

# **ENERGY POLICY AND RESOURCE EXTRACTIVISM**

## **Resistances and alternatives**

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# Ulrich Brand, Austria & Germany: Energy policy and resource extractivism: resistances and alternatives

Background paper for the seminar

Given the rise of global demand for fossil fuels, resource extraction for the energy sector intensifies. *Extractivism* is not just the activity of resource extraction but a development model, which organizes – on the basis of the exploitation and marketing of resources for export – the political, socio-economic and cultural relations within the respective country or region: the economy and class structures, gender relations, the state and public discourse. This is especially the case in resource-rich countries in the global South, but is also an economically attractive way for the U.S. to re-industrialize (through the exploitation of “non-conventional” fossil fuels).

Eduardo Gudynas distinguishes three types of extractivism: *Depredating extractivism*, which is currently the dominant form, not including any social and environmental concerns; *cautious extractivism*, which takes into account certain (always contested) social and environmental standards, but still serving as the economic basis of a country or region; the third form, the *indispensable extraction*, is not a “model of extractivism”, because it refers to a reduced extraction of resources. Its major aim is: to extract as little as possible, to promote sustainable forms such as recycling, to close material and resource flows, to end pressure on ecosystems, to minimize emissions, etc.

The production and use of energy is the basis of human activities in general, and the fossil energy for the capitalist mode of production in particular. It is even more than just a basis, but a driving force of capitalist expansion itself. Energy is a *social relation*.

## Energy is a social relation as:

- It is based on the existence of and access to resources, water, etc., and on different forms of technologies, infrastructures and consumption patterns;
- It is linked to the production of wealth, poverty and (re-)distribution, and to property structures;
- It has a lot to do with production and consumption patterns, and is the basis for local, national and global economies;

- It has to do with displacement, territory and de-territorialisation;
- It has to do with finance, military and repression, with development policies and international organizations;
- It is linked to manifold forms to organize labour / work (as formal work and informal work) and to the international, national and local division of labour, to its class, gender, and racialized impacts;
- It is not only resources but also waste; it is the use of sinks and is pressure on ecosystems.
- It is local (oil in the ground) and highly global (production, finance and consumption);
- It is highly related to societal orientations like “progress” or the growth imperative.
- Energy resources might have impact on identities (like in the extraction regions) or they can be made invisible (e.g. for consumers).

### **Energy is about power and domination – about resistance and alternatives.**

The traditional and currently dominant form in most African countries is *depredating extractivism*, i.e. the exploitation of mineral, fossil or agrarian resources and their selling at the world market. This form of extractivism has been – and still is – the basis for economies and for a clientelistic state and class structure. In recent years, and given the announced scarcity of certain resources, high resource demand and resource prices gain more attention. China is getting involved in African countries; the European Union formulates and fosters respective strategies. Beside agricultural products and minerals, energy resources are key resources: beside gas, oil and uranium, water power and solar energy gain importance. Moreover, agricultural products for energy (agro fuels) gain importance.

From an emancipatory perspective we need to admit that extractivism as a development model is quite attractive for capital, the state, for employees in the respective sector and for those parts of the population, which benefit from the revenues through redistributive politics. Resistance rises mainly among the negatively affected people in the regions where resources are extracted.

Given the existing conditions of high world market prices for many resources (despite its volatility) and the lack of alternatives, extractivism is broadly accepted and welcomed, i.e. we can call it hegemonic. The discovering of new resources is a major and positive notice in most countries.

### **Possible axes of or discussion:**

1. Against this background, we want to better understand in a trans-regional encounter the dynamics of resource extractivism – with a focus on energy resources – and its broadly accepted character in African countries and regions. For this, we need a suitable empirical basis what we are talking about. We need knowledge to answer questions like: Which role play the European

Union and transnational corporations in the development model of resource extractivism? How can we understand the increasing financialization of capitalism with its effect in the energy sector?

2. We would like to complement this with experiences from Latin America and the role of the European Union in Africa. What are the claims from social movements and NGOs to stop brutal forms of extractivism, to promote social and environmental standards of resource extraction or even to stop it?
3. We intend to explore contradictions of the dominant and ongoing processes (especially the fact that millions of people live from resource extraction; the orientation at low energy prices and related problems to this).
4. We want to learn about alternative demands and struggles against resource extractivism.
5. And we would like to identify commonalities and political entry points to politicize this constellation through democratic struggles.
6. The *overall aim* is to strengthen common understandings and networks (and to broaden them), to develop and discuss adequate strategies, to promote common transnational and local/regional actions to overcome resource extractivism.
7. Further we want to focus on the questions: What are the principles of democratic, just and sustainable forms of energy production, distribution and consumption, and how can the overuse of energy be reduced? Should we call it *energy democracy* or *energy sovereignty*?

### **The horizon of our work:**

The horizon of our work is – besides differences – a denial of the greening of capitalism, but we want to go beyond this. However, it is an open question whether the projects of a Green Economy or Green New Deal open up certain spaces against more brutal forms of capitalism. The concept we use for this emancipatory process and horizon is a *socio-ecological transformation*, which implies global solidarity and transnational organizing. One general criterion for this process can be called a *just transition*, and for this we should develop and refer to *energy transition scenarios*. Which role play concepts and experiences like commons, reproductive economy, etc.?

We are aware that our seminar in Tunis is part of ongoing international exchanges and, at the same time, an important step to bring people together and to initiate a longer process of exchange and common activities.

### **Some aspects for our discussion:**

1. In African and Latin American countries, resource extractivism is broadly accepted. Recent debates in Latin America focus on the role of progressive governments and national capital in the development of the respective economies and societies. Economic growth, distributional policies, and more international political weight seem to be crucial in the “post-neoliberal era”. However, ecological destruc-

tion is more intense, distribution seems to be stopped before it comes to land reforms, and the traditional clientelistic state is not really democratized. With respect to the countries with progressive governments like Bolivia, Ecuador or Venezuela, this tension is called the "Latin American Paradox".

Esperanza Martínez from Oilwatch and Acción Ecológica in Ecuador argued in July 2012: "*We need to understand the reasons why people do/don't organise to struggle.* Key factors are fear and misinformation. The most frequently invoked type of aggression: health problems; land occupation; ecological tensions in fragile/protected areas; human rights aggressions (murders/killings)."

Lucio Cuenca, OLCA (Chile): "In Chile, the discussion about extraction is largely one about mining. Mining today can't be discussed without discussing energy and water. Although Chile is the largest copper producer in the world, with the largest copper reserves on the planet – the nationalisation by Allende was crucial – today, the country has trebled its production on the basis of traditional investment over the last thirty years. Today, mining alone eats up 37% of the electric produced in the country. There's real madness in the expansion of large-scale mining: enormous sums of money being invested. During the last 20 years, 20 billion dollars – and the next 9 years, it'll be 91 billion dollars. Thus, the north of Chile is experiencing a water crisis because of the growth of large-scale mining – which also leads to thinking about mega-electric projects. Paradigmatic megaprojects for mining and energy: have become foci for concern and mobilisation, not just at the local level."

How can we understand the constellation in African countries?

2. An important aspect seems to be that emancipatory perspectives to counter resource extractivism need to offer attractive, alternative, socioeconomic ways of production and living for the masses, and the alternatives probably need to be implemented against the political and economic interests of the elites. We contest a type of "naïve cosmopolitanism" in the global North, which wants to "save the planet" but does not contest global and social power relations, which does not consider the realities in the Global South and, in fact, might promote authoritarian solutions in order to save the planet.

3. We contest strategies towards a Green Economy which run the danger to modernize some branches of some economies of the Global North at the cost of some regions within the Global North (like regions in the U.S.) and at the costs of countries in the Global South (including Eastern European countries).

4. In Europe, some contradictions could be politicized: A) The EU Commission advocates in its strategy papers a resource-light and low-carbon economy, while in its policies imports of oil, gas, coal and uranium and respective infrastructures are promoted. B) The strategy towards a green economy has a major implication in the energy sector, i.e. the import of agro fuels (20-30% of biodiesel comes from Argentina), which leads to a use and concentration of land in the producer countries. C) The question of a historical energy and resource debt of Europe and the Global North in general.

## Brian Ashley, South Africa: **Climate jobs – the struggle of our time**

**E**xtensive possibilities exist for progressive civil society not just to enhance the understanding of the general public on climate change but to become involved in initiatives and movements to address the root causes of climate change (generally not acknowledged) and to mobilise around possible solutions and alternatives.

The difficulty with the issue of climate change lies in its remoteness, its distance in time and space, from the day-to-day reality of people as well as people's perception of powerlessness to affect change. For awareness-raising efforts to be effective and to reach out to many thousands of citizens, especially the vast majority of the poor, interventions need to be very concrete and relate to the immediate concerns of people.

Linking the issue of climate change to jobs and especially the possibility for creating one million climate jobs through immediate and coordinated steps to shift to a low carbon, labour intensive economy can galvanise South African civil society. More importantly it can also reorient government policy in relation not just to climate change but in relation to the economy and social needs as a whole.

### **South Africa's unemployment crisis**

South Africa faces a severe unemployment crisis. Officially, more than a quarter of the working age population is without work. When unemployment reached 25% in the United States the period became known as the Great Depression. However, the situation in South Africa is worse. Official figures do not include the millions of unemployed who have given up looking for work as they are labelled as discouraged workers. Also excluded from the official unemployment figures are hundreds of thousands of people without work and who undertake a range of survivalist activities such as begging, growing vegetable gardens, etc. Now is not the time to get into a semantic debate on the definition of work, suffice to say that the labour movement – noting the above and in the context of the dramatic informalisation and casualisation of work, as well as the precarious nature of much that is included as work – has adopted the term '*decent work*' to denote the type of work the South African economy should be providing.

There is a further dimension to South Africa's unemployment crisis that makes the need for making job creation the most urgent priority of government policy and action, that is that 75 percent of the unemployed are youth and the vast majority, are black women – just over 60 percent. Since the end of apartheid unemployment has doubled, representing a huge waste of potential resources and is one of the major factors behind mass poverty and why South Africa has become the most unequal country in the world.

### **Unemployment and the global crisis**

The advent of the financial crisis, linked to the sub-prime housing crisis elsewhere, quickly evolved into a general economic crisis at a global level. The impact of the global economic crisis on South Africa was severe. The South African economy contracted (especially in the manufacturing sector), exports plunged and between October 2008 and the first quarter of 2010 more than a million jobs were lost. Even after the South African economy started to grow again jobs continued to be shed in both the formal and informal economy.

Each job lost probably affected another five people dependent upon it and by extension approximately 5 million people were impoverished. For millions without a job it is not just the loss of being able to afford the basic things in life, it is also the loss of *dignity* that destroys people and their communities. Without work millions of people have no means to provide food for themselves (especially given the lack of available land), nor to pay service charges to government. It is a waste of potential human labour, the most productive resource. This is why we can talk about unemployment as a virus which has turned our communities into places of fear and misery, with violence, abuse and crime as our daily reality. It is women as the most exploited section of the workforce, as caregivers, as mothers and as young girls who are forced to carry the bulk of this burden.

### **The climate crisis**

Climate change is a fact. In the 20<sup>th</sup> century, the average temperature of the surface of the Earth increased by 0.6°C, the sea level went up from between 10 and 20 cm, glaciers retreated almost everywhere in significant proportions, the violence of cyclones increased in the North Atlantic, and more extreme weather phenomena, such as storms, floods and droughts, were recorded.

Even if all greenhouse gas emissions were halted tomorrow global temperatures are likely to rise by at least another half a degree Celsius and sea levels rise another 11 centimetres by the end of this century. Drastic reductions in the emissions of greenhouse gasses are required if a 2 degree C temperature rise is to be avoided. An increase in 2°C is identified as a tipping point where-after runaway climate change will occur with catastrophic consequences for humanity and the natural environment.



