within an economic and social system existing at a historically determined time and oriented towards certain goals" (Graciarena, 1976, p. 186).

pp. 27–28) and its manifestation in public policy.² Our hypothesis is that said connection is latent but needs to be made explicit when analyzing these styles in the present.

Having clarified the above, this article is organized into three sections based on the chronology of the first three decades of UN development. The final considerations evaluate the need to analyze Latin American ideas on alternative development from the perspective of the history of ideas or the historical reconstruction of economic thought.

First Decade: On the Meaning of Development Styles

Dethroning gross national product as an indicator of development

Launched in December 1961 through Resolution 1710 (xvi) and originating from an idea proposed by President Kennedy, the first “United Nations Development Decade” came to a close in an environment of general disappointment among those that believed in the ideology

2. Good Living was the inspiring motto of the public policies of the Citizens’ Revolution from their incorporation into Ecuador’s new constitution in 2008. The latter contains a chapter dedicated to the Rights of Good Living, defined as triple harmony with oneself, with others, and with nature. In Ecuador’s two national development plans (*National Plan for Good Living 2009-2013* and *National Plan for Good Living 2013-2017*), an effort was made to implement the concept of Good Living through a program of public policies that initially attempted to simultaneously achieve the objectives of harmony with nature, respect for plurinationality, the fulfilment of basic needs, social justice and equality, and participatory democracy (Caria and Domínguez, 2014). At the heart of the economic program was the idea of changing the production, distribution, and knowledge infrastructure—structural change linked to static and dynamic redistribution, the latter with significant public expenditure on education—and an employment-intensive growth strategy (León and Domínguez, 2017; Minteguiaga and Ubasart-González, 2015; Weisbrot, Johnston, and Merling, 2017).

of development. Despite the 1962 recommendation from the UN Economic and Social Council (ECOSOC) to integrate the economic and social aspects of development, the strategy for the decade stating that “the ultimate objective of economic development is social progress” (Department of Economic and Social Affairs, 1962, p. 7), the creation in 1964 of the United Nations Research Institute for Social Development (UNRISD), and the dynamism of the chairman of ECOSOC’s Committee for Development Policy,³ the social and economic aspects of development were divided and treated separately (Jolly, Emmerij, Ghai, and Lapeyre, 2009).

It is true that the decade’s sole, modest quantifiable goal (“a minimum annual rate of growth of aggregate national incomes of 5 per cent”) was achieved with an annual population increase of 2.5% in developing countries, while per capita income increased by 3.5% between 1961 and 1970. However, the second part of the general objective of Resolution 1710 (xvi)⁴ referring to “social development” was a failure in most countries (Jolly *et al.*, 2009, p. 107). This triggered a debate on the “meaning of development,” crystallized in the title of the famous essay written by Dudley Seers in 1969, which questioned the idea of understanding development as equivalent to growth.

The connection with Latin America, which positioned Seers as a pioneer of development, was fundamental.⁵ Seers built the new disci-

3. The chairman at the time was the great Dutch social democratic economist Jan Tinbergen, who was appointed to this post in 1965 due to his ideas on centralized planning and his income convergence theory.

4. See Resolution 1710 (xvi), United Nations Development Decade: A programme for international economic cooperation of 19 December 1961. Retrieved from: <<http://www.un-documents.net/a16-5100.pdf>>.

5. Seers, a disciple of Joan Robinson, was president of the Cambridge Marxist Society. From 1953 to 1955, he worked under Michal Kalecki at the UN Department of Economic and Social Affairs (DESA). In 1966, after his time at ECLAC, Seers founded one of the first development institutes—the Institute of Development Studies (IDS) at the University of Sussex—breaking with the characteristic focus of United States research institutes that had been created to investigate economic growth. At the behest of Seers, the IDS later consulted for the socialist government of Salvador Allende.

pline of economic development based on the teachings of his mentor Joan Robinson. She integrated the thinking of Marx and Keynes, as well as Marxist economist Michal Kalecki's synthesis of these two thinkers, and was also highly influenced by the structuralism of Raúl Prebisch, who in turn had a profoundly Keynesian background (Pérez-Caldentey and Vernengo, 2016, pp. 1725 and 1729). After a brief interregnum in New York, Seers joined ECLAC in 1957, where he worked until 1961 under Prebisch and Osvaldo Sunkel and became a committed structuralist.

In his famous 1969 essay, re-edited and published only a year later in the *Revista Brasileira de Economia* in both Portuguese and English, Seers launched a devastating attack on gross national product (GNP) as a measurement of development. Moreover, Seers drew attention to the lack of rigor that appeared to confuse economic growth with economic development or, in other words, the belief that increases in GNP, "if they are faster than the population growth, sooner or later lead to the solution of social and political problems" (Seers, 1969, p. 1). For Seers, development should be a "normative concept, as almost a synonym for improvement." He defines it not as copying "the development paths of other countries," à la Rostow, but instead establishing "the necessary conditions for a universally acceptable aim, the realisation of the potential of human personality" (Seers, 1969, pp. 2–3). This required addressing three elements: 1) covering the "basic needs" of food, clothing, and shelter (the element of poverty); 2) a job, which is "something without which personality cannot develop" (employment); and 3) "equality," which "should be considered an objective in its own right" (Seers, 1969, pp. 4–5).⁶ The conclusion was that if these three "central problems" eased, then there could be talk of development,

6. Seers adds that "the fulfilment of human potential" requires other elements that cannot be specified in economic terms, such as "adequate educational levels, freedom of speech, citizenship of a nation that is truly independent, both economically and politically, in the sense that the views of other governments do not largely predetermine his own government's decisions." The latter is the international element that would later be taken up by the supporters of another development.

but if one, two, or all three of these problems worsened, “it would be strange to call the result development, even if per capita income doubled” (Seers, 1969, p. 5).

Seers goes on to analyze the “internal consistency of the development process” (Seers, 1969, pp. 16–17), concentrating on inequality as “a major obstacle to development” in terms of supply and demand. In countries suffering from an acute foreign exchange bottleneck, the rich tend to have an extreme inclination “not merely to spend, but to spend on goods and services with a high foreign exchange content.” Similarly, it is questionable that production in these countries can rise rapidly with a labor force “too badly nourished for full manual and mental work.” Inequality simultaneously prevents workers from cooperating with the government on wage restraint and demobilizes the social energies necessary to break down social customs that obstruct development in rural areas (Seers, 1969, p. 18).

Definitively, in this essay, the first on “the dethronement of GNP” (Arndt, 1989, p. 99), Seers sets forth a concept of development that combines two complementary ingredients: Marx and Veblen’s concept of work as a creative and essential human activity and Gandhi’s community-based principle of equality.

The first is based on the Marxist theory of alienation. It is in human development, i.e., in “the all-around development of the individual” (Marx, 1979, p. 18), where one should seek the essence of humanist socialism in Seers’s critique. The latter, like that of Marx, is rooted in Aristotle and, therefore, centers on the difference between being and having or on the “full development of all human potential” (Lebowitz, 2009). However, that difference is also the prologue of Veblen’s critique of the wealthy leisure class’s conspicuous consumption and the identification of pecuniary emulation—based on imitating the consumption patterns of the wealthy—as “the strongest and most alert and persistent of the economic motives proper” (Veblen, 2007, p. 75). This last criticism, present in the first works of Cardoso (1961, p. 109) and in the considerations of Prebisch (1961, p. 12) on “the excessive consumption of the high-income groups in Latin America,” would be

reexamined by Seers and then by supporters of the eco-development approach.

The second ingredient added to the idea of development proposed by Seers is the “human-centered” vision of Gandhi’s ethical thinking on development, derived from his grassroots beginnings (Gosh, 2012, p. 182). By championing “well-being for all,” Gandhi connects individual well-being to the well-being of the community, as well as the equal fulfillment of basic needs with his early criticism of consumerism as a starting point for personal self-realization (Singh, 2006). What’s more, “the common-sense ideal” of neoclassical economics, according to which “economic beatitude lies in an unrestrained consumption of goods, without work” (Veblen, 1898, p. 187), is precisely one of the “Seven Social Sins” (“Wealth without work”) that Gandhi recommends avoiding (Singh, 2006, p. 107). This coincides with ECLAC’s position on the deleterious connection between inequality and growth and the question of internal limits posed by Sachs’s theories of eco-development (*Estudios Avanzados*, 2004, p. 358).

Seers, highly influenced by Latin American structuralist thinking, shared these reflections with his colleagues at ECLAC. The Brazilian Celso Furtado preceded him there in critiquing development as an ideology of economic growth, thus paving the way for the transition from structuralism to dependency theory.

The Latin American connection: Ideology and development styles

Effectively, Latin American development in the 1960s was considered to be a mobilizing ideology (Max-Neef *et. al.*, 1986, p. 11), but also an ideology in the pejorative sense that Marx attributed to the categories of classical political economy that inverted the real relationship—legitimizing the interests of the ruling class. He argued it was non-operational beyond the context in which it had been created, i.e., developed capitalist countries, referred to by ECLAC as core countries.

“While development, in the form of classical capitalism, created conditions of social stability and opened the doors to reformism, the situation of Latin American countries is fundamentally diverse,” stated the Brazilian Celso Furtado (1966, p. 387). He was writing as a representative of ECLAC,⁷ the regional UN commission that served to disseminate “a set of beliefs, principles, and attitudes, in short an ideology” (structuralist theory) that was already “highly influential among Latin American intellectuals and policymakers” (Hirschman, 1961, p. 13) by the beginning of the 1960s.

ECLAC had incorporated Gandhi’s ideas when it published a document on “community development in relation to the acceleration of economic and social development” in its bulletin. It posed the question of whether an element similar to Gandhism “could create the atmosphere to mobilize national forces and national construction” in Latin American countries (ECLA, 1964, pp. 232 and 255). The answer was provided by Furtado, the “first theorist of dependency” (Love, 1994, p. 438), in his article on the ideology of development, published prior to Seers’s essay.

Furtado, who was Minister of Planning during João Goulart’s Labor Party government (1962-1963), shows that technical progress in Latin America leads to social instability and prevents “the gradual perfection of political institutions.” Meanwhile, the direct transposition of European ideologies (liberalism and socialism) into this context of “heterogeneous urban masses that are awakening to political awareness” introduced additional severities that explain the populist inclination of mass movements (Furtado, 1966, pp. 388 and 390–391).

Furtado’s conclusion was that development needed to be turned on its head in order to convert it into a mobilizing socialist ideology, based on progressive recovery “of the capacity for self-determination”. He wrote that “the ideological substance of Latin American socialism will surely be extracted from the critical consciousness forged during the struggle to overcome underdevelopment,” a struggle

7. Along with Prebisch and Seers, Furtado was the third member of the development “pioneers” at ECLAC, which he joined when it was founded in 1949.

that “is causing the transformation of the vast community of peoples who constitute the Third World” (Furtado, 1966, p. 391). Thus, the humanist and community-based components of the first critiques of development were preceded by the internationalist components presented by Furtado, that “first theorist of dependency” (Love, 1994, p. 438).

However, Furtado did not analyze the economic aspect of the development process in his work, only the results of this process in terms of social and political stability. The Argentinian Óscar Varsavsky first explored the topic of “development styles” as part of the Mathematical Models Group (*Grupo de Modelos Matemáticos*) of the Center of Development Studies (*Centro de Estudio del Desarrollo* - CENDES) at the Central University of Venezuela. Founded in 1961, before the IDS at the University of Sussex, Varsavsky approached the issue of “development styles” based on development as a process of structural change (CENDES, 1969). The latter was defined as the transformation of the production structure (industrialization) and modification of the composition of aggregate demand. This required an analysis of the “different ways of changing the current structure of product and demand, together with the other economic variables linked to these” (CENDES, 1969, p. 518).

Varsavsky and his colleagues at CENDES mathematically simulated three development styles (“consumerist,” “authoritarian,” and “creative”), equivalent to “three ideologies, philosophies, [or] images of society,” and brought the “qualitative aspects” to the “foreground” (CENDES, 1969, pp. 518–519).

Of the three styles, we will address the two purest models: consumerist (CONS) and creative (CREA). The CONS style (“modernist”) sought to “catch up with the developed countries,” by implementing a “follower” strategy in terms of patterns of production and consumption and economic policy, which would sooner or later hit the limits of the import substitution industrialization process dependent on foreign direct investment. For its part, the CREA style (“educational” or “autonomous culture”) prioritized “creative capacity and, therefore, education (suitably reformed)” in order to foster the “gestation of an autonomous technology.” This style discouraged

“following developed countries” in terms of production patterns and “particularly, in terms of consumption.” It also placed greater emphasis on public investment over foreign direct investment and proposed a “very rigid and progressive tax policy in order to finance the cost of education, health, and other free services” (CENDES, 1969, pp. 524–525).

Given the premise of the study, defined as the “classic problems of development” (CENDES, 1969, p. 517),⁸ Varsavsky and his colleagues argued in favor of the creative style. They claimed it “generates a lot of employment, improves labor and capital productivity, does not require high levels of imports, can free itself from foreign capital, and, by definition, is capable of efficiently organizing the population” (CENDES, 1969, p. 538).⁹ The parallels between the CREA style and the National Plans for Good Living (Caria and Domínguez, 2016, pp. 20–21) do not seem to be the product of mere coincidence, but rather of the same socialist philosophical inspiration.

The First Development Decade closed with Resolution 2542 (XXIV),¹⁰ which approved the Declaration on Social Progress and Development of December 1969. This document acknowledged Seers’s criticisms of GNP as an indicator of development and his human-centered assertion regarding the ethical approach to development. It took note of the “interdependence of economic and social development in the wider process of growth and change, as well as the importance of a strategy of integrated development which takes full account at all stages of its social aspects.” In the same vein, the Declaration acknowledged “the pressing need to narrow and eventually close the gap in the standards of living between economically more advanced and developing countries.” However, it ignored

8. “a) Capitalization without external debt; b) access to human resources of the required quality; c) no unemployment; d) ensuring that what is produced stays within the country (or is exchanged for other non-produced assets); and e) is distributed equally among its inhabitants” (CENDES, 1969, p. 517).

9. In contrast, the consumerist style “is incapable of financing growth equal to that of CREA (and even less in terms of national income).”

10. The full text is available at: <<http://www.un-documents.net/a24r2542.htm>>.

Furtado's criticisms of the myth of development as a convergence with industrialized countries and his socialist proposal for overcoming underdevelopment.

Moreover, the priorities outlined in the Declaration included proposals for the “elimination of poverty,” “just and equitable distribution of income,” and the right to “productive and socially useful labour” free from “any kind of exploitation of man.” This required reforms to the right to property (subordinating it to its social function) and higher standards of occupational hygiene and health. In the international sphere, a call was made for “the elimination of all forms of foreign economic exploitation”—expressly including international monopolies—“in order to enable the people of every country to enjoy in full the benefits of their national resources.” Mention was also made of “the protection and improvement of the human environment.”

Resolution 2543 (XXIV) decided to take all of these considerations into account “in the formulation of the strategy for the Second United Nations Development Decade and in the implementation of programmes of international action to be carried out during the Decade.”¹¹

Second Decade: From Development Styles to Another Development

The concerns of the Second Development Decade were determined by the poor results of the First Development Decade concerning the three objectives that Seers had used to redefine development after his

11. The full text is available at: <<http://www.worldlii.org/int/other/UNGA/1969/54.pdf>>.

time at ECLAC (reduction of poverty, inequality, and unemployment) and the increase in the per capita income gap between developed and developing countries that occurred during the First Decade.

At this point, ideas on development shifted from radicalization (Marxist-informed dependency theory) to reform (the Keynesian-informed New International Economic Order [NIEO]) (Jolly *et al.*, 2009, pp. 108 and 111). On top of this, two crises of a very different nature were finally given names in 1971: the environmental crisis and the second crisis of economic theory. “Environmental crisis” describes the growing social awareness of the damage caused to the ecosphere by the capitalist model of economic growth (Commoner, 1971). This crisis, together with the first oil crisis (1973), meant that development—epitomized by economic growth—became a dirty word, in need of new qualifications and certain transformations to restore its former legitimacy (Rist, 2007).

For its part, the “second crisis of economic theory” (Robinson, 1971/2015) was the result of a distorted application of the Keynesian Revolution by the military-industrial complex. Keynes’s genuine concern—shared by the new discipline of development economics established by Tinbergen and ECLAC pioneers such as Prebisch and Seers—was how to solve what he had identified as the “economic problem”: how to eliminate poverty and reduce inequalities between and within countries (Keynes, 1931, p. vii). However, the developmentalist objectives were subordinated to military expenditure—a measure that sustained the Cold War, as well as other not-so-cold wars—meaning Keynes’s “agreeable dream” became a “horrible nightmare” with the escalation of the conflict in Vietnam (Robinson, 1971/2015, p. 210). The aspect of Keynes’s thinking that best resisted this process of pilfering his ideas was his hope that, when a certain material standard of living had been achieved—between four and eight times higher than that of his time—people would be able to dedicate their “moral and material energies” to “cultivate into a fuller perfection, the art of life itself,” i.e., “to live wisely and agreeably and well” (Keynes, 1931, pp. vii and 267–268). This idea, which is the most prestigious intellectual predecessor to the concept of Good Living, proved fascinating to those who would

end up impacting the concept of human scale development, like Fritz Schumacher, albeit in a very different context of questioning the role of the State.

Reflecting all of these concerns, Resolution 2626 (xxv) adopted the International Development Strategy for the Second UN Development Decade in October 1970.¹² The new decade was expected to “mark a step forward in securing the well-being and happiness not only of the present generation but also of the generations to come.” Similarly, development was expected to integrate economic and social dimensions at the national level and reduce income gaps internationally (convergence):

The average annual rate of growth of gross product per head in developing countries as a whole during the Decade should be about 3.5 per cent with the possibility of accelerating it during the second half of the Decade in order at least to make a modest beginning towards narrowing the gap in living standards between developed and developing countries.

On a discursive level, the strategy presented two novel, interconnected notions. One was the methodology of integration, or the “unified” development (integrated development) of economic, social, and international aspects. The other was an idea in action (“human development”) linked to fulfilling basic needs through “a more equitable distribution of income and wealth” that would keep pace with economic growth,

...or promoting both social justice and efficiency of production, to raise substantially the level of employment, to achieve a greater degree of income security, to expand and improve facilities for education, health, nutrition, housing and social welfare, and to safeguard the environment. Thus, qualitative and structural changes in the society must go hand in hand with rapid economic growth,

12. The full text is available at: <<http://www.un-documents.net/a25r2626.htm>>.

and existing disparities—regional, sectoral and social—should be substantially reduced. These objectives are both determining factors and end-results of development; they should, therefore, be viewed as integrated parts of the same dynamic process and would require a unified approach[.]¹³

However, “human development” as presented within this strategy is not quite the development of capacities that Seers had already anticipated based on the thinking of Marx, Veblen, and Gandhi. It is rather a humanized metaphor for economic development—just as economic development requires planning, so too does human development, starting with family planning and continuing with the development of human resources. This requires programs to promote employment and labor standards; educational, health, and nutrition programs; access to housing; and the provision of community infrastructure in rural and urban areas. But it also requires “[arresting] the deterioration of the human environment and [taking] measures towards its improvement” and “[promoting] activities that will help to maintain the ecological balance on which human survival depends.”

Whereas social and economic aspects were treated as separate issues in the First Development Decade, the Second Decade sought to integrate these two aspects from the moment the International Development Strategy was approved, including its novel concept of human development. By the end of the decade, however, the World Bank had already co-opted the idea of human development to convert it into a synonym for poverty reduction based on greater growth.¹⁴

13. The full text is available at: <<http://www.un-documents.net/a25r2626.htm>>.

14. “Human development—education and training, better health and nutrition, and fertility reduction—is shown to be important not only in alleviating poverty directly, but also in increasing the incomes of the poor, and GNP growth as well [...]. While there is now increasing recognition that growth does not obviate the need for human development and other steps to reduce poverty, it must be stressed that the converse is true as well—direct steps to reduce poverty do not obviate the need for growth” (Robert McNamara in World Bank, 1980, p. III).

This falsified the UN's development priorities while also diverting attention away from the demands of the NIEO (Lobo, 1983; Moreno, 1985; Pronk, 1978; Samater, 1984; Stewart, 2006).

The *World Development Report, 1980* embodied the decision to go from “development of human resources” to “human development to emphasize that it is an end as well as a means of economic progress” (World Bank, 1980, p. 32). This is to say that the agenda of basic needs served to redefine economic development (structural change by means of industrialization) as human development (the struggle against poverty). This created a “smokescreen” (Samater, 1984, p. 5) to distract attention from the enormous gap in the level of industrial transformation between developed and developing countries and, incidentally, prepared the narrative that destruction of the environment was the fault of the poor (Lobo, 1983).

However, this high level of industrialization began to be questioned in developed countries, where certain authors (Mishan, 1960, p. 194) suggested that developing nations should not aspire to this “waste land of Subutopia.” The response from the subordinate countries of the periphery to this “no to industrialization” before industrialization was the concept of eco-development, promoted by academia and by ECLAC publications.

Eco-development and the New International Economic Order

Eco-development and the debate over development styles should be understood within the context of the activities to prepare for the United Nations Conference on the Human Environment (Stockholm, 1972) and the discussions regarding the New International Economic Order (NIEO). It is important to note that the term eco-development and its international dissemination was thanks to Ignacy Sachs, a consultant whose intellectual roots were deeply connected to Latin American

thought¹⁵ and who was one of a group of experts that consulted on the *Founex Report on Development and Environment* (1971). This report was one of the contributions to the Stockholm Conference, where social (human) affairs were finally included as part of the environmental agenda within the framework of capitalist development, with growth presented as a solution to poverty (Jolly *et al.*, 2009).

Although Maurice Strong, the director of the United Nations Environment Programme (UNEP), used the term eco-development for the first time in 1973, the concept was already present in Commoner's position on the Club of Rome report. The latter criticized "economic transformations" in the direction of a "radical reorganization of human society to harmonize it with the ecological imperative" because "the chief driving force behind this counter-ecological trend in the development of modern productive technologies is that production is generally motivated by the desire for short-term gain" (Commoner, 1974, pp. 264 and 279).

Similarly, besides being "the standard of a political struggle against the unilateral conceptions of the Club of Rome and its adepts," eco-development was linked to the Third World struggle for the "creation of a new world order" (Leff, 1978, p. 304). Thus, eco-development

15. Originally from Poland, Sachs fled Nazi persecution in 1939 and sought refuge in Brazil in 1941. He lived in Brazil until 1954, the same year he graduated with a degree in economics from the School of Economic and Political Sciences in Rio de Janeiro (today the Universidade Cândido Mendes). He later returned to Poland, where he was tasked with leading the Polish delegation to the Bandung Conference (1955). After his experience as Ambassador to India (1957-1960)—during which he obtained his PhD from the Department of Economics of the University of Delhi with a dissertation on state capitalism and development in Brazil—he met the young teacher Amartya Sen, who was then a professor at the Delhi School of Economics. He went deeper into the developmentalism and limitarianism of Gandhi, to whom he had already felt drawn in the 1940s. Sachs then returned to Poland to join the Main School of Planning and Statistics (now the Warsaw School of Economics), where he stayed from 1961 to 1968, collaborating with its president, Michal Kalecki. After working as a consultant at ECLAC (1968) and after his time at the UNEP (1972), Sachs became director of the *Centre de Recherches sur le Brésil Colonial et Contemporain* at the School of Advanced Studies in the Social Sciences (EHESS) of the University of Paris in 1985. This was at the invitation of Fernand Braudel, who invited him due to the events of 1968. He was also a visiting professor at the Institute of Advanced Studies of the University of São Paulo and an honorary professor at the EHESS.

arose as a third option, an alternative for those who did not agree with the supporters of “savage growth” capitalist development or with its critics. The latter supported zero growth and were, according to Sachs, “victims of the absolutization of the ecological criterion to the point of losing the anthropocentric vision of the world, which is key to all humanist philosophies” (1980, p. 720).

According to Sachs, eco-development attempts to “add an environmental dimension to the concept of development and its planning” on the basis that “there is still sufficient leeway to design viable development strategies, including from an environmental point of view” (Sachs, 1974a, pp. 57 and 63).

The fundamental points of eco-development are as follows:

1. The rational management of resources through long-term planning for sustainable exploitation, with the objective of fulfilling the basic needs of nutrition, housing, and energy, with the participation of the local population.
2. The reduction of negative impact to the bare minimum, or rather the productive utilization of effluents and waste to conserve natural resources.
3. The use of suitable technologies for industrializing renewable resources by combining state-of-the-art technologies with intermediate technologies, based on renewable natural resources and the traditional knowledge of the local population, i.e., “ethnoecology” (Sachs, 1974a, pp. 65–68; 1974b, p. 363).

However, the concept of eco-development is more expansive as it goes beyond mere operational execution: it is linked to the notion of development as the realization of human capacities (“as man himself is the most valuable resource, eco-development must above all contribute to his fulfilment”);¹⁶ it anticipates the weak notion of

16. “Employment, security, the quality of human relations, respect for the diversity of cultures—or, if one prefers, the development of a satisfactory social eco-system—are all part of this concept” (Sachs, 1974b, p. 364).

sustainable development, but also the strong notion;¹⁷ it requires participative development that “presupposes modes of social organization,” “community structures” with “horizontal authority,” and the “effective participation of the populations concerned in the realisation of eco-development strategies,” as well as “a new educational system” that serves to “make people aware of the dimension of the environment and the ecological aspects of development”;¹⁸ and it is, lastly, a collective and self-centered development, which “relies on the capabilities of human societies to identify their problems and devise their own original solutions to them” and that, therefore, “gives pride of place to self-reliance” (Sachs, 1974b, pp. 363–364).

As Sachs indicated years later, eco-development is based on “a criterion of social rationality different from the logic of the market” and on an ethic “of synchronic solidarity with the current generation,” which suffers “synchronic inequalities” arising from “productivist rationality,” and “forward-looking solidarity with future generations” (Sachs, 1980, p. 720).

Moreover, eco-development attempted to harmonize the demands of the international ecological movement of developed countries—which demanded respect for ecosystems necessary for maintaining the conditions of habitability on Earth according to the ideas of ecological economics—with the demands for economic development that Third World countries so desperately demanded. These needs, in turn, were organized around the NIEO, whose proposals were included in the United Nations Conference on Trade and Development (UNCTAD) and were based on structuralist and dependency theories of development,

17. “The identification, exploitation and management of natural resources is conducted from the standpoint of a forward-looking solidarity with future generations” (weak sustainability). Meanwhile, “eco-development relies on the natural capacity of the region for photosynthesis in all its forms.” This should result in “a reduction in the consumption of energy from commercial sources (and in particular hydrocarbon)” (strong sustainability) (Sachs, 1974b, p. 363).

18. This occurs due to efforts to “change the system of values and predominant attitudes to nature or, on the contrary, to preserve and strengthen the respect for nature which is still a characteristic of certain cultures” (Sachs, 1974b, p. 364).

in addition to the existence of strong Latin American international political activism (Domínguez, 2016, pp. 61–65).

By including this perspective on eco-development, Furtado provided a reminder that the growth limit approach was based on the supposed ability of developing countries to at some point adopt the development style of the United States, which to him seemed like a fantasy. Furtado also questioned the convergence program of the International Strategy for the Second Development Decade (Furtado, 1974).¹⁹ Eco-development was not opposed to growth or industrialization; instead, it addressed the *Founex Report* proposal to convert Third World countries into “pollution havens” while also aligning with the objectives set by the United Nations Industrial Development Organization at the 1975 Lima Summit for developing countries to reach 25% of global industrial production by the year 2000 (Sachs, 1977, p. 463).

However, eco-development also represented an interdisciplinary openness of economics to cultural anthropology and ecology that encouraged a change of approach. Instead of identifying poverty as responsible for the destruction of the environment, as the *Founex Report* and the Neo-Malthusians in the Club of Rome report on the limits to growth did, Sachs affirms that “ecological disruption by the poor is the consequence of inequality in wealth and land distribution” (Sachs, 1977, p. 452). Therefore, the Stockholm Conference’s concept of outer (natural) limits is not absolute but relative, as it depends on institutional arrangements and the choice of available technologies. These then determine the rate at which natural resources are exploited, which is a result of the “conspicuous material consumption and...artificially stimulated needs” of developed countries. This measurement

19. According to Furtado, the fundamental implication of the *Limits to Growth Report to the Club of Rome* was that “the lifestyle produced by industrial capitalism should be preserved for a minority, as any attempt to spread this to the rest of humanity will necessarily cause a global crisis of the system. This conclusion is of the utmost importance to Third World countries, as it highlights the fact that the option of *economic development* as it has been defined and practiced in these countries—i.e. a path for accessing the ways of life of current developed countries—is simply a myth” (Furtado, 1974, p. 413).

is much more important than the growth rate of the population and of the gross domestic product (GDP) of developing countries (Sachs, 1977, pp. 452–453).

According to Sachs (1980, p. 720), it was important to “study new modes [of development], both in terms of the purposes and of the instruments, with the commitment to value the cultural contributions of the populations involved and to transform the elements of their environment into useful resources.” However, it was also important to study development in territorial terms, as “development is only manifested where people are and where they live, i.e. in their communities.” Therefore, “it should be translated into the improvement of the material and immaterial conditions of the population,” which is the condition for “better coexistence and greater harmony with nature” (Sachs, 1980, pp. 720–721).

Eco-development as a more egalitarian and less dependent development style was the inspiration for the event *Patterns of Resource Use, Environment, and Development Strategies*, a symposium organized by the Mexican government that was held in Cocoyoc, Morelos, in October 1974. The result of this conference of scientists and economists, held under the auspices of UNEP and UNCTAD, was the preparation of the *Cocoyoc Declaration*, a document backed by Mexican President Luis Echeverría. He also promoted the NIEO and the Charter of Economic Rights and Duties of States, which had been approved at the UN General Assembly in September and December, respectively. This document was at the forefront of efforts to materialize this project (Domínguez, 2016).

It is important to note that the *Cocoyoc Declaration* had many political elements and was composed using language that evoked the ghost of Marx. It began by denouncing the world order as the heir to “almost five centuries of colonial control which concentrated economic power so overwhelmingly in the hands of a small group of nations,” in which 25% of the global population held “at least three quarters of the world’s income, investment, services and almost all of the world’s research” (UNEP/UNCTAD, 1974, p. 20).

This situation of “a centre exploiting a vast periphery and also our common heritage” demanded a NIEO that, while defending fair

and sustainable prices for raw-material exports from developing countries,²⁰ would not violate people's inner limits—the excessive consumption of the rich that prevented the fulfillment of the basic needs of 40% of the population—or the “outer limits” of nature—“the maximum limits for exploitation of our planet that could cause irreversible effects and endanger the existence of mankind upon the Earth” (UNEP/UNCTAD, 1974, pp. 20 and 22–23).

Thus, the *Cocoyoc Declaration* appealed not “to develop things but to develop man” (UNEP/UNCTAD, 1974, p. 21). For this, it demanded development based on meeting the basic needs of food, clothing, housing, health, and education, as well as the reduction of inequalities between and within countries—because hope for the trickle-down effect is “illusory”²¹—as well as the expansion of negative freedoms (freedom of expression and political participation). However, this declaration also championed the positive freedom of the right to work—“finding self-realization in work”—and, in a direct allusion to Marx, “the right not to be alienated through production processes that use human beings simply as tools” (UNEP/UNCTAD, 1974, p. 22).

Moreover, the *Cocoyoc Declaration* reaffirms the concept of development styles (there are “many different roads of development”) and renounces convergence theory, which represents a profound overhaul of the purpose of development. According to the *Declaration*, this purpose “is not to ‘catch up’ but to ensure the quality of life for all with a productive base compatible with the needs of future generations” (UNEP/UNCTAD, 1974, pp. 22 and 24), a concept that is in line with eco-development and Furtado's ideas.

20. “The cheapness of materials has been one factor in increasing pollution and encouraging waste and throwaway economy among the rich” (UNEP/UNCTAD, 1974, p. 21).

21. “A growth process that benefits only the wealthiest minority and maintains or even increases the disparities between and within countries is not development. It is exploitation” (UNEP/UNCTAD, 1974, p. 22).

The *Declaration* concluded with a limitarian appeal to developed countries (UNEP/UNCTAD, 1974, p. 22)²² and one of self-affirmation and collective self-determination for developing countries. It was based on a “basic strategy” to give each country the necessary “self-confidence, reliance primarily on one’s own resources, human and natural, and the capacity for autonomous goal-setting and decision-making” (UNEP/UNCTAD, 1974, p. 22). This was how the “horizontal and totalizing” element of the concept of eco-development (Sachs, 1980, p. 723), initially disseminated by Latin American academics as a guide for the development styles of Third World countries, became a weapon of “full-on and irreconcilable struggle against capitalism” (Leff, 1978, p. 308). This is why the concept was swiftly erased from the UN’s development system and only continued in the margins of Latin American peripheral thought (Sejenovich, 2011).

Another Development or Domesticated Eco-Development

At the culmination of the NIEO agenda and on the occasion of the Seventh Special Session of the UN General Assembly in September 1975, the Dag Hammarskjöld Foundation (DH) packaged the eco-developmentalist alternative agenda into its famous *Another Development* report to make it more digestible for discussion.

The document begins from an eclectic position, as it claims to follow the “path marked out” by the *Founex Report*, the *Cocoyoc Declaration*, and the theoretical contributions from the Third World

22. This philosophical idea, which supposes placing limits on wealth—instead of fighting poverty—to achieve the good life, is reflected in the following statement: “we are all in need of a redefinition of our goals, of new development strategies, of new life styles, including more modest patterns of consumption among the rich” (UNEP/UNCTAD, 1974, p. 22).

Forum. Since its creation in Chile in 1973, the latter had gathered together liberal and progressive elements to work towards the creation of a fairer world order (Dag Hammarskjöld Foundation, 1975, p. 1).

The three main advisers on the *DN* report were Ignacy Sachs, Celso Furtado, and Gunnar Myrdal, an inspiring leader on the theory of the unified development approach of the International Development Strategy for the Second Decade. Furtado contributed to the preparatory meetings (Dag Hammarskjöld Foundation, 1975, pp. 131–132). His “vicarious utopianism” (Wolfe, 1976, p. 147) was undoubtedly the product of funding from the Dutch Ministry of Foreign Trade and Development Cooperation, headed by the socialist Jan Pronk, and from the Swedish International Development Cooperation Agency, also under social-democratic leadership.

The publication was divided into three sections: “Towards another development,” “Towards a new international order,” and “Towards a new *UN* development and international cooperation system”. We will focus on the first section. The report opens with the diagnosis of the “crisis of development,” which occurs within countries due to three factors: 1) the poverty of the masses of the Third World whose basic needs are not met; 2) “alienation, whether in misery or affluence, of the masses, deprived of the means to understand and master their social and political environment”; and 3) “feelings of frustration that are disturbing the industrialized societies.”

