

“Accumulation by dispossession” in developing countries

Neo-liberalist policies and its means to development, indigenous life and smallholders in Brazil and Bolivia

UT-203: Home Exam

Friday, 21.11.2014

Candidate number: 5898

1: Introduction

The concept of "accumulation by dispossession" (further AbD) stands as one of the main concepts for explaining neo-liberal tendencies and its impact on development in the recent years. His above mentioned concept has become a key term in the context of criticism on neo-liberalistic globalization when it comes to acts of dispossession in developing countries (Hall, 2013, p.1582). The impacts of AbD on economic development and social structures of developing countries has been object of a variety of studies, thus this exam paper deals with the following task:

"Explain Harvey's use of AbD, and how the concept may be used to elucidate variation in development. Discuss how the concept may be relevant when discussing the development of indigenous people."

After an introduction to the concept of "accumulation by dispossession" and the relation to development, this paper concentrates on Brazil as its main case, discussing the impact of acts to be defined as AbD on indigenous people and development in Brazil by looking at general findings as well as two concrete cases. Furthermore these findings are compared with the situations in Bolivia and India.

2: Harvey's theory of "Accumulation by dispossession"

2.1. Foundations of the concept

Harvey's argumentation origins in the Marxist term of "primitive accumulation". This term stands for the required dispossession of peasants and accumulation of the bourgeoisie in order to set the capitalistic duality of capital and labor (Ransom, 2013, p.22). Harvey's approach is that in the neo-liberalist and globalized world this process is not only the requirement, but an ongoing pattern in dealing with over-accumulation, therefore being an ongoing "accumulation and dispossession" (Harvey, 2004, S.74). Disposals of these processes are dispossession of the means of production from the peasants, transferring it into capital and forcing former peasants to wage-labor (Ransom, 2013, p.23). The processes covered by "primitive accumulation" would remain relevant in AbD:

"These include the commodification and privatization of land and the forceful expulsion of peasant populations; conversion of various forms of property rights – common, collective, state, etc. – into exclusive private property rights; suppression of rights to the commons; commodification of labour power and the suppression of alternative, indigenous, forms of production and consumption; colonial, neo-colonial and imperial

processes of appropriation of assets, including natural resources; monetization of exchange and taxation, particularly of land; slave trade; and usury, the national debt and ultimately the credit system" (Harvey, 2004, p.74).

His foundation for the concept of AbD is the idea of a "spatio-temporal fix", meaning that capitalist crisis due to overaccumulation is dealt with either by temporal or spatial displacement (Harvey, 2004, p.64). This has to be done in order to avoid devaluation as an impact of overaccumulation, one has to find other places to invest overaccumulation of labor and particularly commodities or capital. As the bourgeois declines to give up their privileges, this money would not be reinvested in social reforms in the domestic country in order to create greater wealth but instead they urge for an economic imperialism abroad (Harvey, 2004, p.69).

Kröger (2012, p.968) identifies additional mechanisms to be found in AbD, e.g. institutional support for large-scale corporations to use land for mono-culturing or extract resources and the displacement of traditional communities. State policies would have a central relevance, setting the legal foundation of these processes and actively supporting them (Harvey, 2004, p.74).

2.2. Developing countries and "accumulation by dispossession"

The process of AbD in context of globalization has impacts on developing countries in terms of dispossession, as happening in Latin America or India (Ransom, 2013). This happens in a shift to neoliberal policies, driving forward privatization and influence of multinational companies. Economic growth then would not mean progress for the whole society: The loss of commons, land or other resources and following takeover of western companies could seriously threaten peasants and indigenous people, enforcing poverty and inequality. (Harvey, 2004, S.78) Harvey states a "new wave of enclosing the commons" (Harvey, 2005, S.75) which even entails privatization of water.

The opposite of this concept is called "accumulation without dispossession", meaning economic development in domestic markets that looks for rural development and industrialization that does not exploit and dispossess smallholders or indigenous people (Kröger, 2013, p.950).