South Africa is a developing country and faces many challenges in overcoming underdevelopment and the legacy of apartheid. However, these cannot postpone the necessity of addressing climate change and the very high greenhouse gasses, especially carbon dioxide (but one of a range of pollutants) that the economy produces. South Africa is listed as the 12th biggest emitter of carbon dioxide in the world producing annually a total of 433,527 metric tons per year. The decision to commission two of the biggest coal fired electricity plants, Medupe and Kusile, will dramatically increase South Africa's already very high per capita 2°C emissions. The Medupe power station alone will put out about 30 million tons of 2°C per annum in to the atmosphere which is greater than the total emissions of 130 countries.

On a global scale, the South African economy is uniquely dependent on electricity and is uniquely electricity intensive, with levels of consumption comparable to those of rich industrialised countries like Britain. Yet, household consumption constitutes a fraction of electricity use. Most electricity is consumed in mining, mineral processing and related industries. Coal is responsible for over 80% of the primary energy needs (50% converted to electricity, 30% into oil).

The energy crisis of 2008, which saw a number of blackouts, and which has led to a new energy plan and a massive build programme for increased electricity generation reduces renewable energy to the margins of overall generation and supply. Essentially it is business as usual.

In reality the shift in policy by the South African government will require advocacy and the mobilisation of public opinion on a very high level, given the weight of the mineral energy complex in shaping energy and economic policy. This is indicated in the current Integrated Resource Plan 2, which represents South Africa's energy strategy for the next 20 years. This plan overestimates the country's energy needs and underestimates possibilities for reducing energy wastage. Furthermore, it reinforces the role of coal and emphasises the role of nuclear in providing for SA's expected energy needs while minimising the potential of renewable energy. Another energy perspective is necessary that coincides with a new growth path oriented to overcoming poverty, inequality and unemployment.

## **Climate and jobs**

South Africa can create many climate jobs that would contribute to reducing emissions of greenhouse gasses and other pollutants, and contribute to reducing unemployment. For this to happen, the state must take the lead and co-ordinate these efforts.

Climate jobs mean those that contribute to cutting down the emission of greenhouse gasses that lead to global warming. Green jobs are not always climate jobs, however, many of them are, important in themselves. Climate jobs would involve the building of solar, wind, wave, tidal current and other power generation options. Climate jobs would also include work related to the building of a safe and efficient public transport network that would help reduce the number of cars and trucks on

the road. Other areas would include renovating and insulating buildings; transforming industrial agriculture; reforming production and consumption; and tackling (at the same time) water and materials intensity, as well as energy intensity of the economy. Significant jobs would also be created in the related areas of research, education and training to ensure the country has the skills to undertake the transition to a low carbon, labour absorbing and socially developed sustainable future economy.

Most importantly, to achieve the possibility of creating millions of climate jobs requires the mobilisation of millions of ordinary people through their trade unions, social movements and associations. Such mobilisation holds out the possibility of a rapid “learning by doing”. The general decline in social consciousness and awareness that has accomplished the post-Apartheid transition can be arrested by involving the architects of Apartheid’s demise – the people - in the struggle of our time: fighting for decent work, fighting to halt climate change.

### **The campaign in concrete:**

In abstract terms we are fighting against a Mineral Energy Finance complex that characterises the accumulation path of the South African economy. It has ensured that SA is the most energy intensive economy in the world when measured by energy use, by GDP per capita. This has foreclosed or trumped opportunities for diversifying the South African economy and led to a labour market based on cheap, unskilled labour. Since the end of Apartheid this process has been largely reproduced but now linked to processes of financialization. This has on the one hand, exacerbated reliance on mineral extraction and on the other hand deindustrialisation of the manufacturing industries. South Africa has experienced substantial job losses since 1995 as a result. Thus it is in this context that our campaign demands the creation of ONE MILLION CLIMATE JOBS. As the Campaign sets out, these can be created in building a renewable energy industry, public transport, retrofitting building to be energy efficient and development of small-scale agriculture. Our demands are directed at our government that must create these jobs are create an environment for these jobs to be created.

We are still in the early stages of the campaign. We have managed to have the Campaign endorsed by a very wide range of forces including all the trade union federations, civil society, faith based organisations etc. However, we have not managed to push government in the direction of significantly up-scaling investment in renewable energy. They remain on the trajectory of dirty energy having commissioned 2 of the biggest coal-fired electricity plants, planning for the construction of 6 nuclear plants and are even exploring the exploitation of shale gas through fracking.

The main actors of the Campaign are popular movements: trade unions, social movements that organise the unemployed and environmental movements.

**Sören Becker, Germany:**

## **Energy democracy and extractivism: Some theses on alternative forms of energy organisation in Europe (and beyond)**

**T**he spread of renewable energy in Europe seems to be at a critical crossroads. The question is whether huge corporate-led infrastructures based on renewable energy technology, or a possibly democratic decentred small-scale approach will be the backbone of energy transitions on the continent.

In the niches of a liberalised oligopoly market, there has been a diffusion of what we term alternative forms of organising the energy sector: energy co-operatives, community-energy projects and municipal power suppliers. What renders them alternative is that they challenge the assumption that private electricity suppliers should be the only players in town.

What unites these diverse forms of organisation is that they a) use renewable energy technologies and often inscribe green measures and sustainability goals in their objectives; b) are born out of bottom-up common endeavours, local networking, and political campaigns and lead to a re-politicisation of local energy sectors; and, c) if independent, they narrow down the dependency on and the influence of large energy corporations and, thus, open up a potential for changes in energy-related power geometries.

However, their democratic character is subject to a) granting citizenship rights in participatory processes of collective action to all social groups interested in and affected by their operation; b) their scope of democratic decision-making (ex-post legitimization vs. effective decision-making authorities in areas as investments and general trajectories); and c) the just distribution of – not only economic – gains and losses within the community (and beyond). The two main critical questions here are “Who is an entitled member by what legitimation?” and “cui bono?”

The predominantly local and regional character of these organisations also entails a re-scaling of the organisation of the energy sector as such. On the backside, their local focus bears the dangers of a “perceptive localism.” That means action and attention might focus on bringing forward the local project and reaping the benefits

they provide for their members while it remains difficult to include effects outside their original action space.

This makes such alternatives in Europe vulnerable to ignoring the negative social and environmental impact of extractivism in countries of the Global South. Their use of renewable energy sources reduces the overall dependency on fossil or nuclear energy and, thus, also minimises the devastating environmental impacts and landscape transformations of coal or uranium extraction, reduce climate gas reductions and eliminate the imperative necessity to solve the problem of radio-active waste. On the other hand, the supply chain of their technologies used often lacks transparency concerning the impacts of mining and processing of the materials needed for renewable energy technologies. These costs are rarely included in the technology prices at the final user end of the supply chains.

A transfer of such projects to countries of the Global South does not only entail problems of differing context variables and question of the general feasibility of a one-way North-South exchange of ideas, but also faces the challenges of access to finance and technology. While south-south co-operations in terms of “appropriate and affordable sustainable energy technologies” (United Nations) are an emerging field of action, the lack of capital and a funding context might pose high obstacles for the spread of both renewable energy use and alternative forms of organisation in the energy sector.

If established to replace extractive paths of development, the issues of democratic design and just outcomes are equally important in the establishment of alternative forms of organisation in the energy sector as is the challenge of perceptive localism.

Ana Esther Ceceña, Mexico:

## The conception of nature and the debates, experiences and meaning of *Buen vivir* in Latin America

500 years of colonisation coinciding with the new appropriating impulse has led to capitalism violating life in all its forms, to a destructive use of the planet, and to a horizon of extinction in which reproductive capacities have been completely overrun by greed. All this has generated not only the conditions, but also the urgent need to reconsider our possible future.

An authentic revolution of the meanings and perceptions of life have invaded the spaces for thought. The fact that the so-called indigenous peoples emerge as central subjects, accepting their historic specificity, stamped a civilising profoundness on thought and end-of-millennium struggles. This civilising profoundness doesn't settle for readjustments or "changes in the model", but rather calls for an overhaul of the organisation of life. Starting with the political but, above all, epistemological displacement caused by the Zapatista uprising which placed the problem of colonialism as a fundamental pivot in the struggles against oppression in all forms, the journey has been gaining in depth and richness. Memories and traditions take on a new expression; an expression of criticism of modernity and of a jump towards the future. It is a revisited and updated past that generates new emancipatory horizons.

Since then, and up until the present day, the creative surge has not ceased. Accompanying, preceding or succeeding specific struggles for land; for the care of water, forests and woods, deserts and salt flats, self-determination; for the rejection of impunity, violence, militarisation and perverse political practices; and for everything that is linked to the fabric and complexities of life; it is thought that has been building watermarks and looking for new and old ways of understanding and understanding each other.

From questionings on the *political level*, on its restricted and exclusive areas and its practices which are at once supplantory, corrupt and far removed from daily anxieties, demands and aspirations, it moved on to a re-conceptualisation or relocation of humanity in a holistic perspective. It turns Mother Earth into a *political* fact and not a *natural* one. Creative totality does not end in humanity as a single subject, but rather in Mother Earth as a unifying area that makes reproduction of life possible

with all its variations, exchanges and enrichments; as a place of heuristic intersubjectivity.

The pillars of modernity are in crisis. Not a “development model”, but rather development itself, conceived as the control and domination of nature, as a process of objectification of the subjective, of standardisation and accumulation of wealth, and of the establishment of single and lineal time. This is the conception of the world that has reached its limits of sustainability. It is the system of modern and capitalist social organisation that constantly and rapidly transforms its support bases into bases of corrosion.

The struggles that have characterised the period of the change of millennium or the cosmic cycle carry a different vision of the world that expresses itself in its new forms and in the depth and breadth of its contents. In many ways they are heirs to past struggles but have gone deeper to search for the roots of domination in order to retrace the path and to leave from there on a different route. To relaunch the world. Not to transform it but to build a new one, as the Zapatistas would say.

However, what we are currently seeing, and it could be no other way, is a state of chaos in which old and new methods of political invasion and construction both coexist and confront each other. The urgent need of a present with scarce porosity to advance towards libertarian horizons; thought accustomed to the restricted room for manoeuvre and to discarding the utopia of practical experience as unrealistic. The presumed incompatibility between the times of creative imagination and concrete execution are part of a paradox of a diverse and multiple emancipatory task that does not easily find spaces of convergence and discernment.

Within this framework we currently see an ensemble of debates and disengagement that revolves around the concept of territory and its *modes of use*, or in other words, the interweaving of human life with Mother Earth, which is what indicates the references for the future.

### **Abandon development?**

Development, including development that considers itself to be sustainable, expresses the way in which it understands and treats nature within capitalism. It protects nature, it cares for it or it devastates it, it modifies it or enjoys it; always as part of a unilateral act justified by the knowledge that has been acquired about nature through scientific know-how.

There are two basic suppositions: 1. Society should progress, grow, develop and move forward in accordance with an accumulative and relentless temporal lineality; 2. The human being, as a subject of history, is the only creature capable of leading the process and is called upon to deepen it unabated. This means that development is presented as an inevitable social objective.

The legitimacy of these two suppositions, which appear as immanent timeless truths to any type of organised social grouping, is constructed culturally. The bodies of authority are science as the only valid knowledge, and the idea of the superiority of the human being over and above all other creatures. So they promote a classification which, combined with the enormous strengthening of the productive forces that have generated capitalism, leads to an imbalance that has now put the planet onto red alert.