However, the crisis of development is also a crisis in international relations due to the inequality “between a few dominant countries and the majority of dominated countries.” This is reflected in the inability of institutions to adapt to the rapid changes in the international economy associated with the end of the Vietnam War and the increase in the price of oil (Dag Hammarskjöld Foundation, 1975, pp. 5–6).

In this context, “another development is possible,” one that is based on the “development of every man and woman—of the whole man and woman—and not just the growth of things, which are merely means.” A development that should attempt to meet the basic needs of the poor, but also “to ensure the humanization of man by the satisfaction of his needs for expression, creativity, conviviality, and for deciding

his own destiny.” Multidimensional “endogenous” development of “collective self-reliance” (Dag Hammarskjöld Foundation, 1975, p. 73),²³ which “springs from the heart of each society, which [...] defines in sovereignty the vision of its future, cooperating with societies sharing its problems and aspirations” and supposes “national economic sovereignty over resources and production.” And a development that is “in harmony with the environment” and that, by acknowledging the existence of “ecological limits to mankind’s actions” or “outer limits,”²⁴ is capable of overcoming the “social and political” inner limits through structural transformations. These transformations include “agrarian reforms, urban reforms, reforms of the commercial and financial circuits, redistribution of wealth and means of production as well as [...] decentralization with a view to ensuring democratization of the political and economic decision-making power” (Dag Hammarskjöld Foundation, 1975, pp. 7, 13–16, and 28).

The *Another Development* report was the culmination of the “concrete utopias devised by committees” of experts—in other words, of “intellectuals and reformers meeting in differing combinations in one forum after another” (Wolfe, 1979, pp. 9–10). Although four years after the publication of this report its director would say that “another development means liberation” (Nerfin, 1979, p. 11), the discussion avoided key aspects, including whether the proposed program should “come about by the conversion of the mighty or their overthrow” and whether per capita income growth remained valid (Wolfe, 1979, p. 9). It is enough to analyze the opinions of one of the report’s main financiers, the Dutch socialist Jan Pronk, former assistant to Jan

23. This self-reliance must assume the form of “[t]he ‘Trade Union’ of the Third World, aiming at increasing the bargaining power of countries participating in the international economy through the use of their latent, underutilized or unutilized capacity for joint action in their relations with industrialized countries.”

24. These limits “are the point at which a non-renewable resource is exhausted, or at which a renewable resource, or an ecosystem, loses its capacity to regenerate itself or to ensure the performance of its main functions in the biophysical processes” (Dag Hammarskjöld Foundation, 1975, p. 35).

Tinbergen,²⁵ to understand both these ambiguities and the potentialities of the concept.

Pronk suggests advancing the NIEO through the Socialist International, a cross-cutting connection between the interests of the North and the South. He defends a national and international development style for developing countries that should involve “growth, self-determination, and social justice” and a “human development [which] means development aimed at the poor” and that has their active participation (Pronk, 1978, pp. 77, 81, and 87–88).

In breaking down these points, Pronk expresses himself in the language of harmonies, anticipating the post-developmental concerns of Good Living, as well as those of citizens’ rights typical of the future socialist-influenced, neo-developmental discourse of that new development style.²⁶

The debate over alternative development styles and proposals that was typical of the utopianism of “subjectless revolutions” (Cardoso, 1980, pp. 856 and 860) served to explicitly establish three positions defined by Aníbal Pinto.²⁷ During the following decade, these ended up converging around human scale development, albeit in a different context—the overwhelming context of the debt crisis—and for very different reasons.

25. Pronk financed the so-called RIO (Reshaping the International Order) Report of 1976, which Tinbergen coordinated for the Club of Rome and which included the participation of Ignacy Sachs, among others. The RIO Report advocated that the Charter of Economic Rights and Duties of States be converted into an international treaty with legally-binding effects to drive the NIEO program forward.

26. “A development process based on harmony, both between the people themselves and between people and their natural environment [...] a development process based on harmony between the present and the future [...] a development process based on the preservation of human rights economically, socially, culturally, and politically [...] a development process based on solidarity, which takes place in freedom and leads to equality” (Pronk, 1978, p. 82).

27. “[T]hose who are sick and tired of the ‘affluent society’, those who—while half way to reaching that state—criticize the presumed desirability of that goal and, lastly, those who have no desire to reproduce the rejected model or have little or no chance of doing so” (Pinto, 1976, p. 100).

Third Decade: Alternative Development Styles and Human Scale Development

Despite the disappointing results of the growth of developing countries during the Second Decade, the following decade began with the new International Development Strategy for the Third UN Development Decade, which was approved in December 1980²⁸ and was markedly proactive. From 1971 to 1980, cumulative GDP growth (5.1%) and per capita GDP growth (2.6%) in developing countries remained below the goals of 6% and 3.5%, respectively (Jolly *et al.*, 2009). In this context, with the shadow of the debt crisis lengthening by the moment, the new strategy gained in rhetoric what it lost in terms of its grounding in reality. It was an international framework “with a view to reducing significantly the current disparities between the developed and developing countries, as well as the early eradication of poverty and dependency” (including references to industrialization and collective self-reliance).

This rhetorical spin expresses the tenuous solution negotiated between the agenda of basic needs, dominated at this stage by the World Bank, and the agenda of the NIEO. The latter was steamrolled in the second half of the 1970s by the divisive tactics of the core countries and the brewing debt crisis that would end up destroying the unity of the Third World (Domínguez, 2016).

The strategy contained specific goals not only for economic aggregates²⁹ but also, and for the first time, for the “reduction and elimination of poverty” and hunger. This includes commitments to achieving full employment by 2000, universal primary schooling, an

28. The full text is available at: <<http://www.un-documents.net/a35r56.htm>>.

29. The Strategy established annual growth rates for the decade of 7% of GDP, 4.5% of per capita GDP, 7.5% and 8% of imports and exports of goods and services, 4% of gross value added (GVA) for the agricultural sector, and 9% of GVA for the industrial sector, with a gross capital formation rate between 24-28%.

increase in life expectancy in developing countries to 60 years, and a general mortality rate no higher than 120%, with infant mortality rates no higher than 50% in the poorest countries (Jolly *et al.*, 2009; Koehler, 2015).

Human development and ECLAC development styles

The World Bank thus co-opted the UN terminology of “human development,” emptying the concept of all content and reducing it to individual development, subsequently promoting structural adjustment programs that made the Third Decade the lost decade for development. This movement in favor of ideological cleansing—which kicked off with a speech by Henry Kissinger (1976, p. 672) at UNCTAD IV that pushed back against the NIEO—and its notion of collective development (1976)³⁰ was a response to the *Quito Appraisal of the International Development Strategy for the Second Development Decade*, published by ECLAC in 1973. This declaration sought, as a condition for the realization of human development, the elimination of “traditional structures” (as “obstacles”) through “structural changes” or “institutional changes” to property rights (e.g., sovereign control of natural resources, agrarian reform, and reforms to shift ownership of the means of production towards public structures to achieve “self-sustaining independent economic development”) (ECLA, 1973, pp. 3-4).

The *Quito Appraisal* shows that, for ECLAC, human development went much further than simply investing in human resources—which is what the World Bank did in 1980. Instead, ECLAC promoted a program of liberation with echoes of socialism: “The objectives of development

30. “Development is a human enterprise. It is the talents and efforts of *individuals* which make development a reality, and it is they who are its ultimate beneficiaries [...] Then development must look beyond survival to provide opportunities for education, greater *personal* freedom, and *individual* dignity and *self-respect*” (emphasis added).

in Latin America must be the creation of a new society and a new type of man. Social participation in all forms of the development process must be increased in order to achieve a juster society.”³¹

Within this context, ECLAC presented its contribution to the International Development Strategy for the Third Development Decade in 1979—still betting on the NIEO—based on the idea that it should “contribute to the promotion of the objective of national and collective self-reliance of the developing countries” (ECLAC, 1981). The proposal was structured by organizing quantitative and qualitative goals and objectives into six areas, of which we are interested in the following three: “1) economic development, 2) social and human development, and 3) self-reliance and mobilization of national resources” (ECLAC, 1981, pp. 468–469):

1. Targets were set for quantitative goals and objectives for economic development that, in hindsight and within the context of the lost decade, are the result of heroic voluntarism: 7.5% GDP growth, 8% growth in industrial GVA, a gross savings rate of 23%, and 8% growth in import and export trade.
2. In terms of social and human development, indicators were suggested to measure the essential purposes of economic growth, such as “greater social welfare for the entire population and its full participation in the developing process” and “improvement of the distribution of income and wealth.” There were also other specific objectives on topics such as the “eradication of situations of extreme poverty and indigence”; “employment, nutrition, education, health and housing”; “welfare of children, the participation of young people and the integration of women”; and “protection of the environment.”

31. In fact, the United States representative proposed amending or substituting the allusions to “radical changes”—sovereignty over natural resources was qualified with the assurance of the appropriate compensation “in cases of nationalization [...] in accordance with international law,” and the allusion to “traditional structures” was suppressed because “in many cases the existing traditional structures often make valuable contributions to development” (ECLA, 1973, p. 7).

3. No fewer than four qualitative general objectives were formulated for self-reliance and mobilization of national resources: “cultural identity and the development of endogenous styles and ways of life”; “full mobilization of national human and material resources as the principal basis of support for endogenous growth”; “acceleration of investment and establishment of infrastructure”; and “the raising of productivity, the restraining of consumerism and the expansion of saving to stimulate accumulation” (ECLAC, 1981, pp. 470–476).

A year later, *Development Styles and Environment in Latin America* was published, featuring the results of the joint project between ECLAC and UNEP implemented from mid-1978 to mid-1980. In the introduction, Osvaldo Sunkel presented an overview of the “alternative styles of development” that had been implemented in the region during the previous two decades. He indicated that one of their main limitations was that they did not “give adequate consideration to the environmental dimension in the comprehensive analysis of the development process” (Sunkel, 1980, p. 10). If the 1960s had been about attempting to integrate economic and social development in order to emulate the “ascendant international style”—that of the United States—it was now necessary to add an environmental component in order to eliminate, as much as possible, the negative traits of this “transnational style.” These included inequalities between classes and groups, unproductive expenditure of surplus on military spending, and the exorbitant consumption of energy and natural resources (Sunkel, 1980, pp. 10–11 and 27).

The urbanization typical of the development model of the wealthiest capitalist countries generated the false illusion that human beings increasingly depend less on nature (“artificialization”). But this shift also involved the loss of “one of the most important formative cultural processes,” defined by Sunkel (1980, pp. 11 and 16) as “the acquisition of an empirical ecological wisdom in terms of the permissible and tolerable forms of exploiting the surrounding environment, on whose reproduction depends the survival of the population.”

Similarly, Sunkel draws attention to the modes of social appropriation of the elements of the biosphere (land, water, and natural resources) as one of the “crucial determining factors of social inequality and the power structure.” This appropriation is both a rural and an urban phenomenon,³² as well as being both domestic and international. Moreover, he explains the core-periphery division, its respective production specializations, and the different styles of development (Sunkel, 1980). However, as the concept of development style can be applied not only to what *is*, but what *should be* (Sunkel, 1980), Sunkel sets himself the task of presenting an alternative style.

He questions the sustainability of the imported ascendant or transnational development style: “...it seems appropriate to ask if it is not extremely dangerous to finance a life style and style of development which is not self-sufficient on the basis of the export of natural resources which are fairly limited, though substitutes could be sought for them, and which are moreover subject to the vicissitudes on the international market” (Sunkel, 1980, p. 51). The questions that Sunkel asked in 1980 resound today more than ever with the debates on the progressive neo-extractivism of Good Living: “with time, will this pattern of development succeed in diversifying and expanding the export potential broadly and dynamically enough to fund a good part of its own growing needs for external financing?” (Sunkel, 1980, p. 51).

Then, as now, the problem was “meeting the most pressing needs of the majority of the population.” In view of the meager results to date, this objective required a change in development style, above all in favor of expanding “the production of the food, clothing and footwear sectors and the social security, housing, health and educational

32. “The surplus generated by the exploitation of nature allows an extremely favourable and pleasant artificial environment to be created for the middle- and high-income sectors, but for the broader sectors of the population the results are fairly precarious. This gives rise to a state of affairs in which the environmental concern of the affluent sectors rests on the quality of life [...] whereas the environmental concerns of the poor—water pollution, distance from places of work, precariousness and crowding of housing, etc.—threaten their very lives” (Sunkel, 1980, p. 59).

services” (Sunkel, 1980, p. 52). Therefore, the change of style did not assume that “economic growth should be relegated to second place,” but rather that it should be reoriented to generate the necessary resources in order to meet basic needs.

Thus, this alternative style should reconcile meeting the “fundamental long-term needs of the majority of the population” with “preserving and enhancing society’s resources base and the environment”; it should reduce dependency on fossil fuels, develop labor-intensive technologies, and harmonize them with natural resource bases; “administer natural resources through ecologically-based knowledge and technologies”; reorganize the decentralized activity of urban concentrations; and reduce “consumer excesses” (Sunkel, 1980, p. 53).

Such a wide-ranging program, which “sheds doubt on a series of orientations arising from the ideology of economic growth” as an exponential and unlimited phenomenon based on exploitation, the artificialization of nature, and the accumulation of material consumer goods, would require broad collective participation and a large-scale reeducation effort so that the population could “internalize the environmental dimension and ecological aspects of development” (Sunkel, 1980, p. 61–63).

The third limit to development: Human scale development

If the concern of the First Development Decade centered on the social aspects (or inner limits) of development and the Second on the ecological aspects (or outer limits), the Third saw the rise of subjective questions. The introduction of this third psychological limit can be attributed to the Spanish development pioneer José Luis Sampedro (Domínguez, 2013), who refers to the “deterioration of the sense of identity reflected every day in so many manifestations of perplexity and searching for answers.” He says this is the product of granting more importance to “having” than “being” (Sampedro, 1983, p. 1666) or, as he would later say, “made at the cost of man’s inner life [...]

leaving an internal emptiness that causes anxieties and aberrations” (Sampedro, 1987, p. 39).

Sampedro (1983, p. 1663) notes that there is a contradiction between “awareness that the planet is the first scarce commodity” and the ignorance of this fact by “a conventional theory that, however, methodically makes scarcity its identifying factor” (Sampedro, 1980, p. 362). However, the Spanish economist goes beyond what he considers to be physical and political limits: exiting the “crisis of development”—a technocracy created “at the cost of nature, other cultures, or inner life” that “leads to progressive human degradation” (Sampedro, 1983, pp. 1667–1668)—requires a change of values towards the “humanization of development,” of which he had spoken in 1982 (Sampedro, 2009, p. 347). In order to transform this unsustainable model, a “mental decolonization” or “cultural revolution” is needed that shifts to a new meta-economic approach, “a field that is beyond the economy,” a third level of axiological reality that Sampedro connects with the paradigm of “eco-development” (Sampedro, 1983, pp. 1655, 1660, 1663, and 1667).

At the start of the 1980s, in the face of “development as a cancer” (Sampedro, 2009, p. 335) and “developmentalism, with its false ideal of perpetual growth,” as a “pathological dimension of Western culture” (Sampedro, 2009, p. 352), Sampedro believed that “salvation” had to be sought in “the adoption of another path of development” that broke “the atrophy of ends versus the hypertrophy of means.” He wanted an economy concerned with “humanized development” that, in turn, should correct “the fundamental imbalance of industrialization: the preference for things instead of men” (Sampedro, 2009, pp. 341–345).

Overcoming the systemic crisis or crisis of development involved overcoming “development exploited at the cost of nature, other cultures, or inner life” (Sampedro, 1983, p. 1667). Sampedro had already questioned the utilitarian paradigm that supported all development economics—not only growth economics, but also structuralism and the dependency theory of underdevelopment—with arguments that were very similar to, and in fact anticipated, those of Amartya Sen. In 1978, Sampedro stated: “freedom can only be conquered, because it is not a commodity to be consumed, but to be exercised.

It is produced through its exercise, which is precisely its benefit” (Sampedro, 2009, p. 92).

In 1980, Sampedro called for “ecological development or eco-development” (Sampedro, 1980, p. 367). Shortly thereafter, after challenging “the diversion of development towards purely material and quantitative ends,” he asserted “the need for new, human, and ecological development” based on solidarity. It calls to mind the three harmonies of Good Living: “Why not imagine that the new culture of the 21st century is founded on ‘solidarity,’ as at least an approximation of fraternity? Solidarity with our fellow citizens, solidarity between peoples, solidarity with the environment, because it is also, in a certain sense, ourselves: solidarity—or rather a welding—between our outer and inner lives” (Sampedro, 2009, p. 254).

Thus, Sampedro’s proposal of the third psychological limit formed part of the original Ibero-American thought that coincided with, and profoundly influenced, the “barefoot economics” proposed by German-born Chilean Manfred Max-Neef. Max-Neef alludes to the method of participative observation of the economist’s attempts “to live and share the invisible reality” (Max-Neef, 1982, p. 41).³³

Max-Neef’s primary concern, which he shared with Sampedro, was the dehumanization of the economy. Both considered that there was a “total crisis” at the start of the 1980s, whose ultimate cause was humanity’s attempts “to subdue nature” through the predominant “vandalic style” of development that was measured by changes in GNP, i.e., by “activities that take place through the

33. The term comes from the call for “barefoot experts,” a new type of expert that will need “to subordinate his own values even his knowledge, to those of the community he is attempting to serve” (Tinbergen, 1977, pp. 170–171). Max-Neef was greatly influenced by grassroots movements that followed Gandhi’s doctrines through the ideas of Fritz Schumacher—another great intellectual like Seers—and his championing of the Keynesian concept of the good life filtered through the perspectives of Marx and Gandhi himself (Chick, 2013). Incidentally, this perspective was the product of his personal crisis as a development economist, after a career in which Max-Neef began working for Shell, then turned to academia—earning his doctorate at the University of Chile with a dissertation on social structure and economic development. He then transitioned to international consultancy work with the FAO and the ILO, where he joined the Mission in the Andes in Ecuador at the beginning of the 1970s.

market mechanism, regardless of whether or not such activities are productive, unproductive or even destructive” (Max-Neef, 1982, pp. 40, 42–43, and 51). Thus, Max-Neef proposed the creation of a “new statistical quantifier” called “‘ecological person’ (‘ecoson’ for short)” to measure the “rational drainage of resources needed for a person to attain an acceptable quality of life,” considering resources such as “nutritional requirements, clothing and housing” (Max-Neef, 1982, p. 61). This measurement is associated with “desirable” development (“development in which I believe and which I seek”), which, epistemologically, is classified as “integral ecological humanism.” However, Max-Neef, the winner of the Right Livelihood Award (widely known as the Alternative Nobel Prize), does not fall back onto Marx’s thinking but instead moves on to “humanist eco-anarchism” (Max-Neef, 1982, pp. 48, 62–63, and 72).

In our opinion, this point is the critical dividing line between the entire previous tradition of development styles, which is socialist in origin, and what Max-Neef later ended up calling “human scale development” (HSD). With its proposals of interdependence, identity, and integration between human beings and nature and of deconcentrating power in favor of reducing the scale of production, HSD integrated the new post-developmental ideas of the indigenous and ecologist trends of Good Living: “I no longer believe in ‘national solutions’ or ‘national styles’ [...]. Hence, as a barefoot economist, I believe in local action and in small dimensions” (Max-Neef, 1982, p. 136).

Max-Neef follows the line of the original basic needs approach of Seers and the Bariloche Foundation, where he worked during part of his exile from Chile following Pinochet’s coup d’état. However, like Amartya Sen, Max-Neef transcends the materialist approximation of commodity fetishism (Stewart, 2006), already marked by the context of disillusionment with real socialism, the loss of effectiveness of Keynesian formulas, and the disrepute of neoliberal measures (Espinoza, 1988).

After acknowledging that needs are finite, Max-Neef introduces the fundamental distinction between needs and satisfiers, a concept that dates back to one of his initial works prepared for the Bariloche Foundation in 1978 (Espinoza, 1988). This argument specifies that

needs are not hierarchical but interrelated in a matrix based on existential categories (“Being, Having, Doing, Interacting”) and axiological categories (“Subsistence, Protection, Affection, Understanding, Participation, Idleness, Creation, Identity and Freedom”). Therefore, the fundamental human needs “are the same in all cultures and in all historical periods” and what varies are the satisfiers, defined as “the way or the means by which the needs are satisfied” (Max-Neef, 1982, pp. 237–238; Max-Neef *et al.*, 1986, pp. 25–27). Thus, every social and political system “adopts different methods for the satisfaction of the same fundamental human needs” so that it is meaningless to speak of poverty; only poverties exist, which are different existential or axiological dimensions of poverty (Max-Neef, 1982, pp. 239–240; Max-Neef *et al.*, 1986, pp. 27–29 and 41–42).

Building upon these epistemological premises, the work of Max-Neef and his colleagues at the Dag Hammarskjöld Foundation in 1986 is an attempt to adapt the 1975 *Another Development* report to the Latin American context, “giving special consideration to the myriad changes that have occurred in the last decade” (Max-Neef *et al.*, 1986, p. 5). It is about recovering, in the face of the “crisis of utopia,” “desirable-possible” thinking after what is described as a failure of ECLAC developmentalism and monetarist neoliberalism, which the authors contemplate in terms of their shared mechanisms and results (i.e., the concentration of economic resources) (Max-Neef *et al.*, 1986, pp. 10–13 and 72). HSD is proposed as a response to this crisis. This development style is based on meeting fundamental human needs, generating increasing levels of self-reliance, and the four organic articulations (people with nature and technology, global processes with local activity, the personal with the social, and civil society with the State). The premise of HSD is to make people the real protagonists, privileging “both the diversity as well as the autonomy of the spaces in which they act. Attaining the transformation of an object-person into a subject-person” (Max-Neef *et al.*, 1986, pp. 14–15).

However, behind this humanist rhetoric (“the fetishism of numbers must be replaced by the development of people”), HSD has two points of *aggiornamento* to the neoliberal years of lead, which represent a clear step backwards in terms of the socialist agenda of another

development in regards to planning and internationalism. HSD takes one step forward—it is humanist, subjectivist, and post-materialist—but two steps back in terms of egalitarian and internationalist socialism. This is due to its subordinate conception of the role of the State (Max-Neef *et al.*, 1986, pp. 62 and 77)³⁴ and its abandonment of the NIEO after its collapse at the Conference on International Economic Cooperation, held in Cancun in 1981 (Domínguez, 2016), in favor of a fraudulent, methodological localism.³⁵

Finally, HSD adds the three relational elements (harmony with oneself, with the community, and with nature) to barefoot economics and its matrix of needs and satisfiers. These three elements would come to define Good Living and would form the synthesis of alternative development styles (and alternatives to development) throughout the 21st century. Each need can be satisfied “a) with regard to oneself (*Eigenwelt*); b) with regard to the social group (*Mitwelt*); and c) with regard to the environment (*Umwelt*)” (Max-Neef *et al.*, 1986, p. 27).

Similarly, HSD announces a promise of truly transformative epistemic praxis with explicit mention of Marx: “[T]o approach the human being through needs enables us to build a bridge between a philosophical anthropology and a political option” (Max-Neef *et al.*, 1986, p. 34). However, Max-Neef then goes on to reject the option of public policy; given that needs are conceived as “deprivation and

34. HSD makes virtue out of necessity—the incapacity of the State, reduced by the market fundamentalism experienced by Chile during Pinochet’s dictatorship—and proposes a State that, instead of providing “exogenous satisfiers” (public programs for nutrition, health, and housing), becomes “a stimulator and creator of processes arising from the bottom upwards.” This is based on “self-reliance” that consists of “regeneration or revitalization emanating from *one’s own efforts, capabilities and resources*” (emphasis added), complemented with social capital (resources that go beyond the economic, such as social awareness, organizational culture and management capacity, social creativity, solidarity, and capacity for mutual assistance) and international cooperation. Together, this takes shape as the classical neoliberal package of human development, completely setting aside structural change, which is renounced on principle.

35. “[N]o New International Economic Order can be relevant if it is not supported by the structural reformulation of a compact network of New Local Economic Orders” (Max-Neef *et al.*, 1986, p. 23).

potential [...] it is inappropriate to speak of their being ‘satisfied’ or ‘fulfilled.’” Hence, it may be better to speak of “realizing, experiencing or actualizing needs, through time and space.” This is to say, priority should be given to the “endogenously generated synergic satisfiers” that emerge from civil society—from the bottom up. Through this new miracle of *sui generis* “endogenous development,” an environment should be created “within which economic growth, solidarity and the growth of all men and women as whole persons can be reconciled” (Max-Neef *et al.*, 1986, pp. 50–51 and 64).³⁶

Thus, while Max-Neef (1982, p. 52) speaks of an “ecological humanism, capable of substituting, or at least correcting, the anthropocentrism still dominant among us” in his *Experiences of Barefoot Economics*, his report on HSD rejects the “anthropocentric cosmology, that places human beings above nature” and is typical of the “traditional styles of development” and of their “economistic view” that believes that the “indiscriminate depredation of natural resources makes the GNP grow” (Max-Neef *et al.*, 1986, p. 57). HSD thus paves the way for the ecologist and indigenous post-development style of Good Living.

Final Considerations: Seriously Considering Another Development

The objective of this chapter was to test the direct and indirect connections between another development and the various development styles that, since the beginning of the 21st century, have gained

36. Furtado (1984, pp. 185–191) outlined three paths for achieving endogenous development, which are completely absent from (or directly rejected in) HSD: collectivizing the means of production; fulfilling basic collective needs, which “requires modification of the income distribution profile”; and increasing the level of external autonomy, meaning “assuming an offensive position in international markets.”

momentum in Latin America and have become crystallized in the form of Good Living. Good Living, the public policy motto of the Citizens' Revolution of Ecuador (2007-2016), represents a development style that aligns with the definition presented by Graciarena (1976, p. 186), as mentioned in the introduction.

Comparing the most recent literature on Good Living as public policy (see Domínguez, Caria, and León, 2017) with the characteristics that can be extracted from the above analysis and the old evaluations of the publications on another development conducted over 30 years ago by José Ángel Moreno (1985, pp. 331-346) seems to confirm the hypothesis of the latent connection between another development and the current variant of the development style manifested in the National Plans for Good Living (subtitled National Development Plans). Moreno also establishes the Ten Commandments, or common denominators, of proposals for another development:

1. "Emphasis on the satisfaction of basic needs," which involves combating poverty and inequality;
2. "The need to intensify 'internal effort' based on the mobilization of endogenous resources";
3. "Popular mobilization and social participation" in order to achieve "broad consensus on the development goals pursued and the manner of achieving them, for which it will be necessary to promote the organization of sectors that might be favored by these practices" through a "considerably fairer redistribution of social power";
4. "Cultural rearmament" through an educational and cultural policy that reaffirms "own culture and knowledge";
5. "Reorientation towards basic production" with "priority attention on agricultural and industrial growth aimed at the internal market";
6. "Maximum employment creation," not only in terms of increasing activity but also as "a basic element for personal development";
7. "Attention to the traditional sector" and "its suitable forms of business organization" due to its nature as a factor for attracting

- labor, its potential for reducing inequalities, and its structural heterogeneity, if “a considerable increase in productivity” is achieved through access to suitable technologies;
8. “Suitable,” “appropriate,” or “intermediate technology” that is characterized “by a greater utilization of labor, [...] optimum utilization of local resources, and greater capacity for efficiency in small-scale production”;
 9. “Consideration of environmental problems” without losing sight of human needs (including employment) based on eco-development approaches;
 10. “Collective autonomy,” which forms collective self-reliance in “proposals to not collectively pay the truly unpayable external debt.”

Leaving aside the nuances, which are left for later research, we can state that the socialist-influenced Good Living—a development style that sought another development—was consistent with all the points outlined above, with the exception of certain aspects of points three and nine and the entirety of point five. Another development has had both a direct and indirect influence on Good Living, but also hit its limits in Moreno’s (1985, p. 352) observation that “the implementation of the approach requires conditions that cannot easily be imagined without prior radical social transformation to allow the majority interests of the community to be imposed upon the dominant sectors.” The conceptual predecessors to Good Living—public policy inspired by a development style—contain antecedents of socialist ideology, with noteworthy humanist, community, and internationalist profiles that predate the recognizable traits that were passed on to Good Living from the concept of human scale development.

In their work on the ideas in action that emerged during the successive UN development decades, Jolly *et al.* (2009, p. 298) indicate that “ideas are like inventions” that remain dormant until someone attempts to put them into practice in suitable circumstances, as “old ideas in a new guise.”

Most of the debates on development that have occurred in Latin America since the dawn of the 21st century (Sankey and Munck, 2017)

have been influenced by ideas associated with the alternative proposals made during the initial UN development decades. There is much to learn from them. It is time that a rigorous historical reconstruction of Latin American economic thought allowed these ideas to be taken seriously—a reconstruction that, to judge by Latin America’s modest historiographical contribution to global economic thinking (Barnett, 2015), is in the initial phase of rediscovery and renewal.

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CHAPTER III

**Neo-extractivism
in Latin America**
A New Direction or
Rent Extraction Through
Globalization?*

ALICIA PUYANA MUTIS
Mexico

* This chapter is based on “El retorno al extractivismo en América Latina. ¿Ruptura o profundización del modelo de economía liberal y por qué ahora?” [The Return of Extractivism in Latin America: Does it Break with the Liberal Economic Model or Strengthen It? Why Now?], published by *Espiral. Estudios sobre Estado y Sociedad* (Puyana, 2017). Nevertheless, the analysis has been expanded with new concepts and empirical elements, and the most relevant econometric exercises have also been updated.

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Introduction

Latin American neo-extractivism—the rise of raw materials exports and a development model based on static competitive advantages, i.e., based on relatively abundant resources (renewable and nonrenewable resources and unskilled labor)—tends to be considered a break with the economic model established in the 1980s and 1990s with structural reforms and liberalization. This model first emerged in Chile and Argentina under their military dictatorships and was then institutionalized in the rest of Latin America during those same decades.

However, this chapter is based on the premise that, far from being a break with the liberal economic development model that began with these structural reforms, neo-extractivism is, in fact, its *hallmark*. It is the renewal of the penetration of Latin America by transnational

capital, and it is representative of rent extraction from goods that are not produced by this same foreign capital.

Second, unlike the events of the early 20th century, it is important to consider that society, rather than extractivism, is the factor that has changed the most. It sets the course, demanding new political, economic, and social norms. Currently, the societies in countries that export raw materials are more urbanized and have greater levels of education. They are more aware of their rights, of nondiscrimination, while also demanding equality and responding to new concerns, such as participation and the conservation of the environment.

During the era of liberal economies, economic theory and policy centered on the growth of capital. The pursuit of the optimum rate of return defined the course of monetary, currency, fiscal, and labor policies in an effort to align internal and external product prices and relocate labor and capital based on comparative advantages.

Factor movement therefore defined economies' international specialization in intensive goods and the use of abundant factors, while establishing relative prices for national and foreign tradable and non-tradable goods and determining remuneration for labor and capital. Factor movement thus shapes the future of economies and societies, as current political decisions impact the development of transaction costs and production structures (Douglass, 1990).

Neo-extractivism builds upon this liberal strategy and the integration of Latin American economies into international trade in two ways. First, it allows private initiatives to invest in areas they previously had no access to, including wasteland or communally owned land, as well as water, electricity, oil, and gas—resources considered the property of the nation with production reserved exclusively for state entities or through public-private partnerships. Second, it reduces taxes, liberalizes trade, and grants external investors agriculture, forestry, and mining concessions, which grant subsidies for rent extraction.

I therefore consider that the course set since the debt crisis regarding productivity, employment, and income will be maintained in terms of the dynamics and structure of gross domestic product (GDP). Referring to natural resources as “natural capital,” putting a price on them, and calculating their present value (World Bank, 2018a) while

ignoring the theoretical and methodological errors of this process¹ is proof of the intention to commodify these natural resources—a strategy that extends to water, sunlight, and wind, for example. Income from these latter resources should benefit all of society and should not be used to benefit almost exclusively private investors that only contribute the value of capital goods (such as the cost of solar panels or windmills) and ignore their value as public goods.

The impact of refocusing development around static comparative advantages can be measured using the hypotheses of Dutch disease (DD) models. These explain the lower growth of economies that specialize in raw materials as being a result of the premature decline of manufacturing and agriculture in the generation of GDP, employment, and exports, among other reasons. Moreover, this regression is seen in the deterioration of the labor market, in the decline of labor in the functional distribution of income, and in the fall in real wages. The unfavorable performance of these economies would therefore contradict the neoclassical fundamentals of foreign trade based on comparative advantages, factor intensity, and relative costs, as well as the theoretical and political arguments that supported the structural reforms of the 1980s and 1990s.

This chapter explores the economic effects of extractivism in general in Latin America, with a particular focus on Argentina, Brazil, Colombia, and Mexico; the objective is to verify certain assumptions of the DD models regarding structural changes, economic performance, and social development. The chapter is structured as follows: The first section presents basic definitions of extractivism, as well as the theoretical, classical, and contemporary elements produced by structuralism, and contributes conceptual approaches to the rent extracted from goods not produced by human societies, such as oilfields, mines, or aquifers. The second section establishes whether

1. Piketty (2014) revived the debate as to what constitutes capital, because not all wealth is considered as such. The value of capital is only established after production and it depends on prices and profit margin, which in turn depend on the value given to capital, thus forming a circular, tautological analysis. It is illogical to calculate the present value of water or forests.

symptoms of DD exist in the four countries previously mentioned due to the decline of manufacturing in GDP and exports and the associated deterioration of labor. The third section uses a general approach to explore certain implications of DD and extractivism for the region as a whole using particular economic variables, such as inequality and employment, and the fourth section is used to present conclusions.

This analysis focuses on the period from the 1980s to approximately 2016—a period that includes the completion of the economic liberalization cycle, the 2008 crisis, and the approval of structural reforms.

The Theoretical Foundations of Neo-Extractivism

Extractivism or simple rentierism?

Within the Latin American debate on neo-extractivism, historical, sociological, and political assessments seem to generally agree on the nature of the phenomenon. For most authors, extractivism is an economic growth model based on the primarization of exports or the international sale of untransformed or barely transformed natural resources. This includes mining, agriculture, and oil and should also include the generation of wind or solar energy and even tourism.