In the long term, financialization happening through AbD bears an *"unholy alliance between state powers and predatory aspects of finance capital"* (Harvey, 2004, S.72) building up a type of *"vulture capitalism"* which is not interested in sustainability of investment but in further accumulation. In means of development this exploitation would only a *"trail of devastation"* (Harvey, 2004, p.66) when moving out, hence no sustainable development. The idea of large-scale land acquisitions promoted by The World Bank and governments would not reduce poverty and integrate traditional ways of living, but

rather expel people from their land and exclude them from the economic process and only enhance the power of financial capital (Kröger, 2012, p.950).

Furthermore it is argued that the use of huge amounts of financial capital involved in speculative activity could lead to the explosion of a “bubble”, seriously harming economies, affecting unemployment, impoverishment and class struggle (Harvey, 2004, p.78).

2.3. Neo-liberalist criticism on “accumulation by dispossession”

It is nevertheless important to mention that Harvey’s approach has been criticized from neo-liberalist authors. Economist Fine argues that *“it seems as if an unduly diverse set of factors is being collected under the umbrella of accumulation by dispossession”* (Fine, 2005, p.145) meaning that the concept of AbD is too broad. Furthermore the underlying argument that surplus capital will always seek out for foreign markets is not right as *“capitalism is capable of expanding value relations without resort to external markets”* (Fine, 2006).

3. Case study: Brazil

Latin America as a continent with a huge amount of indigenous inhabitants and tribes seems to be the right place to look for indigenous life and its preservation in the context of AbD. The focus is on Brazil, being the most important country on the continent (BBC, 2013).

3.1. Introduction to the country

Brazil stands as the biggest country in South America in terms of population, geographical size (8.55 Mio. km²) and economic strength. Brazil is one of the largest democracies in the world with 198.3 Mio inhabitants (in 2012) and BRICS-country (BBC, 2013). Looking at some key figures, Brazil’s economy has been growing enormously within the last decade, being 504.2 billion US-\$ in 2002 and 2,476.7 in 2012 (The World Bank Group, 2014). Important to say is that the average annual growth rates of the GDP of the last decades were surpassing those growth rates of GDP per capita (BBC, 2013).

Brazil has many indigenous tribes (est. 197). Other important population groups are Afro-descendants and Europeans (Minority Rights Group International, 2007). While there is a growing middle class and decreasing poverty due to efficient social programs like the “Bolsa Família” (Skidmore, 2010), there is a lot of social struggle: Landless movements are uniting against land grabbing and the influence of big and/or foreign

companies in Brazil (Ransom, 2013, p.3-4), while most of the Brazilian land is controlled by a small number of big families (BBC, 2013).

3.2. Cases of accumulation by dispossession in Brazil

Modern forms of accumulation (AbD) in Brazil already occurred in the 60s until the 80s, dispossessing indigenous people in various cases (Kröger, 2013). Looking at the role of the state, Brazil was a military dictatorship in that time, but if we look at the time since democratization of the country, processes of AbD has not stopped to occur: Rapid neo-liberalization in the 1990s opened Brazilian markets for foreign investments (Kröger, 2013). Despite advances in law to protect indigenous population and areas due to international pressure, progress remains at a small level as there is still a lot of illegal land grabbing and privatization of common or indigenous land (Minority Rights Group International, 2007). In recent years the Brazilian government has established different programs for economic development, opening its economy for foreign companies and investors. The Growth Acceleration Program (PAC), invented by former president Lula is important to mention as it contains Public-Private-Partnership in means of corporation between national and international companies and the government. However, the role of the state here is not more than granting access to areas (Pedlowski, 2013, p.93).

And in fact several researches came to the conclusion that there are processes of accumulation by dispossession happening on Brazilian territory. (Pedlowski, 2013, p.92) As Verdum (2010, p.1) argues, there is be discussion about a "*new progressive extractivism*" in the Latin-American region, meaning that the exploitation of resources is in the hand of a small number of big companies as a model for economic development.