Without doubt, the studies that science has carried out on the behaviour of nature, on nature's way of solving problems, on evolution patterns and variability of species – and many other things – have been of great value. The problem lies in no longer recognising ancestral wisdom, on the one hand, and transforming this knowledge into a method for intervening in or correcting nature, on the other; arriving then at the recent excesses of modifying genetic chains in order to, supposedly, achieve useful results – results where it is never clear for whom they are useful and what problems they generate.

Over and above the good will and determination of scientists, the epistemological pillars of scientific knowledge are organised around a subject-object relationship which marks the unilaterality and potential abuse with which problems are dealt – one of whose cruel caricatures is the use of guinea pigs which are made sick to then be injected with medicines without knowing what the effect could be, and which then, in the best case scenario, kills them; that's without taking into account breeding centres for guinea pigs (living beings!) exclusively for this use. Something similar occurs with the production and introduction of genetically modified seeds that completely alter not just evolution but also ecological structures and their balances, unhinging them irreversibly.

Development is one of the central elements in the capitalist epistemological field but it has been transformed into a transhistorical objective, as if there were only one possible way of organising life and reproduction. The domination of nature as such does not exist in most non-capitalist cultures; gods represent the forces of nature and coexist with communities; a soul is recognised in the mountains and rivers, and time is circular and spiral. Hierarchies are built in a different way and don't represent the objectification of any one of the parties. Thousands of years before the establishment of capitalism, without development, there were civilisations, knowledge and wisdom, and reproduction was possible based on these things.

The living bridges of Meghalaya, the man-made islands of Tenochtitlan, the terraces of Machu Picchu, the Mayan calendar and many other inventions-discoveries were the foundation of ancient cultures and, in many cases, even today are more appropriate for resolving the problems of reproduction of life than more recent inventions and technologies. Thousands of different methods, corresponding to differing geographical areas and cultures, have been drowned when faced with the maelstrom of capitalist technology. This is, to a great extent, due to the scale of production that has been achieved which both favours more abundant production and unhinges the

balances that have been built up by nature over time, thus causing global problems like climate change.

But in reality, more influential than capitalist technology was the way of thinking that it brought with it. Therefore, hand-in-hand with the idea of development comes the idea of industrialisation, understood as the only possible path; and which now, in many cases, is adopted or explained in Latin America – repeating the experience of the 1960s – as being a tool supposedly of liberation or of reduction in dependency.

Modifying the relationship between urban and rural settings or between countryside and city in order to reduce the gaps that separate them has never been proposed; neither has much impetus been given to other modes of processing – instead of the industrial mode – because the scale of the problem hasn't been examined. It is said that driving the rural or community economy would mean a short-term loss in terms of production and/or productivity, although it could start to resolve – or at least not widen – the deep-rooted problems as regards the way in which nature or Mother Earth is used, or devastated. But what productivity is being referred to? In general, this is not questioned.

There are indeed real necessities that don't easily find methods other than those established by the system that has led us to such extremes. And this is how it will continue to be while we think about the impossibility of defying the global market. Can we really not do it? Can the community economy only be the way capitalism has limited it? Are there no methods of promoting self-sufficiency, so heavily questioned by capitalism but so prized in the ancient history of peoples? Does history always have to start tomorrow?

Debates in this area are intense and varied. Our countries that are so rich in minerals, biodiversity, water, culture, and wisdom are precisely the focus of attraction, the axes for economic organisation and the assets to be protected. The principal battle revolves around territory and territoriality, i.e. the mode of life and the perception of the world. It is a battle that has to free itself both materially as well as conceptually. None of this can be neglected.

We have to recognise that the complexity of a process which combines differing times, demands, plans of action, subjects, cultures and histories produces interpretations and initiatives for action in which there can be legitimate reasons consistent with a shared horizon in more than one of the positions. This, despite the fact that the immediate situation makes them seem completely exclusionary. The opposite can also happen, however.

Some of the questions that often correspond to these paradoxes from the cross-roads of times start to shine a light on the critical aspects of the birth of a new world.



## Who is the subject of emancipation?

Following the Zapatista uprising in which it was deduced, legitimately, that all institutional paths were closed to democracy, justice and recognition of social, cultural – and therefore political – differences, Hugo Chavez's electoral triumph in Venezuela once again placed the idea that transitions – for those who were thinking of socialist, or emancipatory processes, taking into account all libertarian traditions – could still take advantage of some of the weaknesses in current institutionalality, or even make use of said institutionalality.

Effectively, emancipation cannot undervalue any occasion or space to erode relationships of oppression and to give shape to its utopias. However, the possibility for systemic transformation using the institutions or the system which have accumulated so many failed experiences has provoked profound debates.

The State is important, both for those who back it as well as for those who reject it as a field for emancipatory construction, as a territory where all present forces of society converge, and the course is merely defined by the mosaic that is conceived with these forces. In other words, winning the government will only change the State in the long term, and this long term is designed by the intervention of all the forces in discussion, and not only by the libertarian forces.

The apparatus is very heavy, condensation of historical power relations and their cultural settlements: it is a *habitus*.

If getting into government indicates a change in the correlation of forces and gives possibilities for the recognition of rights, for prompting social and redistributive policies and for opening up more spaces to democratic participation, it is also true that the bureaucratic package – impossible to break up in the short term – weighs in favour of inertia, of conservatism, of created interests and of the gatopardism pseudoculture, and that contrary forces will make use of this mind-set of “not making waves”.

In any case, what matters is asking questions about emancipation, and less so, at least on this point, about its strategies. It seems obvious that a part of the subject of emancipation will never pass through the State, but will continue to wager on its autonomy. But on the other hand, and presumably due to mobilisations and broad social struggles, it has managed to occupy the government. This is the case in Venezuela, Bolivia and Ecuador.

How far these governments are expressions of emancipatory forces depends on the mosaic of internal power that is simply recomposed. It is not clear to what extent it is possible to promote a substantial change in the rules of the game that could answer to the different way of understanding the world defended by the social forces – and it seems difficult in any case. But perhaps the real turning point is in the fact that emancipation is only possible through a profound cultural change that would install non-capitalist visions of the world. And this implies not only taking a government or stopping a mining project, but generating a culture of the world-in-which-

all-worlds-fit, of the *sumak qamaña* or the *sumak kawsay* (living fully), to use Latin American references.

Where is the subject of emancipation, and how diverse is it? From how many specific difficulties does it come and how is it going to articulate itself? This is of the greatest importance and cannot be restricted or resolved within the limits of any situation. Its strategies are multi-faceted and can sometimes oppose each other, but the crux of the issue is on the horizon. Could it be that all these different initiatives for struggle, many of them referred to as anti-capitalist, share the same libertarian horizon? Because the reaction could also be an alternative.

### **What should be done with the natural assets that are claimed by the global market?**

This is perhaps the central point of the debates and involves an epistemological positioning and a corresponding construction of territoriality.

The Mesoamerican and the Maya peoples called for the recovery of community methods of organising life, supposing that community includes geography, nature and the cosmos; in other words they called for a radical change of life. Shortly after, but still within the same refoundational cycle, the Andino-Amazonic peoples called for a reorganisation of life in accordance with their ancestral principals grouped together in different concepts, including *sumak qamaña* and *sumak kawsay*. Understanding Mother Earth in a different way and coexisting with her, accepting that *the earth isn't ours but rather we belong to the earth*. And this is happening at a period where the earth is in an accelerated process of devastation that goes hand-in-hand with the decadent capitalism of our times.

How the relationship with nature is prioritised or understood depends on the way in which its parts are dealt with: gold, oil, lithium, water, ayahuasca and others. Are they natural *resources*? Are they merchandise? And if they are, can they not be? What are the risks implied in one concept or the other?

A whole range of intense debates are involved in this dilemma. Debates that have made some researchers talk about "extractivism", and social fighters, who are facing different types of plundering and pillaging of their territories, to widely use the term.

First of all, it is clear that throughout the history of the world people have never stopped using the elements that nature offers us. In addition, within the idea that everything and everyone is part of this nature that we tend to call Mother Earth, it should be stated with a great level of precision that the internal interaction, that the virtuous joints between all of its components are precisely what makes it possible, what gives it life.

As these joints begin to fall out of balance, either it manages to establish a new holistic joint or the system heads down a perverse route that leads it to suicide.

When talking about extractivism – not extraction – as regards the assets that nature has to offer, the problem takes the latter route. More is extracted than nature can reabsorb; what is excessively extracted in one region is excessively applied in another; the violence that is necessary for excessive extraction does not just refer to the extracted goods but to everything that is joined to it, and the damage ends up being general.

So to maintain the ecological equilibrium that nature has largely constructed, there are at least two points to consider:

1. The assets cannot be separated from one another and treated individually because they are always in relation with everything else. The metal under the earth allows the trees above to obtain nutrients in a certain way and to generate a certain type of fruit, and for the birds that shelter in the trees to have certain characteristics corresponding to the type of shelter or food that those trees offer. The mineral – oil, for example - will not form, be preserved or transform if the trees, the underground currents or the animals that run and die on the earth disappear. So the over-exploitation of an asset is, in reality, the over-exploitation of the whole structure that forms it.

2. The proportions or the natural forms of the relationships between the different components of the system cannot be distorted. Extracting all the minerals from a mountain or from a salt flat or from the bottom of the sea to transform them and relocate them somewhere completely different makes it necessary, like the flapping of a butterfly, to completely repair the system of interrelations – something that nature takes extremely long periods of time to do. If the speed at which these processes are carried out is added to the equation, clearly there is no possibility for nature to digest them. Climate change is nothing more than one of the expressions of the degree of aggression and finality of the process, and of the level of response that is needed from the side of nature to re-establish the balances of life, at the cost, of course, of a large part of life itself.

Perhaps stopping processes that are already in motion is more difficult than trying to start new ones on other bases. Starting to construct differently in order to deconstruct at the same time seems to be the most sensible thing to do. However, this doesn't appear to be what is happening. The governments formed from social struggles on our continent have seen themselves put under pressure to maintain the dynamic of unilateral and disproportionate extraction, not just to resolve internal needs but also to nurture the global market, which in turn will deliver foods and other basic goods to the populations of these countries, or machinery to continue extracting.

Isn't it absurd? Shouldn't we mend the community and rural economies, including reconstructing their full complexities, in order to build conditions for self-sufficiency and the care of nature?

There are many variations in the discussion on extractivism, which is the term it is known by. Eduardo Gudynas, who originally put forward the idea, uses it to refer to

wide-scale extraction activities which are neither processed nor consumed in the national field but which are destined for the global market; he includes plantation agriculture (soya, eucalyptus, etc.) in these activities and says that some tourism activities could also be included (Gudynas, "Extracciones, extractivismos y extrahecciones" in *Observatorio del Desarrollo* CLAES, February 2013).

The wide-spread usage given to the term in other areas relates this ruthless manner with which territories are being devastated almost as a modality of contemporary capitalism. However, as is noted in a reply by Álvaro García Linera (*La geopolítica de la Amazonía – Geopolitics of the Amazon*, Vice Presidency of the Plurinational State of Bolivia, 2012), the extractive vocation is inherent to capitalism and therefore the point has to be looked for elsewhere.