Grigera and Álvarez (2013) and Gudynas (2013) emphasize the need to differentiate the causes and effects of extractivism and neo-extractivism and outline the forces that result from the latter: high international prices of primary products due to increased demand from Asian economies. Moreover, they agree that there is continuity between the extractivism of the end of the 19th century and start of the 20th and that of today, with the only interruption being the state-led industrialization period, during which Argentina, Brazil, and Mexico were the most advanced economies. However, their consensus ends here. While some authors focus on the control held by transnational companies in the mining or agriculture sectors, others focus on the

role of the State in terms of guiding the sector and promoting foreign direct investment, while still others prefer to use the concept in an undefined manner. Gudynas (2013), for example, identifies several types of extractivism based on the exportable percentage (low, medium, or high). For Myint (1965) and Latin American structuralist school authors and adherents of dependency theory (Prebisch, 1949; Furtado, 1982; Cardoso and Faletto, 1969), it is more or less dependent on the expansion strategies of capitalism. According to these authors, the difference between extractivism and current neo-extractivism is the active participation of the State in the management of raw-material export income for at least partially redistributive purposes, as proposed by Gudynas (2013). In my opinion, emphasis should be placed on the rentier nature of extractivism in the present stage of capitalist expansion.

Several authors connect extractivism to previous economic theories regarding the region's integration into the global economy. The *Commodities Consensus* (Svampa, 2013), for example, follows up on the region's economic development after the Washington Consensus of the 1980s and 1990s. Moreover, while Grigera and Álvarez (2013) discuss the similarities between the extractivism of dependency theory as proposed by the Economic Commission for Latin America and the Caribbean (ECLAC) and the accumulation by dispossession of Marxist theoretical trends, Acosta (2011) connects the effects of extractivism to the *natural resource curse* and low economic growth, in line with Prebisch and other dependency theorists. Finally, most authors focus on the social and environmental impacts on communities where natural resource extraction projects are implemented (Centro Latinoamericano de Ecología Social [CLAES], 2009; Delgado, 2013; Seoane, 2013; Svampa, 2013).

Two clear positions on the nature of 21st-century extractivism therefore emerge. On the one hand, it is considered to be a break with the Washington Consensus model and a return of the center-left developmental state (Cornia, 2012) that is able to advance industrialization based on natural resources (ECLAC, 2008) and avoid the "middle income trap"—i.e., slowed growth (Paus, 2014). On the other hand, 21st-century extractivism reproduces the problems

of raw-material specialization, including weak economic growth, price instability, deterioration in terms of trade, and intensification of inequality. These are accompanied by corruption and social and political disputes, albeit moderated by certain elements—such as new participants in investment decision-making and new forms of governance—that are able to lay the groundwork for sustainable development (Fontaine, 2005).

The optimistic view of raw-material specialization believes that this will be the defining step towards modernity, allowing the consolidation of manufacturing production and leading to greater growth that will now be inclusive, democratic, and sustainable. This contradicts the results of my work, which support what many others have suggested: this happy ending is not guaranteed.

From the perspective of natural resource rents (which aligns, to an extent, with that of Gudynas [2013]), the classification posited by Burchardt and Dietz (2014) groups countries into three categories according to the importance of raw materials in the national economy: pure, diversified, and low rent dynamics. According to Cornia, left-wing countries achieved greater rates of GDP growth and were able to more effectively reduce inequality than other countries as a result of breaking with the neoliberal model, embracing neo-developmentalism, and increasing the State's role in economic management, among other things. The research presented here not only questions this last assertion but also attributes the improvement in social indicators to the boom in raw-material prices, not to a fundamental change in the model.

Instead, when the last cycle of high prices concluded, fiscal pressures coincided with a rise in right-wing governments—through elections in Argentina and Ecuador and through de facto coups d'état in Brazil and Paraguay perpetrated by the judicial and legislative powers—and a new type of regime change emerged in the region.

Table 1 illustrates the country classifications based on certain studies, as well as the results in terms of economic growth and the reduction of inequality. Between 1960 and 1980, the Gini index decreased more significantly than in previous periods, except in so-called social-democratic countries.

Table 1. Latin America: Evolution of inequality, according to government type and income level (1960-2016)

Countries	Classifications		Income Concentration Gini Index Values					Average Gini Index Growth - Period per Government Type			Average GDP Growth by Government Type						
			1960	1980	2000	2010	2016	1960-1980	1980-2000	2000-2016	1960-1980	1980-2000	2000-2016				
	Politics	Economic Structure															
Bolivia ¹		Pure Rent		42.0	64.3	50.8	44.6										
Nicaragua ^{2,5}		Pure Rent	68.1	57.9	57.9	47.8	46.3										
Venezuela		Pure Rent	46.2	44.7	46.8	39.4	37.8										
Argentina		Diversified	41.4	47.2	51.1	44.5	42.4										
Brazil ^{1, 4, 6}		Diversified	57.0	57.1	64.0	57.6	51.1										
Chile ^{2, 6}		Pure Rent	48.2	53.1	55.2	52.0	45.3										
Ecuador		Pure Rent	61.0	54.2	55.9	49.5	45.0										
El Salvador		Maquiladora	42.4	48.4	53.1	45.4	40.0										
Paraguay ⁴		Pure Rent		45.1	55.8	53.3	47.9										
Uruguay		Pure Rent	37.0	43.6	44.4	42.2	39.7										
Costa Rica		Maquiladora	50.0	48.5	47.4	49.2	48.7										
Honduras ⁴		Maquiladora	66.0	54.9	56.4	56.7	50.0										
Peru		Pure Rent	61.0	43.0	50.9	45.8	43.8										
Colombia		Diversified	54.0	59.1	58.7	55.7	50.8										
Mexico		Maquiladora	60.6	50.9	54.2	48.1	43.4										
Panama		Maquiladora	50.0	47.5	57.7	51.9	50.4										

¹ Gini 1991 y 2009. ² Gini 2009. ³ Gini 2001. ⁴ Gini 1999. ⁵ Gini 2014. ⁶ Gini 2015.

SOURCE: Compiled by the author based on information from the World Bank (2018b).

Classical theory

The justification for the international division of labor based on factor abundance as a factor of the progress of nations can be connected to classical economic theory (Smith, Ricardo, and Mills). This concept was extended into the 20th century through trade flow models and factor endowment (Heckscher-Ohlin model and Stolper-Samuelson and Rybczynski theorems). In Latin America, this justification was accepted and implemented from the independence period until well into the 20th century (Bértola, 2018; Prados de la Escosura, 2015).

From this perspective, two primary impacts emerge as a result of market expansion based on exports: an increase in production volume beyond domestic market capacity—an early version of the vent for surplus (and the high-intensity extractivism of Gudynas [2013])—and increased productivity due to the specialization of labor. These effects can be analyzed using the doctrine of comparative costs and productivity doctrine, although with certain fundamental differences:

1. In terms of the doctrine of comparative costs, specialization simply means movement along a static curve of production possibilities given factor endowment (at full employment) and available technologies; as a result, it is a reversible process (Myint, 1965).
2. In productivity doctrine, there is no full employment, and international trade is a restructuring force that strengthens specialization and encourages technological change, modifies the location of factors, and shapes production structures according to external demand. For countries in the initial stage of industrialization, these transformations are not reversible. When demand falls, they can be a cause of recession and there is a loss of income (Mill, 1848, cited in Myint, 1958, pp. 318–319).

This perspective is shared in studies conducted by various Latin American analysts (Furtado, 1982; Cardoso and Faletto, 1969). They believe, like Myint (1965, pp. 477–491), that international specialization in raw materials increases

vulnerability to external shocks and trade movements to a greater extent than accepted by the theory of comparative costs. The latter aligns with Prebisch's analysis regarding the impact of the deterioration in terms of trade on economic growth.

This vulnerability was ignored during the 19th century liberal environment and consideration was only given to the benefits of productivity gains. Similarly, modern arguments in favor of free trade resulted in policies to stimulate factor-intensive exports without any concern for the associated effects (economic, political, and social) of stimulating current extractivism (Puyana and Costantino, 2015).²

Within productivity doctrine, full exploitation of a relatively abundant resource (mining, land, labor) is unfeasible given the size of the internal market and its endowment of labor. As a result, effective full labor productivity is less than potential productivity, and expanding production to export abundant resources does not necessarily mean a reduction in domestic market production or the creation of inflationary pressures as it does in the theory of comparative costs. However, productivity doctrine does increase productivity and well-being, as labor is transferred from subsistence agriculture, which has very low marginal labor productivity, to more productive activities.

Extractivism as a rentier activity

Perhaps the elements missing from Myint's analysis and the works of the above-mentioned Latin American authors are the concepts of rent, state, and rentier society in both their classical and contemporary versions. Within classical and neoclassical theory, rent emerges from variations in natural conditions of the land and of production, on the one hand as a result of a resource's natural quality, and on the other as a result of capital investment. Marxist theory delves into the first cause, reinforcing the relationship between this natural quality and

2. For a detailed analysis of this topic, see Puyana (2017).

demand and adding that, due to the private allocation of the resource (land), the landowner appropriates the capital gain generated through agricultural production.

Relatively recent developments regarding Marx's theory of value compare the many forms of agricultural rent to that obtained by mining. For example, plantation agriculture for export and other similar activities center on extracting rent from the surplus generated when the land is exploited by capitalist-farmers or through a land or mine monopoly. Landowners appropriate surplus earnings by extracting rent on the land they own, while barriers imposed on capital mobility within the extractive industry prevent rent from flowing towards other sectors (Basu, 2018).

Natural differences in production conditions and techniques across different economic sectors result in variations in the organic composition of capital, i.e., in the relationship between constant capital and variable capital or the capital to labor ratio in production. When the organic composition of capital in the extractivist sector is relatively low in comparison to other sectors, the extractive industry generates surplus earnings. Therefore, sectors whose organic composition is lower than the average, such as mining or plantation agriculture, generate surplus earnings and attract capital, while sectors with higher-than-average organic composition lose it (Basu, 2018).

Within this context, policies that encourage extractivism and increase the yields and return on investment for landowners, natural resource owners, and/or mining and oil concession holders have the same effect: they disincentivize other sectors, particularly labor-intensive ones. Therefore, natural resource owners in Latin American countries extract rent by exploiting the natural resource, despite the fact that certain extractive industries, such as mining, are capital intensive (Nnate, 1984).

Truncated versions of the vent for surplus theory can be identified in the structural reforms of Peña Nieto's government—specifically in energy and mining—as well as in the mining reforms of Colombian presidents Uribe and Santos and in the land grabs in Argentina. These models implicitly assume full employment, rely upon external investments, are capital intensive, and do not seek to absorb marginal,

low-productivity labor, a high percentage of which is found in urban informal employment, services, construction, and, to a lesser extent, the rural sector. For all these reasons, these policies will not increase general economic productivity.

Nineteenth-century extractivism did not trigger the expected effects, as the growth of export volume was based on productivity gains that were the result of the transfer of free, low-productivity labor to not-particularly-dynamic activities—such as mining and plantations. These productivity gains were due to the intensification of labor, not due to technological improvements. Acosta (2011) and Svampa (2013) both come to this same conclusion, stating that neo-extractivism does not accelerate economic growth or support productive diversification.

Industrialization and exports were used in an effort to accelerate development towards activities with greater technological change, economies of scale, externalities, and export dynamism. These were recognized by numerous economists (Rosenstein-Rodan, 1943; Nurkse, 1959; Kaldor, 1967; Prebisch, 1949; Singer, 1950; Rostow, 1960) as dynamic effects of manufacturing and important in terms of export content (Ul Haque, 1995; Hausmann, Hwang, and Rodrik, 2007; Rodrik, 2006). However, structural reforms and trade liberalization truncated this developmentalist project.

Extractivism: A focal point of environmental, social, and territorial conflicts

A new line of political and academic analysis studies the capacity of extractivism, old and new, to profoundly disrupt regional economic, social, and political structures. Moreover, it analyzes capital penetration and how this tends to destroy biodiversity, intensify land grabbing, and evict rural, farming, and indigenous communities while also violating civic decision-making processes (Gudynas, 2013; Puyana and Costantino, 2015; Moreno-Brid and Puyana, 2015). The

intensity and potential damage of this penetration are reflected in numerous mining conflicts. Some of them turned violent (more due to the reaction of the authorities than to the involvement of the local population) or have been minimized due to an indifference or refusal to respond to the requests of protesters.

A brief count shows that there were 204 socio-territorial conflicts in 2013, chiefly concentrated in Chile, Mexico, and Peru (Observatorio de Conflictos Mineros de América Latina [OCMAL], 2013). Another source (Merchand Rojas, 2016) presents an itemized list of mining conflicts in Latin America: 32 conflicts generated by energy projects, 82 generated by metal and non-metal mining, 39 generated by water extraction or pollution, 16 generated by the use of forestry resources and biodiversity, and 28 generated by agroindustry.

Among the many sociopolitical conflicts generated by extractivism, one of the most serious is the dispossession of productive—and in some cases sacred—lands, water, and even sunlight and wind from the native population in order to generate electricity. This violates international agreements on the rights of ethnic minorities and indigenous peoples. This violation is added to the history of ethnic discrimination that has not only affected the Americas but the whole world (Puyana, 2018a).

Examples within forestry and mining extractivism include the penetration of sacred Mapuche territory in Chile, as well as the clearing of forests for the construction of shrimp hatcheries and the extraction of emeralds in Ecuador. These activities destroy the habitat and livelihoods of the area's population, chiefly of Chachi, Awá, and Épera descent (Moncada, 2013). The populations of the Mezquital Valley in Mexico face similar circumstances, as their water and soil have been contaminated with high levels of organic and inorganic pollutants associated with dysentery, cholera, typhoid fever, and hepatitis (Hernández Suárez, 2013).

Another important consideration is the damage and impact that these activities have on health. One emblematic case is the exploitation of the Cordillera del Cóndor in Peru by a Canadian mining company, which led to the contamination of the Cenepa River with cyanide and mercury.

New Development Approaches: Stuck Between a Disease and a Curse

This section will discuss the economic effects of natural resource specialization (mainly DD), an issue that reemerged during the final quarter of the 20th century within the context of the revaluation of crude oil pushed by the Organization of the Petroleum Exporting Countries (OPEC).

Although experiences vary from country to country and it is impossible to establish absolute laws—as proven conclusively by Humphreys, Sachs, and Stiglitz (2007)—oil-producing countries experienced less growth and less development than those that did not have this resource (Puyana, 2015b).

In an effort to analyze the “natural resource curse” (Gelb *et al.*, 1988; Auty, 1993; Krugman, 1987; Puyana, 2015a), the 1973 oil price hikes encouraged work on the impact of commodity booms. These studies covered developed and industrialized countries (the Netherlands, Australia, Canada, and Russia, among others) where the importance of such exports has increased (Martin, 2005). Each of these studies presents reasons why raw materials can slow down development. They include a tendency for trade conditions to deteriorate (according to the Prebisch–Singer hypothesis), price instability for primary products, a low rate of return on exports, and losses in employment, income, and exports of non-booming tradable sectors and products.

The combination of these phenomena results in a lower rate of technological change in the primary activities associated with manufacturing and/or services. There is also a tendency towards natural-resource-intensive production activities that increase the appropriation of income, corruption, and social conflicts, including armed conflicts (Sachs and Warner, 1995; Collier and Hoeffler, 2000).

Critiques of natural resource specialization are linked to determinants of structural change, as analyzed by Chenery and Syrquin (1986),

Prebisch (1949), Furtado (1982), and Cardoso and Faletto (1969). They are then taken up again in the 1990s by analysts of oil booms, the intensity and duration of which affect structural economic changes and their reversibility (Puyana, 2015b). Recent studies have reinvigorated Chenery's analysis and the structural issues of resource specialization (Bair, 2005; Buccellato and Alessandrini, 2009; Fleming and Measham, 2013).

The explanation of the economic, political, social, and institutional reasons why wealth in these resources tends to have a negative impact on growth is complex. An abundance of natural resources should be an advantage for the country that benefits from them due to the expansion of economic potential. Although it is generally acknowledged that natural resources have contributed to increasing standards of living, there is also recognition that they have not generated the conditions necessary for sustainable and equitable development, a paradox that can in part be explained through the economic theory of DD. DD reexamines some of the elements of the structuralist school of Prebisch and ECLAC, as well as dependency theory, to the extent that industrialization is considered necessary in order to accelerate and sustain economic growth and reduce intra- and inter-country inequality.

Furthermore, the DD model can be used to explain lower rates of economic growth and productivity in countries with natural resource specialization, which is caused by the decline in tradable sectors—i.e., agriculture and manufacturing—which are sources of GDP and full employment. The reason for this decline can be found in the revaluation of the real exchange rate (RER), an effect due first to currency appreciation resulting from the exploitation and exportation of raw materials and second to the expansion of public expenditure.

The hypotheses used to detect DD are corroborated through: 1) an appreciation of the RER or an increase in relative prices of non-tradable goods, 2) a decline in the production of non-booming tradable goods, 3) an increase in the production of non-tradable goods, and 4) a reduction in exports of non-booming tradable goods.

In turn, the DD model is based on elements of neoclassical economic theory, including a) the law of one price, b) full employment and

perfect mobility of all production factors, and c) perfect adjustment of wages and prices. The neoclassical focus of the DD model encourages the rejection of macroeconomic policies that forestall the effects of DD on production, employment structures, or the RER. This is in contrast to proposals based on the need to avoid the appreciation of the RER and protect non-booming tradable sectors (Gelb *et al.*, 1988; Auty, 1993; Puyana and Romero, 2009).

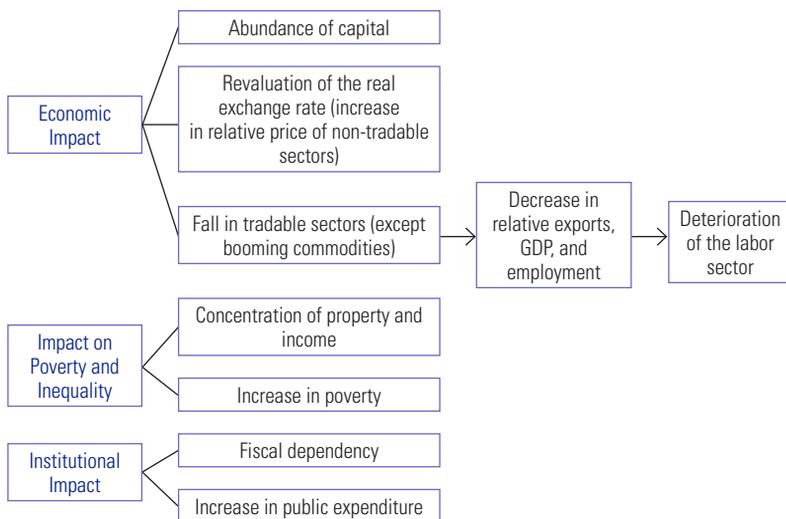
The theoretical assumptions of the DD model rarely fit the circumstances in individual countries and occur even less frequently in the economies of developing countries. In the latter, urban and rural unemployment and underemployment, lack of savings, concentration of wealth, and poverty all reduce domestic market capacity and worsen the negative effects of natural resource specialization (Puyana and Costantino, 2015; Kojo, 2015).

A presentation and analysis of neoclassical international trade theory models are beyond the scope of this work, so I will limit myself to analyzing the debate around DD and its social repercussions, particularly in terms of inequality and the concentration of wealth in Latin America. Figure 1 summarizes the main effects of natural resource specialization and quantity and price booms, which are examined in DD models.

Another limitation of the DD model is the difficulty of measuring the causality between the booms of certain goods and the supposed economic impact. As a result, there is a latent issue of spurious correlation or deviations. Even if the effects of DD could be suitably adjusted for within an economy, these might be partially or totally cancelled out by other positive economic impacts on different time-scales (Raveh, 2013; Kojo, 2015).

The aim of the following discussion is to illustrate the relationship between the basic elements of DD in Latin America while recognizing that an assertion beyond doubt regarding the negative impacts (or lack thereof) related to DD would require profound causality analyses that address the limitations mentioned in the previous paragraph. This is an absolute degree of certainty that does not exist in the social sciences.

Figure 1. Effects of natural resource prices and quantity booms



SOURCE: Compiled by the author.

Are there symptoms of DD?

Below, I will present the trajectory of certain economic variables that illustrate the context of Latin American development during the post-reform period. I will then verify whether symptoms of DD are present in the economies of Argentina, Brazil, Colombia, and Mexico, applying the respective model³ and covering the period from 1980 to the present.⁴ The variables from the Latin American context analyzed here are the progress of trade liberalization and its impact on growth,

3. Interested readers can access the model's mathematical definition, database, and results on the official website of *Espiral* magazine, as space limitations prevented their inclusion in this article.

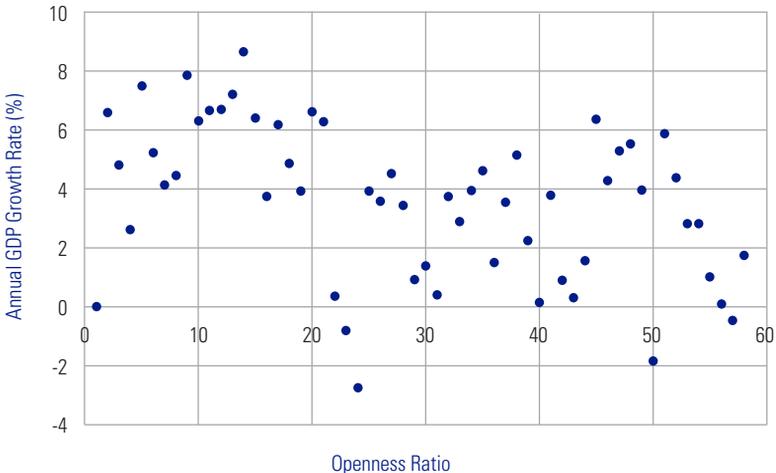
4. The last year analyzed in the various tables and analyses is the last year for which relevant data is available.

as well as the evolution of booming raw-material exports and their increasing share of total exports.

The increase in the openness ratio throughout the region is noteworthy (from 33% of GDP in 1980 to 51% in 2013), gaining momentum in the 1990s due to the upswing in demand from developed economies and China and India's increasing appetite for commodities.

This openness is unbalanced as a result of the increased weight of imports in GDP, which suggests increasing pressure on national production that, in turn, must compete with these imports. This is why trade liberalization and the increase in primary exports have not, in fact, stimulated the economic growth attributed to the export-led growth model, as corroborated by Graph 1 and the regression analysis, where R^2 is not significant but instead shows an inverse trend between the two variables. While the economy's openness ratio increased by 28% between 1980 and 2013, Latin American GDP only increased by 3.1%, without significant deviation between countries.

Graph 1. Latin America and the Caribbean: Relationship between GDP Growth and Openness Ratio (1961-2017)



SOURCE: Compiled by the author based on information from the World Bank (2018b).

Moreover, the information presented in the graph suggests that the relationship between export growth and GDP growth was weakened due to an intensification of the income elasticity of the demand for imports. Effectively, the average export volume growth rate from 1983 to 2013 was greater than the rate recorded from 1960 to 1982, while GDP followed the opposite trajectory. Real income from exports fell due to deterioration in terms of trade, as the price of primary products was reduced in real terms to the lowest levels ever recorded. Prices recovered a few years before the 2007-2008 crisis, only to drop again. It is important to note that this price instability is due, in part, to the liberalization of international markets, the entry of more suppliers, and speculation in futures markets.

The trajectory outlined here goes hand in hand with the reprimarization of exports, which, in 2012, was elevated even in countries with large internal markets and significantly advanced manufacturing sectors, such as Argentina and Brazil. Meanwhile, Mexico, Costa Rica, and El Salvador have high levels of external sales of labor-intensive, low-technology final products that are inserted into value chains. These behave similarly to raw materials due to their low contribution to the value added by activity, total GDP growth, and product pricing (Puyana and Romero, 2009) (Table 2).

The share of these manufactured goods in total exports can be seen in Table 2 in the difference between the columns labeled “2012” and “2012*.” The growth of total Mexican exports is telling: from 1980 to 2014, total exports increased from US\$26.7 billion to US\$327 billion at an average annual growth rate of 8.6%. No less than 75% of this consisted of exports of *maquiladora*⁵ manufactured goods; however, their net contribution to total GDP did not exceed 4%. The import-intensive Mexican export model has increased the economy’s external constraints by increasing the propensity to 4.5%, similar to Prebisch’s (1959) analysis of the effect of raw-material exports. This pattern is repeated throughout Latin America, although to varying degrees (Puyana, 2015a).

5. TN: A maquiladora is a manufacturing plant that imports and assembles duty-free components for export.

Table 2. Latin America: Exports of raw materials, food, and low-technology manufactured goods – percentage of total exports (1962-2016)

Country	1962	1970	1980	1990	2000	2005	2010	2012	2012*	2016
Argentina	96.5	86.1	76.8	70.8	66.2	67.6	64.9	65.3	89.7	90.54
Bolivia	95	96.9	97.1	95.2	71	88.7	93.6	94.6	90.7	91.32
Brazil	96.8	85.8	61.4	46.9	39.6	45.2	62.9	62.6	87.2	76.6
Chile	96.3	95.6	90.3	87.4	81.4	84.9	87.3	85.8	95.3	66.16
Colombia	96.3	91.9	79.6	74.2	67.5	64.2	77.5	82.4	94.8	87.49
Costa Rica	0	80.3	65.7	65.6	34.4	34.4	39.1	38.8	60.4	89.29
Ecuador	98.2	98.2	97	97.6	90.1	91.5	90.1	91	97.5	65.16
El Salvador	NA	71.3	64.6	62.3	23.1	20.9	23.2	28.9	95.2	93.38
Honduras	NA	91.9	87.5	90.7	83.7	83.7	73.5	64.6	97.2	97.79
Mexico	85.5	67.5	88.1	64.9	38.9	42.2	40.4	40.8	82.4	78.28
Nicaragua	ND	83.9	86.2	91.6	92.1	89.4	92.8	94.6	95.1	98.61
Panama	97.3	96.4	91.1	78.3	85.3	91.9	87.6	0	58.1	NA
Paraguay	88.6	91	88.2	90.3	83.8	93.4	99.2	98	99.8	73.2
Peru	99.1	98.5	83.1	81.6	84.1	85.8	92.6	88.8	99.9	100
Uruguay	0	79.6	61.8	60.9	60.3	70.8	80.6	84.6	99.3	97.02
Venezuela, RB	93.9	98.5	98.3	93.6	93.8	92.8	100.8	ND	100	NA

* Exports of raw materials, food, and low-technology manufactured goods

NA = Not Available

SOURCE: Compiled by the author based on information from the World Bank (2018b).

Monocultures such as soy, palm, banana, sugar, and coffee are considered extractive primary exports, since they share certain characteristics with mining exports. These include 1) large production volumes destined mainly for export, with a high level of environmental damage due to the absorption of nutrients that are slow or impossible to replace and the constant use of polluting herbicides and energy-intensive technologies and 2) minimum levels of processing (SITC categories 0 to 4).⁶

6. These categories include: live animals; food, drinks, and tobacco; non-edible raw materials; fuels, lubricants, and related materials; and oils, fats, and waxes of vegetable and animal origin (Gudynas, 2013).

Some authors suggest that exports of minimally processed, labor-intensive final products generate economic problems similar to those of raw materials: low price and income elasticity of demand, one price due to intense international competition, and instability and competitiveness of external prices (Hausmann *et al.*, 2007). Competitors are displaced by undervaluing production factors including labor, which is a result of the depreciation of real wages (Marini, 1979), and natural resources, as nutrients extracted from the soil are not restored and cost discovery does not address the pollution and other externalities of mining or oil extraction (Hausmann *et al.*, 2007).

However, given that the production and export of these manufactured goods suffer the effects of increased raw-material prices, especially exchange rate revaluations, these are not included in DD studies. Moreover, the expansion of these exports has a limited impact on GDP growth and on total and sectoral employment.

Having established and reviewed the above points, the following section includes an overview of the four DD model hypotheses that show the symptoms of this economic malaise.

Hypothesis A. Currency appreciation

Practically all countries in the region have had to maintain an appreciation of their currency, most notably in Mexico and Colombia and to a lesser extent in Argentina and Brazil (Puyana, 2015b). The increase in prices of booming products in Brazil, Colombia, and Mexico led to an appreciation of the RER, with correlations of a little more than 50%. In Argentina, this relationship was the inverse and not significant, and a positive relationship between revaluation and a rise in real prices cannot be clearly established.

The relationship between the exchange rate, the M2 monetary aggregate, and public expenditure was, although positive, low in all cases, while government expenditure returned low values in Argentina and Colombia and higher ones in Brazil and Mexico. This last relationship indicates, to a different extent in all cases, that greater

government expenditure leads to an exchange rate appreciation according to the principles of DD.

Hypothesis B. Decline of tradable sectors in GDP

De-industrialization and de-agriculturalization (or the premature decline of these sectors in the generation of full employment and total GDP) have already been observed in countries that specialize in raw materials, and they are coupled with the accelerated growth of the service sector and with lower total productivity growth rates.

The Chenery and Syrquin (1986) model allows us to measure the premature decline of tradable sectors in economies based on their level of development. It uses the Dutch disease index (DDI), which is calculated as the difference between the share of agriculture and industry in GDP that should exist in a country with a given level of development and the values that are actually recorded. If the share of tradable sectors is lower than that given by the model, I can conclude that these activities have decreased more quickly than expected based on the level of development and the availability of production factors (Puyana and Romero, 2009). The presence of this phenomenon has been confirmed in Organization for Economic Cooperation and Development (OECD) countries, although at a different pace that is dependent on specific relevant variables (Heipertz and Nickel, 2008).

Increases in the DDI values for the four countries show an aggravation of DD symptoms. Between 1982 and 2013, greater DDI values indicate the increased decline of tradable sectors as a source of output and a greater-than-normal decrease in the structural change process, *pari passu* with development.

In Argentina, Brazil, Colombia, and Mexico, the fall in production of tradable goods and the loss of their share in total GDP are clear (Table 3).

Table 3. Production structure and Dutch Disease Index (DDI) in Argentina, Brazil, Colombia, and Mexico (1980-2016)

	Argentina			Brazil			Colombia			Mexico			Chenery Norm						
	1980	2000	2014	1980	2000	2014	1980	2000	2014	1980	2000	2014	2016	2005 Dollars					
GDP per capita (2010 dollars)	8053	8183	10323	10206	8340	8779	11870	10869	3763	4764	7292	7532	7715	8997	9537	9872	4904	6969	12260
Agriculture	6	5	8	6	11	6	6	5	20	9	7	7	9	4	3	3	15	12	7
Manufacturing	29	18	15	14	33	15	11	10	24	15	13	12	22	20	18	17	21	23	28
Services	52	67	63	56	45	68	71	63	48	62	55	55	57	62	63	61	36	35	35
Tradables	36	23	23	20	44	21	16	15	44	24	20	18	31	24	21	20	36	35	35
Non-Tradables	64	77	77	80	56	79	84	85	56	76	80	82	69	76	79	80	64	65	65
DD Index	1	14	12	15	-8	16	18	20	-7	12	17	16	3	11	13	15			

SOURCE: Compiled by the author based on information from the World Bank (2018b) and Chenery and Syrquin (1986).

In 1980, the recorded per capita GDP in Argentina and Brazil was similar to the lower value of the Chenery norms (US\$4,904 in 2005), while in Mexico it surpassed this value. Colombia's recorded per capita GDP was 50% of this value, which makes applying the DDI difficult for this country. However, considering the significant difference between Colombian per capita GDP and its structure, it is reasonable to suggest that the country suffers from this disease, as the share of tradable goods should be higher. This statement is supported by an assessment of the GDP structure in 2014, when Colombian GDP approached the lower end of the norm and tradable sectors should have represented 36.6% of GDP, not the 20% recorded. No country comes close to the higher value of the norm (US\$12,260), but all have structures below the one that corresponds to this value.

Increased differences in GDP structure show somewhat different trends. In Brazil, for example, the percentage of manufacturing in GDP surpassed the norm in 1980 and fell after that year. Argentina, for its part, recovered the share of tradables within GDP without eliminating accrued losses. The share of agriculture is lower than expected in all countries, including in countries that are prominent exporters of agricultural raw materials.

The DDI increased from 1980 to 2014, except in Argentina. These structural fractures are clear considering that the percentage of manufacturing in the GDP of the United States, Norway, and Germany decreased to 17%. Per capita GDP in these countries totaled US\$38,000, US\$33,000, and US\$34,000, respectively, while per capita GDP was around US\$8,300 in Mexico.

In the United States, agriculture decreased to 3% of GDP (the same percentage as Mexico in 2012) when per capita GDP was US\$17,000 in 2005, and the severity of this situation was seen in precarious employment, a decrease in real wages, an increase in the informal economy, and the weakness of internal demand (ECLAC, 2008).

In Colombia and Mexico, the deterioration in tradable sectors can be explained by the increase in the share of the oil and other minerals sector in GDP, while in Argentina and Brazil this deterioration was due to external sales of soy and other agricultural products. The drop in the prices of oil and different raw materials after the 2008 crisis

resulted in changes in the region's oil and mining structures and land laws in an attempt to increase production and exports using private investment (Puyana and Costantino, 2015).

*Hypothesis B₁. Fall in production
of non-booming tradable goods:
Manufacturing*

In all cases, there is a direct correlation between the RER and the percentage of value-added manufacturing in GDP. The effect is significantly greater in the Mexican case, at close to 75%, while it remains at around 50% in the other economies. Within the four countries analyzed here, real revaluation depresses manufacturing production; when government expenditure and M2 monetary aggregate are greater, the fall in manufacturing production is more evident. Moreover, ratios of greater than 50% were seen in all cases, with correlations of greater than 90% in Colombia. Exports of booming agricultural goods (for Argentina and Brazil) negatively influenced the percentage of GDP of value-added manufacturing, but the impact was significantly greater when it came to oil exports (Colombia and Mexico).

*Hypothesis B₂. Fall in production
of non-booming tradable goods:
Agriculture (excluding booming
products in Argentina and Brazil)*

The signs of relationships between the proportion of non-booming value-added agriculture and the RER, government expenditure, M2 aggregate, exports of booming products, and global demand are the

same as in Hypothesis B₁. This means there is a direct inverse relationship between the RER and the rest of the variables.

For Argentina and Brazil, the correlation between the percentage of value-added agricultural products and the RER was high, while it was lower in Mexico and significantly lower in Colombia. It is remarkable that the correlation between the RER and agricultural production was so high in Argentina, while government expenditure, M2, soy exports, and global demand did not have a particularly significant relationship with agricultural production when compared with the results from Brazil, Colombia, and Mexico.