3.2.1 Industrial eucalyptus tree plantations and dispossessing

Kröger (2012) observed the extension of tree plantation and the accompanied processes of accumulation by dispossession in Brazil. He argues that mono-culturing of eucalyptus started back in the 60s under military dictatorship. Negative effects on the rural and indigenous or afro-Brazilian communities increased with the rise of neo-liberal policies in the beginning of the 90s. Mono-culturing on huge landscapes would stand in direct confrontation with a "*Mosaic of rural population histories, agroforestry and other Amerindian and traditional cultivation and resource extraction systems*" (Kröger, 2012, p.954). It would not create more jobs, but less. He derives that from the decrease in employment in agriculture from 23.4 Mio in 1985 to 16.5 Mio in 2006 and is questioning the developmental use of these kind of policies, marking that there would be only a growth in nominal GDP without lasting job-offer increase, lose in potential tax incomes and rise of social and environmental problems (Kröger, 2012, p.954-5).

Table 2. Accumulation by Dispossession, and Signs of Eucalyptus Pulp Expansion-related Dispossession in Brazil (Yes or No), 2004–10

State	Accumulation by Dispossession (the lower the figure, the higher the ABD in the state in general)	Nature and Existence of Dispossession in Pulp Investment Areas				
		Planting on Peasants expelled/ agrarian reform land occupied	indigenous or afro-Brazilian territories	Killing of / violence against rural people	Water depletion next to eucalyptus	Plantation replaced native vegetation
Bahia	0.299	Yes ¹	Yes ²	Yes ³	Yes ⁴	Yes ⁵
Espírito Santo	2.907	Yes ⁶	Yes ⁷	Yes ⁸	Yes ⁹	Yes ¹⁰
Maranhão	0.014	Yes ¹¹	Yes ¹²	No ¹³	No	Yes ¹⁴
Mato Grosso do Sul	2.057	Yes ¹⁵	No	No	No	No
Minas Gerais	1.261	Yes ¹⁶	Yes ¹⁷	Yes ¹⁸	Yes ¹⁹	Yes
Pará	0.065	Yes ²⁰	Yes ²¹	No	No	Yes
Paraná	10.085	No ²²	No	No	No	No
Rio Grande do Sul	28.180	Yes ²³	No	Yes ²⁴	Yes ²⁵	Yes ²⁶
São Paulo	4.556	Yes ²⁷	No	No	Yes ²⁸	No

Figure 1 (Source: Kröger, 2012, p.959)

He proves cases of AbD with data from 2004-2010, looking at different regions in Brazil (see Figure 1) and derives correlations between the rate of eucalyptus pulp expansion, low land prices and the displacement of rural, traditional communities and land conflicts (Kröger, 2013, p.958-9). His interviews reveal crucial methods of land grabbing, murder and violence.

He comes to the conclusion that despite some progress due to the pressure evoked by social landless movements, there is still wide support by state policy for supporting big international companies to install big agribusiness and pulp eucalyptus mono-culture. The results differ from region to region in the extent of AbD (Kröger, 2012). Hereby he also recognizes some efforts to introduce methods of accumulation without dispossession and the fact that not all land grabbing happens by violent dispossession. Nevertheless there is still indirect force to the rural population as they either want to anticipate dispossession without selling or fear for the environmental damage of fertilizer use etc. of large-scale mono-culturing nearby (Kröger, 2012). Land selling remains rather exceptional while there is a general trend of accumulation by dispossession (Kröger, 2012).

3.2.2 Infrastructural and industrial land grabbing under CISPA

Another of numerous cases that can be observed is "CISPA". This project by the EBX group, a Brazilian holding company, is promised to create about 235,000 new jobs between 2008 and 2025, requiring a total area of 7,036 hectares. The idea of CISPA is to strengthen Brazil's role on global markets. The state acknowledged the importance of this project for Brazil's economy by introducing an act to enhance the project by investments in infrastructure. As it is illustrated in the figure, CISPA wants to build a pipeline of 525 km for the transport of pellet feed from the state of Minas Gerais to the

Açu Superport (see Figure 2) (Pedlowski, 2013). Additionally, CISPA covers the installment of different like steel plants and shipyards and is expected to evolve to a major hub with the growth of the Brazilian oil industry as there are oil reserves to be found in the Pre-Salt-Layer (Pedlowski, 2013, p.94).