Gudynas has, without doubt, spent more time than anyone working on the concept, with many contributions to the discussion that, as it is an issue under construction, allow us to whip up a storm in order to add wind to the development. The difficulties I have with Gudynas' recently offered clarifications, and which should lead us into new debates, are as follows:

1. The unit of analysis in a discussion such as this one cannot be the Nation, but should rather be nature. The fact the components of nature<sup>1</sup> are being extracted in this unilateral, violent and disproportionate manner constitutes universal damage.
2. The term extraction refers to a plundering action on what already exists. Extending extractivism to include agriculture despecifies it. In the case of plantation agriculture, which he mentions, nature is also seriously abused but in a different way and with different social implications.
3. Export without processing once again places the discussion in the area of global capital and not of State-Nation. Taking Gudynas' approach to the extreme, the alternative – at least as has been suggested by thinkers and social fighters at the turn of the millennium – lies not in adding value to the extracted product in these conditions before sending it to the global market. Rather, the alternative lies in not extracting it in this way. That the Nation should benefit because its citizens worked on the raw product and received a wage for their work, and in this way there is an improvement in national finances, waters the issue down and makes it seem attractive or beneficial. Instead, the deep-rooted problem should be tackled.

The ecological disaster caused by capitalism is just as big as the challenge to think and walk the world in a different way. The debate on territory and reproduction of life is not an intellectual game or a skilful slogan from the side of social fighters; it is the place where history opens the path to a systemic split; it is the place where Mother Nature once again becomes the subject of history.

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<sup>1</sup>It is becoming more and more difficult to continue talking about natural "resources" when the term itself gives them an objectified and individualised character. These are conditions which automatically convert them into merchandise. For this reason, I prefer to talk about assets or components of nature or of Mother Earth.

## Alexis Charitsis & Geo Velegrakis, Greece:

# The energy sector in Greece: industrialization, privatisation and social resistance

### **The industrialization and statist period (1950s to mid. 1990s)**

The foundation of PPC (Public Power Corporation) in August 1950 is the first milestone in the history of the electricity sector in Greece. As the then Minister of Energy put it: “the electricity sector lies exclusively within the government’s sphere of influence”. The effort to electrify and industrialize a heavily destroyed country – after nine years of war (World War II and Civil War) – was throughout the decades until 1990s mainly based on an extensive programme of public expenditure in the electricity sector: the development of PPC’s electricity grid and the exploitation of the lignite stocks (lignite is usually referred to in the public discussion as “national fuel”).

At the same time, a large public programme to exploit the country’s mineral resources was developed in the 1970s and 1980s, in the context of the booming construction and industrial sector. Further, the potential exploitation of oil deposits in the Aegean Sea was publicly debated throughout, but was only implemented at a very small scale.

In political terms, the high consensus of the political forces of the country (among the entire political spectrum) with regard to this national effort of “economic development through industrialisation” can be highlighted. The ideological doctrine of “growth at any cost” was dominant throughout, even among the Left. One could argue that this historical attachment of the Left to a development model of strong productivism has left significant ideological marks, and affects even today the internal discussion between and among the Left and the social movements about development and the production process.

Up until the late 1980s, discussions about environmental issues, de-growth, an alternative development model of socio-ecological transformation etc. were practically non-existent. A strong public sector, the production of low-priced and easily accessible energy for the vast majority of the population, and the introduction of an ecological agenda into the public discussion resulted in a slow development of social movements concerning environmental and energy issues (compared to other European countries). Whereas social resistance concerned with other aspects of social life such as education, health, welfare existed before, environmental movements

developed at a much slower pace, with the exception of anti-nuclear movements of the early 1980s.

Public attitude towards environmental issues started shifting in the 1980s, when the pressing problem of air pollution in Athens became central in the public debate. A more political standpoint on ecology and energy production, distribution and consumption only developed in the last decade when the agenda changed – with the privatization of the energy sector, the implementation of vast mining projects regardless of the impact on local communities, and with the sharp increase of energy prizes combined with the unprecedented austerity policies of the “memorandum era”.

### **The deregulation and privatisation period (mid. 1990s to 2010):**

The deregulation of the electricity sector and the privatization of the major public energy corporations started in Greece around the mid 1990s. It is interesting to note that due to the general political environment in the country and in contrast to most western European countries, Greece’s energy sector remained for a much longer period under strong government control. So in the 1990s, when the wave of neoliberal reforms reached Greece, there were many opportunities for domestic and international capitalists.

Ideologically, this long process of economic and social transformation was justified around the notion “Greece should be modernized in order to be in the hard core of the Eurozone”. This “national effort”, encouraged by the main political parties and the mainstream media, met with wide support from the public. As a result, these policies faced little social resistance in the energy sector, when new private players entered the electricity market and energy corporations were partly privatized. The ideological domination of neoliberal policies during this period explains why even the sharp increase in electricity prices did not create any major social unrest.

### **Greece under memorandum (2010 – today):**

This period is characterized by the implementation of severe austerity policies imposed mainly by the IMF, the EU Commission and the European Central Bank (known as the “Troika”). The main objective of these austerity policies is the so-called *internal devaluation*, which covers all aspects of the economic and social sphere. Three different memorandum packages have been imposed to date, which

- Lower to an unprecedented level salaries, pensions and social benefits,
- Impose an extended programme of privatisation of common goods and public services,
- Push a programme of so-called “fast-track development projects” which promote large-scale private investments by bypassing constitutional and legislative regulations regarding labour and environment.

## **Extractivism: Why here why now?**

Greece provides at the moment a very crucial case study for the political economy of extractivism. It is a country of the global North, a Eurozone country facing a severe economic and social crisis, as an epicentre of the global economic crisis. Transnational capital and global financial institutions such as IMF consider it as a “resource rich but cash poor and indebted” state. In this context a series of political choices emerge: the in debt state structurally adapts to the requirements of IMF or other multinational institutions, sells public lands and resources to transnational and domestic capital, and ultimately together they organise “legitimate violence of the state” to counter social resistance.

As it is stated in the relevant literature “the crisis lowered costs by: reducing the cost of labour (devaluation of salaries and of the value of health of workers) used in extraction activities; reducing the opportunity costs of extraction; reducing social resistance; minimising the costs from the delay of projects; and, reducing the monetary cost of externalities and the monetary value of impacts (‘the poor sell cheap’ - health, visual or environmental impacts are no longer that highly valued)”.

In Greece, under the pretext of the economic and debt crisis, a looting has started, evolving around the privatisation of common goods and public services. Many “investors” with the assistance of the government and, stripped of any concept of planning, environmental protection, respect on the citizens and the nature, pursue a “development”, completely catastrophic for the people, that only benefits the national and international capital.

As it has been blatantly stated by the Troika itself, Greece is currently used as a lab experiment for the whole European South. The success of this austerity mega-project in Greece will result in its implementation in other “weak links” of the EU. This process is actually already in progress. Resistance to these policies in Greece is therefore crucial for all countries in Europe.

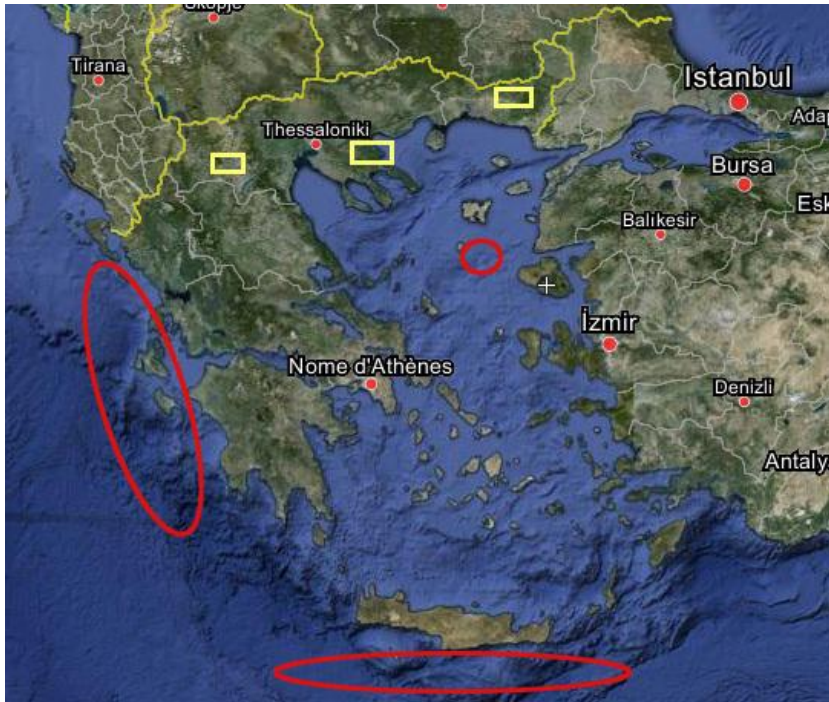


Figure 1: Places of interest for mining activities in Greece

## Two flagship case-studies

### A. Gold industry in Northern Greece

A good example of “development” that represents a modern (during the last years while Greece is under the memorandum) outrageous environmental, economic and political scandal, is the gold mines in Northern Greece and especially the gold mines of Halkidiki. Halkidiki is a peninsula in northern Greece that has a very diverse, biologically important, natural landscape, combining mountains, forests, sea and beaches. It is a very popular tourist destination. Besides tourism, local economy is based on agriculture, livestock, fishery, beekeeping, and forestry.

For many years, in Halkidiki, the issue of mining activities has been central. Political choices and economic interests tried for decades to create an economic “monoculture”, where the local economy will be entirely dependent on the mines.

The Greek state gave the company (a cooperation between the Canadian El Dorado Gold Corp. - 95%<sup>1</sup> and the Greek Hellas Gold S.A. – 5%) an area that sums up to over 30.000 hectares (ancestral forest and the property of the old mines) for just 11

<sup>1</sup>Gold production of 705,000–760,000 oz; cash operating costs of \$515–\$530/oz; estimated total cash costs of ~\$585/oz; capital expenditure of \$648m (\$410 operations; \$238 projects); cash and cash equivalents of ~\$810m at year end 2012.



million Euros.<sup>2</sup> After only a short while, the company was broken into fragments; the profit of the company from selling the Halkidiki property to another company was 2 billion euro.

The investment plan includes the existing mine in “Mavres petres”, a new open pit and underground mine in “Skouries”, an underground mine in “Olympiada”, a 8.5 kilometre underground tunnel for the transport of ore (olympiada– Madem lakkos), a copper-gold metallurgy plant, a sulphuric acid plant (1000 t / d), four tailing disposal and storage sites, an industrial port, storage tanks and exploration of 14 other potential mining areas. According to the plan, 380 million tons will be extracted the next 25 years, when till today only 33 million tons have been extracted.

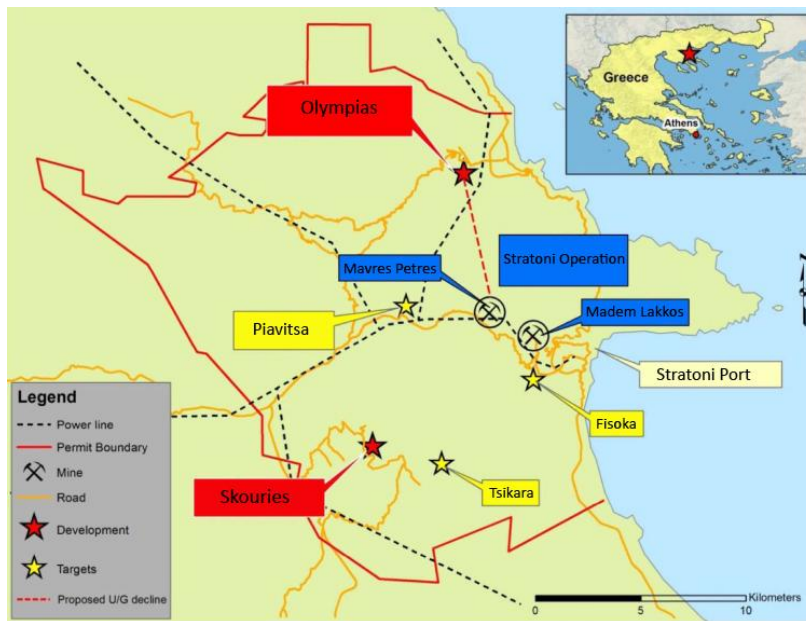


Figure 2: Potential of Halkidiki mining district according to the investors

While the government, part of the local governments<sup>3</sup>, the media<sup>4</sup>, and the global institutions (IMF, European Central Bank) enthusiastically promote extractivism as a “win-win” development model, its social, spatial, ecological and political outcomes for the area are highly problematic. According to independent scientific institutes, the company’s Environmental Impact Assessment, approved by the Greek government in July 2011, has many problems. There are deficiencies in the documentation, incomplete scientific data and problematic methodologies, deviations from the procedures of the European Commission and misinterpretation of statutory limits of pollutants.