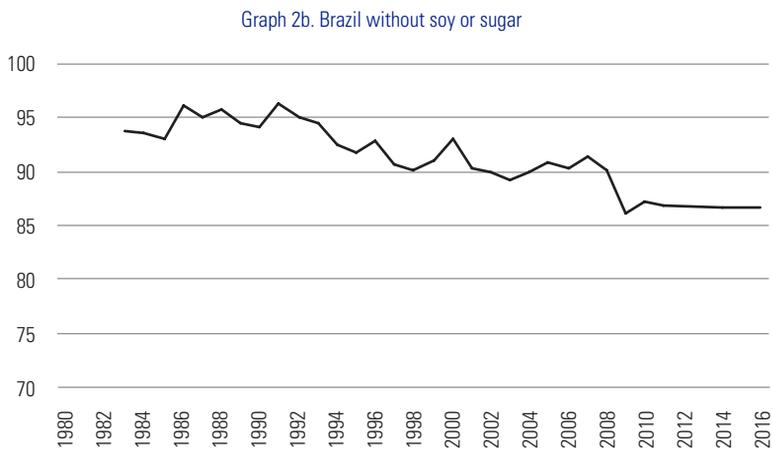
Hypothesis C. Fall in non-booming exports

Argentina's export boom was achieved through a combination of soybean, soybean oil, and soybean meal exports. In Brazil, exports of soy derivatives were added to exports of beets, sugar cane, and refined sugar, in addition to iron. The presence of DD is clearly seen in Argentina, Brazil, and Colombia when the percentage of non-booming exports dropped, while Mexico differs from these countries due to the rise in manufacturing exports (see Graph 2).

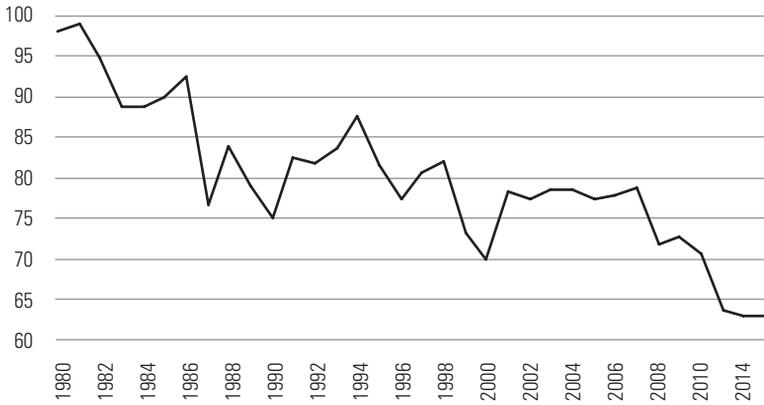
In Argentina, the increase in soy exports is accompanied by decreases in other tradable goods exports (Graph 2a), while the decrease of the remainder is associated with the revaluation of the RER. Brazil's soy, sugar, and iron exports show various changes, although the global trend is downwards. As with Argentina, exports excluding soy, sugar, and iron fall along with total exports (Graph 2b). In both cases, revaluation of the RER explains the approximately 90% increase in soy exports, which suggests the existence of DD.

The percentage of non-oil exports in Colombia, which represented 98.06% of the total in 1980, fell, with ups and downs, to 65.5% in 2011 (Graph 2c). The share of non-oil exports in Mexico grew between 1980 and 2013, with changes in the growth rate during this period (Graph 2d). This evolution is the result of the increase in maquiladora

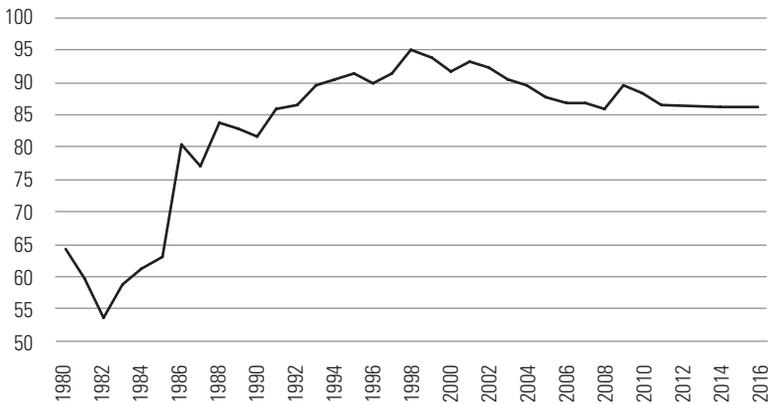
Graph 2. Percentage of exports without booming products compared to total exports (1980-2016)



Graph 2c. Colombia without oil

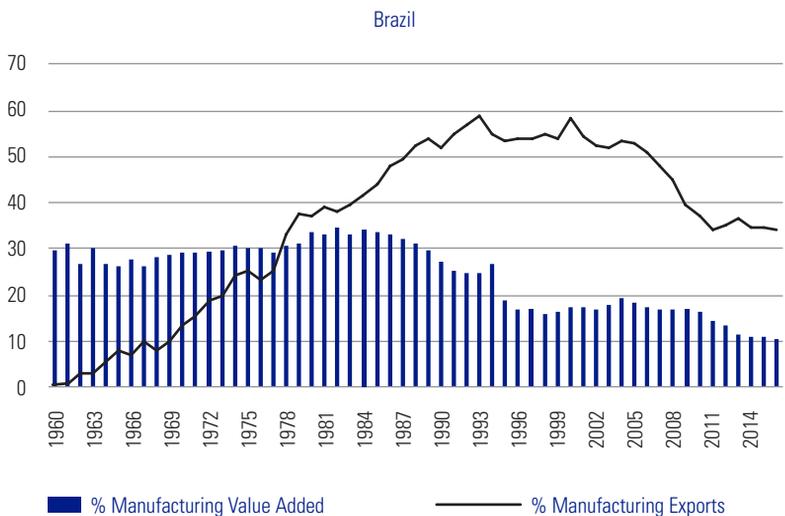
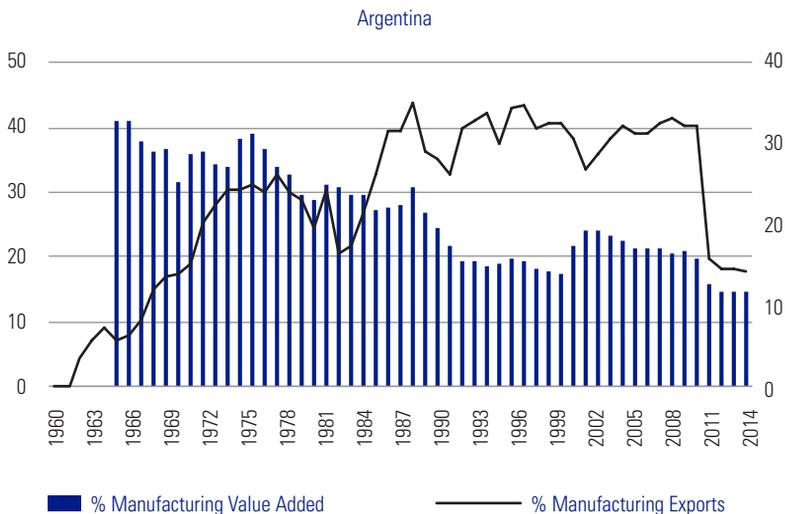


Graph 2d. Mexico without oil



SOURCE: Compiled by the author based on information from the United Nations Comtrade Database.

**Graph 3. Manufacturing sector:
Exports and value added (1960-2016)**





SOURCE: Compiled by the author based on information from the World Bank (2018b).

goods that benefited from currency appreciation due to the high level of imported content, a trajectory that contrasts with the fall in agricultural exports.

Moreover, the manufacturing sectors of the four countries indicate an equal disparity between exports and value added (Graph 3). In Mexico, the most open of the four countries, sectoral GDP decreased to less than 20% of total GDP in 2014. In turn, external manufacturing sales increased at tremendous speed (more than 70% of total exports). The expansion of Mexican manufacturing exports would seem to contradict the model's fourth hypothesis, which predicts a decline in exports of non-booming goods. This apparent contradiction is explained by the effect of the currency revaluation, which decreases the prices of imported inputs that are intensively used by these exports, thus reducing costs and elevating competitive capacity, and stops the fall of sectoral GDP as part of the total—one of the symptoms of DD.

Other Economic Impacts of Extractivism

Now that I have confirmed the presence of DD symptoms in each of the four Latin American countries, it is time to consider the possible implications and impact of extractivism on different economic variables, such as the technological content of exports, employment and wage generation, the deceleration of labor productivity, and inequality.

In addition to weakening institutions, one of the problems of natural resource specialization is the limited stimulation and development of scientific and technological capacity, education of the workforce, and generation of productive ties. However, these factors influence the way that resources are extracted, as well as how the rent that is generated is then used. In this sense, the exploitation of natural resources can be positive for growth *if and only if* progress is made to move away from exporting raw materials and towards the local processing of materials, including incorporating added value and high technology, differentiating products, and distributing linkages

(Hilbert and López, 2011).⁷ This is because the greater the share of high technology in manufacturing exports, the greater their impact on growth (Aditya and Acharyya, 2011).

This shows that what is exported and how it is produced is, in fact, relevant (consistent with the structuralist economists and in line with dependency theory, mentioned above). The export structure of Argentina, Brazil, Colombia, and Mexico, for example, reveals a low and declining participation of high-technology exports (Puyana, 2017). The values are lower when they include imported content, consisting of integrated high-technology inputs.

In general, the symptoms of DD emerge *pari passu* with the weakening of employment and wage generation (Puyana, 2015a; 2015b; Stiglitz, 2007; Ross, 2007) and the deceleration of labor productivity (Collier and Goderis, 2007), *sine qua non* requirements for elevating per capita income. These variables are not included in DD models, but they are associated with de-industrialization, de-agriculturalization, and the increase of the service industry and the informal economy (Rodrik, 2015).

Total and hourly per-worker productivity growth in Latin America is lower than in the United States and other nations with whom Latin American countries compete in this and other external markets (Puyana, 2018a). In 2015, the region still had not recovered the peak levels reached in the 1980s. Neither Brazil nor Chile, the region's most dynamic economies, have managed to recoup their losses, while Mexico has accumulated the greatest loss. Given the similarities among the low-technology manufactured goods exported by Latin America, China, Eastern Europe, India, and other Southeast Asian countries, it is worrying that these Asian and European nations have managed to reduce the productivity gap with the United States and Latin American countries (Puyana, 2015a). Mexico is a clear example:

7. A counterexample includes the group of countries that are currently considered developed and that initially based their growth (and in some cases continue to do so) on natural-resource-intensive activities. This includes nations such as Australia, Canada, Denmark, Finland, New Zealand, Norway, Sweden, and the United States.

in 2016, the real minimum wage⁸ was only a third of that recorded in 1984, while the real average wage was slightly lower. The problem is that at least 33% of the employed population earns less than twice the minimum wage.

Deterioration of employment generation and wages, combined with low GDP growth and stagnant or decreasing productivity, translates, on the one hand, to the systematic loss of labor's share in the functional distribution of income and, on the other, to the increase of capital and profits (Puyana, 2015b; López, 2016; Piketty, 2014). Table 4 illustrates the decline in labor's share of income.

Table 4. The decline of labor in the functional distribution of income (1970-2016)

	1970	1980	1990	2000	2010	2016	Difference Between the First and Final Year Available	Difference Between the Peak and Final Year Available
Germany	51.2	56.5	52.9	52.9	49.7	50.8	-0.1	-5.5
Canada	53.2	53.3	53.4	50.1	50.4	51.3	-1.9	-3.6
United States	58.1	56.8	55.9	57.0	53.3	53.7	-4.4	-4.4
France	49.7	55.3	50.7	50.8	52.1	52.1	2.5	-3.5
Italy	43.4	45.2	41.8	37.0	40.0	39.8	-3.6	-8.2
Japan	40.9	51.0	49.5	51.1	50.4	50.0	9.1	-2.2
United Kingdom	56.4	56.9	51.4	49.4	51.8	49.4	-6.9	-13.6
Brazil	NA	NA	Na	39.2	41.6	NA	5.4	0.0
Chile	NA	NA	NA	NA	NA	NA	-0.1	-0.1
Colombia	NA	NA	NA	32.8	32.7	33.6	0.8	-0.1
Costa Rica	NA	NA	NA	NA	NA	NA	0.7	0.0
Mexico	38.2	38.7	27.9	28.2	27.8	26.7	-11.5	-16.5
Peru	NA	NA	NA	24.9	21.8	NA	0.9	0.0
China	NA	NA	NA	52.1	47.8	NA	-2.5	-2.5

SOURCE: Compiled by the author based on information from the database of the Organisation for Economic Cooperation and Development (see References).

ND = No disponible

8. The year 2000 is base 100 for calculating the index.

The decline of labor in the distribution of income in Latin America is a long-standing issue and has to do with the prolonged marginalization of labor. This is a constant derived from basing economic growth on raw-material specialization (whose ownership is concentrated during import substitution), substitution industrialization (which in turn stimulates an increase in external capital-intensive manufacturing, technology, and large economies of scale), and discrimination against the agricultural sector. This means that if growth is supported by concentrated ownership factors, profits will be distributed unequally, favoring capital.

Discrimination against agriculture, especially against *campesinos*⁹ and small-holder farmers specialized in food production, encouraged migration to the cities, where neither the employment opportunities nor the equitable income necessary to employ those that had been displaced was generated due to the preference for big industry. As a result, the rural labor surplus became the reserve of labor that allowed wages to decrease. This process is evidence of the decline in real wages in Mexico, as well as of the slow growth in practically all Latin American countries.

This process resulted in the loss of the workforce's capacity to negotiate due to the liberalization of the labor market on the one hand and the decrease in income elasticity of exports and employment on the other. Higher rates for economic expansion and increased external sales were therefore required in order to generate the employment levels from just a few years beforehand.

Effectively, even in periods of high growth (such as that of 2002-2006), unemployment levels were high, the informal economy increased, and the labor share decreased (International Labour Organization [ILO], 2013; 2017), a phenomenon known as jobless growth. It is hardly surprising that the accrued deterioration in real, minimum, and average wages between 1980 and 2014 can be seen in practically the entire region, including three of the four countries analyzed (excluding Colombia).

9. TN: Campesino refers to people who live and work in rural areas and everything associated with that way of life.

Another factor that can link the effects of extractivism and DD is the relationship between extractivism and inequality, a little-explored nexus that, nonetheless, can reveal a causal chain in which extractivism is associated with the generation of greater inequality and decreased growth.

The most recent debate on the subject agrees that inequality negatively impacts growth, supporting this statement by presenting various arguments and transmission mechanisms that connect inequality to decreased growth.¹⁰ The most accepted are social and political instability, trade liberalization, technological change, declining investments in education and scientific development, the compression of domestic demand, environmental damage, and political pressure against redistributive public expenditure. However, it is important to recognize that all these elements are the result of political definitions and are adopted by political institutions.

Although the recent literature presents concepts that are both important and relevant, these concepts are not always sufficiently examined—e.g., the direct relationship between income concentration and the income elasticity of demand due to non-tradable goods and between this relationship and the RER. Greater income concentration tends to lead to higher aggregate demand for services, higher RER appreciation, and stronger employment contractions in non-booming tradable sectors. As a result, the symptoms of DD and the deterioration of labor income are often stronger in conditions of greater income inequality.

It is important to add that inequality can negatively affect growth for political and structural reasons. The most powerful groups concentrate ownership while also maintaining significant access to decision-making individuals and entities. This allows those in power to adopt policies that benefit capital and disadvantage labor—a situation seen globally in the decline of labor income in the primary distribution of income. These power groups create refractory structures that make change impossible (Ramcharan, 2010).

10. Puyana (2018b) analyzes the most recent specialized literature on inequality.

The exercise conducted here with data from 2005 clearly shows that the inverse global relationship between inequality and economic growth identified by Gylfason and Zoega (2002) is maintained and reproduced in Latin America (Graph 4). This exercise also shows that the results obtained are valid around the world and do not represent an exclusively Latin American trajectory.

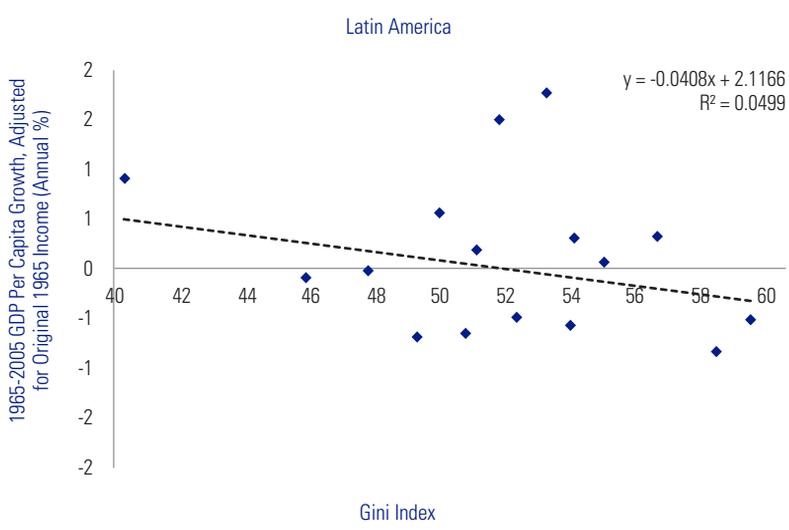
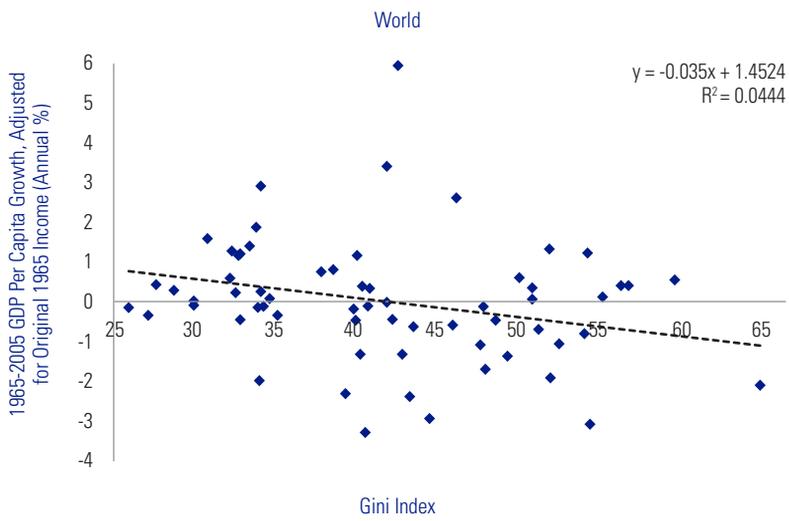
It is important to note that one of the most significant inequalities is the concentration of rural property, which, as suggested by Deininger and Olinto (2000), has a strong inverse relationship to growth, as it discourages emulation and indivisible investments (such as education) and voids the impacts of human capital investment on growth. A particularly high level of land concentration is a determining factor in the reproduction of inequality in the region (Deininger and Olinto, 2000; Birdsall, 2006) and tends to be associated with extractivism and land grabbing.

Colombia, one of the nations with the greatest land concentration on the planet, is a good example. The Gini index for land ownership in that country is 0.87 (Instituto Geográfico Agustín Codazzi [IGAC], 2007), and it currently has one of the highest levels of income inequality in the region. A total of 12.6% of the population suffers from hunger (the average in Latin America and the Caribbean is 8.3%), a situation that does not improve even in periods of accelerated GDP growth, such as in the period from 2007 to 2014 when the Colombian economy expanded at rates of more than 4%.

Moreover, land concentration is associated with violence and the mass forced displacement of small agricultural producers and tenant farmers, trends that could be aggravated by the Colombian government's development and trade plans, which are based on mining, oil, and agricultural megaprojects. Large swathes of wasteland are allocated to these megaprojects, and distribution to the rural population, people of African descent, and indigenous peoples is consequently marginalized (Puyana and Costantino, 2015).

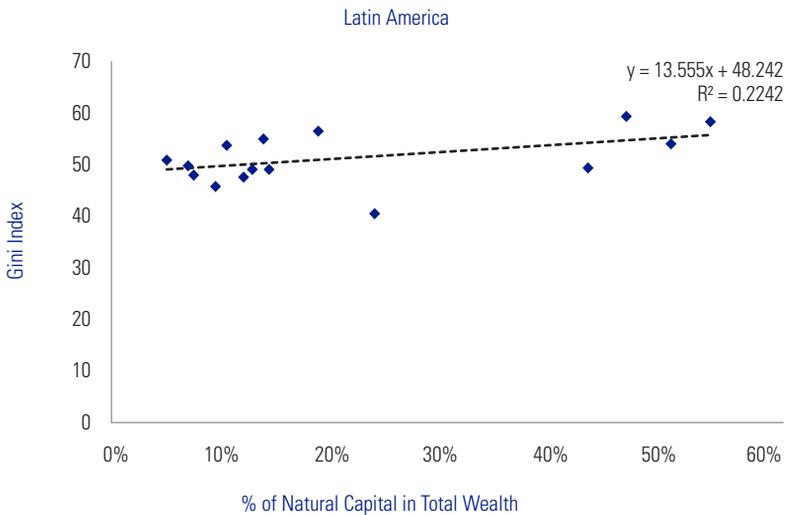
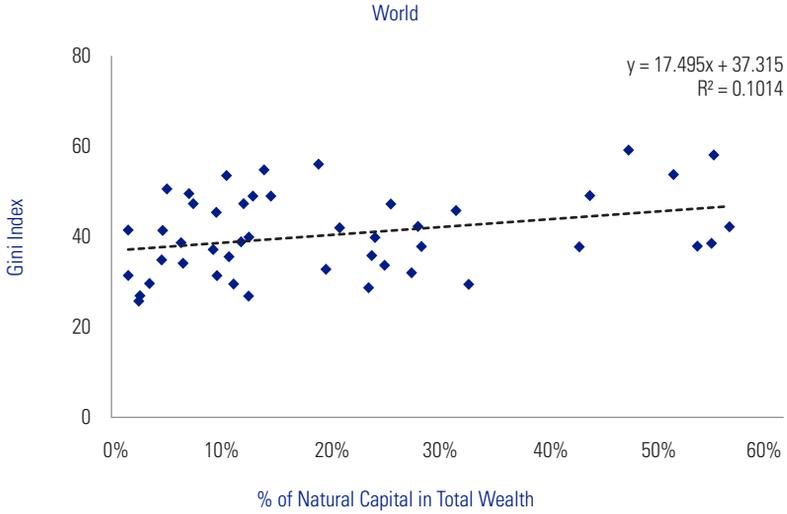
Similarly, it is vital to mention the direct relationship between the percentage of natural resources in total wealth and income inequality (Graph 5). In line with the results published by Gylfason and Zoega (2002), in Latin America, the greater the former, the greater

Graph 4. Income inequality and growth (1985-2005)



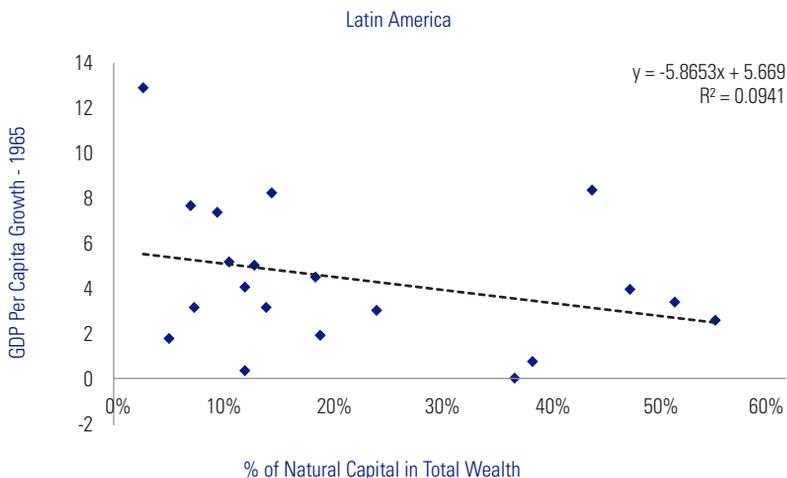
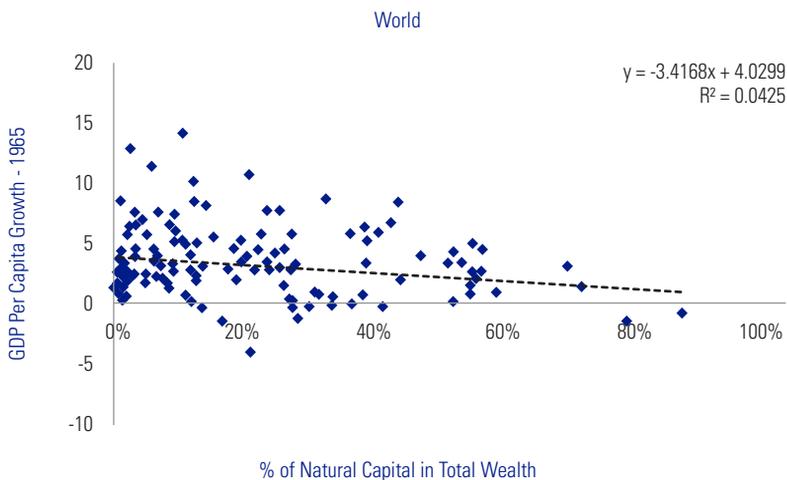
SOURCE: Compiled by the author based on information from the World Bank database (2018b).

Graph 5. Income inequality and percentage of natural resources in wealth



SOURCE: Compiled by the author based on information from the World Bank database (2018a; 2018b).

Graph 6. Economic growth and natural resources (2005)



SOURCE: Compiled by the author based on information from the World Bank database (2018a; 2018b).

the latter. It is important to consider that an unequal distribution of income can accentuate the unequal distribution of resource rents due to the existence of elite groups or consolidated monopolies that have the power to control decision-making centers and influence policies that favor their own interests.

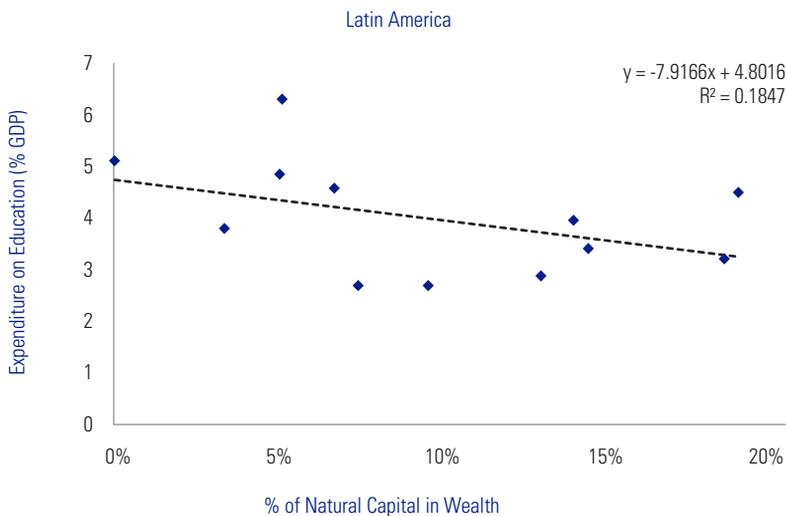
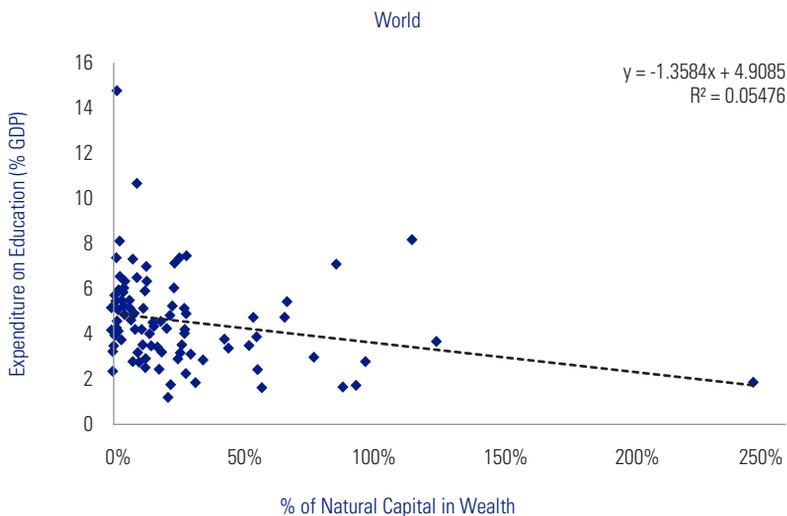
Having established the direct relationship between the concentration of natural resources and wealth concentration, I verified whether the inverse relationship between wealth concentration (as measured by the Gini index) and the growth rates found by Gylfason and Zoega (2002) were also present in the countries studied here. The results are presented in Graph 6, and any further comment is superfluous given the regression values.

In Latin America, there was an inverse relationship between natural resource wealth and education spending, which goes against the expected outcome according to Gylfason and Zoega (2002) and helps explain the lower rate of economic expansion of resource-rich countries (Graph 7).

This trend did not emerge until the beginning of the 1990s, despite Latin America's relatively high level of development, intense urbanization, and more advanced manufacturing sector vis-à-vis other countries with raw-material specialization. However, it is important to emphasize that the concentration of land ownership in Latin America is one of the most unequal in the world, which creates inequalities in the establishment of physical and social capital by discouraging investments in education, among other aspects. On average, the Gini index value for concentration of land ownership in Latin America (85) surpasses the already high value for income concentration by almost 20 points (Puyana, 2016).

Social expenditure increased during the substitution industrialization process (from approximately 1945 to 1990)—a limited version of the welfare state that emerged in response to the intense demands for universal primary education and the expansion of secondary education. This increase was partially an effort to contain the social protests of the urban middle classes and was positioned within the framework of the National Security Doctrine (Bértola and Ocampo, 2014).

Graph 7. Education spending and natural resources (2005)



SOURCE: Compiled by the author based on information from the World Bank database (2018a; 2018b).

Final considerations

This chapter used factor endowment to explore the technical elements that supported the international division of labor, and the more recent analytical developments on neo-extractivism to establish that this model strengthens rather than breaks with the model of liberal economics established with the structural reforms of the 1980s.

The noteworthy difference between extractivism and neo-extractivism is the management of oil rents and, in my opinion, derives from the social, economic, and political transformations of Latin American societies. These have, on the one hand, increased social spending to reduce the discrimination that impacted the majority of the population and, on the other, allowed greater participation in natural resource decision-making, referred to by some as governance.

Moreover, the chapter evaluated the economic effects of extractivism in Latin America in general, and in Argentina, Brazil, Colombia, and Mexico in particular, and corroborated the presence of Dutch disease (DD) in these countries. The impacts of DD can be attributed to natural resource specialization, including low growth rates, exchange rate appreciation, and a fall in the production of tradable goods, particularly agricultural and manufactured goods.

In addition to other economic effects, I explored the technological content of exports, the lower rate of employment and wage generation, and the deceleration of labor productivity. I also explored some of the implications of extractivism and DD on the region's increased levels of inequality and the associated impacts on inequality and education.

Latin America and the Caribbean must resolve the various issues that limit the region's development. First, the region must address the development model's inequitable distribution of costs and benefits and the weakening of growth factors, such as productivity and internal demand. The export model has not been able to overcome the negative effects derived from the openness of trade and capital accounts, the increase of imported content in national production, and the lost relationship between the expansion of exports, the degree of openness, and GDP growth, among other factors. Increased openness, including regional exchange, has not been able to catalyze economic growth

or tradable sectors, nor has it increased productive employment and labor wages—an effect of the stagnation of labor productivity.

The task at hand for decision-makers, academics, and business owners is to explain why the open economy model, which is based on foreign direct investment and privileges market mechanisms when assigning factors, has not had a positive impact on Latin America and the Caribbean's participation in global trade or reactivated productivity growth. Instead it has caused a decline in sectors that compete with imports and an increase in the imported content of national manufacturing. In other words, the import substitution model was traded for one that substitutes national value add and employment with imports. This model has generally contributed to this process, in addition to the integration agreements and trade alliances with the United States and other developed countries.

The results presented here suggest that trade liberalization and export expansion are insufficient to accelerate growth and guarantee labor absorption rates that sufficiently address the growth of the economically active population and achieve the increase in full labor productivity necessary to allow ongoing wage increases.

In this context, a pattern of production based on the undervaluation of labor and the looting of natural resources will result in several economic consequences, including those presented in this chapter. These will further aggravate the region's structural problems and make sustainable economic, political, social, and environmental development increasingly difficult.

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CHAPTER IV

**Development
Approaches in
Latin America:
Towards Social-Ecological
Transformation**

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The Development Debate in Latin America

The discussion and dispute regarding the adoption of a guiding framework for development policies in Latin America can be traced to the 1950s and 1960s. It is not that this discursive tension did not exist in prior decades, but rather that the ability to question and contribute somewhat alternative perspectives became increasingly accepted in that era.

From one extreme to the other, development theories took their basic fundamentals from general social science theories (functionalist, structuralist, or Marxist), while simultaneously incorporating concepts and hypotheses that emerged from neoclassical, Keynesian, and Marxist economic approaches (Becker, 2001). However, the basis for both of these positions, which contributed to Western modernity,

placed economic growth as the analytical center necessary to explain the situations and trajectories of different countries.

Modernization theory, the Economic Commission for Latin America and the Caribbean's (ECLAC) structuralist approach, and dependency theory defined the scope of the discussion regarding the "more convenient" development options for Latin America. However, these three theoretical approaches shared a common denominator: economic bias. The only change was the mechanism used to achieve economic dynamism.

Within modernization theory, the necessary steps were overcoming traditional backwardness, technological progress, increased consumption capacity, and the adoption of democratic practices. Despite the differences between ECLAC structuralism and dependency theory, both approaches shared a common concern regarding the pursuit of social justice and greater regional and national autonomy vis-à-vis the core countries where investment and technological development capacities were concentrated.

Latin America was impacted by at least three significant economic influences:¹ a) the influence of classical and neoclassical economists who identified the need to increase markets' ability to self-regulate, b) the Keynesian influence that advocated for state intervention and planning, and c) the Marxist influence that called for a change in property relations (Becker, 2001).

The similarities between the different theories that sought to explain and guide Latin American development are not coincidental. They were all based on a notion of development rooted in the dominant Western rationality, which focused on the need for ongoing economic growth, the modernization of production, and sociopolitical and institutional modernization (Escribano, 2003). Similarities notwithstanding, the differences between the three approaches became clear based on their response to the following questions: a) How is economic surplus produced, and how and by whom is it appropriated?;

1. Of these three influences, the first two dominated the discussion and focus of economic policy in Latin America.

- b) What is the recommended type of international integration?; and
c) What role should the State and the market play in the process of modernization? It is also important to add that environmental concerns were not even part of the debate, with a few isolated exceptions.