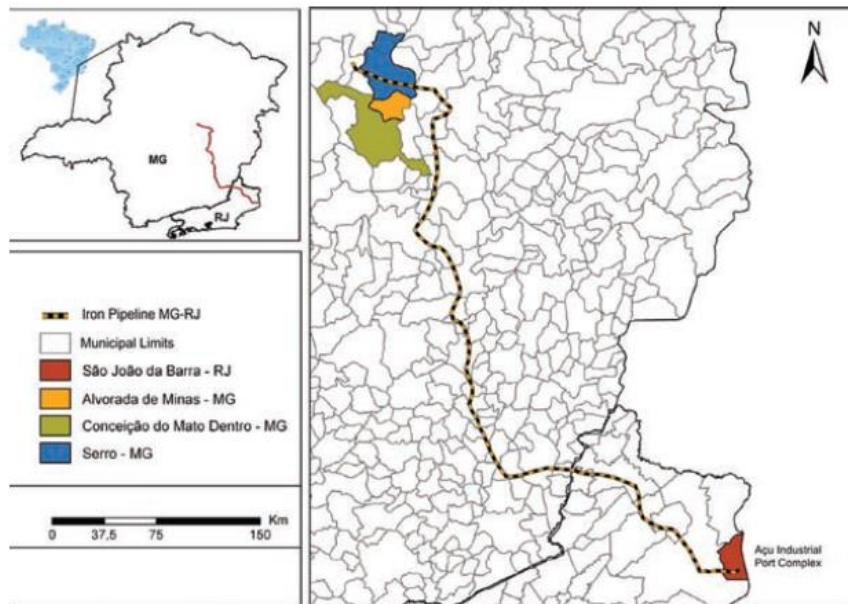


Figure 1. Location of CISPA in the municipality of São João da Barra and the Anglo American slurry pipeline. (Source: AGB, 2011)

Figure 2 (Source: Pedlowski, 2013, p.95)

These plans were even raised by Dilma Rousseff's government with combining CISPA with a public logistic and railroad program (Pedlowski, 2013, p.96). As plans under CISPA grew bigger, the need for land increased. In order to conduct land grabbing in a formally legal way, the federal government of Rio de Janeiro and the state used some 'tricks' in order to legally justify the dispossession of the farmers in the region, turning private land into "public interest" and then giving it to the EBX group (Pedlowski, 2013). In this case, these PPPs grabbed the land away of smallholders, fisher communities and other groups living in the coastal line of the V. district in Rio de Janeiro. Violence against the poor would be seen as "*a necessary step towards development*" (Pedlowski, 2013, p.93).

Compared to the first case, we can observe a difference in the intended use of grabbed land, once agribusiness, once infrastructure and industry. As the companies then 'legally' possessed the land, they sued farmers or used violence (Pedlowski, 2013, p.97-8). Another state act shifted responsibility for dealing with environmental issues "Environmental Impact Assessments" and made the process fragmented and devious. It was a bypass for environmental problems of the project (Pedlowski, 2013, p.100-1). These processes evoked a rising resistance of farmers, claiming the repossession of their land. This resulted in the foundation of ASPRIM (Landowners and Farmers Association of

São João da Barra). Although they achieved relevance, none of their demands has been met yet. Instead, the government's official view is that these protests are undermining a great economic chance for Brazil (Pedlowski, 2013, p.102-4). But in the meanwhile this chance goes along with the loss of the means of production for the smallholders, meaning "*a mortal blow to social reproduction*" (Pedlowski, 2013, p.106).

4: Comparative references

4.1. Bolivia

Spronk and Webber (2007) looked at cases of AbD in Bolivia and observed processes in the field of natural gas extraction and privatization of water by. This privatization went along with violence to dispossessed smallholders by the state. Social movements have fought for transferring natural resources and land back to commons, arguing that foreign interests did nothing but exploit the resources and let the country remain in poverty. They instead claim for a more equitable distribution of wealth, including all social classes and indigenous people as well as making natural gas (which is an important export good to neighbour countries) a common. (Spronk and Webber, 2007)

We see some similarities to in the violence conducted by the state, the prioritizing of large-scale corporates and in social movements. Spronk and Webber (2007, p.31) described the social movements in Bolivia as strong and "*potentially revolutionary*".