<sup>2</sup> It is interesting to research the history of gold mines’ ownership within the 20<sup>th</sup> century: There is a constant shift between private and public ownership with none or little income for the public sector.

<sup>3</sup> The mayor of the municipality of the affected area is a former Minister of Finance involved in a big corruption scandal ten years ago.

<sup>4</sup> The owner of Hellas Gold is one of the major land investors in Greece, owner of the biggest construction company and owner of several nationwide mass media such as TV channels and newspapers.

In theory, mining activity can be sustainable only if it does not alter the character of a region, and developmental if it is carried out in the overall interest of society. This amounts to the assurance of public interest, the existence of reliable inspection mechanisms, and long-term preponderance of overall benefits over negative impacts. It is under question whether these criteria are met in the case of Halkidiki.

Unlike the majority of countries with mining activities, Greece has not provided for any mineral rights (royalties). According to the Greek Mining code drafted during the military dictatorship (70's), the Greek state has no right (royalties) on profits, production or sale of minerals. According to the Minister of Environment who signed the permit (Mr. Papaconstantinou), the benefit for the Greek state will come from taxation of workers, VAT and social contributions.

However, extractivism has not gone unchallenged since anti-mining protests are on the rise. The protests are not merely local-oriented but have lately become the main social movement and social conflict in Greece. Local communities increasingly affected by exploration and extractive industry in Halkidiki and Northern Greece in general<sup>5</sup> are leading a social movement that strongly doubts and acts against this extractive-based development model. The social movement is supported by Left parties and organisations, anarchist and autonomist groups, NGOs, environmental organisations and by most neighbouring local communities. The success of the social movement is based on having managed to make this issue a major issue of the public political debate, organising and informing all directly affected people, and developing a strong and stable technical, economic and political knowledge on the subject – to act and argue against the company's development plans.

On the other hand, the private capital tries to use the media to attract the public opinion's interest on the necessity of this investment as "a means to take us out of the economic crises and put us on the route of development". Furthermore, the state's "legitimate" violence is used to counter the social resistance. Police forces cooperate with private security companies to protect the company's facilities, while police Special Forces "deal" almost every day with demonstrations in the nearby areas, using teargas, plastic bullets, DNA tests and other means in order to at least frighten the population.

Finally, the state plays a key role in the imposition of extractivist policies since it promotes on the one hand investments in this sector, despite the concerns about whether there is any direct income for the public economy, and supports and organises on the other hand the police "special operations" in order to largely suppress the population's claims and future resistances against further "development and devaluation projects".

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<sup>5</sup> The other major mining case study except Halkidiki is the area of Thrace in Northeast Greece with large areas being bought by El Dorado Corp. for gold mining activities and the operation being held by Thrace Mines S.A. which is 100% owned by El Dorado

## **B. Hydro-carbon deep-sea research and exploitation**

The new “Great National Idea” for economic development and debt repayment is the exploration and exploitation of deep-sea hydro-carbon and oil deposits.

The current public conception about probable oil and natural gas reserves and their potential commercial value is formed by several different players: the “Troika” (lenders), the government, and the always-willing-to-manipulate-the-facts mainstream media. Unscientific theories are spread to the public in an effort to project a false and scientifically unsubstantiated image about the potential reserves. Some speculators even suggest that the potential revenues from the exploitation of the reserves could reach the level of the country’s public debt, which is currently the highest (per capita) in the Eurozone. The whole project is used politically to shift public debate away from economic crisis and austerity policies, imposed on the Greek people. The geopolitical implications are high, as the intention of exploring and exploiting potential oil reserves in the Aegean Sea has already created tension with neighbouring Turkey.

Within this framework it is interesting to note that unlike the large social movement that developed in the context of the other major extractivism project in Greece (gold mines in Northern Greece), the oil and hydro-carbon research and exploitation project meets until today only limited social resistance. The government’s and mainstream media’s attempt to rebuild the destructed social consensus around a new “national idea” is to a certain extent successful. On the other hand, some parts of the Left and environmental/social movements try to form the discussion under a different framework: extractivism as a contradiction to a socially and environmentally just development model, with geopolitical implications producing tensions with neighbouring countries, incompatible with main economic activities of the affected areas (agriculture and tourism), with limited revenues for the public, involving deregulation and fast-track procedures for multinational companies, and sell-off of public assets.

Unlike the gold mining issue, this project is still at a very early stage and the battle that has to be fought by the social movements is primarily ideological.

# Roeline Knottnerus, The Netherlands: European trade and investment policies with Africa and link with resource policies<sup>1</sup>

## Title slide 1

**R**aw materials play an important role in the EU's trade and investment policy. EU is highly dependent on imported raw materials and uses more than any other region in the world.

EU dependent on 'strategically important raw materials' such as 'high-tech' metals like cobalt, platinum, rare earths and titanium as well as other raw materials, such as wood, chemicals, hides and skins.

EU sees emergence of increased competition for these strategic raw materials from emerging economies like Brazil, India and, in Africa in particular, China. The EU's sense of urgency to secure access is further fuelled by complaints from European industry about 'growing resource nationalism'. Industry moans about governments increasing royalties and taxes on profits from mining, about government policies to limit foreign ownership of projects and other measures to stimulate domestic companies, including stipulations that raw materials should be further processed in-country to maximize profits to the host jurisdiction.

European industry condemns these measures – by which countries seek to retain some control over their natural resources for their own industrial development: moving up value chain + development of infant industries - as counterproductive.

Their demands to eliminate these are neatly reflected in EU's trade and investment policies.

## Slide 2

The Raw Materials Initiative is the primary policy doc underpinning the EU's raw materials policy.

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<sup>1</sup> See PPT presentation of Roeline here:  
[http://rosalux-europa.info/userfiles/file/Raw\\_materials\\_WSF2013\\_ppt.pdf](http://rosalux-europa.info/userfiles/file/Raw_materials_WSF2013_ppt.pdf)

It was launched by the European Commission to ensure a sustainable supply of raw materials for European businesses and industry.

Raw materials initiative was expanded with a 2011 Communication “Tackling Challenges in Commodity Markets and on Raw Materials” that embeds raw material priorities in all EU policies, including on financial markets, development, industry, external relations and trade.

Ensuring fair access to supplies from outside Europe is also part of wider EU policies like the Europe 2020 strategy = Europe’s growth strategy for the coming years.

### **Slide 3**

RMI is based on 3 pillars:

- Access to raw materials on global markets at undistorted conditions
- Sustainable supply of raw materials from EU sources
- Reducing EU consumption of primary raw materials.

In line with demands from Europe’s industry to secure unlimited market access and physical presence in foreign countries in a world where supply chains are increasingly globalised, primary focus is on access to raw materials markets abroad. The EU uses both its aid and its trade policy to exact concessions in return for preferential treatment.

### **Slide 4**

Raw materials diplomacy included in every trade negotiation of EU. Key elements the EU wishes to tackle to secure access are what it calls the ‘proliferation of government measures that distort international trade in raw materials’, notably export taxes and ‘restrictive investment rules’. For the EU, investment protection is an important tool to break down unwanted protectionist policies in relation to foreign investment and secure access to natural resources in resource-rich countries on the same footing as national actors.

Africa because of its resource richness is an increasingly strategic region, both for emerging and developed countries.

ECDPM paper: Africa hosts 30 per cent of world’s natural resources + produces over 60 metals and minerals. But overall share in global production and export of critical raw materials to the EU is limited. Much untapped potential to produce more. => EU wants to secure its piece of the pie.

Hence, access to raw materials is a priority area in the joint Africa-EU Strategy Action Plan 2011-2013. The EU sells its policy to enable access of EU investors to exploit the continent’s raw materials to Africa as a win-win situation, saying it will help foster development, with Africa’s resource wealth acting as “an engine for inclusive

growth and sustainable development”, and that both developed and developing countries will benefit from the sustainable supply of raw materials. But in fact, EU’s raw materials policy limits Africa’s policy space for development.

The EU has been engaged in negotiating Economic Partnership Agreements with Africa to replace the preferential trade relations under the Cotonou agreement since 2002.

### **Slide 5**

In these EPAs, the EU seeks to abolish the export restrictions on raw materials that many African countries use. Export restrictions are used to preserve raw materials for use by domestic industries. Export taxes are used to raise revenues, including for local industry development (by reducing their relative price for domestic producers), public and social spending, public services provision, environmental protections, etc. A ban on export restrictions and export taxes deprives countries of an important development tool.

### **Slide 6**

In the EPAs, the EU also pushes for market access and post-establishment investment protection for its own multinationals. While the interim-EPAs that are being concluded do not contain full-fledged investment chapters yet, they all include commitments to broaden the future negotiations for full EPAs to include investment. EU wants international rules to increase legal certainty for its investors, preferably backed up by a strong enforcement mechanism which allows investors to take states to international arbitration if regulation is introduced or measures are taken that are perceived to reduce the profitability of investments. This can include new rules to reregulate land use or take measures to stop environmental degradation or the renegotiation of old contracts with established investors with the aim to increase revenues.

### **Slide 7**

Such investor claims can run in to hundreds of millions of dollars, with negative impacts on budgets for public spending.

The EU is currently including options for investors to sue states before international tribunals in the negotiation of investment chapters in its FTAs.

It is not yet clear what the mandate for an investment chapter in EPAs will be.

But given Africa’s strategic importance as a supplier of raw materials, it is likely that here too the EU will want to ensure maximum protection for its investors, even in its relations with what are still some of the least developed countries in the world.

Investor-state dispute settlement is already an integral feature of the bilateral investment treaties with EU member states that will continue to govern EU-African investment relations until they are replaced by an EU-wide investment agreement. Investment became an EU competence when the Lisbon Treaty came into effect end 2009.

## **Slide 8**

It looks like the EU's investment agenda, including for its EPAs, will take as their starting point a harmonisation towards the highest level of investment protection currently offered by the Member States' BITs – to diffuse political tensions over this issue within the EU.

What does this mean for Africa?

The EU's access to raw materials must not be realised at the expense of Africa's own development.

Granting open access to EU TNCs in extractives, biofuels production etc. while proper legal, institutional and regulatory framework is not in place + stipulations of EU trade and investment agreements that limit options to (re)regulate are not in Africa's interest.

If Africa wants to break 'resource curse' by implementing development policies to add value + develop own industries to create jobs and diversify production and export base, a fundamental policy reorientation is needed.

## **Slide 9**

African countries and regions need to draw up a strong agenda to harness investment for development, which must include full policy space to design and implement development tools tailored to individual and changing needs.

Africa should retain full rights to use its resources to create wealth and employment for its own people and should not allow itself to be strong-armed into signing away crucial policy space to design and implement own development strategies by the EU. Especially not since there is growing and substantial evidence that an open, liberalised investment regime is not a prerequisite for attracting foreign investment. Other factors, such as a well-developed infrastructure, stable domestic institutions, viable domestic markets, strong growth in domestic industries can be more important.