The specific context of Latin America

In light of the evolutionary and linear perspective of the dominant theories, one of the primary contributions of Latin American thought at the time was the argument that the classical conditions necessary for Western development did not exist in Latin America. The region's specific context required explanation. This premise spurred a flurry of research initiatives meant to assess and identify alternatives that could respond to the region's specific reality (Flores, 2012).

The massive transfer of wealth from Latin America to Europe via Spain and Portugal marked the beginning of the colonial/capitalist world-system. This plundering of resources fortified the initial accumulation of capital that enabled the Industrial Revolution. The independence movements of the first decades of the 19th century did not significantly alter this ongoing wealth transfer. It was not until after World War II that the role of Latin America in the international division of labor began to be challenged and seriously questioned.

The asymmetries between the so-called periphery and core economies created a totality and a system in which one aspect implied the other. From this perspective, underdevelopment was seen as the flip side of development. Productive specialization was therefore seen not as an accidental phenomenon, but rather as a structural characteristic of Latin American, Asian, and African countries. Questions began to be asked about the ongoing deterioration in terms of trade that resulted from the asymmetries between the price of primary product exports and imported industrial goods (Lander, 2014).

An in-depth look at the specific context of Latin America clearly shows that the primary economic drivers are external to the region, as industrial development in the wealthiest countries increased the demand for raw materials extracted from periphery countries.

This situation reaffirmed Latin America's specialization within the international division of labor. Of course, this characterization was not sudden; various economic and political factors ensured Latin America's position as a commodities exporter while simultaneously limiting the sustained growth of internal demand. This state of affairs discouraged the emergence of other economic areas that might have laid the foundations for endogenous accumulation and the development of productive forces (Carvalho and Friggeri, 2015).

According to Stavenhagen (1971), in addition to the colonial relationship that core countries established with the so-called periphery countries, structures of colonial domination were also reproduced within the Latin American countries themselves. For example, the most backward regions served as internal colonies for the more dynamic urban areas. This is why Stavenhagen emphasized that it was more appropriate to explain the internal situation of Latin American countries in terms of internal colonialism rather than using the concept of a "dual society." According to Stavenhagen, the transfer of capital, raw materials, and human capital from the "backward" areas enabled the rapid development of "growth poles" and postponed the development of the more traditional areas. The exchange between modern urban centers and backward rural areas within the same country thus presented asymmetries similar to those seen between the core, developed countries and the periphery, underdeveloped countries.

Whether or not one agrees with the theoretical foundation that contributed to the specific Latin American context, it undoubtedly represents a before and after in terms of the way the debate regarding development options in the region unfolded.

Dominant Development Approaches in Latin America

Among the many theories that have attempted to explain and guide the design of public policy in Latin America, some gave rise to the hegemonic development approaches and models that emerged during

the 20th and 21st centuries (Figure 1). Due to the influence of these economic theories, the notion of a development model became synonymous with the concept of accumulation. As a result, any mechanism that contributed to the reproduction of capital at any given moment in history was considered to be a development model. This bias meant that each development model was largely unable to address the multitude of dimensions that are inherent to a comprehensive understanding of development. Having clarified this, at least four dominant approaches can be identified in Latin America:

1. *The primary export model (PEM)*: Influenced by classical economic theory
2. *The import substitution industrialization model (ISIM)*: Formalized and explained by the structuralist theory of ECLAC
3. *The neoliberal model (NM)*: Directly influenced by neoclassical economic theories
4. *The post-neoliberal “approach” (PNA)*: Lacks a distinct and consistent theoretical influence, although it is important to note the influence of the neo-structuralism first proposed by ECLAC in the 1990s

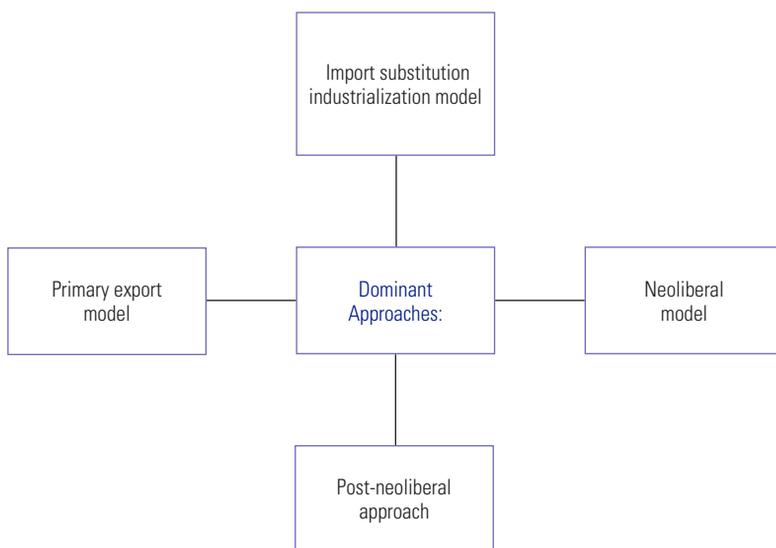
The first and third models correspond to more orthodox understandings of capitalism as a system of accumulation, whereas the second and fourth models represent options that include aspects of distributive justice, although always within the framework of global capitalism. The second and fourth approaches have taken advantage of certain historical windows of opportunity and have benefited from certain global trends.

It is also worth noting that the PEM and the NM were more widely accepted throughout the region than the ISIM and the still-emerging PNA. The varying levels of influence of each model are due to several factors, including the balance of power behind each development model, the profile of the productive systems, and the opportunities and restrictions of the world-system.

The dominance of each of these models and/or approaches was not homogeneous in each country or sub-region. The specificity of

each context helps explain the differences in the degree and the duration of the implementation of each model. This essay presents a historical overview of the moments during which each approach achieved greater dissemination and influence, thus dominating the other options. It is also important to recognize that the gestation period, development, and decline of each approach represents a longer time period than that covered here.

Figure 1. Dominant approaches to development in Latin America



Primary export model (PEM)

The PEM promoted the use of raw-material exports as a way to encourage the international integration of *developing* countries, with an emphasis on agricultural products and minerals.

Some of the factors that favored the consolidation of the PEM included: a) the abundant availability of raw materials and cheap labor in periphery countries, b) the concurrence of weak governments

that used one-sided concessions and tax exemptions to attract foreign capital investments in the primary sector, c) the technological advances that allowed *developed* countries to mass-produce and add value to the raw materials sourced from their colonies and ex-colonies, d) the increase in the purchasing power and consumption capacity of the vast working class in Europe and the United States, and e) the advances in maritime transport, which facilitated decreased transport times and increased cargo capacity for transporting raw materials and final products for commercialization.

In Latin America, the boom and consolidation of this development approach occurred between approximately 1870 and 1910,² a trend triggered by European colonization. Although the PEM contributed to gross domestic product (GDP) growth in Latin America, with minor variations depending on the type of product and international market conditions, this growth did not favor widespread improvement of the population's well-being. On the contrary, PEM reproduced and strengthened Latin America's dependence on the core countries.

This resulted in a heterogeneous and specialized production system that consisted of a "modern" primary product production and export sector and a "backwards" subsistence sector. This model lacked internal drivers, as its economic dynamism depended on demand from the capitalist cores. Additionally, the increased productivity of the export sector was not transferred to the economy as a whole. Most of the surplus was transferred to other countries, and a large part of what did remain in the region was allocated for the oligarchy's consumption of imported luxuries. In summary, the high levels of wealth concentration that were established during the colonial era were further accentuated during the PEM phase (Guillén, 2007).

In Latin America, the PEM period developed in different ways. After the success of the independence movements during the first decades of the 19th century, Southern Cone countries, such as Argentina, Chile, and

2. The consolidation of the PEM during this period is due to the formalization of the region's role in primary product specialization, which facilitated the integration of almost all Latin American countries into the world-system during a point of significant dynamism in international trade.

Uruguay, submitted to the requirements of British capitalism, including specializing in the production of high-demand goods like leather, meat, and grain. Furthermore, the integration of Mexico, Brazil, and Central American countries into the new post-colonial world order picked up steam during the second half of the 19th century, following the Liberal Reforms. At this point, Brazil established the coffee industry as the foundation of its economy, while Mexico consolidated its position as a primary exporter of agricultural products (cotton, henequen, and coffee), minerals (copper), and eventually oil from 1867 to 1910 (Guillén, 2007).

The PEM made raw-material exporting countries extremely vulnerable, as economic performance depended overwhelmingly on exports that were highly sensitive to external demand, in addition to the fact that the regime of accumulation favored the concentration of wealth and the massive transfer of surplus to the core countries.

As a result, Latin America's role in the international division of labor implied a steady deterioration in trade, precisely because of the ongoing fluctuations that impacted international prices. This was primarily a result of the ongoing impacts of World War I and then due to the Great Depression in the 1930s and World War II. This situation, which triggered recurring crises accompanied by notorious inflation and recessions, led to emerging industrial businessmen questioning the model and allying themselves with workers' movements and political leaders. This later created the possibility for political options that were more open to reformulating the economic policy in an effort to strengthen the domestic markets and industrial capacity of Latin American countries.

The PEM fell into crisis; however, this decline did not mean that the model disappeared.

The import substitution industrialization model (ISIM)

The ISIM is defined as a set of policies focused on encouraging domestic industrialization by discouraging imports. To accomplish this,

the State is granted significant abilities to promote the economy and manage the reproduction of working-class social conditions, with an emphasis on industrial urban areas. Although the ISIM was used as a policy option in other times and countries—such as in the Soviet Union, as well as during the era of European mercantilism in the 16th and 17th centuries—in 1948, ECLAC formalized, perfected, and promoted the ISIM as a comprehensive model for Latin America.

In Latin America, the boom of this development approach occurred between 1950 and 1970,³ although development was extremely unequal among sub-regions and countries. During this period, Argentina, Brazil, and Mexico attained the highest levels of relative industrialization. A second block, including countries such as Colombia, Chile, Peru, and Uruguay, attempted to take strategic steps towards industrialization but was less successful than the first group of countries.

This model emerged as a counterpoint to the PEM and as a critique of Latin America's position in the international division of labor, which limited the region to producing commodities without value added and importing manufactured and capital goods that notoriously deteriorated the terms of trade. Raúl Prebisch emphasized the distortions in the relationship between core and periphery. His arguments rejected the premise of a linear and converging modernization process as proposed by proponents of modernization theory.

From ECLAC's perspective, the ISIM was the ideal option to increase economic *productivity*, accelerate GDP growth, systematically absorb the surplus labor from rural areas, improve income distribution, and refocus Latin America's integration into the international division of labor.

The following contextual factors that favored the emergence and consolidation of the ISIM stand out: a) recurrent international crises

3. There were earlier efforts to implement import substitution industrialization in Latin America during the first half of the 20th century as a result of both the Great Depression in the United States and World Wars I and II. Years later, ECLAC would provide theoretical consistency and formalize the way in which some countries, such as Argentina, Brazil, and Mexico, had responded to external constraints.

that affected raw-material prices and demand and b) the alliances created between political sectors, social movements, and sectors of the emerging bourgeoisie that all agreed on the importance of expanding domestic markets and national industrialization.

Based on the ISIM, a country would begin by substituting low-technology goods for increasingly complex goods as it made technical progress. By following this path, these countries would eventually reach a point where they were exporting more value-added goods, which was considered to be a later stage of external industrialization. Ultimately, export substitution policies helped diversify the region's basket of industrial goods, allowing countries to fulfill the need for final goods with internal production, as well as part of the need for intermediary and capital goods. As a result of the ISIM, Latin America experienced significant levels of economic growth that surpassed historical growth rates. Nonetheless, the region was unable to make progress towards consistent exports of high-technology goods.

This industrialization effort had a major impact on the modernization and diversification of many Latin American economies, although the concentrated industrialization in the main cities represented a significant constraint. It encouraged massive migration from rural areas and precarious urbanization processes while also weakening agricultural production capacities and beginning a trend towards the creation of an informal urban economy. However, it is important to note that this industrialization effort influenced many of the most significant attempts to universalize certain social policies. Ultimately, due to a variety of different reasons, the region was unable to come close to the welfare states that predominate in Europe, although Costa Rica and Uruguay made significant progress before the emergence of neoliberal policies.

When the industrialization process sought to take the step towards producing more complex, high-technology goods, the countries' leeway and regulatory capacity weakened, as they were unable to change their participation in global value chains. The region's insufficient capital and, by extension, insufficient technological absorption and penetration, required Latin American countries to open the doors to transnational corporations, above all from the United States.

These corporations became the primary sources of investment and controlled the most dynamic industrial sectors, a phenomenon that Cardoso and Faletto (1977) referred to as the “internationalization of the domestic market.”

The limits and contradictions of the ISIM were highlighted in critiques made by various dependency theory authors.⁴ They presented the following arguments against the model (Diez, 2013): a) the impossibility of universal industrial development due to the deliberate obstacles put in place by the core countries to limit periphery countries; b) the need for radical changes to external links, as core countries tended to subordinate periphery countries through transnational corporations and through the interwoven interests of the dominant groups in the core countries and similar groups in the periphery countries; and c) the fact that the explanation of Latin American underdevelopment did not take into account the causes of serious social asymmetries, as the ISIM fundamentally ignored the existence of the opposing interests of the ruling classes and the oppressed classes.⁵ The critique of dependency theory noted that Latin American states oscillated between corporate, patrimonialist, and authoritarian governments that facilitated capitalist exploitation (Flores, 2012).

Depending on the analysis, the ISIM started to demonstrate signs of weakness or deviation. By the end of the 1960s, industrial dynamism decreased. This was followed by a series of external shocks, such as the crisis in the early 1970s that emerged as a result of increased oil prices and the resulting excessive demand for international

4. Rather than opposing ECLAC’s structuralist theory, dependency theory radicalized ECLAC’s positions. In the 1960s and 1970s, it received significant support from circles of specialists on underdevelopment. These theories were supported by Celso Furtado and Osvaldo Sunkel (who had played important roles within ECLAC), as well as Fernando Cardoso, Enzo Faletto, Theotonio Dos Santos, André Gunder Frank, Anibal Quijano, and Ruy Mauro Marini, most of whom had a previous or ongoing connection with Marxist economic theory (Gabay, 2008).

5. Underdevelopment was a term used to refer to economic structures marked by the dominance of the primary sector, strong rent concentration, minimal differentiation of the productive system, and, most particularly, the supremacy of the foreign market over the domestic market.

liquidity. During that same decade, a confluence of various factors led to a loss of faith in the Keynesian ideas that had prevailed since the end of World War II. As would be expected, this impacted the implementation of the ISIM in Latin America. Using the crisis to course-correct and adjust the model would have required improving income redistribution, increasing the region's integration into and connections with the productive system, and a selective revision of protectionist structures. Instead, Latin American governments continued to exacerbate the imbalances, resorting to debt to adjust external and budget imbalances. In the early 1980s, this foreign debt led to an even greater crisis when an increase in international interest rates made it practically impossible to pay off a foreign debt that, incidentally, was not even appropriately invested in these same countries (Guillén, 2007).

The aforementioned factors gradually reduced the volume of capital formation and technology absorption and deployment, a phenomenon known as “truncated industrialization.” As a result, the social and political foundations that had supported the ISIM were weakened. Additionally, transnational corporations continued to increase their power, generally controlling the driving sectors of the industrialized sector and showing little to no interest in promoting the increased autonomy of Latin America.

In addition to the concrete issues that the ISIM faced, ECLAC's structuralist and dependency theories were no longer sufficient in the last quarter of the 20th century, as the core/periphery dichotomy was no longer able to explain the economic domination relations due to the reconfiguration of the productive system under the influence of globalization.

Globalization did not result in horizontal capitalist development but rather increased inequality—the nation-state lost its central role. Now, the entire world is perceived as a networked platform where productive functions are allocated as needed based on the needs and interests of capital, avoiding, as far as possible, the legal and territorial barriers that hinder its expansion, including in the core countries. The term “semi-periphery” emerged as a way to categorize the territories that have become the new global factories—countries

that have used their advantages (including the availability of relatively cheap labor) to substitute certain production cycles that are then no longer implemented in the old industrialized countries (Martínez, 2010).⁶

The neoliberal model (NM)

Neoliberal theory came into favor within academia in the 1970s, but it did not receive widespread political support until the following decades. The NM was able to dominate several regions worldwide, particularly after the dissolution of the socialist bloc. However, the NM was most widespread in Latin America, achieving significant consolidation and displacing the institutional structures that had been built based on the ISIM. Neoliberalism concentrated on both macroeconomic stabilization and structural adjustments focused on market liberalization and external openness.

Stabilization was expected to achieve macroeconomic balance, including contained inflation, a reduction of both the public and external deficit, and the claim of reaching external debt sustainability. Macroeconomic policy was used to try to achieve this balance, including using monetary policy to repress inflation, fiscal policy to contain the budget deficit, and currency policy to attempt to adjust

6. As a result of this shift, a relative increase in wealth and consumption has been observed in these semi-peripheral areas; however, the inequality gap has simultaneously increased and these countries remain subordinate to the capitalist centers that continue to control the global value chains. In part, this explains the growth in the second half of the 20th century of both the so-called “Asian Tigers” and emerging economies in general.

The core-periphery dichotomy has not become completely irrelevant, but it does need to be updated and complemented by other categories in order to better reflect the new economic order. The old division between the core (i.e. industrialized countries) and the periphery (i.e. countries with a primary-export-driven economy) no longer explains the complexity of the current world-system’s productive relationships. On the one hand, territorial reconfiguration goes beyond the boundaries of the nation-state; on the other, the differentiating factor is no longer what is produced, but rather how it is produced (Martínez, 2010).

the external imbalance. For its part, structural adjustment occurred within the microeconomic sphere. This adjustment aimed to reduce the market distortion introduced by state intervention or by the absence of competitive markets in traditional economies. It included reversing anti-agricultural and anti-export bias, increasing industrial productivity, privatizing public enterprises, attracting foreign investment, improving market performance, and reorienting productive structures in line with the comparative advantages of Latin American countries (Escribano, 2003).

Among others, the following factors enabled the emergence and subsequent consolidation of the NM: a) the debt crisis in the early 1980s, which marked the end of the ISIM in the region and the transition towards the NM; b) the internal and external constraints that hindered the accumulation of endogenous capital and led to increased control of the value chains in the second phase of the ISIM; and c) the political agreement between the United States government, international financial institutions, and the Latin American elites to adopt the policy framework commonly known as the Washington Consensus.

It is important to note that early antecedents of this model can be identified in Latin America during the first years of Pinochet's dictatorship in Chile, as well as during the military dictatorship in Argentina (1976-1983). These two countries served as a testing ground for the neoliberal policies that would later be implemented in the United States by the Reagan administration and in the United Kingdom by Margaret Thatcher (Guillén, 2007).

Within the macroeconomic sphere, the NM was able to successfully adjust certain indicators such as inflation, although these adjustments came at an extremely high social cost. Likewise, multiple incentives were established in order to attract foreign direct investment, although these incentives led to the drastic reduction of the States' ability to capture economic surplus and encouraged the destruction of national productive networks, which were displaced by the economies of scale of transnational corporations.

The strategies introduced by the NM in Latin America to correct anti-export bias varied significantly. Two strategies were used to boost

exports as a key aspect of surplus production (based on the classical principle of comparative advantage), depending on the proportion of the most dynamic goods, the population size, and the location and size of the country:

- a). *Raw-material exports*: This primarily included minerals and hydrocarbons, as well as agricultural crops, such as soybeans. This strategy was more common in the Andean region and the Southern Cone (although both strategies were used there).
- b) *Low-technology manufacturing*: The textile *maquila* industry has occupied a dominant position within this strategy, producing products for export to the United States. This is the case in Central America, the Dominican Republic, and Mexico (despite the fact that Mexico is also an oil-exporting country).

In any case, the combination of these two strategies resulted in de-industrialization processes and the elimination of domestic production chains.⁷ In many ways, the NM is similar to the PEM, as they both lack internal drivers and depend on external demand. Technical progress that is concentrated in the most dynamic export-oriented sectors is not linked to the rest of the productive system, thus destroying the possibility of establishing endogenous capital accumulation (Guillén, 2007).

One of the main promises of the NM was that it would eliminate so-called external constraints, understood as the lack of capital and technology necessary for the development of Latin American societies. The assumption was that a shift towards “outward-oriented” production would overcome the anti-export bias that emerged from the ISIM, and foreign trade would facilitate the accumulation of foreign currency necessary to generate internal drivers of growth. This

7. In Argentina, the industrial sector's participation in GDP dropped from 28% in 1976 to 15.4% in 2001. In Mexico, this indicator dropped from 29% in 1980 to 24.5% in 2003. In Colombia, it decreased from 27.1% in 1976 to 14.1% in 2003 (Guillén, 2007; Echavarría and Villamizar, (n.d.)).

would then create the foundation necessary for endogenous capital accumulation and financing. The exact opposite occurred in practice and dependence on imports increased, with the share of imports in the region increasing from 15.9% of GDP in 1981 to 22.3% in 2000 (Guillén, 2007).

As a whole, Latin American economies grew less during the last 20 years of the 20th century than they did in the prior decades.⁸ Additionally, several countries in the region experienced serious crises due to the implementation of the NM, seen in the instability in Mexico (1994), Brazil (1999), and Argentina (2001). It should also be noted that even countries that experienced rapid economic growth towards the end of the 1980s and 1990s (e.g., Argentina, Chile, Costa Rica, Panama, and Peru) all demonstrated poor results in their attempts to reduce poverty, while simultaneously exacerbating inequality (Arenas, 2012).

Additionally, the promise to generate quality jobs also went unfulfilled, as the application of neoliberal measures did not create the expected employment rates, instead expanding the informal economy. This phenomenon had a decisive impact on the deterioration of real wages, the concentration of income, and the increase in poverty. This reinforces the thesis that capital accumulation does not guarantee an increase in real wages, due in large part to the existence of a vast supply of labor. In this sense, the informal economy is not just the environment for workers who are unable to find a place in the formal economy—it also becomes the baseline for the value of labor. As a result, the NM heightened and increased the complexity of the structural heterogeneity of both the economic system and the social stratification of Latin America (Guillén, 2007).

It cannot be ignored that the social costs of the NM were unfairly distributed among the different sectors of society. In most countries, financial liberalization and massive capital inflow led to currency overvaluation and a new external debt cycle, effectively

8. In Latin America, the annual GDP growth rate was 5.5% from 1950 to 1980 but 2.1% during the period from 1981 to 2003 (Valenzuela, 2011).

increasing financial vulnerability and fragility. Whereas investors generally benefited from the implemented reforms, the increase in unemployment, decrease in social services, and contraction of real wages substantially impacted the most vulnerable groups (Sierra, 2012; Guillén, 2007; Papa, 2004).

From a systemic perspective, it could be said that the two main impacts of neoliberalism have been the outsized importance of the financialization of the economy and the increased precariousness of labor relations, i.e., the hegemony of financial capital in its speculative form and the expropriation of labor rights (Sader, 2008).⁹ These impacts led to conditions that increased social discontent in all countries, although the intensity of these increases and the ability of the population to claim their rights varied from country to country. Within the first five years of the 21st century, the power structures in most Latin American countries implemented political projects that rejected the hardline policies of neoliberalism.

The post-neoliberal “approach” (PNA)

The PNA is more of a platform under construction, motivated by an interest in reverting the more drastic effects of market deregulation, the decrease in state functions, and the weakening of social policy. As a category, post-neoliberalism includes varying degrees of rejection of neoliberalism and assumes that the potential exists to implement various political projects that seek to improve the lives of the population without implementing a whole new model.

9. Valenzuela (2013) argues that the global neoliberal model fulfilled two strategic functions: a) increasing the rate of exploitation and b) increasing the subjugation of the economic order to international financial capital. According to Valenzuela, both functions explain the terminal crisis of the neoliberal model, which has already achieved its objectives. This situation in no way implies that capitalism itself is experiencing a terminal crisis, but rather indicates an inflection point at which new approaches compete for hegemonic control.

This approach is thus based on a vague concept. It has the *a priori* advantage of opening multiple alternatives to neoliberalism, but uncertainty prevails over its cohesion and explanatory power. As a result, this approach presents a range of possibilities, including a) alternatives that reinforce capitalism, b) the creation of exits from capitalism through capitalist institutions themselves, and c) the search for collective ways of conceiving and actualizing non-capitalist social organizations (Ceceña, 2011).

It is important to highlight that the PNA has only been studied for a very short time, peaking between 2005 and 2012, at which point it began to stagnate due to the gradual destruction of the political projects that once spearheaded it. This downturn was significantly aggravated by the impact of external shocks that decreased the currencies earned through the export of raw materials.

Perhaps in the future, the PNA will be seen more as a transitional phase rather than an approach in itself. However, today it is pertinent to highlight the embrace of the PNA in Latin America as a counterpoint to various neoliberal practices that have resulted in the deterioration of social coexistence.

Some of the main contextual factors that favored the emergence of the PNA include: a) the relative shift of the U.S.'s geopolitical priorities towards other areas, particularly the Middle East and the Asia-Pacific region; b) the increase in demand for raw materials from emerging economies, particularly China; and c) the premature deterioration of neoliberal governments that resulted in extremely high social costs, citizen discontent, and new political forces with the ability to win elections.

Although neoliberalism was almost universal in Latin America—despite varying levels of intensity in each country—the PNA was concentrated in South America, with limited impact in Peru and Colombia.

It can be said that the scope and dynamic of the PNA varies according to a) the preexisting characteristics of the State prior to the election of left-wing and/or progressive governments in South America; b) each country's economic profile (almost absolute dependence on raw-material exports or a combination of competitive primary, industrial, and service

sectors); and c) the accumulated ability of the political blocs that came to power to revert the hardcore neoliberal policies.

The aforementioned factors place Bolivia, Ecuador, and Venezuela within the group of countries that have challenged the existing status quo due to their post-neoliberal projects and strong governments that concentrate executive power. Countries like Argentina, Brazil, Uruguay, and to a lesser extent Chile demonstrate a more limited application of the PNA, due in part to more balanced political forces and prior institutional agreements that were consolidated within public policy.

In any case, it should be noted that the examples of the PNA included here do not necessarily fundamentally reject the so-called Washington Consensus. The struggle has focused on returning a certain regulatory role to the State and on the timely capture of at least part of the economic surplus, along with a re-prioritization of public expenditure to reduce inequality and strengthen infrastructure in order to enable economic development.

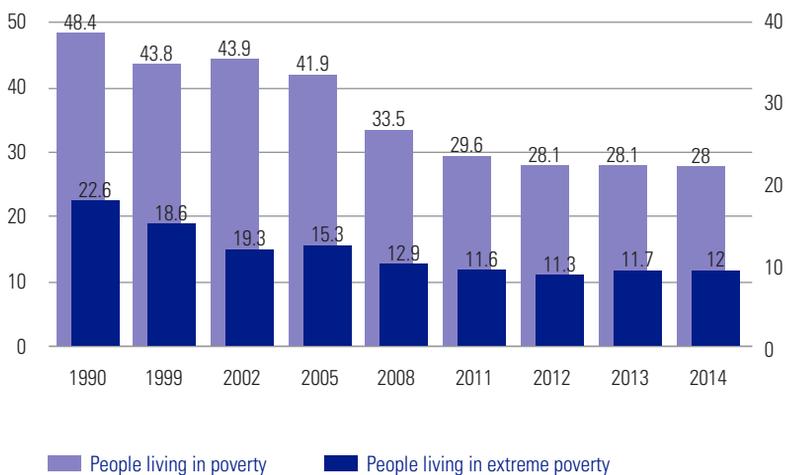
In terms of international relations, the PNA has bet on greater regional autonomy, which explains the efforts to reconfigure regional institutions. Attempts have been made to redefine or transcend purely commercial ties, and efforts have been made to adapt to a context marked by global crisis and the displacement of economic dynamism toward the Asia-Pacific region (Arenas, 2012).

Although unemployment and poverty rates trended down during the peak of the PNA, the inequality gap remains virtually unchanged (Graphs 1 and 2). With Sub-Saharan Africa, Latin America continues to be one of the two regions with the greatest wealth inequality in a world that is already extremely unequal (Graph 3). Decreasing the inequality gap requires a global understanding of how wealth accumulates within the capitalist system. As explained by Piketty (2015), beginning in the 1980s, the dominant economic system recovered its inertia and foundation: maximizing capital gains and reducing labor share as part of total wealth, a global phenomenon that consequently impacted Latin America. Capital-intensive investments, financial speculation, low taxation on capital, labor flexibility, precarious employment, and unemployment are not mere externalities, but consequences of a deliberate effort to increase the concentration of capital.

One of the main critiques of PNA policies is the insistence on a pattern of primary export and extractivist accumulation primarily financed by transnational capital. As Stolowicz notes (2010, pp. 12–13), this pattern is based on

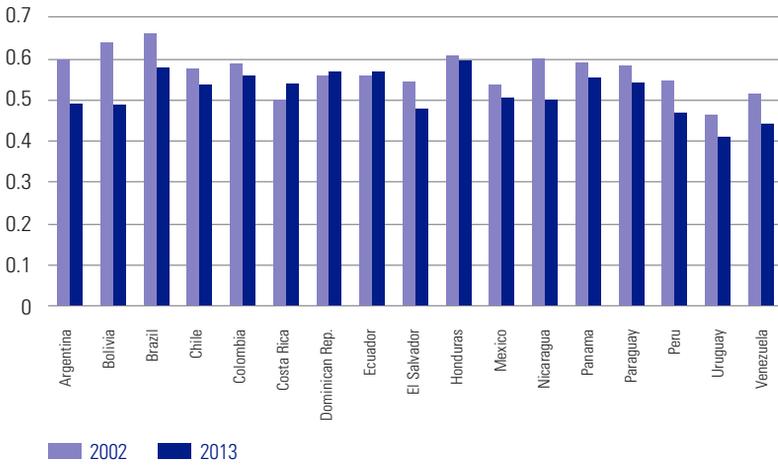
“...vast genetically modified monocrops; mining (particularly open-pit strip mining); energy exploitation, including oil, gas, and hydroelectricity; the expropriation of biodiversity; and the construction of multimodal transport and communication systems to reduce the costs of extraction. All these activities demand territorial control accompanied by the dispossession of villages, *campesinos*, small-scale land owners and indigenous communities.”

Graph 1. Latin America: Evolution of poverty and indigence (1990-2014)



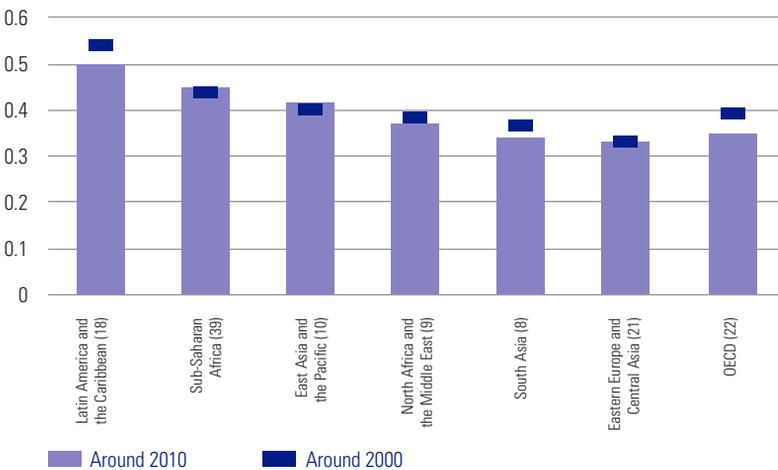
SOURCE: Abramo (2015, p. 16), based on ECLAC data. Estimates include Haiti. The data for 2014 correspond to projections for that same year.

Graph 2. Latin America: Income inequality (2002 and 2013 [Gini index])



SOURCE: Amarante and Jiménez (2015, p. 14)

Graph 3. Latin America and other regions: Gini coefficient around 2010



SOURCE: Prado (2015, p. 4)

Despite discourse to the contrary, so-called progressive governments that defend post-neoliberal projects continue to enable economic growth based on the export of natural resources and the attraction of foreign investment, support the expansion of popular consumption, and implement countervailing measures that target the poorest sectors. These governments have redefined some of the criteria in terms of the relationship with capital, which represents a significant achievement. In most cases, they have been able to capture a significant portion of the surplus from certain extractive initiatives. However, these governments show serious limitations in terms of their progress towards achieving productive diversification and changing the role of the region in the international division of labor (Gudynas, 2015).

In fact, Latin America continues to depend to a large extent on low-value-added goods in order to sustain its exports, with certain nuances depending on the sub-region or specific country (Graph 4).

In general, Latin American countries were able to take advantage of the periods during which raw-material prices were high and industrialized nations were in crisis. This gave them more leeway and enabled economic growth, but they were not well prepared to deal with a drop in the prices of exported commodities (Graph 5). While the governments of these countries dealt with this risk, the elites affected by the new power relations within each country used the opportunity to re-group and re-position themselves as a political option.

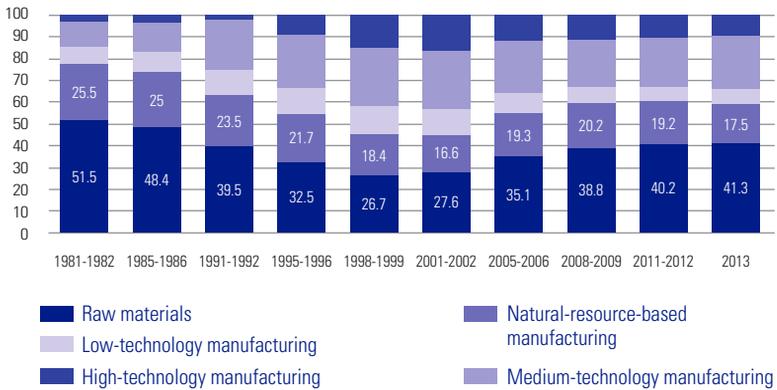
The post-neoliberal projects face the threat of being unable to sustain the increase in social investment and spending, thus increasing pressure to shift towards and increase extractive activities, even if this means greater destruction of the ecosystem,¹⁰ land grabs, and increased social-environmental conflict.

However, this also provides a valuable opportunity to identify this juncture as a period of transition towards a transformation that

10. Ongoing extractive activities exert considerable pressure on planetary boundaries, especially due to changes in land use, fossil fuel dependence, and water pollution. For more information on the concept of “planetary boundaries,” see the reports published by the Stockholm Resilience Centre (<http://www.stockholmresilience.org/>).