4.2. India

Banerjee-Guha (2013) has also identified forms of AbD in contemporary India. Land acquisition happens due to the prioritizing of an economic model of granting foreign interest access of which the government believes is necessary for quick growth since the adaption of neo-liberal policies in the 90s. (Ransom, 2013) It happens through 'legal' state acts, turning the land into Special Economic Zones (SEZs), by 2011 about 15,000 ha. These grabbed zones were often residential areas for poor tribal communities or common wastelands with great importance for them (Banerjee-Guha, 2012, p.174-7). They have been seen as almost "*inefficient and backward*" (Ransom, 2013, p.24) and negated in regard and efficiency and high return. Usage of this accumulated land is speculation or real estate development against instead of new production activities (Banerjee-Guha, 2004, p.173-6). Privatization of water or public transport would further contribute to a rising social gap between rich and poor, modern and community life. Social inequality seems to be even a greater deal in India and while the annual growth rate is targeted at 8%, employment did not raise for then 1% at the same time.

(Banerjee-Guha, 2013, p.170) Also in India, farmers and rural population began to peacefully resist against these policies and dispossessions, as in the case of the privatization of the Kelu River, denying rural population access to water, which was answered crucially by the state (Banerjee-Guha, 2013, p.178).

5: Discussion

Looking at the cases, AbD and neo-liberal policies apparently are enforcing the struggles that Harvey was talking about. Dispossessed rural inhabitants were often relocated in poor urban districts and expelled from their lands, hindered to live in their traditional way of life. In the same time, it is undeniable that these policies are accompanied with economic growth, to be seen in Brazil, India, Bolivia or other countries like China (The World Bank, 2014; Ransom, 2013; Banerjee-Guha, 2013). But the theory says that these policies would also enforce impoverishment and class struggles. (Harvey, 2004) As Banerjee-Guha (2012, p.169) puts it for the case of China: *"In the process, one of the world's fastest-growing economies [...] has also become one of the most unequal societies"*. He is witnessing the devastation of the flooding of developing markets from the industrialized west, eliminating the traditional economic and social structures and enhancing vulnerability for both economy and communities.

But looking at the statistics we also observe a minor downshift in the Gini-Index in the recent year, especially in Brazil and Bolivia (²The World Bank Group, 2014). Despite certain shifts and occasional cases of state policy repossessing or caring about the rural population like in Brazil (Kröger, 2012), more recent cases however remind that sustainable and social acceptable forms of economic, respecting non-capitalist or alternative ways of living, are still far away from being achieved, which can be seen as black spots on the 'democratic' development on countries like Brazil, Bolivia or India.

6. Conclusion

Acts that can run under the term of AbD are happening almost all over the world (Banerjee-Guha, 2013, p.173-4) and in increased frequency despite some regional and variations in extent. In the meanwhile, resistance is rising and state policy occasionally starts to enforce the rights of rural inhabitants and indigenous people. AbD can be used in order to elucidate variations in development: it is usually accompanied with economic growth and binding to international markets while often creating social and environmental issues as well as the economic sustainability of processes remains (Harvey, 2004, p.72). In regard of indigenous people it is to be said that their ways of living often stay in contrast to the neo-liberalist view of large-scale projects, agribusiness and mono-culturing. As they often resident on fertile land, their development is

threatened and as they often do not possess the land but resident on state area, their legal position is weak (Kröger, 2012, p.951-2). The preservation of traditional communities under a neo-liberal globalized world must be questioned.

In the end of "The New Imperialism" Harvey (2004, p.83) pledges for a non-imperialistic way of globalization. And there are alternatives:

A process of accumulation without dispossession would integrate the rural population in large-scale-plans rather and cares about humanitarian goals than giving the power in the hand of a few big players. Hope lies upon this idea as it would secure social goals and sustainable economic development for the all population groups.

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