I won't go into alternatives here. All I will say is that the substance of what a development-oriented investment framework should look like should be the topic of a comprehensive debate that takes into account the latest state of play in critical thinking on the current investment framework, that comes from civil society organi-

sations, countries that have been targeted in investment claims, and increasingly from established institutions such as UNCTAD and the OECD.

Also, in light of the many reports of corporate misconduct by major transnational corporations, an alternative framework should, instead of the voluntary codes of conduct advocated by the EU, include binding regulations relating to investor behaviour and the observance of international human rights and social and environmental standards.

The problem is that the EU is unlikely to want to accommodate an African development agenda in relation to investment as long as the bilateral investment treaties with EU member states are still in place.

Any rebalancing of investor rights with obligations relating to investor behaviour will be opposed by EU member states as a reduction from the protections currently offered by their own bilateral investment treaties.

So to reorient the investment framework, African countries should begin by demanding renegotiation of their bilateral investment agreements with EU member states.

Not least because, even if a more progressive EU investment chapter should emerge, its negotiation, ratification and implementation will be years in the making yet, while all the while the existing BITs – which, with their very broadly phrased open-ended protections enforceable by ISDS, constitute a serious public policy hazard, in particular for smaller, weaker countries - would remain in force.

To gain more entry for a policy revision, if one takes a broad perspective, one might point out to the EU and its member states that in terms of creating win-win situations, support for African governments embarking on a more development-oriented investment protection framework aimed at of inclusive growth could be a to the EU's own advantage as well.

If the EU would be open to building stronger and binding investor obligations into its investment framework in order to facilitate securing more benefits for host countries from investments – instead of engaging in a race to the bottom with ruthless competitors like China, this might generate a lot of goodwill in host countries and give the EU a positive competitive edge.



## **S2B-Network /Traidcraft: EU trade investment policies: a new resource grab?<sup>1</sup>**

### **What do raw materials have to do with the EU's trade agenda?**

**W**e depend on raw materials – or natural resources – every day, often without even thinking about it. From the aluminium tea spoon we use to stir our coffee to the copper in our mobile phones, our economy has become dependent on the availability of cheap raw materials. If supplies of these materials began to dry up due to scarcity or high prices, the wheels of industry would grind to a halt. But we know that the earth's natural resources are limited, and competition for them is increasing. With constantly increasing demand for raw materials, urgent questions are being asked about who should control trade in and prices of raw materials.

The European Union (EU) consumes a disproportionate amount of the world's natural resources: the average EU citizen consumes three times as many raw materials as an Asian person, and four times as many as someone living in Africa. At the same time, the EU has very limited raw materials of its own and is therefore heavily import dependent. In order to secure its access to raw materials in the future, the EU has launched a new strategy: The Raw Materials Initiative. Skewed to help European corporations, the strategy pays virtually no attention to the interests of the countries which export raw materials.

### **The Raw Materials Initiative**

The European Commission's Raw Materials Initiative (2008) has three pillars:

- Pillar 1 Securing access to raw materials on world markets
- Pillar 2 Promoting the extraction of raw materials from European sources
- Pillar 3 Reducing European consumption of raw materials

The focus of the strategy is heavily on Pillar 1 Securing access to raw materials on world markets which basically deals with how the EU can use trade to access raw materials in natural resource rich countries.

Most countries abundant in not yet exhausted raw materials are developing countries and many are among the poorest countries especially in Sub-Saharan African. These countries need to harness this potential and use their raw material wealth for their development needs. However, by signing bilateral trade agreements or economic partnership agreements, they are locking themselves in to international legal agreements which limit their capacity to use them for development.

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<sup>1</sup> Find out more here:

[http://www.traidcraft.co.uk/get\\_involved/campaign/raw\\_materials](http://www.traidcraft.co.uk/get_involved/campaign/raw_materials)

Source: <http://www.s2bnetwork.org/themes/eus-trade-strategy/trade-reader.html>

## **What's wrong with type of raw materials trade the EU promotes?**

To achieve sustainable economic development and reduce the dependency on exporting raw materials, clear laws and regulations are desperately needed. Developing countries must be able to effectively control their natural resources to make sure that:

- social and environmental damage is avoided
- profits from raw materials are better shared so they benefit the population of the country from which they are taken
- processing and manufacturing of raw materials in developing countries themselves is promoted.

However, Europe's approach to trade in raw materials is threatening to rob poor countries of even those limited tools.

## **The EU insists on the removal of export duties**

Processing adds value to a product. Manufactured copper cable, for example, is many times more valuable than the raw copper ore it is made from. An export tax on raw materials in developing countries can be to protect a country's own processing industries by reserving the necessary raw material inputs at an affordable price for domestic manufacturing and ensure that these newer, infant companies are able to compete globally. The promotion of processing and manufacturing is essential for developing countries if they stand any hope of freeing themselves from their dependence on exporting raw materials.

Duties on raw materials that are exported can also generate income for public services, contribute to price stabilisation, and support the protection of the environment and natural resources. For example, an export duty on unprocessed wood can prevent forests being stripped bare.

However, the European Commission fears that export duties could limit supply to the EU and increase prices for European companies. It fears the EU economy, which depends on these imports, could be disadvantaged by local industries in producer countries that do not have to pay export duties. As such, in negotiations for new bilateral free trade agreements (FTAs) and Economic Partnership Agreements (EPAs), the EU has been exerting considerable pressure on countries to give up export duties.

## **EU investment restricts countries ability to regulate in the raw material sector**

The EU is also attempting to push through conditions which would make it much harder for developing countries to regulate foreign companies operating in their raw materials sector. For example, developing country governments would not be able to compel foreign companies to cooperate with domestic companies or to employ

local people. This is a vital tool many developing countries use to ensure that foreign investment benefits the local population as well as investors.

### **Time for a new direction**

In order to increase Europe's competitiveness, the EU's Raw Materials Initiative focuses on securing unrestricted supplies of raw materials from other parts of the world, but ignores concerns about development and the environment. Instead of trying to obtain unrestricted access to raw materials by signing new free trade agreements, the EU must seek a new direction.

### **The EU must:**

- a) tackle the massive over-consumption of resources in Europe compared with the rest of the world.
- b) allow developing countries to use exports duties and regulate the behaviour of foreign investors operating in their countries.
- c) help poorer countries to integrate into the global economy, such as by reducing their dependency on exporting raw materials, increasing the processing of raw materials in their own countries, and protecting finite natural resources.

Tom Kucharz, Spain:

# An ecological proposal for electricity generation in Spain in by 2020<sup>1</sup>

**E**cologists in Action's Energy Generation Plan for 2020 is formulated for Spain as a whole, and shouldn't be interpreted as a final destination, but rather as a transition plan, a roadmap, from the viewpoint of social ecology, more of a long-term transition toward a just and sustainable electricity model with balanced emissions and zero environmental impact.

## Why change our system for generating electricity?

- Because current energy consumption levels are based on polluting and non-renewable technologies, like fossil fuels and nuclear power plants. In addition, current plans for burial or storage of some of the generated wastes (CO<sub>2</sub> and radioactive waste) aren't a safe solution; while new plans are not yet sufficiently developed, nor is it clear that they will ever be.
- Because the age of petroleum is coming to an end. If we haven't reached peak oil yet, it will be within sight over the course of this decade. If international trends continue, by the end of the century natural gas and uranium will also run out, and probably coal as well.
- Because combating global climate change is urgently necessary, through a framework that would make a considerable reduction of greenhouse gas emissions possible, so that the increase in average global temperature does not exceed 1.5°C.
- Because energy consumption in overdeveloped countries is excessive and we already know that it does not produce improvements in health and quality of life, besides which it has a sizeable social and environmental impact in other regions, generating an immense social and environmental debt in other parts of the world. We necessarily need to pass through a reduction in energy consumption to arrive at a sustainable solution to the problem of energy supply.

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<sup>1</sup> Source: <http://www.ecologistasenaccion.org/article20456.html> (Spanish); Full report: [http://www.ecologistasenaccion.org/IMG/pdf/mix\\_electrico\\_2020.pdf](http://www.ecologistasenaccion.org/IMG/pdf/mix_electrico_2020.pdf) (Spanish), <http://www.investinspain.org/icex/cma/contentTypes/common/records/mostrarDocumento/?doc=4558560> (English)

- Because control over the generation and distribution of electricity is in the hands of large multinational corporations, which are driven by economic profitability above any other social or environmental consideration.

### **Essential points the plan is based on:**

- The elimination of those production modes that have the heaviest environmental and social impact. According to this plan, it will be possible to manage without coal, fuel oil or nuclear energy by 2020.
- The possibility of meeting electricity demand in 2020 without nuclear power. The big environmental impacts of the uranium fuel cycle, the risks posed by nuclear power stations and radioactive waste, and their natural relationship with military industry make nuclear power plants something that ought to be phased out as soon as possible.
- The urgent need to combat global climate change, which implies a drastic reduction of greenhouse gas emissions (45% compared to 1990 levels) to reach an acceptable level of safety to not exceed the 1.5°C limit after which the consequences would be catastrophic. For the electrical sector, the plan proposes emissions reductions of 73% compared to 1990 levels.
- The need to lower energy consumption without a reduction in real quality of life. With this plan, the proposed reduction in electricity consumption is by 26%, and a 34.5% reduction of final energy consumption. The reduction of electricity consumption is lower than anticipated because it is proposed that a part of transportation, especially of merchandise, will be changed to electric to reduce the impact of using fossil fuels.
- To cover resulting demand this plan relies on the use of renewable energy sources, up to 72%. Keeping in mind the state of these technologies, in 2020 it will still be necessary to rely on natural gas as a transitional fuel in the mix of energy sources, to get up to 100% coverage.
- The social aspect of energy use, in the sense that the basic needs of everyone in the population must be met. This plan is only for the transition through 2020, after which it will be of utmost importance to continue reducing energy use and exploring more sustainable energy sources.
- Promoting the changeover from a centralized electric generation system to decentralized systems that would allow social and democratic control.
- Similarly, meeting demand with sustainability in mind dictates a change in the regulatory framework, prioritizing democratic control over energy and defining it as a public service, which would imply the transfer of a sizeable part of the existing infrastructure into public ownership.

### **Some of these points in more detail:**

- To eliminate petroleum products, we propose the progressive elimination of diesel-fuelled boilers, the introduction of agro-fuel and agro-diesel, and the transformation of energy use in the industrial and transportation sectors

through efficiency mechanisms, use reduction, and the gradual electrification of both of these sectors. Transport by rail is four times less energy-intensive as compared to road transport.

- Natural gas remains a transitional energy source. The plan includes a stop to the construction of new combined-cycle power stations and a decrease in the consumption of generated electricity, which is compensated by greater production from cogeneration using natural gas. The plan proposes avoiding natural gas installation in those areas where it is not already established.
- Cogeneration is viewed an acceptable way to maximize resource use (using the heat produced by industrial activity to generate electricity), as long as this activity is necessary and does not have unacceptable environmental consequences.
- The plan does not expect a big increase in biomass use, because it would be necessary to ensure that these resources are being utilized in a sustainable way.
- To guarantee coverage during peak hours, the plan proposes relying on cogeneration and hydroelectric as the core energy sources, along with mechanisms that would allow moderating use through interruptibility contracts (primarily by industry). In the case of adverse weather, in 2020 it will be necessary to use natural gas.
- This plan does not call for the construction of any new large dams, due to the important environmental impacts this can have, although it does include their use as a transitional energy source.
- The development of renewable energies proposed should necessarily be accompanied by a plan to optimize and reduce electrical wiring.
- With respect to social and environmental impact, this plan temporarily accepts completed energy projects that Ecologists in Action had campaigned against. We have not changed our evaluation, we still consider them a part of an unsustainable system that needs to be replaced.