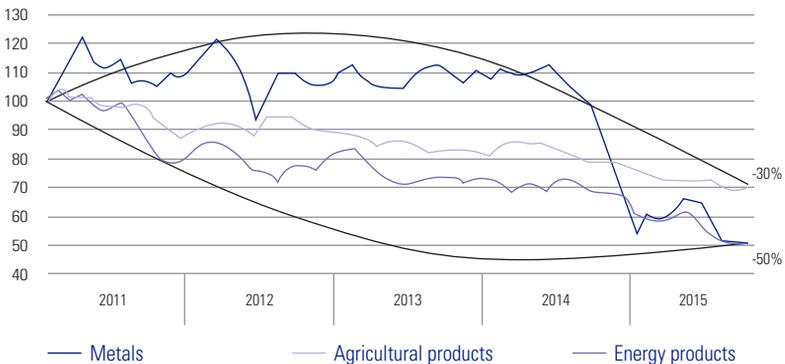
includes the various aspects of humanity’s needs, as well as the requirements of the natural environment it forms a part of.

Graph 4. Latin America and the Caribbean: Export structure per level of technological intensity - total percentage (1981-2013)



SOURCE: Bárcena (2015, p.12)

Graph 5. International Commodity Price Index January 2011 to October 2015 (baseline January 2011=100)



SOURCE: ECLAC (2016, p. 11), based on the World Bank database, Commodity Price Data (Pink Sheet).

The Crisis of Development Models in Latin America

It would be a mistake to consider the four approaches outlined above as isolated models, only explained by the balance of power that drove them. On the contrary, their implementation and results are at least partially conditioned by the entrenchment and impact each model had in the region. Without a doubt, initiatives based on the PEM and the NM were able to more effectively “lock” things in place so that approaches that challenged these initiatives would be unable to fundamentally change direction.

From an epistemological point of view, despite some significant differences, the four models share common characteristics¹¹ that are important to identify in order to understand, *a priori*, their potential scope and restrictions. These characteristics include: a) the notion that modernization is an evolutionary and linear process based on the fundamental factor of economic growth, b) the subordination and denial of the intrinsic value of nature within humanity’s relationship with our environment, and c) the subordination and exclusion of subaltern knowledge to dominant Western rationality.

Despite their continued validity as political praxis, the main concepts of the traditional development theories have lost credibility over the last 25 years—a result of persisting inequality and sometimes irreversible damage to the ecosystem. Even within the field of development cooperation, the hope of implementing a holistic approach was neglected and programs with a short-term vision were strengthened, including poverty reduction programs and initiatives to care for vulnerable populations. In general, targeted actions were planned to take on the responsibilities of governments and non-governmental organizations (NGOs).

11. In the case of post-neoliberalism, although it is true that some discourses question the foundations of the Western paradigm—for example, the inclusion of the right to “Good Living” in the constitutions of Ecuador and Bolivia—in practice, a modernizing perspective has prevailed that prioritizes economic accumulation as a fundamental factor of development.

The creation of a sustainable development approach, promoted worldwide by the United Nations Development Program beginning in the 1990s, sought to communicate a multidimensional vision of human well-being, partially based on reviving alternative approaches from prior decades. The purpose of this approach was to explain the wide range of lags and limited potential within a theoretical development framework focused on GDP growth.

From 1990 to 1991, ECLAC also published two documents appealing for a productive transformation that was equitable and respectful of the environment.¹² At the same time, human rights began to become increasingly legitimized, along with theoretical perspectives that highlighted the importance of the strength and quality of institutions, knowledge and technological innovation, local development, and citizen participation, among other topics. As a whole, these topics reconfigure the space of action and demands of civil society in each Latin American country.

Beyond the relevance of each of these alternative approaches, it is clear that they do not have the instrumental or political power of the traditional development theories and approaches, and their implementation only includes certain countries or political sectors. Furthermore, despite overcoming the exclusivity of the economic dimension, these new approaches are still limited in their methods and are unable to address the epistemic core that continues to support economic development as a fundamental aspect of strategies to increase well-being.

12. ECLAC's most recent approach, known as neo-structuralism, uses state intervention as a strategy to create externalities that support social and infrastructure initiatives. This approach fosters the State's role in promoting inter- and intra-sectoral links, developing technological and organizational innovations, and establishing institutional reforms. It posits that, rather than attempt to resuscitate old import substitution policies and intense protectionism, it is better to strengthen an industrialization process that is able to lay the groundwork for the transformation of regional production systems. To accomplish this, the neo-structuralist approach prioritizes increasing domestic savings rates and investing more in human capital, education, health, training, and scientific and technological development (Briceño and Álvarez, 2006). For a more complete overview of neo-structuralism, see ECLAC (2015).

The contradictions and boundaries of capitalism

Although capitalism is not the only socioeconomic realization of Western modernity, it became the dominant system after the fall of the Soviet bloc and the reconfiguration of China's economic relations. These days, capitalism finds itself challenged more by its own inherent contradictions than by some alternative, counter-hegemonic system.

The main contradictions facing capitalism today are related to a) the epidemic of overproduction in the face of global demand stagnation, b) the imposition of financial speculation on the real productive base, and c) the physical limits of the planet to support the dynamics of the capitalist economy. The convergence of these three aspects results in a concentration of wealth and increasing precariousness of the livelihoods of the majority of the world's population, regardless of the relative progress made in terms of healthcare and education in recent decades.

In the face of capitalism's intrinsic issues, the system always seeks to bypass the immediate barriers affecting the rate of return rather than reformulating the boundaries and possibilities of the economy in relation to other social spheres (Stolowicz, 2010). This is the case even if it entails maximizing financial deregulation, environmental exploitation, and deteriorating labor relations, as well as removing the cultural, legal, and institutional barriers that threaten and pressure the system. The current system uses globalization as a way to use the entire world as a transaction platform, plundering the planet in order to guarantee capital flow and the generation and concentration of surpluses.

Given the above, how should we understand the relationship between the post-neoliberal approach and capitalism in Latin America? An assessment of the trajectories of Latin American countries shows that questioning the neoliberal model itself does not per se imply a fundamental criticism of the capitalist system. In other words, despite the importance and value of both the readjustment of the balance of power and the changes to the distributive function of the State in the re-

gion, these changes have not fundamentally changed Latin America's role as a supplier of raw materials and cheap labor for the global economy. Greater coherence and strength will be needed to remove the structural obstacles that stand in the way. Beyond the extent of the intentions of the post-neoliberal redistributive policies and their positive effects, it is clear that the region continues to play an important role in the functioning of global capitalism (Stolowicz, 2010).

However, it is unreasonable to attribute absolute responsibility for the socioeconomic crisis in the region to the impacts of post-neoliberal measures. The various dominant approaches have reinforced a vicious cycle whose primary result has been the persistence of high levels of wealth inequality and the creation of large populations that live in poverty, despite the gradual decrease in poverty recorded throughout the 21st century.

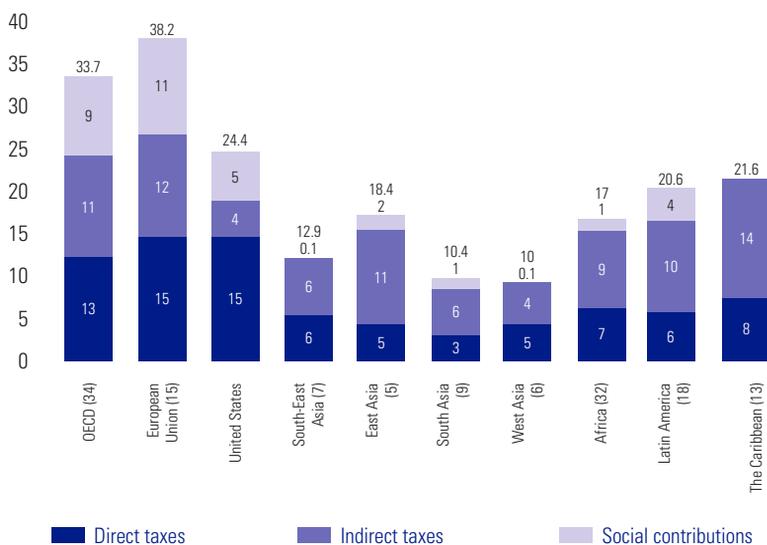
The four models addressed in this document have reinforced a prototypical characteristic of Latin American societies: the combination of structural heterogeneity, understood as the complex connection between “modern” and “backwards” forms of production. Capitalism's trajectory in Latin America has tended to reproduce this structural heterogeneity. Additionally, import substitution industrialization, along with all other strategies to generate an accumulation of endogenous capital, was unable to absorb the impacts of massive urbanization.

Acknowledging the nuances among Latin American countries, three distinct levels can be clearly identified within the production systems of these same countries (Guillén, 2007):

1. *The export sector*: the system's dynamic axis, which to a large extent is isolated from the rest of the productive landscape.
2. *The old modern sector created during the import substitution phase*: consists of small, medium, and even large industries that are separated from the export sector and confined to the domestic market.
3. *The “backwards” sectors*: including a) traditional urban and rural activities (which included, in the case of Mexico, Guatemala, and the Andean countries, indigenous communities) and b) the growing sector of the informal economy.

With regard to the PNA, the phenomenon of heterogeneity has not been reversed but instead accentuated. Its location on the margins of the extractivist industry means that a premeditated inflection point is not expected to change this trend.

Graph 6. Tax burden structure in selected regions and countries (2012-2013)



SOURCE: Prado (2015, p.12), based on ECLAC and the Organization of Economic Cooperation and Development (OECD).

The flipside to these excessive bets on external markets is the weakness and inability of domestic markets to drive the sustainable and widespread supply of commodities necessary to meet the population’s needs. This is a structural characteristic of the region that has been difficult to address and even more difficult to reverse. Betting on the reprimarization of the economy or the use of unskilled labor as a competitive advantage in order to attract foreign direct investment, combined with a resistance to implementing adequate, progressive tax systems (Graph 6), destroys both the population’s livelihood and

the guarantee of an effective social safety net in most of Latin America. This dispossession is realized on multiple fronts and denies the possibility for general welfare.

This same perspective should be used to analyze phenomena like the territorial displacement of populations that have been sacrificed to make way for extractive activities, the increasing growth of the informal economy, or the seemingly unstoppable flexibility of formal employment.

Crisis of the predominant development approaches in the region

This crisis is seen in the pressures exerted on countries to increase their commercialization and their incorporation into the capitalist dynamics of financial accumulation. There is a tendency to expand extractive frontiers, including:

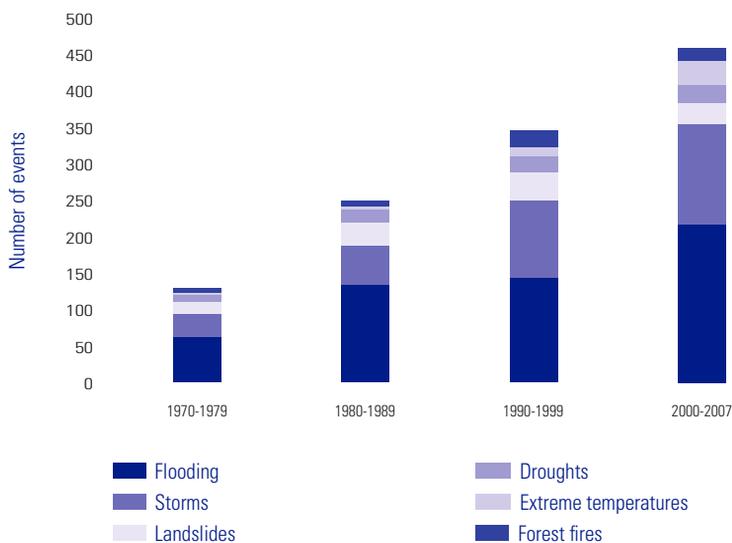
- a) Extending oil frontiers, with an emphasis on offshore oil exploration and exploitation, including in glaciers, nature reserves, and indigenous territories
- b) Industrializing bituminous coal and oil shale
- c) Open-air strip mining
- d) Agrobusiness, including pesticides, genetically modified organisms, monocropping, and plantation systems
- e) Environmental services, including water privatization, carbon markets, the tourism industry, and payment for environmental services
- f) Biotechnology, geotechnology, and biofuels, among others (Albuja and Dávalos, 2013)

Maristella Svampa (2013) meaningfully noted that a new economic and political cycle has emerged in Latin America, which she called the “commodities consensus.” Commodities can generally be understood as undifferentiated products whose prices are fixed internationally, or

as products with global manufacturing, availability, and demand that have a range of international prices and that do not require advanced technology in order to be manufactured and processed (Fornillo, 2014).

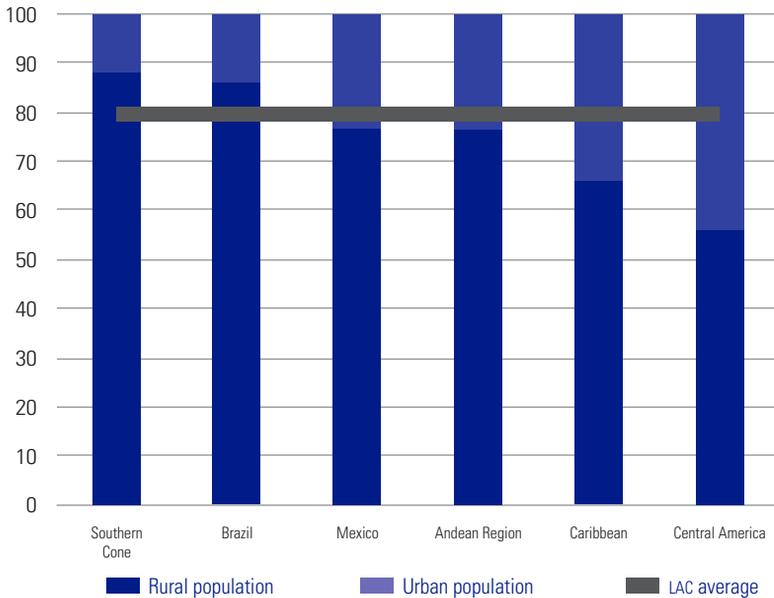
The importance of extractivism as a linchpin for accumulation in countries with post-neoliberal or neoliberal policies leads to attempts to hide its social and environmental effects. However, the situation is far worse due to the perverse convergence of these impacts with those of climate change, which will hit Latin American countries particularly hard, especially Central American and Caribbean countries. It is important to highlight the increasing frequency of hydrometeorological events with catastrophic social consequences (Graph 7). Although Latin America as a region is not responsible for significant greenhouse gas emissions—one of the major contributors to climate change—it is responsible for indirectly contributing to climate change due to the massive number of raw materials that the region supplies for the global industrial production cycle.

**Graph 7. Latin America and the Caribbean:
Frequency of hydrometeorological events (1990-2007)**



SOURCE: UNEP (2010, p. 40).

Graph 8. Latin America and the Caribbean: Urban and rural population per sub-region and larger countries (2010)



SOURCE: UN HABITAT (2012, p. 20)

As two sides of the same coin, the expropriation of the livelihoods of *campesino*¹³ and indigenous communities converges with the precarious urbanization of Latin American cities, leading to problems with transportation, housing availability, air quality, waste generation, and urban violence, among other issues.¹⁴ When cities in

13. TN: Campesino refers to people who live and work in rural areas and everything associated with that way of life (e.g. small-holder farmers).

14. In Latin America and the Caribbean, the number of cities with one million or more inhabitants has increased from eight in 1950 to 56 in 2010, and one out of every three people in the region lives in these cities. Of these 56 cities, five are considered megacities (with a population of more than 10 million inhabitants). Latin America is currently considered the most urbanized region in the so-called developing world. Two-thirds of the population in Latin America lives in cities with populations of 20,000 people or more, and almost 80% live in urban areas (CELADE, 2014; ECLAC, 2013).

a given country do not offer opportunities for social mobility, millions and millions of Latin Americans decide to undertake the extremely risky journey to migrate to other Latin American countries or to the United States or Europe. As a result, it is important to approach the indicators that reflect increasing urbanization in the region with caution, especially when considering the particularities of the process within each country (Graph 8).

Based on the above, it is clear that the vicious cycle of the failed development strategies in Latin America self-reinforces through a feedback loop that results in a significant concentration of wealth accompanied by severe social exclusion and environmental damage. It is equally important to highlight that, historically, the region's economic cycles have demonstrated a fundamental structural vulnerability to the external shocks that result from changes in the demand for and prices of the commodities that the region specializes in. In other words, benefits tend to concentrate during an economic boom, whereas the most vulnerable populations—generally women, young people, and children, as well as *campesino*, indigenous, and Afro-Latino communities—end up bearing the majority of the costs during periods of recession or stagnation.

The stagnation of democracy

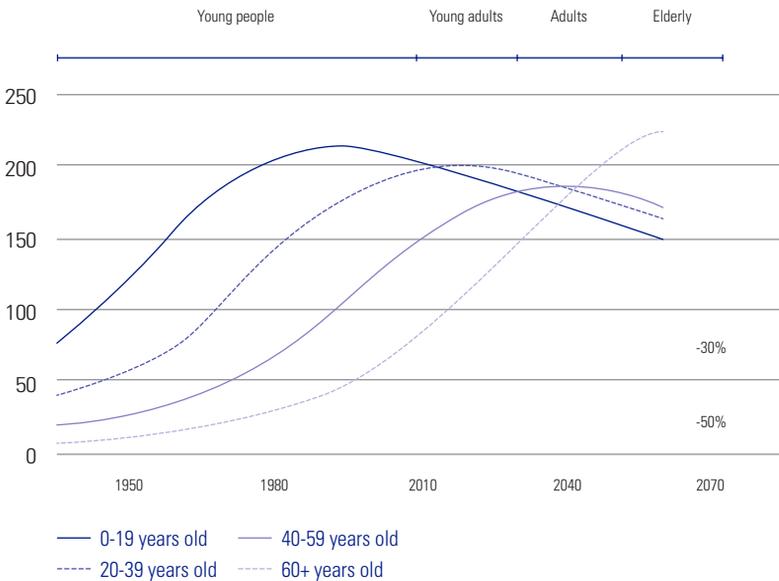
Additionally, the possibility of challenging the structural core of exclusion and inequality in Latin America via the political system is no longer an option. The ideals of citizenship and democracy in the regional praxis have been deformed—the development crisis is also expressed as a political crisis. As a regime and as a lifestyle, democracy has been unable to consolidate itself beyond the valuable but insufficient advances made in the electoral field and in establishing respect for certain public freedoms. The institutional system tends to be controlled by pressure from outside power groups that disregard democratic procedures and impose their interests onto public policies.

Supposedly democratic regimes coexist alongside robust niches of authoritarianism and abuse of power; patrimonialism/prebendalism, where government officials offer privileges in exchange for political

support instead of abiding by democratic rule of law; isolated, technocratic institutions that are estranged from any public scrutiny; and organized crime, whose influence within government institutions has increased in various countries.

However, moments of crisis present windows of opportunity to change direction. Evidence shows that doing more of the same in Latin America will only aggravate the situation. The region is experiencing a demographic boom, as it demonstrates a historically low dependency ratio due to the larger proportion of the population between 15 and 60 years old. However, taking full advantage of this demographic window requires developing policies that create extensive and consistent opportunities. If these policies are not implemented, the aging population will become unmanageable in the decades to come due to the lack of social and economic foundations necessary to support this demographic shift (Graphs 9 and 10). The problem is that economic reproduction has been privileged over dignified human life.

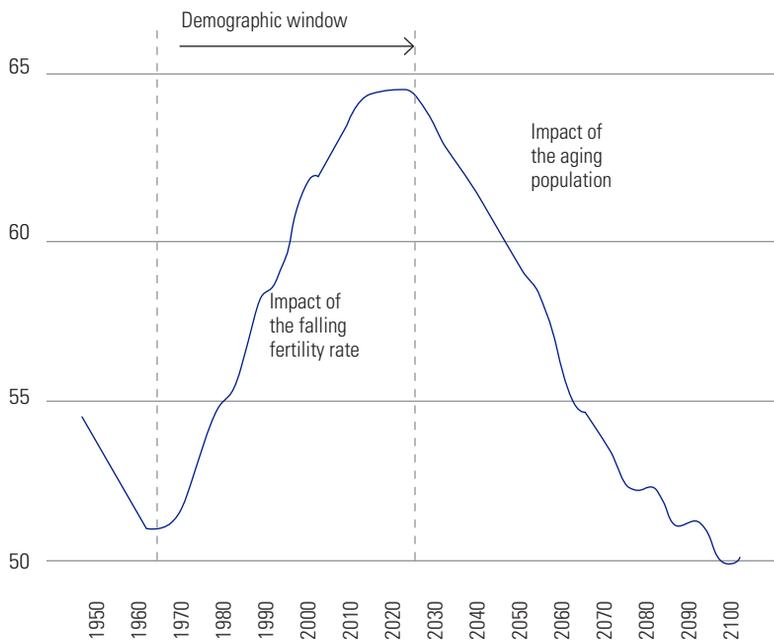
Graph 9. Latin America: Population by age group (1950-2070)



SOURCE: CELADE (2014, p. 28)

Within the current Latin American context, each social actor must propose innovative ideas and push for change. Defining a flexible yet stable transformation horizon is an extremely pressing challenge.

**Graph 10. Latin America and the Caribbean:
Percentage of population aged
between 15 and 59 years old (1950-2100)**



SOURCE: UN (2013, p.81), based on the United Nations *World Population Prospects: The 2012 Revision*.

Overcoming the Contradictions of the Current Models

Latin America has been a testing ground for various development models. However, each of these experiments has suffered from an innate flaw. Rather than focusing on meeting human needs, they have focused on solving problems related to the accumulation of capital and, secondarily, on offering unsatisfactory responses to the challenge of ensuring the conditions necessary for the reproduction of the workforce, which is necessary for the continuation of the economic regime itself. In other words, caring for human needs has become ancillary and secondary to caring for the economic system. The environment has suffered the same fate, and environmental impacts have been swept under the rug or subordinated in favor of profit.

Neither indiscriminate market liberalization nor protectionism, *per se*, have been a consistent solution, and the bet on extractivism has been even less beneficial. On the contrary, the aftershocks of each of these experiments have become obstacles to overcoming the region's developmental lags.

The assumptions that form the foundation for the concept of development must be questioned in order to rethink the satisfaction of humanity's basic needs and the patterns of coexistence among humans and with their environment. An alternative horizon of social-ecological transformation must be created that serves as a point of reference for designing public policies and as an available option for individuals and social groups.

The term horizon is used in order to avoid dogmatic, one-sided, and vertical structures. Likewise, the parameters of an alternative approach must be based on reasonable principles and arguments that question the epistemological basis of the prevailing concepts of development. A task of this magnitude requires a holistic approach that responds to the particularities of Latin America in relation to other regions, while also being sensitive to the diversity of conditions and worldviews that exist within and among Latin American countries. It is not a question of creating a new Latin American essentialism,

but rather of creating a space whose purpose is to create options for well-being that consider the physical limits and requirements of the environment—such as individuals' fundamental rights—and address social conflicts and contradictions through rules that do not bend to powerful groups that are only interested in preserving their interests.

To do so, it is necessary to go beyond the axioms of Western modernity. We must dialog with the contributions of decolonization and border thinking, as well as engage with and integrate marginalized subaltern knowledge. As Loera notes (2015), it is necessary to build an anti-hegemonic space and re-appropriate, adapt, and consolidate knowledge in order to implement new parameters to resist, coexist, and transform the patterns that form the foundation for what we now know as Latin America.

In order to create a horizon for social-ecological transformation, it is necessary to avoid the traps and/or dichotomies that have limited the options of more comprehensive development approaches in the past. One of these false contradictions is the supposed conflict between the State and the market. This antagonism is mostly artificial, as the State and the market are not necessarily separate and oppositional forces but can in fact complement and reinforce each other in efforts to achieve inclusive social change.

Towards a socially just and ecologically sustainable transformation approach

Although some societies seem to show hardly any change over time, no society is static. This means that social change is a challenge that must be actively taken on and managed. The direction and intensity of the transformation will depend to a large extent on the principles, means, and ends proposed by each country and by the region as a whole. Although it does not make sense to insist on a single, uniform ap-

proach to development, it is important to identify common aspects that facilitate horizontal interdependence among different initiatives.

Based on the overview and critique of the main development approaches in the region, at least three major focuses should be present in Latin American transformation processes:

1. Satisfying the population's basic needs: Various attempts have been made to identify the fundamental needs of human life. A transformation horizon such as the one outlined here must adequately satisfy at least the following eight aspects: food, housing and habitat, clothing, health, knowledge, mobility (transport), decent work, and leisure and creative recreation.

The mere mention of these aspects is not what differentiates a social-ecological transformation horizon from the traditional approaches, *per se*. Rather, the key difference lies in how each aspect is conceived and addressed within society. In terms of the first issue, the core focus is the quality of satisfiers—that is, the extent to which a society's responses interact virtuously with nature's life cycles while simultaneously dignifying and enriching human life. In terms of the second issue, satisfiers that fulfill basic human needs must be considered as rights rather than as commodities (profit-focused) or privileges granted by a patrimonialist State (clientelism). The inclusion of a rights-based approach is intimately linked to both the concept of individual freedom and autonomy, as well as to the solidarity necessary to satisfy these needs.

The dominant ideas regarding development have subordinated the focus on needs to a focus on accumulation to such an extent that satisfiers are mostly relegated to the commercial sphere. An alternative development approach should not seek to demonize commercial relations and their use to respond to some of these stated needs. This approach must confront the tendency for the market to be the main instrument that allocates satisfiers, as this bias gives way to speculation and, therefore, to the precarization of equity. Additionally, this system favors waste and the real or symbolic obsolescence

of the goods and services that people require in order to reproduce the cycles of economic profitability.

- 2. Respecting the biosystematic boundaries and requirements that facilitate different ways of life:** Reorienting the relationship between humans and nature requires a multidimensional understanding of the impact humanity has on its surroundings. The most urgent challenge is rethinking the matrix of extraction, production, circulation, and consumption of goods and services. This implies questioning the rationale behind the use of natural resources, as well as the energy processes used in the different phases of the economic cycle.

A horizon for alternative transformation that includes a qualitative and quantitative shift in the way raw materials and energy sources are used is not a mere whim, but an evolution that cannot be separated from the planet's ability to withstand humanity's ecological footprint. The evidence is clear: humanity's presence has destroyed, limited, and conditioned the reproduction of life forms, including that of humanity itself. The time frame to reverse this trend is more limited than ever before. Although ignoring these dangers is fundamentally irresponsible, the dominant rationale continues to do so, ignoring any obstacle that might decrease profits.

However, observing and engaging with marginalized cultures can provide lessons regarding different ways of coexisting with nature. The purpose of this statement is not to suggest a conservative-dogmatic approach, but instead to refute the rationale that exploiting natural resources is inherent and inevitable in all human societies. The anthropocentric premise that humanity is superior and has the unquestionable right to subjugate nature must be replaced by an approach where humanity's special abilities are integrated into the logic of reproduction of different forms of life, both in solidarity and as a *sine qua non* for the survival of our species.

- 3. Horizontal coexistence between different types of human societies:** Abandoning the vicious cycle in which the well-being of a few is possible thanks to the dispossession of others is a

fundamental condition of transformation. In Latin America, the aftershocks of the conquest and colonization partially explain the developmental distortions of the potentialities of the countries in the region. The independence movements of the 19th century did not put an end to this situation, as different world powers have consistently sought to exploit the raw materials and other resources of Latin American countries. Although nominally independent, Latin American countries continue to demonstrate a structural dependence on the decisions made in the main centers of economic power.

This power dynamic is also reproduced within the countries themselves—between the wealthiest sectors of society and the rest of the population—not to mention the marginalization experienced by most of the indigenous population and the vulnerability of women resulting from androcentric power relations. The verticality in the relationships between countries and social groups not only damages the material conditions of the most vulnerable but also impoverishes the whole of humanity from a cultural perspective.

Conflicts and the lethal violence around the world are the results of the absence of institutional structures that guarantee horizontal relationships among nations and social groups, and Latin America is no exception. Greater access to financial resources, political power, and technological capacity allows certain countries and/or transnational corporations to invade the everyday life of communities that are ill-prepared to face this attack. This aggression can take the form of commercial invasion, dispossession of livelihoods, or disrespect for local peoples' worldviews and modes of coexistence.

At the root of this constant destruction and/or cultural assimilation is the premise that dominant Western modernity is an unquestionable rationale, which is then used to establish the superiority of a particular society over other cultures. The way out of this false assumption is not to reverse these roles, but rather to accept a social paradigm based on respect for the knowledge, beliefs, ways of life, and diversity of the region's

communities, as long as these aspects do not cause harm to other human beings.

This is not an extreme defense of relativism, as that would be counterproductive. Universal guidelines must be defined based on respect for human dignity so that the fact that an individual belongs to a certain group does not provide an excuse to ignore them.

Establishing a mode of coexistence that enhances freedom, responsibility, and solidarity cannot be left to chance or to the goodwill of the elites; instead, it requires the empowerment of excluded groups so that they have a wide range of instruments with which to defend their rights.

Synergy among these three focuses would facilitate a different approach to the classical concepts of development. The feedback from each approach would help identify the parameters that should be shared among alternative social change initiatives. In an effort to support progress in this direction, the following critical issues should be considered as points of reflection and reference in order to problematize and refine probable courses of action and give coherence to a potential transformation process:

- 1. Democracy as a political regime and a lifestyle:** Transforming the asymmetric power relations that form the base of different forms of oppression requires going beyond the limits of procedural democracy and clientelist citizen participation. Instead, democracy should be approached as a constantly changing platform that encourages coexistence and peaceful and equitable solutions to conflict, promoting the autonomy and responsibility of all citizens. Democracy would also need to be expanded and improved at the transnational level. This is because entities that dominate the network of international relations are responsible for many of the decisions that today compromise individual welfare and impact communities and groups that have little leeway to advocate for and defend their rights.

2. The balance between the public and private spheres:

This relationship goes beyond the market-State relationship. Considering that the private does not always fall within the sphere of the market, nor does the public always fall within that of the State, redefining the scope of the public sphere is therefore based on the understanding of the collective and of what is incumbent upon all people. This can be managed using different institutional strategies.

3. Human rights as an individual and collective safeguard against abuse and arbitrariness:

Broadening the understanding of the public sphere includes the possibility of establishing collective agreements based on fundamental rights. Human rights not only allow for the exercise of freedoms and the enjoyment of a set of universal rights but also provide protection and affirmative action in favor of those individuals who are more likely to suffer the effects of harmful policies and behaviors. Some examples of this protection include the rights of women vis-à-vis the patriarchy, the rights of children and youths vis-à-vis an adult-centric worldview, and the rights of indigenous and Afro-descendent populations vis-à-vis the dynamics and aftermath of colonial and neocolonial domination.

4. The precautionary principle and ethical references in reflections on scientific and technological progress:

Scientific research and progress must engage with ethical principles. Although these can potentially be flexible over time, they must establish parameters of what should or should not be developed at a specific moment. From this perspective, the large number of resources allocated to producing or purchasing weapons or devices that promote humanity's continued dependence on fossil fuels would be unacceptable, along with the experiments and the so-called innovations that put ecosystems and communities' livelihoods at risk. Hence, it is crucially important to respect the precautionary principle, which states that until the impacts of certain procedures and scientific and technological devices have been clearly defined, governments, companies, and individuals should be unable to use them.

5. The worth given to the natural environment must go beyond an arbitrary economic value: The imposition of the economic sphere as dominant and unquestioned has resulted in the destruction of the environment. The effects of this destruction have generally been externalized from the productive process and are rarely even quantified. Although assigning monetary value to natural goods can help limit the economic system's predatory logic, it is by no means the desired outcome necessary to adequately value nature. On the contrary, the challenge is to recognize the complexity and, therefore, the immeasurable value and multidimensional nature of ecosystems, which is why they should not be subordinated to the logic of accumulation by assigning them an economic value. This is key in order to curb the destruction of the planet that is occurring today.

Engaging these three approaches with the appropriate answers to the critical issues mentioned above requires identifying certain characteristics specific to social-ecological transformation projects in Latin America. The following characteristics stand out:

1. Renouncing extractivism as the core logic of accumulation in Latin America: Accomplishing this would require the implementation of long-term, strategic actions to reduce Latin America's economic dependence on raw-material exports. Countries would have to move towards diversification and chains of production and increase their capacities to innovate and adopt socially and ecologically responsible technologies. The theory of comparative advantages must be challenged. Along the same lines, the supply of cheap labor, labor deregulation, and excessive tax incentives should be discouraged as strategies to attract investment to the region. This would also require recognition of the non-monetary economy, including appropriate acknowledgment of the care economy and the generation of decent work that is equitably distributed among the social classes and between men and women.

2. *Establishing the substantial reduction of inequality as one of the primary purposes of public policy:* Given the levels of inequality in the region, policies must be adopted that work together to discourage the concentration of wealth, promote progressive taxation, and create horizontal connections between social policy and economic policy. This would require bridging gaps between social classes, as well as between different territories.
3. *Strengthening and expanding a socially responsible, democratic State:* This objective requires the following: a) reducing the asymmetries of political power among social groups by strengthening the representative and participatory aspects of democracy, b) guaranteeing fundamental human rights, c) strengthening democratic coexistence to replace violence as the preferred way to resolve conflicts, and d) designing pertinent checks and balances to minimize arbitrariness in the use of public power.
4. *Redefining the integration processes to encourage collaborative structures that empower communities:* This requires reducing the almost exclusive focus on trade as a leitmotif in the relationships between Latin American countries. Additionally, establishing a new style of international relations within Latin America would require strengthening intergovernmental collaboration and eventually establishing legitimate supranational entities subject to public scrutiny. Social cohesion, understood as joint efforts to reduce asymmetries both within and between countries, must become a priority. It is not a matter of replacing the responsibilities of the State, but rather of complementing national efforts with regional action. Similarly, the following outcomes would also be of special interest: a) establishing shared regional positions within Latin American and global forums and b) strengthening subnational, national, sub-regional, and regional internal markets to generate the conditions necessary to develop and expand endogenous economic structures, establish economies of scale when appropriate, and lower transportation and energy costs.

Advancing towards the proposal and implementation of an alternative understanding of development in Latin America is not a task that should be left to luck or the goodwill of the elites. It is fundamentally important to include the subjects that have been most affected by traditional development approaches in this process, as their knowledge and collective action provide a necessary counterweight to force the elites to cede certain privileges in the interest of transforming Latin American societies.

However, it is important to clarify that this is not about a transformation focused around accumulated surplus, but instead on the requirements for the reproduction of life in its various forms, a dignified life free of oppression that allows each being to find harmony with him or herself, his or her peers, and the planet as a whole. This issue should not be reduced to a focus on economic growth, but should instead establish, among other things, what type of growth is the most appropriate. This includes determining that there are areas that should not be stimulated due to their social and environmental effects. From this perspective, rather than being the core, the economy would be a subsystem that is subordinated to the ecosystem.

