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South American welfare: can we still keep so cheerful?

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Abstract

The consumerist and predatory style of development has been strongly accentuated this last decade in South America. We are leaving the weaker indigenous people of the continent "out-of-the-game", who are deprived of their culture. We interfere with their ways to make a living. We deny them the right to have a fulfilling future out of their environment, an environment that protected them and provided everything they needed for the simple non-monetary life they used to have. In exchange for this they now receive limited betterments, which amount to merely a minimum monthly allowance to buy some few electronic gadgets. Last but not least, because of this development style, the natural infrastructure that nourishes all human societies and gives us life is seriously threatened since the resilience of our ecosystems, robust in its appearance – are in a great danger.

From a long term perspective, we worry about our countries during the prosperous current growth period due to the active policies of progressive governments, which is a blessing in comparison to the previous crises. Nonetheless, the governments are not investing any considerable amounts on widening human, technical, infrastructure and networking capacities for a sustainable development, even at the sub-continental level. Negative social consequences occur as a result of hampering the social and cultural capital of those weaker people. We welcome sympathetic observers who could come down to Argentina to get informed and then help us to discuss on these matters, not only with authorities, but also with friendly progressive academics who do not realize the long-term damage we are inflicting on the people and nature. South America nourishes the developed world and we now need your help.

In South America, to a certain extent in response to end-of-the-century neoliberalism which left havoc everywhere, the new century came along with new winds that resulted in the emergence of a bunch of progressive governments, having arrived with the drumbeat of a clear-cut progressive stamp inspired with different intensity and nuances in the history and ancient cultures of South America. This has mobilized and highly motivated the masses—whom were apathetic to the unkept promises from the governments to improve their living conditions, remove them from ancestral deprivation and, ultimately, integrate them into a development path.

Over the years past these political, social and economic processes still remain steady as most of the respective governments, who had the audacity and courage to break with the orthodox dogmas and dependence on the international financial organizations. South American countries thus regained autonomy and self determination while regional

macro-political institutions were created (UNASUR, ALBA, CELAC) in order to advance the region's development through integration and sub-continental solidarity, putting a strong emphasis on the (South)American history and the emancipatory struggles of the 19th century. Grassroots success of these refreshing and unorthodox initiatives, managed to rejuvenate the support of the popular majority, albeit simultaneously got the ruling class nervous.

The fact that the governments of South America still remain in power with popular support is largely due to sound compensatory social policies implemented in these countries with varying scope and success. In retrospect, this relationship of mutual empathy between governments and vast majorities not only triggered the suspicion of oligarchies but also of middle-class opposition, mainly manifested by mass media since political-party activities had very little progress on behalf of political opposition (Carta Abierta #1, 2009).

However, due to the fact that the initial state of affairs was so terribly unequal after the social devastation of the last two decades of 20th century, the remaining tasks seem endless. For example, a new breed of South American leader has yet to emerge from behind the popular and populist figures in the government. Development style, basically, has not changed. Consumerism, although occasionally scorned by some head of state, is still well and alive along the (South)American plains, highlands and mountains. Fostered by economic growth that helps to hide it away, inequality still reigns. Transnational corporations dominate production scenarios and from that position they become mandatory on productive relations and the exploitation of nature. State capitalism has been unable to bring along substantial social benefits. For its part, the (South) American national bourgeoisie class is very weak. The sole exception of Brazil, where, with much government help, a few larger corporations were able to become transnational corporations.

The ability to unmask, once-and-for-all, international financial institutions and their economic preachers was the breakthrough that allowed Argentina to emerge from the tremendous crisis while realizing that a future exists. However, it is difficult to quite imagine that future when it is almost impossible to find viable alternatives under capitalist development for economic and social well-being which would eventually result in better living conditions for the majority while sheltering the natural environment which supports us and gives us life.

A new institutional framework is necessary to initiate the movement towards alternative development styles. At the macro-political level, without any serious threat to capitalism, there is an explicit sub-regional agreement about the vision of the American nation to which we aspire, firstly expressed by UNASUR; more recently, by CELAC. However, while attempting the first steps towards integration among the respective countries it showed absolutely difficult to stand on solid grounds and these enormous difficulties stand upright when putting the focus on the people's needs in order to advance seriously on integration (even) in-between friendly countries, taking account of the ethical principles and values recognized as such by consensus among South American political leaders.

On institutional economic matters, the role of markets in Latin American countries, rather than promoting development, are mechanisms for exclusion and concentration of income and benefits and also for the appropriation of nature by a few large business

groups which dominate major markets. Therefore, contrary to the important role they might have in the First World, in the southern world markets are institutions that do not foster the social and environmental development of the South American people.

To illustrate the role that markets play in countries of the South, we'll present three examples:

- I. The comparative advantages in agricultural production that Argentina has are widely known. In this regard, during the last decade, *pari passu* with the agricultural commodity prices boom', Argentina soybean production expanded significantly in a few years, reaching 19 million hectares cultivated with this oilseed. Thus, based on its higher profitability, agriculture (but principally, soy culture) has been pushing livestock out of the Pampas (the best farmland in the country) to other areas of Argentina (basically, the Gran Chaco), inside of which it later had to move further away, due to sustained demand for agricultural land. This shift of the agricultural frontier had (and has) vast implications: in particular, in the Chaco region, where population is mostly Aboriginal (and where some tribes still live in precarious conditions and with a deficient health status), soybean business entrepreneurs allied to the local political structure have appropriated most farmland of this region where clear-cut land entitlements do not exist. The population of these areas, stripped off their land, had to migrate to nearby urban centers where they become even more precarious, lacking the land where to grow their foodstuffs, to harvest wild honey used for feeding and healing purposes, to extract wood for building houses and livestock pens, the land where the people had some chickens, ducks, pigs, goats that provided food, shelter and wool for spinning. In short, life (and death) of these displaced people revolved around the land, center of their world view, the place where the remains of their ancestors stay. All this, of what have they been violently deprived (and still are) due to the sustained foreign demand for agricultural products (Pengue 2005, Morello 2009).
- II. As a consequence of this remarkable expansion of agriculture, cattle ranching in the Pampas had to retreat and withdraw from the region due to the increased agricultural competitiveness. In this agricultural shift towards the western, southern and northern (in the Chaco region demand for land for agriculture is currently overlapping and competing with land for livestock) areas of the country agriculture has taken (and keeps doing it) the lead and most of the land suitable for cultivation has been allocated for this activity leaving only low-lying areas or poor soil land for cattle-farming. The result of these changes is that currently most of the cattle, either for domestic market or export, end their life cycle in confinement (feed-lots) near Buenos Aires city and other major cities where there are no areas of land where cattle can fatten nearby. This could, unless reverted, lead to the loss of virtues that characterized Argentine beef when it was the product of an extensive-land activity. Thus field bred animals have almost disappeared, being replaced by fattened animals in confinement due to the lack of farmland. This allocation of resources by the market does not seem too virtuous as domestic and foreign consumers of meat will be left without such tasty meat (and the privileged place of Argentina in the international beef market was already occupied by Brazil) because of soybean production to feed the people (cooking oil) and animals (flourcakes) in Southeast Asia (Morello, 2009).

III. The neighborhood of Palermo, in Buenos Aires city, backdrop of countless stories told by Jorge Luis Borges, in the past decade and a half attracted much speculative real-estate investment (i.e. in buildings for upper middle class built for residential and business purposes) that ended with the charming neighborhood it used to be (characterized by old mansions in gardens with huge trees and cobbled streets all of which contributed to the neighborhood of Palermo having a leisurely pace, cafés where people went to meet each other only to chat, streets where children played football) and now it is getting full of trendy office buildings, advertising agencies, media companies, impetuous high-income young people and countless boutique hotels for tourists who avidly arrive to the famous neighborhood which paradoxically, as it would happen in a story by Borges, “has disappeared”: there is no longer the Palermo they read about, which can only be now found in epochal films.

These examples allows us to reflect on what truly lacks in the South America today in terms of creating important political changes in order to be able to take a sound jump towards sustainable development.

The big political push going on these last years is a struggle to put the people as the subject of politics. As we discussed above, much of this has been done and thus political leaders overwhelmingly keep the political power. When we drill down to the details and gather from where the economic and financial “juice” comes out (UNEP, 2011) for the empowerment of the State in South America to enact wide social compensatory policies, we find that there has been an accumulation of wealth derived from primary products, basically, farm commodities, metals and oil (Bruckmann, 2011). Some of the exports, such as metals and oil reap the fruits of nature over time. The other exports, coming from land culture, extensively pushing into wild areas (native woodlands and savannahs being harassed) –even with the settlers being pushed out of the land (*Los Sin Tierra*). Soil is used as an exploitative tool with complete disregard the basic human needs and long-term sustainability of the natural resources and oblivious to the relationship between the indigenous people and their land.

When we examine the aggregate demand which characterizes the economics of our countries, in addition to the exports that have quite boomed due to price incentives, we see that consumption takes a big slump of it. It is true that most of our people have been starving for too long and certainly they deserve the access to goods and services to satisfy basic needs and to have a life with dignity. Obviously, the possession of a cellphone with Internet or access to 84 TV channels is something different than basic needs and refers to a consumerist style of development.

Investment is the other element of aggregate demand that is up, generally linked to transportation and communications infrastructure which facilitate exports. The Amazon Region, the heart of South America and the proverbial lung of the world, is being devastated in order to allow to reach and exploit natural resources to build transoceanic roads and extract natural resources (Acosta, 2009; Gudynas, 2010). IIRSA (the Initiative for the Integration of Regional Infrastructure in South America) epitomizes this trend and unveils the so-called “progress” in the Amazon Region. For IIRSA progress is “to alleviate the sufferings of all those primitive people because of their estrangement from civilization” (obtained from: IIRSA webpage). However, .it actually

provides no care for the culture of the indigenous people;: it ignores their ways of life that are tied to the land, the woods, the river, the food they pick, hunt or fish, their languages, their silence (IIRSA website, Feinstein 2012).

Despite all the problems, the result is that in South America, in contrast with the developed countries which bear the *motto* of “no future”, we maintain our optimism. South American people keep vibrant, in spite of so much death going on around them. Our environment, though almost completely in danger, is beautiful and we love it. Our different peoples, in spite of all the difficulties they have in their everyday life throughout history still keep the sense of humor and enjoy life as they can. We have had a huge crisis in Argentina a decade ago. Two years after, however, the government climbed its way out of the crisis and before the turn of the decade economics, as stated above, was booming.

The consumerist and predatory style of development has been strongly accentuated for the last decade in South America. As a result, we are pushing the weaker indigenous peoples of the subcontinent “out-of-the-game”, who are deprived of their culture that defines their identity and subsistence. They are forced out to have a somber future from their environment which sheltered everything they needed for the simple, non-monetary life they used to have; in exchange of which they do not receive any sound improvements: just a minimum monthly allowance to buy some few electronic gadgets. Last but not least, because of this development style, the natural infrastructure that nourishes all human societies and gives us life is seriously threatened since the resilience of our ecosystems, robust in its appearance - are in a great danger (Pengue y Morello, 2007).

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