Ecologists in Action's plan regarding the demand to be met in 2020, compared with the government's plan: the 200.000 GWh total includes 170.000 Gwh for electricity demand and 30.000 Gwh for transportation.

**Joan Leon, Tanzania:**

# **Struggles with extractivism, and alternatives: the case of NAPE in Uganda**

**U**ganda has had its fair share of struggles in the extractive sector for communities' livelihoods and conservation of natural resources.

NAPE started as an environmental lobby and advocacy NGO. The journey of having a society effectively participating in the sustainable management of natural resources has not been an easy one. NAPE has made numerous contributions to ensure that people's livelihoods, human rights and the environment take centre stage in development process in Uganda. Advocacy has become a crucial and critical instrument in forging, not only environmental sanity but also in promoting good governance, rule of law and the respect for human rights.

Uganda is endowed with a natural resource wealth varying from flora and fauna species, water and forest resources, minerals and most recently oil and gas.

In 2009, NAPE started implementing a programme called the Sustainability School. The overall objective of the School is to create a critical mass composed of communities, community leaders, growing civil society organisations able to hold the government and global institutions accountable for the impacts of the actions on people's livelihoods. The Sustainability School is not a physical school with structured lessons but is based on popular education emphasizing on community empowerment. It is a combination of functional and coherent organisations where decision making is participatory, with linkages across and within classes with power to challenge and hold the leaders accountable to the people they serve.

The programme is currently spread in eight districts of Uganda and currently focuses on seven thematic areas which are good governance, accountability and human rights; oil governance; large dams and energy; water and sanitation; climate change; forests and large plantations; land use and food security and mining in Protected Areas.

The programme works through sustainability villages where community members come together for continuous community learning to help them in tackling emerging sustainability problems. The community trainings are facilitated by community sustainability educators who are trained by NAPE.

A sustainability school starts by being introduced in a village. The community sustainability school is then established followed by introducing the concept to the said school. The sustainability school is maintained by training on facilitation for community participation to ensure that it is genuinely participatory and on community gender analysis. The second part of the training in the school depends on the uniqueness of each location. This means that a trainer is at liberty to choose topic(s) depending on the issues in the particular location, these are; governance for community sustainability, gender mainstreaming for community development, transforming the youth for community sustainability, building community resilience, using indigenous knowledge, the oil industry, land use and food security, dams and energy in community development, community action in water and sanitation and mining in protected areas.

Since their establishment, the sustainability schools have empowered the communities in many different ways and they are now able to fight for their rights depending on the issue at hand. Communities have now learnt to write petitions and approach local government authorities without fear. For example in the oil region where the oil refinery is set to be established, already a number of activities been carried out by the sustainability village established in the area. The communities there face challenges such as land grabbing, displacements, inadequate information on compensation packages, intimidation from state agents and environmental degradation. The sustainability school has written a petition to the government on their grievances, are holding demonstrations at village level, use the media to amplify their voices, using drama and holding regular community meetings. Further, communities which face the same issues such as land grabbing or the oil rich areas join the efforts of more than one sustainability village by combining activities. Such a case is the Kyaparoni and Kakinda communities where oil wells and a refinery are to be established.

NAPE further organises local stakeholder meetings in order to attract attention on certain pertinent issues affecting communities. These meetings are attended by the respective district council officials, community representatives from the sustainability villages, representatives from companies, journalists and ministry officials depending on whether they are needed to attend to respond to the communities' concerns. Experience shows that deliberations from these meetings have led to important decisions being taken that sometimes reverse actions or decisions already taken by the local authorities or even the government.

In addition to the establishment and success in the maintenance of the sustainability schools, NAPE has also realised a number of achievements in fighting for the rights of livelihoods of communities against the name of investment and economic development. Some of the achievements are:

- formation of a crusade to save an important forest (Save Mabira Crusade) against expansion for a sugarcane plantation;
- influence the Bujagali Dam development processes where the project was forced to adhere to some good international development practices;



- involvement in the oil debates and have contributed to the call for the relocation of the mini refinery from a wildlife reserve;
- contributed and supported the debate on the declining waters of Lake Victoria and many more.

In the successful campaigns, NAPE has not had an easy ride. Numerous challenges have been encountered during the interventions. Such are exposure to harassment of different sorts, NAPE have been labelled economic saboteurs and other names, at times they have been denied justice or justice delayed in courts of law.

Nevertheless, the actions of NAPE are being hailed and appreciated by the government leaders regardless of being very critical and having undesirable confrontations. NAPE is also consulted in certain instances to contribute to discussions on the sustainable use of natural resources in the country.

**Amani Mustafa Mhinda, Tanzania:**

## **Self organization and resistance in Tanzania mining**

**T**he presentation will look at Political economy and history of Tanzania as related to mineral resource extraction. The history of mining in post-independence Tanzania is intertwined the rise a socialist state and agrarian policy drive. The presentation will look at how Nyerere looked at people empowerment as a central pillar in agriculture and mining despite the pressure from the West to open up the sector to foreign corporations.

It looks at how the enabling environment in 1980s helped citizens to get involved in artisanal and small-scale mining and provide livelihoods to over 1.5 million Tanzanians by 1996. The presentation explores the fall of the state-led economy and the coming of the free market in 1985 with the exit of Nyerere.

The economic policy reforms under the 2nd President Mwinyi opened up the economy to large multi-national companies with the aim of increasing foreign exchange reserves in an already choking economy.

The structural adjustment program under the pressure of the donor communities and the World Bank shifted the focus form development to macroeconomic growth. This presentation will link the change of regime and policy to the attack on democratic ideals built under socialist state. The multi-nationals and security agents used force, intimidation and corrupt ways to take over community-land, destroying over a million of livelihoods and cultural heritage.

It further looks at the contradiction between rule-of-law as a principle of good governance and law as a tool of exclusion as well as prejudices and hidden malice behind market concepts like the formalization and organization of the informal sector. The suffering of the communities under this process led to self-organization of various groups and civil society to counter the excesses of foreign investors and the security apparatus.

Tanzania civil society has been struggling in challenging the corporation's excesses and human rights abuses. This has been linked to the lack of skills and knowledge around the work of the extractive industry as well as the lack of conducive political environment for engagement. Government has been using intimidation, arbitrary arrest and even detention of so-called leaders of the struggle.

Communities and small-scale miners challenged the corporation and government officers by self-organization, which sometimes lead to violent confrontation and

even death. In 2010 these groups and key national civil society actors worked together to influence the National Parliament to pass a New Mining Act 2010. The new law carried some of the key demands of the small-scale miners and communities from way back in 1992. For the first time the new law explicitly focused on protecting Tanzania miners and their products as well as community rights. It still fell short on modalities of land compensation and environmental protection but it was far more progressive than the Mining Act 1998.

The organization HakiMadini has been involved to creating a national platform for peaceful engagement between citizens and their government. This platform not only builds on each other's position and understanding but also helps the disempowered to sit on the table and make their demands. There is more openness to dialogue and peaceful confrontation than in the past where the process was directed by brutal force.

Building community leadership programs have been a strategic choice taken by HakiMadini to strengthen the struggle at the grassroots level. There are currently 20 women undergoing leadership training, focusing on skills and knowledge alongside key values and principles in effective leadership.

The participants are expected to lead the struggle from their communities while linking to a larger national front. Building a critical mass therefore has been a major desire, though faced with challenges of peer competition, fear or lack of confidence, poor organizing skills and lack of sufficient resources.

HakiMadini has also been involved in bringing recognition to the struggle at regional and global level. This helps to put pressure on the corporation's home countries involved in human and environmental abuses.

It has also targeted the shareholders and financiers of the companies' operations in order to demand accountability from the management and their agents. This has worked for companies enlisted in EU and G8 countries having taken huge steps in ensuring rogue companies to be held accountable.

The rise of resource nationalism in Africa and Latin America has helped the local struggle to gain recognition and position in pushing for pro-people reforms. The presentation will look at various fronts and phases in the fight for a developmental agenda and people-centred mining policy implementation.

The African Nations have been deliberating for over two decades on how best to respond to the challenges that had turned the continent into a resource curse. Liberia, Nigeria and Sierra Leone are examples of the "race to the bottom" in the drive to attract Foreign Direct Investment and of a weakening of the governance structures.

The presentation will look at gains and challenges over the years and the possibilities for global solidarity in the next level of the struggle.

## **Sidi M. Omar, Spain & Western Sahara: The illegal exploitation of the natural resources of Western Sahara under Moroccan occupation**

**T**he issue of natural resources represents an essential aspect of the conflict in Western Sahara. It was not only one of the main reasons that led Morocco to invade the territory in October 1975, but it has also become a key element whereby Morocco is trying to legitimise its illegal occupation and annexation of Western Sahara. It is no wonder therefore that the debate has already started on the role that the natural resources of the territory could play in facilitating or complicating the on-going UN-led negotiation process between the two parties to resolve the conflict.

To contextualise the situation of the natural resources of Western Sahara under Moroccan occupation, it is necessary to determine the current legal status of the territory and the implications of this status in terms of exploiting its natural resources by the occupying power. It is clear in this context that Western Sahara remains a Non-Self-Governing Territory awaiting a decolonisation process by the United Nations. The legal consequence of this status consists in the fact that the people of the territory, the Sahrawi people, have an inalienable right to self-determination and to permanent sovereignty over their natural resources. Morocco, which is still occupying a large part of Western Sahara, does not exercise any sovereignty or administering power over the territory, and is essentially an occupying power. It thus has no right to dispose of the natural resources of the Sahrawi people against their will. The legal opinion of the UN Legal Counsel of 29 January 2002 underscored that if any exploration and exploitation of the natural resources of Western Sahara were to proceed in disregard of the interests and wishes of the people of the territory, they would be in violation of the principles of international law.

In this context, I shall now outline some key aspects of the massive and systematic exploitation of the natural resources of Western Sahara under Moroccan occupation. It is pertinent to underline at the outset that the plundering of the natural resource of the territory began shortly after the invasion and occupation of Western Sahara by Morocco in 1975. Shortly after Spain withdrew from the territory, Morocco began the exploitation of the phosphate of Bucraa mines, especially after the Moroccan OCP (Office Chérifien des Phosphates) retained 65% of the Spanish company of Fos Bucraa, as agreed in the Madrid Accords of 14 November 1975. Since

December 2002, the OCP Group has been controlling all the activities relating to the exploitation of Sahrawi phosphates. It is estimated that Bucraa mines produce about 3 million tons of raw phosphate per year, an amount that represents 12% of the total exports of the OCP Group. The main trade partners of the OCP Group, among others, are the U.S., with the purchase of approximately 25% of rock phosphate, Australia and New Zealand that import 15%, and Spain with 12% of the imports. Most of the foreign importing companies operate under long-term contracts, some up to 10 years of duration. The phosphates are used mainly for production of fertilisers for the agriculture industry.

Sahrawi fisheries were also exploited from the first moment of the occupation of the territory, through either fishing agreements signed between Morocco and third parties, commercial licences to private companies under Moroccan flag or small-scale fishing activities by Moroccan settlers. It is pertinent to recall the agreements signed between Morocco and the European Economic Community in the 1980s and 1990s and recently the Fisheries Partnership Agreement between the European Community and the Kingdom of Morocco, which entered into force on 28 February 2007. Although the agreement allows European vessels to fish in what is called the Moroccan "fishing zone", EU-flagged vessels have illegally fished in waters adjacent to Western Sahara, as recognised by the European Commission itself in April 2008. With the fish stocks diminishing owing to overfishing offshore Morocco proper, particularly offshore the Mediterranean coast, Western Sahara fisheries have become increasingly important for Morocco. Some estimates suggest that up to 38% of the Moroccan catches come from Sahrawi ports, and that 74% of cephalopods catches come from the Sahrawi waters. It is also worth mentioning that the fisheries industry has a crucial effect on the demography of the territory. With incentives such as reduced taxes, subsidies and housing programmes, the Moroccan government has been attracting tens of thousands of unemployed Moroccans to settle in Western Sahara, where most of them are working in the growing fisheries industry.