A process of such magnitude should not be limited by the inescapable quandary between visions that, on one end, defend an immediate rupture with the current system as the only possible option and, on the other, maintain that reforms and adjustments are the only option, despite the fact that these are superficial and only serve to sustain a slightly modified status quo. Instead, the process should be permeated with fundamental breaks and gradual, intelligent changes based on the urgency of the situation, the awareness levels and citizen organization, and the material and institutional potential to manage change, among other things.

The important thing is to have clearly defined purposes, as well as the means to implement and manage the transformation. Should the worst-case scenario occur and the current trends continue, there is simply no possible future for a Latin America in crisis—a region that is unable to guarantee its population a good life, a decent existence, or coexistence in alignment with the territorial metabolism.

The transformation horizon cannot and should not offer step-by-step how-tos, but it should offer guidelines, principles, and sensitive reflections based on the complexity of the situation. It is possible to create specific responses to the development crisis based on the specific conditions of each country or community. Isolated responses or the assimilation of nations and localities to the projects of the powerful must be avoided at all costs, and we must actively work to refrain from falling back into the same rationale that centers on economic determinants of well-being.

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CHAPTER V

**Utopia and
Alternative Projects**
A “Categorical Framework”
for Social-Ecological
Transformation in Latin America

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The End of Utopia?

In early December 2004, during a visit to Mexico City, Nobel Prize in Literature winner José Saramago stated that it was time to “forget about utopia,” as it was a “profoundly useless” concept. This perspective seems strange coming from a confirmed socialist and intellectual laureate of the left, who has also said: “If my books could change the world, the [International] Monetary Fund would not exist.”

Shortly thereafter, during his participation in the session “Today’s Quijotes: Utopia and Politics” hosted as part of the World Social Forum in Porto Alegre, Brazil, in late January 2005, Saramago reaffirmed his stance regarding the uselessness of the concept of utopia:

Much has been said about how politics is an art of the impossible, and if we use the term, our utopia would be to build today [...] and

to do that, we must refer to what is happening [...]. If the realization of what is here referred to as utopia was possible, that would be good, that would be useful, and we wouldn't call it utopia. We would call it development, work, objective, determination. (*La Jornada*, January 30, 2005).

Is Saramago moving closer to the so-called “postmodernists” who interpret the historical failure of “real socialism” as the end of the emancipatory projects and the “great narratives” of the Enlightenment and Marxism? Although we cannot answer this question, in a general sense—at least not in terms of the specific point of view of the Portuguese writer—we will try to offer a preliminary answer to the question regarding the relevance of utopias.

Certainly, utopia refers to something that is not of this world (the nowhere), and it is also true that, particularly in the 20th century, the call to create certain utopias resulted in totalitarian initiatives, including some that were catastrophic for humanity. Is this inevitable? Does the dream of a world where no person is humiliated, exploited, or subjugated necessarily lead to the establishment of a hell on earth, as maintained by Karl Popper?

Beyond this, the utopian dream seems to be a part of the human condition. Did the everyman of 500 years ago not consider the eradication of dozens of diseases, the ability to circle the globe in just hours, or the ability to travel to the moon and beyond as part of their utopia? Although dreams are impossible to directly realize, renouncing them completely will paralyze humanity, obligating us to live in the here and now and leading us to qualify as rational everything that is real.

This issue is particularly important for the social sciences and the progressive and leftist political movements, which are often inspired by the great ideals that continue to promise a heaven on earth. How can we refocus these movements? What mediations are necessary between the everyday battles and the utopian approaches? What options can be developed in today's Latin America, where a crisis of representation and the legitimacy of the system tend to create space for messianic and/or autocratic initiatives? The primary purpose of this chapter is to explore certain reflections related to this question.

It does not seek to provide definitive solutions, but it does seek to at least help guide the conversation. If we achieve this goal, even modestly, then we will be satisfied with our efforts.

Our aspiration is to establish some basic mediations between what we will call the necessary utopia—the alternative project, the political strategy of change—and the daily and intermittent struggles in support of alternatives that address the main economic and social problems overwhelming Latin American countries, particularly the most exploited and excluded sectors of the population. Within this context, our purpose is to formulate a strategy to help recover the rule of law and citizen democracy based on fundamental human rights.

Utopia and Freedom: The Possibility of Another World

First mediation:

The discernment of utopias

Positioning the challenge of building an alternative society immediately brings us to a question that is key within both politics and political philosophy: Which is the best *possible* society? Thomas Moore in *Utopia*, Francis Bacon in *New Atlantis*, and Tommaso Campanella in *The City of the Sun* were the first philosophers of the Renaissance and subsequent modernity that grappled with the task of answering this question, although Plato had already made an attempt in his masterwork *The Republic*. However, when the search for the best *possible* society becomes an obsession with achieving a “perfect society,” then this search becomes more than just “useless;” rather, it tends to become a trap, sometimes even laying the road to totalitarianism.¹

1. The attempt to do the impossible does not necessarily lead to chaos, as Hayek (1990)

To begin, in answer to the question: “Which is the best possible society?” we would answer dryly: “It is impossible to answer this question,” because we need a point of reference regarding what is “the best possible.” And such a point of reference cannot be taken from any preconceived ethical framework, because it would not include feasibility criteria. We are not able to formulate societal duties or models without first determining a feasibility framework.

Thus, imagining the best *conceivable* society must begin with an analysis of “the best possible society,” which, in turn, is presented as an anticipation of the best conceivable society. The content of the possible is always something impossible, but it provides meaning and guidance to the possible. And politics is the art of making the impossible possible. Additionally, we must recognize that the ideal and the viable are not predefined scopes in a static world, but rather socio-cultural facts.

All cultures include (and represent) certain agreements and disagreements about what is accepted as real, both in terms of what is desirable and what is feasible. We perceive and give meaning to all social phenomena from and within a categorical theoretical framework, and only through this framework are we able to act on them. Not only do we interpret the world based on a certain categorical framework, but this framework also conditions the possible goals of human activity and is found in both social phenomena themselves and in the ideological mechanisms (including religious ones) that human beings use to refer to the corresponding reality.

This type of approach can serve to rethink the traditional contradiction between socialism and capitalism, as well as to evaluate the feasibility of any proposed “perfect society,” whether a communist society, an anarchist society (without institutions), or a total market society (perfect competition).

and Popper (1973) argue, although it does allow us to understand the effective limits of possibility. By transcending the possible, the impossible is reached, and the awareness of the impossible nature of the impossible defines the space of the possible. The attempt to *impose* the impossible, without even allowing lessons from the discovery of what is possible, does seem to lead to crises and human catastrophes.

Let's approach this contrast between socialism and capitalism through two of the main theorists and representatives of these systems: Karl Marx and Max Weber.

Undoubtedly, Marx presents an entirely relevant assertion, perhaps today more than ever: human life as something concrete, corporeal, and not the creation of some abstract anthropocentrism. From a perspective of plenitude, Marx describes this as the “kingdom of freedom”—communism. It is in relation to this communism that Marx conceives of the socialist society to which he aspires—it is an approximation or anticipation, within the parameters of “the best possible.” Likewise, the conceptualization of such plenitude is absolutely radical, while the society to be built appears more like a feasible society that is implemented “to the extent possible.”

Weber, on the other hand, rightly maintains that this kingdom of freedom is impossible, utopian, and deserving of criticism. He also states, with good reason, that the abolition of commercial relations—considered by Marx to be part of the possible—falls within the scope of the impossible.²

However, in his own analysis, Weber relies on the same structure that he criticizes in Marx's thought. In effect, he states that capitalism *is* capable of ensuring the material reproduction of human life, but since he cannot sustain this assertion with empirical data, he also conceives of this system in terms of an impossible capitalist plenitude, an idea taken from the first neoclassical analyses of the general equilibrium of the markets. This type of utopia, which we can call “transcendental,” includes communism, anarchism, and the neoliberalism of the free market. Let's suppose that Saramago was referring to these types of utopia in the reflections cited at the beginning of this chapter.

2. Regulating the “kingdom of necessity” (the process of production and reproduction of the material conditions of daily life) is only possible based on commercial relations (money and prices, above all). However, it is incorrect to identify the inevitability of commercial relations with capitalist relations of production, to the exclusion of a discussion about the possibility of socialist commercial relations (market socialization, rather than supposed market socialism).

Now, any proposed society related to a perfectly impossible plenitude distorts itself due to the fact that the consideration of its realization is a step towards the idea of infinity through which it has been conceived. The history of the 20th century is full of utopian projects of this type, with consequences that were often disastrous for both humanity and nature.

The utopian horizon of human praxis is, without a doubt, a central, essential element of this praxis, even when it involves a transcendental project. However, it is impossible to formulate utopia based on a supposedly perfect society that can (or should) be achieved through a calculable or instrumentally achieved quantitative approach (asymptotic approach), as though it were a means to an end that can be built in “scientifically” measurable stages until it reaches its full realization. In trying this approach, we transform the issue of the search for a better society into one of calculable progress, a process that becomes self-destructive for at least three reasons:

1. On this fictitious path towards the realization of the perfect society, all the richness and complexity of human society is set aside, reduced to a means–end analysis.
2. It excludes, crushes, and represses everything that is not compatible with this calculated progress—when it is determined that there is no realistic alternative—and, as a result, reality is practically eliminated. A “true reality” emerges, derived from the transcendental limit concept, in function of which empirical reality is interpreted and legitimized, but also undermined.
3. It promises utopia on the condition of renouncing all criticism and all resistance, as well as the realization of another world on behalf of the affirmation and celebration of present conditions.

Utopia thus understood can have absolute destructive power, especially if the reality is not compatible with the preconceived terms of the perfect society. This reality must then be eliminated, even from the empirical sciences, as it is in their name that reality itself is perceived only as a quantifiable empiric or as a substitutable abstraction.

However, reality is a reality of life. Real is that with which one can live and what one needs to live: nature and the human community.³ To return to this reality, the point of departure can only be the vindication of the human being as a concrete, corporeal subject that insists on their needs and their rights, often in conflict with the logic of institutions. However, this is not just a class conflict. Instead, it is the fundamental dilemma between the possibility of life versus the logic of systems. According to Dussel (1999, p. 10),

The human subject [...] organizes institutions for the survival of humanity [...]. However, these institutions, when they close in self-referentially, [...] can become an end in themselves and put at risk [...] the very community that created them [...]. It is then an aggregation of the institution, a fetishization, a self-reference that denies human life in favor of the system itself [...]. The law of the system as such [...] becomes the last instance.

We must approach the utopian referent another way, through a *discernment of utopias*. If infeasible ends orient the utopian praxis, what then is its reason for being? This problem, which can lead to a crisis of legitimacy, does not have a solution unless an image of the definitive liberation of the human being is inserted—a “hope principle.” From this perspective, we can affirm the feasibility of what is not humanly feasible—the kingdom of freedom—although not in the sense of its realization based on human action, but in the sense of an *anticipation* of this kingdom (plenitude).

A critique of utopian reason cannot be anti-utopian. Utopia is part of the human condition, an unavoidable dimension of humanity and its different cultural expressions, including scientific thought

3. This concept of reality as a condition of the possibility of human life is usually absent in the empirical sciences, which elaborate an abstract, even metaphysical reality that is produced from reality, although abstracting the fact that the latter is a condition of the possibility of human life. Therefore, it is a “pure reality”—part of a kingdom whose construction has surely, within the scope of the social sciences, been supported the most by economics, that supposedly “pure” economics of the neoclassicals.

itself. Utopia, then, is a source of ideas about the meaning of life, a benchmark for judgment, a reflection on destiny, an imagination of horizons, an undeniable ethical guideline, but also a guiding principle that should serve as criteria to differentiate possible options. In order not to invalidate this inherent claim to the human condition, utopia must never become an end or a goal to be achieved—not even asymptotically—nor must it become a *societas perfecta* that rules and imposes on the reality and the will of all (fetishized transcendentalism).⁴

Utopia is instead a kind of “regulative idea” (humanized transcendentalism) in the Kantian sense of the term (we refer to the Kant of *Critique of Pure Reason*).⁵ Only as such does utopia avoid becoming once again a prison, a wall, a psychiatric detention center, or a concentration camp, but instead a source of life and hope. This is the *necessary utopia*.⁶

The transcendentalism of the necessary utopia is an inner transcendentalism of real and material life. On the other hand, hope goes beyond human feasibility and, therefore, is endowed with an internal transcendence. Thus, in the same human hope, oriented towards real and material life, is found its transcendence: the Pauline “new earth,” Marx’s “kingdom of freedom,” the “liberated human” of liberation

4. If we correct the derogatory and censorious bias of the definition of utopia offered by Lasky, we can say that “the essence of utopia” is the critique of present conditions and the hope for a better world (Hinkelammert, 2002, p. 295).

5. Even so, it is necessary to distance ourselves from the Kantian concept, which seeks to establish universal norms and principles for society—bourgeois society—by means of a purely principalistic derivation. Kant’s Categorical Imperative is based on abstract action and its ethics on the law and the norm.

6. The relationship between necessary utopia and transcendental utopia is not, however, mechanical, as if it were a simple linear polarity. Even when the two images correspond to specific logics—and are, therefore, incompatible—they intermingle in the living subject. No subject has and can have a clear and transparent option one way or the other. In the interpretation of concrete situations, images are created along with the options of the subject and they play the role of categories, in addition to the fact that the categorical framework is established in anticipation, whether of life or of death. The choice between death and life is made within these categorical frameworks, never outside of them. It is in the anticipation of the respective projections towards the infinite (the utopia) that they take on one meaning or another.

theology. Therefore, this is a transcendentalism that is essentially different from metaphysical transcendentalism. It refers to the *feasibility* of the liberation of the human being *on* the new earth, *within* the real and material life, but it is transcendental because humanity cannot establish it through a simple agreement or decision.

“A society with space for all”

We can now try to answer the initial question about “the best possible society.” It is not about realizing the utopian as such, but about aspiring to a state that is always in re-evolution, that does not yet exist but is desirable and possible to implement.

Today, political realism—or politics as an art of making the impossible possible—must propose a world, a society, in which each human being is capable of ensuring their opportunity to live within a framework that includes nature, without which human life itself is impossible. That is why this well-known Zapatista phrase seems to us to be the most appropriate: “a society with space for all,” including nature.⁷

Uruguayan writer Eduardo Galeano participated alongside Saramago in the same debate during the World Social Forum in January 2005. During his speech, Galeano quoted a friend of his, the Argentine filmmaker Fernando Birri, who once said to him: “What is the purpose of utopia? I ask that question every day: utopia lies at the horizon. When I draw nearer by ten steps, it retreats ten steps; if I take twenty steps, it is even farther than before. No matter how far I go, I can never reach it. But that is the purpose of utopia: to cause us to advance.”

7. “Using concise language and without going too in-depth regarding the analysis, it may be possible to summarize the context that gives rise to the call for a society for all as follows: the major event of the current global situation is certainly the awesome empire of the logic of exclusion and the growing insensitivity of many in regards to it” (Assmann, 1995, p.2). It is also important to keep in mind that the absence of exclusion is not synonymous with the absence of exploitation. In a strict economic sense: labor extraction–non-payment–surplus labor.

Utopia is not a state, still less “a world whose preservation is worthwhile” (Kaltenbrunner)—it is a movement that, as in Zeno’s paradox, is solved by walking (*solvitur ambulando*). The criticism of present conditions is always positioned before an open future, although with all reason we seek a better world. This search, however, is not an ascending path that asymptotically approaches a final goal, but is instead a constant reworking of society in the face of the most pressing problems that present themselves at different times.⁸ History has no definite internal historical goals, but there *are* paths that are made “by walking,” paths towards liberation, although the results are not measured based on a future goal to be achieved but by the achievements obtained in each moment of this history. In this, we agree with Saramago.

Second mediation: Liberty as a capacity for the discernment of institutions (regulation of the kingdom of necessity)

The utopia of modernity has understood freedom as “free spontaneity” and the transformation of all social structures so that unlimited freedom is viable for all in a totally transparent manner.

Subsequently, Mandeville and Adam Smith institutionalized this utopia, which is expressed in the aggregation of private property and commercial relations. Structures make us free, and the more blindly we adhere to them, the more secure is our freedom. Now in the 20th century, both the automation of the neoliberal market and

8. A young Marx found an adequate expression for this relationship of criticism with the society he intended to transform: “the production of the relations of production themselves” (*produktion der verkehrsform selbst*).

the historical materialism of Stalinism promise freedom as a result of absolute submission to institutions. Neither recognizes any “subjectivity” on the part of the human being, which is simply converted into one more cog in this “machinery of freedom.”⁹

Even when freedom as full autonomy remains the utopia, the possible freedom is the result of an interrelation (tension, contradiction) between subjectivity and authority, between spontaneity and the creation of an eternally promising order. The search never ends, as this relationship is inherent to the human condition.

On the other hand, it is impossible to guarantee human freedom—the right to free will—if this is not based on the right to live. Hence, human freedom consists of a bond between the individual and his or her institutions, in which the former adapts the latter to their living conditions.

Subjects are free to the extent that they are able to relativize “the law” or the institutional order *to serve the needs of life*. That is, freedom does not lie in abiding by the law, but in the relationship of human beings with the law. In the case of the law of markets (of the self-regulated market), freedom consists precisely in submitting to the requirements of specific individuals. The mutual recognition between corporeal subjects and subjects in need necessarily implies the relativization of any law or institution based on this relationship. The law is only valid insofar as it does not limit this mutual recognition.

By way of example, let’s analyze the case of so-called “consumer freedom.” In a certain way, capitalist commercial relations interfere with the spontaneity of the consumer, thus deforming it. They replace the focus on use-value with a focus on exchange values and profit.¹⁰ As a result, the consumer loses their freedom. Reclaiming

9. While freedom is submission to the laws of the market and the affirmation of authority for conservative and neoliberal theorists, for anarchists it is overcoming all authority and private property. In either case, the alternatives are polarized and Manichaeian: order or chaos, total market or total planning, slavery or freedom.

10. This interference occurs in all modes of production, although it acquires greater importance in the commercial, as it also dominates necessity through relations of production.

it means challenging, confronting, and subordinating the same commercial relations based on their destruction of spontaneity and, therefore, of freedom. A similar interpellation would be necessary, for example, when commercial relations or any other institution endanger the environmental foundations that promote respect for life on the planet.

Freedom, in the field of material production, does not consist of a fully realized “kingdom of freedom,” but in the anticipation of a plenitude conceptualized by human activity that is imposed on the blind power of the “kingdom of necessity.” In other words, the regulation—based on common control—of the exchange between human beings and nature so that the laws of necessity do not become a blind power directed against the life of its subjects, taking advantage of them in a rational and dignified manner.

Individuals are free to affirm their lives in the face of laws, institutions, and idols. However, this freedom is not possible without fulfilling the condition of being able to satisfy the basic needs of each and every human being.

The Need for Another World: Necessary Utopia, Institutional Relations, and Political Projects

Third mediation: The necessary
utopia of a society for all as a criterion
of concrete universal humanism

Undoubtedly, *another world is possible*, although in reality the phrase “*another world*” means that there are many other worlds within this world—a world that contains many worlds.

Additionally, that *other possible world is the world where there is space for all human beings*, as well as nature, because the human being is a natural being. A possible society in which each individual can carry out his or her own life plan with the security of a decent existence based on his or her labor. That the human being is free in his community, and that the community is, ultimately, humanity.

It is also about the conception of a world where there is space for different cultures, nations, races, ethnic groups, genders, sexual preferences, etc. This complements the motto of the World Social Forum: “Another world is possible.” This motto expresses a concrete humanism in the face of the homogenizations of abstract humanism.¹¹

That another world is possible is the necessary response to the dominant world of today, which declares that there is no alternative. However, it is not enough to simply provide a solution. Instead, a solution must be provided that allows us to critique the current system. Because an environment where there is space for all human beings and nature is a *demand*. In fact, it is the expression of an ethic that must be imposed today if humanity wants to continue to exist.

The necessary response to the dominant world today, with its claim that there are no other options, can only be that another world is possible. However, this response is also meaningless if we do not establish the possible world to which we are referring, because it is likely that there are even worse worlds than the one we are currently facing. Therefore, when we speak of a world where there is space for all, we must clarify which world that is. Specifically, a world where there is space for all does not mean that “everything” should be welcomed in. There is much that has no place in a world with space for all (human beings and nature), particularly the ongoing strategy of capital accumulation known as globalization, which is imposed

11. Both capitalism and socialism have promised homogeneous and universal solutions for all humanity: the first promised the automation of the market (the great utopia of bourgeois society), while the second promised the automation of its abolition (the utopia of communism). However, both link their respective solution with unlimited and unrestricted technical progress and the promise of a splendid but undefined future that is derived from its magic.

by the governments of the most powerful countries through the International Monetary Fund, the World Bank, and the World Trade Organization. In order for there to be space for everyone, this model must be excluded.

Similarly, a society for all implies a universal ethic that, despite its universality, does not dictate principles that are supposedly valid for all of humanity, nor prescribe general norms or certain relations of production that govern all countries. I would not pretend to know which societal model is the right one, nor offer answers on how to make human beings happy based on a certain established order. There's no promise of paradise. Faced with the absolute principles of a society, the demand for a world where there is space for all is instead a universally valid criterion through which these principles would be simulated. They are authentic insofar as they are compatible with a society that accepts everyone, but will lose their value if their imposition requires the exclusion of entire parts of society. Hence, this universal criterion remains the criterion for a *universal humanism* over the validity of supposed universalist principles.¹²

Now, a world where there is space for all is not a *project*, nor is it a direct and actionable possible goal. It is, one might say, a regulative idea of action—a categorical imperative of practical reason, of concrete action—a necessary utopia that must transversally penetrate reality. As utopia is not feasible in and of itself, it is a *basic guiding principle*, even though it is radical.

A utopia is something that does not exist anywhere in reality, nor will it ever exist (given the human condition). It expresses a state of affairs that transcends individuals, and that thus goes beyond its own mortality. It is a *purpose*, but not an end or an axiom used to

12. The criterion that decides the potential alternatives cannot be an abstract principle either. In any case, there must be a synthetic criterion that mediates such a decision: it must be concrete and include the potential and possible lives of all human beings, which implies that nature is considered the basis of any choice. Of course, it is impossible to support this criterion with abstract principles, such as the gross domestic product growth rate or the rate of return on capital, but it can be supported with a universalist principle—the universalism of concrete humanity.

deduce the subsequent steps to follow, as if it were a logical sequence (abstract principlism) or a technological application (instrumental means-end rationality). It is not a societal model, although it is the most general aspect of the criticism of today's society.¹³

Fourth mediation: Institutional relations and the alternative project

We understand “institution” to mean the imperceptible objectification of human relations. A distinction can be made between partial institutions—a company, a school, a women's association, a union, or a political party, among others—and “institutionalities.” These “institutionalities” consist of essentially two entities: the market and the State. Neither of these is a partial institution, but both entities encompass the totality of all partial institutions. Hence, they are “institutionalities” that contain the criteria to organize the partial institutions.

In order to focus on the context of a political project, any utopia has to be institutionalized. In other words, any political project has to be based on a specific institutionality, which is responsible for realizing the utopia. In liberalism, this institutionality is based on private property and commercial relations; in socialism, it is based on planning.

In this sense, all of our reality is institutional (we are “political animals”—inhabitants of a polis, of a community). Thus, in order for there to be a world where there is space for all, there must be an institutionality that allows it. Now, any institutionality is a steward

13. “Today, we cannot realistically express a societal project through general universalist principles—these are the problem today and not the solution. Today, realistic solutions are necessarily complex, and their synthesis as a project can only refer to a universal dimension of solutions that do not predefine [...] the road to be taken. The concept of a society for all serves exactly this purpose” (Departamento Ecueménico de Investigaciones [DEI], 2001, p. 3). This statement changes every aspect of the relationship with utopia, which should be based on the present in order to modify current situations, although it must do so from a limited and changing perspective and time, whose references are human life and its conditions of possibility.

of the life/death relationship and acts in accordance with the human condition, expressed by the threat of death. In guaranteeing life, death is administered as an inevitable function of life.

The need to conceive of another possible world is a critique of the institutionality of the current dominant system that excludes the objective of a world where there is space for all. Instead, it focuses on the institution of the market, above all in its totalizing expressions of economics and market society, which systematically rule out the realization of or engagement with the necessary utopia of an inclusive society.

Faced with this tendency towards the impossibility of a life where everyone counts, the demand for “another world” begins to emerge. This demand now has to be expressed in institutional terms, not only as a utopian goal. The institutionalization of human relations is the means of transformation (or deformation) of impossible utopian objectives into possible goals, as well as the framework for the reformulation of possible goals based on new, viable utopian goals.

The question then arises: how must the system be constituted as a macrosystem so that all human beings, including nature, are included in it? This line of questioning returns to the *alternative project*, translating the utopian horizon into the institutional relations necessary for this response to become reality. Likewise, this is a necessary step so that utopia does not become a simple moralism or ideological pretext, which can easily happen and has happened before. The alternative project is a *requirement*, not something that is barely feasible within the framework of the human condition. It is a requirement in order to establish policies that move us towards a society for all.

The synthetic expression of this alternative project is as follows: *expel death* by affirming life. In practical terms: expel unemployment, poverty, hunger, exclusion, underdevelopment, war, the destruction of nature, and violence against women; address the distortions in human coexistence generated by the market; and a long list of other issues. However, some of these distortions are inevitable.¹⁴

14. That the life/death relationship is the last instance of all laws and all institutionality does not mean that death is the final stage of human life. The final rung on the

The formulation of this alternative project expresses the need for a world where there is space for all as the goal (many goals) of an action that occurs *within institutions*. Based on this, it is possible to develop the necessary measures and policies for society to make the need for all its members to be included known: programs to address unemployment and eradicate poverty, policies and behaviors for the conservation and reproduction of the environment, etc.

In this context, it is important to note, however briefly, three simplistic structures that hinder the perception of alternatives guided by the basic guiding principle of “a society with space for all” (Assmann, 1995, pp. 2–3).

First, there is the messianic, neoliberal model of the market, which tries to impose its limited vision that no possible solutions exist outside of the market.

Then there is “conservative possibilism,” in which the utopian horizon is formed entirely based on what is accepted as possible by those who do very well within the logic of exclusion. In this “utopization of the real,” the existing present is made into a utopia, which undermines the political will necessary to undertake significant changes.¹⁵

The third over-simplified structure is what we will call “radicalism without mediation,” in which the expectation is to jump directly to

ladder is life itself, although it is not possible to live outside the “cave” of institutions, whose last instance is the life/death relationship. In this sense, one cannot live without institutions as long as they manage this relationship, although neither can one live according to one’s own logic.

15. A variation of this “conservative possibilism” can be seen in Karl Popper’s book *The Poverty of Historicism* (1973, pp. 105–106). In this passage, Popper radically separates concrete goals and utopia and proposes that utopia and its dire consequences must be ruled out in order to effectively fight for concrete objectives, such as poverty and unemployment. The problem with this position is that, by rejecting all utopia, one actually opts for the hypostasis of capitalism—the “open society” of Popper himself—as the limit of the possible of all history. This renounces all concrete means that aim to achieve specific goals, particularly if this medium forms part of a horizon of change to the social system as a whole. By locating achievable goals and utopia at opposite poles, any concrete opportunity to eliminate “poverty and unemployment” is excluded as an alternative if this possible solution transcends capitalism. As a result, poverty and unemployment would be, ultimately, inevitable. The possible is destroyed in the name of prohibiting thinking about the impossible.

the demand of a world that is completely different from the existing world, without allowing for the necessary historical mediations and, in some cases, the intervention of the human condition itself.

Fifth mediation: The common good as a criterion for the creation of social relations

Based on the above, there is a need to develop a “principle of intelligibility” for the institutional system. In our opinion, this is based on the common good.

We are not referring to a project of institutional systems (property system, political system, social system), but rather to the criteria for the constitution of institutions and for their criticism in function of a society with space for all. This establishes an important difference with respect to the imaginary of historical socialism, which was understood as a system of public or state property, and, of course, in relation to capitalism, understood as a system of private property. However, neither one nor the other leaves space for freedom in terms of the constitution of these institutions, because they are deduced from abstract principles that ultimately destroy humanity itself.

Thus, for example, and with respect to the institution of property, it can be stated that:

Capitalist society sees private property as the key to solving all problems, without even discussing the fact that solving diverse problems also requires diverse forms of property; that is, capitalist society does not admit any pluralism in terms of the form of property. Historical socialism did something analogous, although inverse. It almost did not admit any plurality in the forms of property, for it now considered socialist property—ultimately state property—as the solution to all problems. In both cases, we face a terrible simplification [...]. We must free ourselves from

these principles in order to freely determine the modalities of property that are most appropriate to the specific problems that we must solve, and for which we seek alternatives (Duchrow and Hinkelammert, 2003, p.14).

In general, social relations must be constituted and reconstituted based on the criteria of the (re)creation of the conditions of the possibility for life of all human beings and of nature, upon which the singular measures intended to achieve specific objectives are judged.

This is why an alternative project corresponding to the necessary utopia of a society with space for all cannot be a definitive project of definitive institutions. Rather, it must take the form of the transformation of institutions—both those within the property system and the market system, as well as those of the State—so that they are able to accommodate all human beings.

We can continue to refer to this alternative project as “socialism.” However, the definition of the “socialist” character of relations of production—as long as these affect the conditions for the gestation of life—is the *effective freedom to act against commercial logic* or any other institutionalized system, the freedom to orient their action towards economic rationality that favors life, and the possibility of overcoming the imbalances constantly caused by the laws of commercial production and capitalist accumulation.

The logic of total commercial relations (the total market) leads to economic irrationality, and only the “socialist” character of the relations of production as outlined above is capable of offering guidance towards a rational orientation and towards respect for the concrete rights to life. Thus, the socialist character of the relations of production is measured by the fulfillment of such rights and not by the degree of nationalization of the means of production or by the scope of planning. It is worth mentioning that this conceptualization of socialism is necessary to avoid *a priori* solutions in terms of the determination of the property and planning systems.

Although the fundamental ideal for constituting relations of production and, consequently, the system of property and the management system of the economy itself generally remains “a society with

space for all,” this criterion is no longer expressed in the aspiration of abolishing commercial relations, nor even abolishing paid labor. Rather, it is expressed in the aspiration to a society that is not guided by the fetishism of commodities, money, and capital and instead promotes overcoming these fetishes, as well as those structures that project and reflect them.

In this context, civil society and the State are complementary, not exclusionary, poles. The development of civil society presupposes the corresponding development of the State, while the development of the latter presupposes, in order to avoid a tendency towards totalitarianism, the development of civil society. The same complementary relationship also exists between the market and planning. Without proper planning, market growth leads to the great socioeconomic imbalances of unemployment, human poverty, and the destruction of the environment. Similarly, the increase in planning without a strengthened market allows for excessive bureaucratization and over-planning, phenomena that stifle economic dynamics. A synthesis of—not a “middle ground” between—both approaches is needed so that the planning is legitimized through overcoming the socioeconomic imbalances previously mentioned, while the market deploys its decentralized and dynamic force.

Such a transformation is not a governmental plan; rather, it is the program through which policies that support and promote the alternative project can and should be exercised, both generally and via specific actions. This presupposes an ethic of life, an ethic of the common good that does not consist of an aprioristic derivation of some supposed human nature but arises as a consequence of the experiences of the subjects affected by the distortions produced by the market or the State in their communal lives and in nature.

These policies will not materialize without the development of the *regulatory instruments* that correspond to their realization. The current system, for example, is supposedly based on a single regulatory instrument—the market, whose totalizing role protagonism allows for a situation that directly denies the alternative project that offers the possibility of human survival.

Sixth mediation: The necessary systematic interpellation of the market

Since it is not possible to completely renounce the market as a coordinating mechanism for the social division of labor, it is then necessary to impose principles to regulate or domesticate it to benefit concrete human life or the common good. This results in the need for a *systematic interpellation of the market* that is able to address various different levels: *resistance, intervention, regulation, transformation, and suspension*. In fact, this process requires regulating the regulatory instrument constituted by the market. Although this regulation or systematic interpellation of the market is a condition for transforming the alternative project into a policy goal, it is also an overlapping, second-order mechanism; this is an ex-post intervention, not ex-ante.

Within Marxist tradition, there was talk of the “conscious control of the law of value.” This concept has obvious limits today, as it was developed as a step towards the totalization of another regulatory instrument: planning, which was intended to replace the market.¹⁶

Today, the only option is to systematically challenge the markets in an effort to implement the *alternative project*. A hardly pioneering and yet important precursor to this is the theory proposed by the German economists Eucken and Müller-Armack, who were the first to develop a theory regarding *systematic* market intervention.¹⁷ How-

16. State interventions are not the only possible interventions, particularly if we consider the necessary emergence of a strong and participatory civil society—not a business community. However, given the systemic nature of market drivers across all modern societies, a systematic intervention in the market order is also required, which can only be undertaken by the State and by taking back politics.

17. For Müller-Armack, the *social market economy* required the observance and fulfillment of seven fundamental principles: 1) a price system close to perfect competition, 2) currency stability, 3) free access to markets, 4) private property, 5) freedom of contract, 6) full control of fiscal policy, and 7) economic transparency. However, we are more interested in recalling the five *regulatory principles* he proposed: 1) state control of monopolies, 2) income redistribution, 3) regulation of labor, 4) legal

ever, this example sets a precedent and yet no longer applies today, as Eucken and Müller-Armack based their arguments on national economies, whereas today we must work with a global economy within the context of a globalized world.

It is important to recognize that not all neoliberal ideology directly rejects the demand for a society with space for all, but it does treat it as a myth. This inclusive society is postponed to an indefinite future, turned into an empty promise that is used to deceptively legitimize the mechanisms of capitalist society—the aggregate of the market and of technical development—which in turn makes this society impossible to achieve. To steer present society towards a world that includes all, we should begin by relativizing and subordinating the mechanisms that constitute the capitalist universe. Neoliberal ideology, on the other hand, offers indefinite possible futures to avoid fulfilling its false promises today. It sacrifices the present for a future that will never come.

However, as touched on previously, humans are free to the extent that they are able to “relativize the law”—institution or institutionalized system—to serve the needs of real life. Freedom does not reside with the law but in people’s relationship with it.

In terms of the law of markets, this freedom is understood as the capacity to *resist*, *interpellate*, *intervene*, *regulate*, *transform*, and *suspend* the institution of the market, as long as its actions undermine the conditions of possibility for human life.

Seventh mediation: Political strategy

In light of the previous analyses, one might create a *political strategy* focused on a society for all; however, it is clear that it is impossible to “deduce” this strategy. Rather, the focus must be on advancing the

guarantees, and 5) a minimum wage. Although clearly insufficient, these regulatory principles indicate a systematic intervention in the markets, which is the point we would like to highlight.

alternative project and making it a reality through the permanent agreements, conflicts, and social struggles that inform all of our actions.

Social conflict exists because the significant material interests of certain groups and social classes are constantly at stake and because capitalist countries are organized based on compulsive laws that, constantly and without interruption, cause indirect impacts that undermine the conditions of possibility for human life and often violate human rights. The alternative project is thus the result of these conflicts, accomplishing certain achievements that progress, stagnate, and regress, always contradictorily, progressing in a zigzag, so to speak, but never progressing linearly.

All these struggles are forged every day in opposition to the numerous “distortions” that are produced by the totalized market and that impact human life. This occurs in urban neighborhoods, in the countryside, in factories, in offices, in schools, in universities, in shops, in the media, etc. These distortions, which originate in the market, are omnipresent, and they lead to resistance and demands for change (intervention, transformation, and suspension); in other words, they facilitate alternatives.

These alternatives sprout up everywhere as an *imperative*, and they involve ongoing conflicts. They emerge as *timely alternatives*, even when they are quite obvious, such as access to drinking water, the right to clean air, affordable and convenient transportation, the collection and treatment of waste, housing, playgrounds, public safety, price controls for basic food items, and access to health care and education. Similarly, although at a higher level than the basic demands, *revolutionary alternatives* emerge: alternative policies to free trade and neoliberalism, the democratic and participatory creation of municipal budgets, the Tobin tax to regulate speculative transactions, the democratization of the economy, resistance against the flexibilization of work, struggles for gender equality, and more.

The struggles in support of these alternatives allow the demand for a different world to emerge, which today is characterized as a place where there is space for all human beings and that considers the ongoing survival of nature itself. In turn, these struggles push to conceive of an alternative project and a necessary utopia that bring

together the multitude of struggles in favor of timely or revolutionary measures—a political strategy of change that is capable of linking all these conflicts and aspirations under the same perspective or general focus. Although this political strategy depends on concrete social circumstances, it has taken the following expression in a good number of Latin American countries: *the reformulation, recovery, and expansion of the social and solidary rule of law*. This is a concept that transcends the formal-contractual equality of bourgeois rule of law and assumes the human rights of emancipation (fundamental right to life) as the preemptory goal of an alternative project.

Figure 1 orders the elements of the cycle hierarchically, from the regulatory concept (necessary utopia) to the daily struggles for alternatives (timely and revolutionary):

Figure 1. The ‘utopia-struggles for alternatives’ cycle



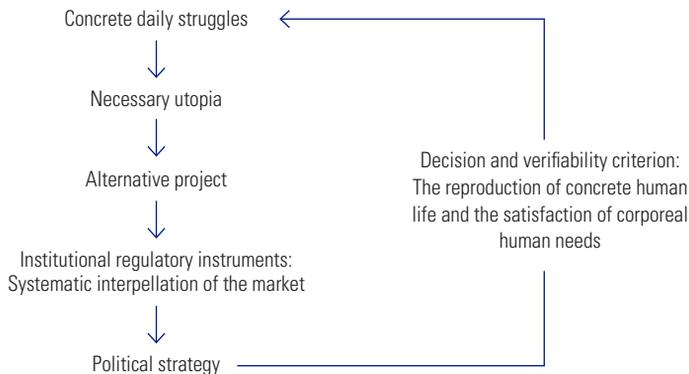
However, this hierarchy is apparent. In fact, a life-death cycle should begin with the daily struggles and continue with the other processes, as those must pass through different levels in order to achieve their specific goals. Furthermore, the guiding principle (the necessary utopia) should be embodied in *verifiability criteria* that

facilitates an ongoing evaluation of the results achieved. Where is the guiding principle applied and where is it not sufficiently prioritized?

Within these, the primary criterion is the satisfaction of the physical needs of human beings: a society in which there is space for the corporeal life of each and every individual, because everything that we consider to be “life” occurs physically, even during the most spiritual of experiences.¹⁸

According to the above, the hierarchical structure of the cycle could be summarized as follows:

Figure 2. The ‘utopia-struggles for alternatives’ cycle and the verifiability criterion



18. The only thing missing is the *verifiability criterion*. Any development policy presupposes concrete actions for its promotion, which must be implemented according to *decision criteria* that, in turn, are closely linked to systems that coordinate the social division of labor, social relations of production, and property systems. Likewise, these processes express the formal criteria for all possible actions within a given system and exclude the achievement of certain purposes insofar as these are not feasible within the established decision model.

In terms of formal decision criteria, the criterion of profit governs the system that coordinates capitalist relations of production, while socialist relations of production used the formal criterion of economic growth, as in the former USSR. To overcome the socio-economic and environmental imbalances generated by both models, it is necessary to develop a system to coordinate the social division of labor in which the right to life is a feasible goal and, therefore, an alternative. It is only possible to affirm life—conceive of it and live it—based on its true foundation: the concrete right to life of all human beings.

This apparent encirclement by the other entities actually enhances the daily struggle and gives it consistency, focus, and strength, while simultaneously representing the possibility of a continuous rediscovery of subjectivity and intersubjectivity.¹⁹

The Rule of Law and its Recuperation via Human Rights

Eighth mediation: The rule of law and the limitations of contract theory

The rule of law based on the individual reduced to property owner, who in turn relates to other individuals through voluntary contracts, is the liberal bourgeois state, although it is not recognized as such.

19. “We need, more than ever, an axiological anchor. That is, an ethical, material, and historical reference that can be used to name the most essential aspects of the defense of life and the search for solidarity. I believe that the language of a society for all is precisely focused in this direction. However, we have already seen that it is a general guiding principle. We still need a *concrete reference criterion* or, if preferred, a *verifiability criterion* that can be used to show where the guiding principle has been applied and where it has been ignored. This addresses, once again, the relationship between the utopian horizon (utopia) and concrete historical mediations. What is, today, the tangible intrahistoric topos around which it is still possible to articulate, step by step, a series of consensuses that represent historical concretizations, within the perspective of the utopian horizon, that life is radically valuable? Is it enough to speak generically of the dignity of all human beings, staying within that generic concept, or is a more explicit reference required? For example, the *inviolable dignity of the corporeality* that objectifies life, without which it does not make sense to discuss the spiritual? I believe that we must move in this direction. We need inclusive language that can refer to all living bodies, especially the excluded, but also to all that are possible. The corporeal life that has been denied and the corporeal life that has been acknowledged [...]. Corporeality, understood as an emphasis on the rights of individual living bodies and the bodily connections of their insertion in the complex magnitude of society, can serve as a unifying reference in order to, jointly, take human needs and desires seriously.” (Assmann, 1995, p. 7–8 [emphasis added]).

In any case, this model is presented as a state of liberty and equality, which can be true if we understand equality and liberty as contractual. In other words, formal liberty and equality.

The other side of this formal law of contractual liberty and equality is capitalist society, although this relationship with capitalism is not often explicitly recognized (rather, it is recognized with respect to the “market economy.”)

Classical political economics, from Adam Smith to Karl Marx, refers to the *law of value* as the law of capitalist society. On the other hand, neoclassical economic theory speaks of the laws of the market and of the price system, that is, of supply and demand. Jurisprudence does not discuss these laws, but neither does formal ethics. However, capitalism is, as recognized by the compulsive forces of competition that order it as a system, the indirect effect of formal law (a term embodied in the civil code). And, as such, it is inevitable.

Of course, this does not include laws of nature that are imposed independently of human will. It is, according to Marx, about the compulsive forces of the facts that are imposed behind the backs of the actors and that lead to the formal rationality of financial calculations.

The last instance of these laws is indiscriminate violence, exercised as economic violence protected by these same laws, whose effect is to condemn to death the producers that are excluded from the social division of labor. This does not refer to death by lethal injection, but rather annihilation by exclusion, hunger, and, in general, by the impossibility of life. It is capital punishment executed by economic laws. This is the harshness of economic law and its other side, the rule of law.

But then what recuperation of the rule of law are we referring to?

Certainly, the history of the rule of law is conflictive and extremely troubled, and rarely has it been a standard-bearer or open champion of human rights. To begin with, it is enough to recall its trajectory, which began in the 18th century with the legalization of forced labor (slavery), followed later by the condemnation to the gallows of unionists in Chicago, and, after the slaves were liberated, continued with the installation of apartheid in the United States and South Africa. Until recently, the rule of law also did not accept the political equality of women, even formally, and the full right to vote

was limited to citizens who owned at least some property well into the 20th century.

For decades, even centuries, in the face of these violations, neither slaves, victims of apartheid, trade unionists, immigrants, nor women could resort to the rule of law to defend themselves. Nor has the rule of law protected the victims of colonization and imperialism. In short, the rule of law emerged without consideration for most essential human rights and, in fact, frequently acts against them. The opinion that the rule of law has as its fundamental objective the protection of human rights is a gratuitous and common assumption.

At the core of the rule of law is the principle of contractuality, which is based on the relationships between individuals and property owners who believe that their liberation comes from being mutually and voluntarily united through contracts. However, the rule of law itself is the one that decides who is an individual and who is not. That is why, throughout all of the 19th century and well into the 20th century, the rule of law did not grant the status of individual-owner and, by extension, of citizen, to slaves, women, the victims of apartheid, immigrants, homosexuals, or indigenous people, who live on the border of the legality imposed by the system. Moreover, the rule of law does not grant citizens that have already been recognized as such the right to resist the contractual laws of the market. Hence the persecution—in the name of the rule of law—of community leaders and the prohibition of unions and *campesino*²⁰ organizations that fight for their land and for better working and living conditions. Even so, it *is* the rule of law, and often it is democratic. It is based on a citizen democracy, although only a minority of individuals is considered citizens.²¹

20. TN: Campesino refers to people who live and work in rural areas and everything associated with that way of life (e.g., small-holder farmers).

21. Special attention should be paid to the issues of the rights of children, young people, and surely also the elderly, who generally do not fit within this concept of citizen.

Ninth mediation: The recuperation of the rule of law via human rights

The struggles for emancipation that occurred throughout the 19th century succeeded in introducing fundamental human rights to this rule of law, which became a constitutional rule of law or a social rule of law. However, this long struggle—sometimes successful, sometimes not—has progressively transformed the rule of law into a constitutional state with legal guarantees in certain cases, and in others has resulted in the procurement of certain fundamental rights. Above all, this recognition gained momentum after World War II. When the grassroots movements of the 1980s and 1990s in Latin America demanded rule of law, they referred, of course, to this constitutional rule of law.²²

However, during this same era—the era of the welfare state and developmentalism—the rule of law also entered a new phase of regression, now driven by the neoliberal project. As human rights came into conflict with the strategy of globalization itself, which now wields power, these rights were progressively denounced, marginalized, or eliminated as “distortions” of the market. As a result, the rule of law ceased to fulfill its purpose to protect these rights.

Among these market “distortions,” emphasis should be placed on those that most affect the lives of human beings. From this point of view, market distortions are any intervention in the market meant to ensure the universal satisfaction of human needs. As a result, labor laws, constitutional protections of the right to work, universal public health systems, education for all, social housing, social security, policies for full employment, environmental protection policies, and cultural diversity are considered “distortions.” Any control of the movement of capital and goods, such as reserve requirements or tariffs, is also considered to

22. For a summary and more in-depth discussion of the Latin American debate regarding the recovery of human rights from a perspective of expanding and deepening democracy, see Acosta (2004).

be a “distortion.” On the other hand, the strict and even violent control of people and grassroots organizations is not considered a “distortion.”

Within this context, new social movements have emerged to recover and expand human rights as a result of their repression. These movements seek to address the strategy of globalization, as well as the subversion and the hollowing out of the rule of law.

Being human is the supreme essence of the human being. This essence is neither a natural law nor an *a priori* set of values, but rather the affirmation of the human being as subject, although it acquires its specificity through violations of dignity, acquiring this imperative when the individual does not submit to these violations but instead confronts them. However, the meaning of these violations is something that is discovered, not something that is known *a priori*.

From the perspective of the system of domination, all violations are presented as a fatal necessity of the existence of the system, and, therefore, of order. As a subject, the human being confronts these violations by refusing to accept this fatality—perceived or real—as the last instance. In the face of specific abuses, the human being develops demands that are expressed through human rights that are then codified into law, so that violations of human dignity come to be considered illicit. However, this condition is not its essence, as these violations are still violations even when human rights are legalized. The rule of law does not make them violations; violations of human rights are not considered to be violations as a consequence of a broken law, but instead are identified as such prior to the existence of any law that prohibits said violations. The law outlaws something that was already illegitimate.

The violations of human rights are discovered *a posteriori*, but the revelation is that a human essence has been violated *a priori*. And this happens in the course of everyday life—what happens before is discovered later. However, once manifested, these violations acquire an *a priori* condition, which is why they are neither a natural law nor an *a priori* list of specific values. The human rights that result are historical, emerging and gaining ground.

Today, almost all alternative movements are organized around the defense of these emancipatory human rights. The challenge lies in

transforming the rule of law to go against the current implementation of the neoliberal strategy of globalization, which seeks to ensure that the rule of law revolves around its contractual core. From the perspective of alternative movements, the State must incorporate human rights in order to validate them within today's society.

In terms of rights, emancipatory human rights create the utopia of liberation or necessary utopia. This also opens a space to discuss the *myths* of the rule of law, that is, the myths of legality in general and bourgeois legality in particular. Simultaneously, it implies the need to introduce into this examination the theological tradition of the critique of the law ("The Sabbath was made for man, and not man for the Sabbath." [Mark 2:27, King James Version]), as well as the call, the demand, to challenge and transform all laws and every institution as soon as they humiliate, subjugate, abandon, or despise the human being (Marx).

The goal of liberation now assumes the form of human rights that are integrated as norms. There is a very important difference here with respect to the great liberation movements that emerged during the 19th century, especially the socialist movement. Although the substance of the utopia of liberation has not changed, the relationship with it has been modified. The great failure of the socialist movements of the 19th and 20th centuries was to seek the direct, linear, and authoritarian realization of this utopia. And it is clear that this has also been one of the decisive reasons for the many failures of historical socialism.

Today, the utopia of liberation takes the form of a process to transform institutions focused on ensuring human rights. It is the political strategy—the alternative strategy of action—that corresponds to the alternative project guided by the necessary utopia of a society with space for all.²³

23. In this sense, this is a *radicalization* of the "rights approach" as proposed by the Office of the United Nations High Commissioner for Human Rights or by the United Nations Development Programme (UNDP) (Artigas, 2003). From the perspective of the system of domination, all violations are presented as a fatal necessity because of the existence of the system itself and, therefore, of order. It is the subject that

However, it is important to keep in mind that there is still a conflictive relationship. Laid bare, rule of law is like the totality of the market: it crushes the subjects of human rights. To address this destructive dynamic, both the rule of law and the market must be recovered, channeled, and regulated at each and every moment from a human rights perspective. In contrast, the liberation movements that emerged during the 19th century tended to deny institutionality itself, that is, the market and the State. Today, on the contrary, the focus is on *infiltrating and integrating institutionality to support human rights*.²⁴ The human being as subject is the criterion of judgment for all laws and institutions.

It is clear that any attempt to incorporate human rights into the institutional framework itself results in the need to reformulate the rule of law. Human rights, established throughout a long history of emancipatory struggles, are subverted, in this case, within the very context of legality. However, the strength of this change does not come from the State, but rather from the imposition of globalization as a strategy of capital accumulation within the economic sphere and on a world scale. From a political perspective, this strategy leads to the subversion of human rights within the rule of law. As a result, promoting the recovery of the latter from a perspective of human rights also requires resisting and submitting to globalization itself. An example of an adverse scenario is clearly found with the so-called “free trade agreements,” whose effects include the hollowing out of the economic and social functions of the State, as well as the reduction and degradation of human rights, beyond structural adjustments and in support of the functional ethics of the total market.

confronts these violations by refusing to accept this fatality—perceived or real—as the last instance. In the face of specific violations, the subject develops demands that are then expressed as human rights, some of which are even codified as law.

24. “In this way, the criterion of human rights could be a criterion to specify the proposed criterion for an economy for life, or of property to support life and not capital. Naturally, this would lead to a reconstruction of human rights from an intercultural perspective, not a Western-centric, concrete, and non-formalistic one” (Gutiérrez, 2004, p.5).

The liberation movements of the 19th and 20th centuries conceived of the State from an economic point of view, but now that point of view must change. Now we must approach the economic sphere from the issue of human rights and their systematic introduction into the rule of law. Human rights can certainly not be guaranteed without a profound economic change, but a fundamental transformation must occur in order to respect those rights, which is only politically viable if they are incorporated into the rule of law.²⁵

In any case, the economic sphere is the last instance, while human rights and their defense from and through the rule of law are the first, even when doing so is impossible without recognition from the economic sphere. If, instead, the economic sphere is considered to be the first instance, human rights are subverted and eventually abolished, independently of the society or political project involved (not just capitalist society and not just right-wing political projects).

Ultimately, there must be a focus on a *project of liberation*, on freeing oneself from unlimited subjection, from the empire of the market—*dominion over the economy* instead of blind submission to its criteria. There must also be an understanding of development as freedom—the freedom of humanity to subject institutions to the conditions necessary for the reproduction of real life rather than simply increasing the possibilities of people’s choices (Amartya Sen, UNDP).

From this, the alternative societal project that is aligned with current social struggles can arise. An alternative to the existing system cannot be thought of as a reconstruction of the failed models of the past, nor can it be just the regulation or “humanization” of the current system in an attempt to avoid its abuses and excesses but maintain the structural, neoliberal logic of the system. This regulatory proposal emerged with neo-Keynesian economics on a global level and in Christian democracy’s search for a “social market economy.” *The alternative has to be clearly post-capitalist.*

25. It is possible to continue to understand this economic transformation, at least in an initial or historical stage, in terms of *reversing the underdevelopment* of Latin America, which first emerged in the 19th century and was consolidated in the 20th.

Likewise, we believe that the creation of this political strategy is of the utmost importance, in particular because it opens space for the emergence of the individual. In this sense, we understand the human being as a corporeal subject and, therefore, as a free and needy subject that demands, by means of its corresponding rights, respect for its conditions of possibility for life, which are claimed both in relation to other subjects and to society, which then vindicates these same conditions of life as a common good.

However, there is no legal right to substantiate this claim. On the contrary, this is the origin of all fundamental human rights, which are expressed in the form of norms. Human rights are imposed from it, but they do not create it.

The demand to respect the conditions of life precedes any other right, but demands to be recognized as such: it is the *right to have rights*. It precedes even the right to fight for conditions of possibility for life and yet demands, at the same time, that it become a right. Therefore, it claims a right to life—even before its existence—because a society that does not listen to this demand and that does not grant it as a right is not a sustainable society.

Tenth mediation: Society for all and respect for the concrete right to life as a guiding principle

Following the previous reflections, another reflection emerges from the following question: Why place such an emphasis on the urgency of guaranteeing human rights now?

Although there are many reasons, one particular reason is closely related to the reality of the global nature of the Earth. Today, a society capable of broadly guaranteeing human rights is necessary in order to ensure the survival of humanity itself. These days, survival cannot be guaranteed by either simple social technologies or by governance

calculations. *It has become an issue of respect for human rights*, an issue of the human being as a subject.

Globalization as a strategy of capital accumulation is not only in conflict with human rights—in fact, incompatible with their universal validity—but also incompatible with the very survival of humanity. The fundamental respect for human rights is no longer a mere romantic notion, but rather the *condition of possibility* or requirement for human survival. Additionally, the latter is subjective, in that its criteria cannot be reduced to technical calculations, but instead must be based on the fulfillment of human rights and, therefore, on the human subject as a corporeal being, needy and free.

The common denominator among these approaches is the demand and affirmation of the *right to human life*, to a society based on the right to life for all, which necessarily implies a demand for the life of all nature. This analysis presupposes an approach that conceives of individuals as *subjects of the concrete right to life*. This is an approach that begins with the primary role of human labor as part of the social division of labor and that awards the worker, producer, or creator certain rights to life—sometimes called “fundamental rights”—which must be integrated into the entirety of society in order to create a society for all. A new society based on everyone’s right to life, in anticipation of the “new earth,” which will always be the background for hope.

There are four fundamental rights:²⁶

1. Faced with the exclusion and precarization of labor resulting from the current capitalist strategy—the globalization of neoliberalism—the basis for all other concrete rights to life is the *right to decent and secure work*, from which the subsequent concrete rights to life are derived.²⁷

26. Of course, all these rights presuppose the inviolability of life, both in terms of its corporeality and its dignity.

27. This affirmation of the right to decent and secure work presupposes, or at least does not question, the permanence of the individual or collective labor contract. From a post-capitalist perspective, we must seek a separation between obtaining

2. The *satisfaction of basic human needs*:²⁸ Besides the right to work, the right to health, education, security, and housing must also be guaranteed within the framework of possibilities of the social product. This refers to the essential material conditions necessary to satisfy the basic corporeal human needs to their full extent, including cultural and spiritual needs.²⁹
3. The *democratic participation* of all citizens in social and political life, as well as their personal and social fulfillment within the context of a property system that ensures employment and the *adequate distribution of income* and fulfillment of legitimate social aspirations.³⁰
4. An established order of economic and social life through which it is possible to *conserve and sustain the environment* as the natural foundation of all human life.

Based on these fundamental rights—which are also economic and social rights that, as a whole, determine the social framework—the idea is to establish a permanent order that does not destroy the conditions of its own material existence, without which no social order is able to survive.

Additionally, these *concrete rights to life* define the framework for the universal validity of all human rights in their totality. However,

an income and the connection with the market, introducing the right to a *Citizen's Basic Income* in which citizens' rights and duties derive from "contracts" with the community (Dierckxsens, 2003, pp. 178–179).

28. We refer to these as "basic" needs not in the sense of physiological survival, but in the sense that they are fundamental for individual and community life and must be guaranteed by the institutional system.

29. In general, the central objective of the utopian horizon is the universal satisfaction of human needs, not only those that we have designated here as "basic."

30. Today, this new democratic participation is generally expressed through a strengthening of the parliamentary regime, which extends to the direct election of municipal representatives and deputies, as well as the implementation of mechanisms to recall or impeach popularly elected officials, effective accountability measures, referendums, and popular consultations. In short, to recover and expand the scope of politics through the democratic and popular exercise of power.

we would like to add three additional political rights that are strictly necessary to achieve citizen democracy in Latin America. These are:

1. The political right to *intervene in the market* and, therefore, in the power of transnational private bureaucracies. This is not a matter of reviving totalitarian central planning, but instead implementing global planning and guidance of the economy as a whole.
2. The recovery of *freedom of opinion*, currently stifled in the name of freedom of the press.
3. *Freedom of elections*, today hijacked by private bureaucracies that have become financiers for the candidates.

Today, it is not possible to recover citizenship without first recovering the fundamental right to systematic intervention in the markets. This is the foundation for all feasible economic and social democracies and, without it, institutions are transformed into a simple screen for absolute power that is beyond democratic control.

A citizens' democracy also needs to recover the freedom of opinion, now stifled in the name of freedom of the press, which has led to the almost total control of the media due to the influence of private bureaucracies.³¹ Something similar must happen in terms of citizens' ability to elect their representatives, and the process must be implemented in an atmosphere of freedom of opinion and thought. However, such a scenario is not possible if private bureaucracies are not stripped of the power they have accumulated by investing financial resources in candidates' campaigns, which has allowed democracy to become a market for votes.

Only within these terms is it possible to return to a free republic, currently threatened by the power of private bureaucracies. Today, this republic has a new form of utopia—a society for all, whose realization

31. This demands "a democratization of the media, whose monopolistic control by the most super-concentrated and arrogant capitalist groups is incompatible with any electoral justice or true democratic sovereignty" (Anderson, 1996, p.41).

is feasible if it (re)produces the wealth that sustains human life without undermining the two original sources that make this (re)production possible: the human producer or creator and nature. This would also include a democratic project, because it does not correspond to a single strategy without alternatives, but instead to multiple strategies that aim to make many other worlds possible.

Global Threats in a Globalized World that has Turned its Back on Globalization

Daily life and everyday consciousness express it forcefully, although, paradoxically, as will soon become clear: The world has become *global*!

In the most general sense of this phenomenon—that of *globality*, or the transformation of the world into a global village—the impressive technological development in telecommunications and transportation that has occurred over the last four decades has made it impossible to be unaware of the global nature of our planet and our culture, human culture. This certainly involves a lengthy historical process of at least 500 years of evolution, which has progressively led the human being to an experience and awareness of globality that we often ignore, or pretend to ignore, when we talk about *globalization*. It is, in effect, an experience of globality that implies a historical break that could come to differentiate present and future human history from all previous human history, although not in the sense targeted by the *globalizers*.³²

There is a meaning and a historic frame of reference regarding the word *globality* that we must keep in mind during any discussion about globalization. However, this globality, which in principle is an impressive fact of human evolution—the world converted into a large

32. In other words, the strategists, drivers, and “winners” of the current model of global capital accumulation, commonly called *globalization*.

global village potentially full of brotherly love—has, over the last 60 years, led to the emergence of a set of *global threats* to life in general. These threats have also fundamentally transformed, and will continue to transform, all human life, beginning from the first and dramatic act in 1945, when the atomic bomb was detonated over Hiroshima. In effect, the detonation of that first bomb represented the emergence of the first “global weapon,” as its future use compromised the existence of human life on Earth, an anxiety that continues to this day and that coexists with the availability of other chemical and biological “weapons of mass destruction.”

At that moment a new awareness emerged, an awareness of the roundness and finitude of the planet, of globality, and of human life and its fragile balance with nature, which we are also part of.³³ If humanity is to continue to exist, if it chooses to ensure the conditions that make the reproduction of life possible, then little by little it will become increasingly clear that we must assume a responsibility that until recently was considered unnecessary and that centuries ago could only have been dreamed of. It is about responsibility for life on Earth, as opposed to “irresponsibility and lack of care” (Boff, 2001).

This responsibility is presented as an *ethical obligation*, but simultaneously as a *condition of possibility* for all future life, which has now merged into a single demand, despite the fact that the positivist tradition has long considered them separately: what is and what ought to be, both, moreover, deformed by the magnifying glass of empiricism.³⁴

The planetary scale of the death and devastation caused by World War II and the subsequent launch of the atomic bomb in 1945 first alerted humanity to the real possibility of an apocalyptic crisis caused

33. Although there is a growing awareness of these global threats, the emergence of this new consciousness is proving to be as traumatic as that which developed with the Copernican revolution and the scientific discoveries of Galileo at the dawn of modernity, colliding head-on with the established powers, which are equally as powerful today as they were in that era or even more so.

34. The “is” reduced to de facto, means-end judgments. The “ought to be” reduced to nonobligatory values and, in some extremes, even to “preferences.”

not by the vengeful and purifying fury of a Creator (as in the myth of the world-engulfing flood) nor by some planetary catastrophe of cosmic origin, but by humanity's own actions.

Even so, atomic genocide was still considered to be something external to everyday human activity, a tragic and extreme recourse to which the United States "was forced" to resort in order to put an end to five years of fratricidal war. It seemed that if the political intervention of the States made it possible to avoid launching the bomb, then humanity could continue living as before, peacefully. But the Cuban Missile Crisis (1963), the "Star Wars" of the Strategic Defense Initiative implemented by Ronald Reagan (1983), and the dissolution of the Soviet Union (1991) and the consequent proliferation of nuclear weapons challenged this assumption.

Since the 1970s, new global threats have become increasingly evident. First, the so-called first report to the Club of Rome (Meadows *et al.*, 1972)³⁵ addressed the issues of the limits of growth on the planet and the threat of environmental catastrophe. This warning about the "limits of growth" expressed, in a new way, the roundness of the Earth and its global nature, which was not infinitely and eternally available to be plundered. It now became much clearer that the true threat was no longer a diabolical device, supposedly controlled by international agreements, but rather daily human activity and humanity's economic systems and predatory relationship with nature.

Around the same time, the concept of the "greenhouse effect" emerged, which referred to the warming of the terrestrial atmosphere caused by carbon dioxide and other gases produced by combustion. It is generally accepted that part of this effect is caused by natural phenomena, such as volcanic eruptions and the geophysical cycles of the planet. However, an increasing percentage of the international

35. The Club of Rome commissioned the Massachusetts Institute of Technology to prepare the well-known report *The Limits to Growth*, which was first published in 1972, shortly before the first oil crisis. It has been updated several times in the intervening years. Although 17 different experts contributed to the report, the main author was Donella Meadows, a biophysicist and environmental scientist with a specialty in systems dynamics.

scientific community has accepted since 1970 that this threatening phenomenon, responsible for progressively thawing the ice caps and the glaciers of the Himalayas, is the result of human activity.³⁶

We happily talk about *globalization* as a supposedly irreversible process, but we turn our backs on the *global nature* of the planet, which we still consider to be an infinite resource, continuing to behave based on a pre-Copernican worldview.

Indeed, to a greater or lesser extent, all human activity—companies, states, and every person that goes about their daily activities—is responsible for this possible *global ecocide*.³⁷ Humanity under threat is obligated to respond to the adverse effects of its own daily activities.

However, in general, it is not human activity that necessarily leads to this now likely ecocide. One of the central theses discussed in this chapter is that the *unilateral* focus and channeling of human activity due to the *individualistic calculation of utility* or self-interest—or in other, more straightforward but surely incomplete terms, the obsessive focus on maximizing market profits and obtaining the highest possible rates of economic growth—is what is now in question.

However, it is not a simple, moralistic criticism of selfishness or a Manichaeian dedication to abolish self-interest, which is part of the human condition, or demonize it as the dark or anti-human side of the common interest, but instead an effort to establish suitable *mediations* between both extremes. However, the fact remains that

36. This has been, for example, the position of the World Meteorological Organization (WMO) on global warming, and a growing number of scientists agree. In spite of this, the United States government, during the administration of George W. Bush, refused to acknowledge this fact. However, various reports from the Intergovernmental Panel on Climate Change (constituted in 1988 by the WMO and the United Nations Environment Programme) have confirmed this causality, although these reports do not lack detractors.

37. Ecocide is the extensive destruction or loss of ecosystems of a given territory, usually deliberate and massive, either through human agency or through other causes, such that peaceful enjoyment by the inhabitants is severely threatened. Ecocides are not as infrequent or as inconceivable as one might think (Mayan civilization, Easter Island, Vietnam War, etc.). On the contrary, the destruction of jungle, mangroves, and biodiversity is a very present reality. Weapons of mass destruction and global warming have created the possibility of a *global ecocide*.

the criticism and transcendence of the individualistic calculation of utility and egocentric activity, which repress solidary utility and subject-associative activity and responsibility for the common good, has become a condition of possibility for human life itself, as well as an ethical requirement.

The set of global threats (ecological crises, crises of exclusion, crises of human relationships)³⁸ is leading to a general crisis of human coexistence that José Saramago masterfully exposes in his novels *Blindness* and *Seeing*.

The current subversion of human relations is already impacting the very possibility of coexistence. As the cruel exclusion of large sectors of the population increases—the humanitarian migrant crisis, for example—the cruel behavior of people in the face of economic and social marginalization becomes more widespread and indifference to the suffering of others is increasingly trivialized; the “included” assimilate human suffering and incorporate it into their behavior. There is no longer simply a polarization among the included, who, unlike the excluded, would maintain the ability to coexist; instead, the loss becomes a general loss. This is then a new global threat that, in the end, can be lethal, because it incapacitates individuals, rendering them unable to face other threats. It appears, therefore, to be an ethical requirement and a condition for the possibility of the continuation of life: the necessary responsibility to address humanity’s ability to coexist.

Meanwhile, history has continued on its course. New global experiences attest to the roundness, finitude, and globality of the Earth while, simultaneously, new global threats continue to appear and new forms of responsibility for the common good become ever-more necessary.

In its *State of the World 2015* report, the Worldwatch Institute speaks expressly of “confronting hidden threats to sustainability.” In the introduction, co-director Michael Renner refers to the “seeds of modern

38. In intergovernmental meetings and in large business forums, it is common to speak of the “global terror threat.” However, in reality, this is simply part of the same crisis of human coexistence. Something similar happens with most threats related to global epidemics and pandemics.

threats,” although he places greater emphasis on the threats related to “ecological stress.”³⁹ What are these seeds of modern threats, according to Renner?

We have an economic system that is the equivalent of a great white shark: it needs to keep water moving through its gills to receive oxygen, and dies if it stops moving. The challenge, therefore, is broader than merely a set of technological changes. As activist Naomi Klein has argued [2015], saving the climate requires revisiting the central mechanisms of the world’s pre-eminent economic system: capitalism. (Worldwatch Institute, 2015, p. 22)

That we are set to collide with *the limits* of the planet⁴⁰—and that much more than a set of technological changes is required to face such threats—are cognitive advances within the narrative of energy efficiency and the myth that technological progress can solve everything. The understanding of capitalism as simply a predatory economic system (“a great white shark”) with its respective “fundamental mechanisms” remains a problematic vision that limits our understanding and reduces our possibilities to respond.

Capitalism goes beyond this. It is, in the words of Walter Benjamin, a religion. A religion with its respective spirituality that, in this case, is a *spirituality of power*. And this is crucial in order to

39. “Humanity’s climate predicament is only the latest—if by far the most challenging—manifestation of its collision course with planetary limits. Ecological stress is evident in many ways, from species loss, air and water pollution, and deforestation to coral reef die-offs, depletion of fisheries, and wetland losses. The planet’s capacity to absorb waste and pollutants is increasingly taxed.” (Worldwatch Institute, 2015, p. 22)

40. In September 2009, the scientific journal *Nature* published a special in which it tried to establish the “planetary boundaries” that humanity could not surpass without facing a catastrophic situation. A group of 28 renowned researchers contributed to this special edition, led by Johan Rockström, a Swedish scientist specializing in global sustainability issues and director of the Stockholm Resilience Center. In January 2015, two new research papers published in the renowned magazine *Science* warned that four of these planetary boundaries had already been transgressed: climate change, loss of biosphere integrity, land-system change, and altered biogeochemical cycles (phosphorus and nitrogen) due to the excessive use of fertilizers.

truly understand what capitalism is (and what it is not), as well as its possibilities to transform or overcome.

For now, we insist that *local threats* and *global problems* have become *global threats* to the planet, humanity, and life in general, and that they are closely related to a certain internalized human behavior that we cannot reduce to moralisms or *mechanisms* of certain omnipresent structures. They have their roots in modern rationality, full of human achievements that are simultaneously—particularly in their late-capitalism and imperialist form—formidable threats to human survival and coexistence.

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