In terms of oil and gas, since 2001, the Moroccan ONAREP (*Office National de Recherches et d'Exploitation Pétrolières*) concluded contracts with a number of foreign companies, including the American Kerr-McGee and the French Total, among others, to conduct offshore and onshore prospecting for oil and gas in the Sahrawi territories under Moroccan occupation.

The Sahrawi minerals and precious metals such as gold, copper, silver and iron, among others, have also been exploited illegally by Morocco. The Sahrawi sand has moreover been plundered by Morocco with the complicity of local businesses and foreign companies, where beaches in Canary Islands, Cape Verde and Madeira in Portugal receive every year the total of more than 500,000 tons of Sahrawi white sand. This continuous exploitation has caused irreversible damage to the coastal ecosystem of the region.

Obviously, the first consequence of the plundering of the natural resources of the Sahrawi territories occupied by Morocco lies in linking the region economically with the Moroccan economy, and in strengthening the Moroccan presence by building

more infrastructures for the increasing Moroccan settlers in the territory. In addition, by involving other international players in the plundering of the natural resources of the territory, Morocco aims to gain international legitimacy for its colonial fait accompli in Western Sahara.

The Sahrawi people, represented by the Frente POLISARIO, have constantly denounced the systematic looting of their natural resources by Morocco. Furthermore, in exercise of its sovereignty over the totality of the Sahrawi territories, the Sahrawi Republic (SADR) signed a number of contracts with foreign companies to conduct geological and geophysical studies on oil and gas potential in some blocks in offshore and onshore Western Sahara. The SADR also declared an Exclusive Economic Zone (EEZ) on 21 January 2009, which was an expression and exercise by the Sahrawi people of their permanent sovereignty over the natural resources of Western Sahara including their exclusive sovereign rights with respect to the resources offshore.

The Sahrawi people believe strongly that any unauthorised involvement in the exploration, extraction or exploitation of their natural resources represents an act of theft and is therefore unethical and illegal from the standpoint of international law. Furthermore, it only helps to strengthen the Moroccan claims of sovereignty over Western Sahara and could therefore jeopardise the UN efforts to reach a peaceful and lasting solution to the conflict.

Antonio Tricarico, Italy:

# European energy and resources policy – which transition?<sup>1</sup>

## Which transition?

**O**n February 7<sup>th</sup> 2012, the Commission has presented the Energy 2050 roadmap, a communication that includes five possible scenarios to lead energy transformation in Europe by 2050<sup>2</sup>. The Communication contains some interesting elements regarding some possible energy mix that could take Europe towards decarbonization and reducing the use of fossil fuels. However the paper sums that the use of fossil fuels will remain dominant even after 2050.

This is the case in particular with gas, envisioned as a “transition fuel” in a more integrated market, where liquefied natural gas and unconventional shale gas play an important role. The Commission does not analyse what will be the human, environmental and climate costs of such an option. It looks at the possibilities of companies to hedge risk related to the variations of gas price, sidelining the massive environmental and social costs of gas extraction – both conventional and unconventional - for the communities where the resource is located. From Nigeria to Poland to Canada and the United States, to the Mediterranean Sea, communities are on the frontline against pollution of water, loss of land and environmental degradation caused by large scale extraction.

The infrastructures planned to secure the supply of gas to Europe and guarantee the commercialization of gas within the European market are functional to today's society, in terms of organisation of economic and production relations. Moving away from European dependency on fossil fuels in a transformative way will need much more than a different mix of energy sources. The environmental, economic and social cost of keeping the same economic model of production and organisation of European cities and society will be far too high to make it a viable option for the next future.

Regional interconnections for electricity production and commercialisation may pose the same questions. Even more so when you look at the hard core demand of the Commission to “*ensure that policy developments in Member States do not create new barriers to electricity - or gas - market integration*”<sup>3</sup>. This position is assum-

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<sup>1</sup> Source: Conclusion of the larger article “Beyond our borders”:

<http://rosalux-europa.info/publications/books/socio-ecological-transformation-reader/>

<sup>2</sup> Energy Roadmap 2050, [http://ec.europa.eu/energy/energy2020/roadmap/index\\_en.htm](http://ec.europa.eu/energy/energy2020/roadmap/index_en.htm)

<sup>3</sup> Ibid, page 14

ing that market-based management of energy will be the only option for Member States, excluding the possibility for citizens to opt for a public and more democratic management of energy production, and for different rules and tariffs for distribution and use in a context where a different way of managing the commons is high on citizens' discussions and organising agenda. The outcome of the popular referendum on nuclear energy in Italy in June 2011 – which restated the ban for nuclear production on the Italian territory – has proved how ordinary people do care about how energy is produced and managed and are willing to define energy as a public good to be decided upon in a democratic manner.

The interconnection system planned to scale up electricity production in neighbouring countries – including the Balkans, North Africa and the Sahara Desert – in order to serve the energy needs of Europe does not seem to be a model matching the needs of a sustainable transition, but only guaranteeing the creation of markets for the interest of few energy and financial giants.

Energy infrastructures in Europe demand investments in the scale of billions. The question to ask is: What kind of economy will these infrastructures serve? The EU energy strategy is leading towards a direction that is neither transformative nor decarbonizing for Europe. It is draining billions in public resources towards private managed infrastructures for energy supply, mostly gas and electricity, for the interest of the few and against those of citizens of Europe and its neighbouring countries.

We finally got at a crossroad: Defining the energy future of Europe means deciding today what type of infrastructures needs to be built that will be useful in the foreseen future, for supporting a truly transformative agenda.

This means defining the role of Europe vis-à-vis neighbouring countries, redefining priorities in respect of the external objectives of the Lisbon Treaty, opening up a space to discuss what are the actual needs in Europe and how the society needs to be reorganised to overcome the current energy, climate and economic crises and to guarantee a different management of the commons, including energy.

The plan to strongly align the EU energy security policy with similarly offensive trade, investment and security policies of the EU will also have deep implications for reaching European development, environmental, democracy and human rights objectives, themselves enshrined in the same European Treaty. The new EU energy security policy will inevitably lead to hegemonic practices, including both physical resources and energy market grabs, with irreversible damages in the neighbouring region. Such an attitude by the EU would set unproductive and risky relations with neighbouring countries at a time of profound transformations in these, thus fostering possible unpredictable conflicts and tensions in the region in the years to come.

The escalating climate crisis and on-going turmoils in the Mediterranean region as well as Eastern Europe and Central Asia urge European decision-makers to critically review proposals on the common European energy policy advanced by the European Commission and make a U-turn for affirming the supremacy of development,



environmental, democracy and human rights objectives on any other economic objectives and policy of the Union.

Article 194 of the new Treaty on the Functioning of the EU made the energy matter a shared competence between the Union and the Member States.<sup>4</sup> And in particular the Union gained the competency to direct the energy policy objectives through ordinary legislative procedure, even though the European Council still retains decision-making power (at unanimity) on specific issues affecting the energy security of individual member states or primarily concerning fiscal issues.

Thus the European Parliament is called to play a key role in reshaping the EU energy security policy and its implementation. Even in the case that the Council claims to retain powers to decide on specific mandate to be given to the Commission for negotiating agreements with partner countries about international energy projects bearing a pan-European significance – as happened for the first time in the case of the Trans Caspian Gas Pipeline connecting Turkmenistan and Azerbaijan in September 2011 – the European Parliament should be informed early in advance and have the possibility to condition the negotiating mandate and eventually reject the final agreement if this will not be in compliance with the EU horizontal objectives on development, environment, democracy and human rights. Despite the public statement by the European Commission about the opening of these negotiations last September, the negotiating mandate and its specific objectives have not been made public and submitted to the Parliament.

At the same time, the European Parliament should get copies of all international energy agreements signed by EU member states with partner countries and screen their compliance with EU horizontal objectives on development, environment, democracy and human rights. In this regard current negotiations between the European Parliament and the Council offer an important opportunity to significantly increase transparency about energy contracts and agreements.<sup>5</sup>

## **Reclaiming public finance for an energy democratic transformation**

### **De-carbonise the European economy:**

In order to promote an urgent transition toward a low-carbon economy, the European Union should concentrate its financial resources in its Member States, in particular at a time of still severe economic crisis and difficulties for national governments to mobilise additional public resources. Therefore the European Investment Bank should significantly redirect its energy lending into the European Union, in-

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<sup>4</sup> [http://www.inforse.dk/europe/eu\\_table\\_lisbon.htm](http://www.inforse.dk/europe/eu_table_lisbon.htm)

<sup>5</sup> DRAFT REPORT on the proposal for a decision of the European Parliament and of the Council setting up an information exchange mechanism with regard to intergovernmental agreements between Member States and third countries in the field of energy (COM(2011)0540 – C7-0235/2011 – 2011/0238(COD)),  
[http://www.europarl.europa.eu/meetdocs/2009\\_2014/documentss/itre/pr/882/882629/882629en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documentss/itre/pr/882/882629/882629en.pdf)

stead of concentrating more and more on lending for large-scale fossil fuel infrastructure in neighbouring countries and sub-Saharan Africa, planned for boosting energy resources export to Europe.

The upcoming EIB energy policy review offers a significant opportunity to stop this physical grab of resources and redefine key priorities for energy lending within the EU in order to promote a just transition toward a decarbonised European economy, through a support for more democratic, sustainable and small-scale production systems as well as more democratic, effective and controllable distribution networks.

### **De-marketise European energy systems:**

The EU obsession to establish a single energy market to be extended into the neighbouring region remains a myth and a misleading ideology despite emphatic statements by European leaders and institutions in this regard. Few large European energy companies occupy dominant positions in this market together with a limited number of few speculative investors. Furthermore several European energy giants enjoy direct equity participations or controls by Member States. In short, such companies will have larger and larger competitive advantages in a broader and deeper single market.

Action should be taken to prevent that the European Investment Bank become a pivotal mechanism for exporting this wrong, fossil-fuel addicted and market-based model to the neighbouring region and African countries at the only benefit of European multinational companies and financial institutions. Opaque intermediated lending should be questioned when related to the infrastructure and energy sectors and, in the case of private equity funds, should be stopped soon. Despite EIB lending in the sub-sector of renewable energy has increased in the last years, the overall “gigantic” approach – as symbolised by the Desertec project - should be reviewed to avoid that in the end renewable energy will be just the next frontier of market fundamentalism at the expenses of communities' rights and their local environment.

Moving beyond their current ideological approach to the energy matter, European governments and the EIB should address in a different logic few fundamental questions which remain unanswered so far:

- Why the free market approach to energy is the best way to benefit all and produce a low-carbon transformation?
- How is it possible to guarantee access to energy when its price and conditions of supply are defined just by the market?
- Can the Europeans choose a right-based “green economy” centred on the promotion of the commons and thus show for once a truly alternative path to their neighbouring peoples?

Before it is too late European decision-makers should work to give European citizens new and innovative answers to these questions.

## **The road ahead for civil society and social movements to reclaim a democratic EU energy policy**

The current economic and financial crises unfolding in Europe reduce political space in the short term to reclaim a transformation of EU energy and investment policies, which have become more and more aggressive and are instrumental for the EU to structure a market-based approach out of the crisis, if any possible.

Therefore today the key priority for civil society is to understand how get organised in order to get more rooted in existing social movements and actors of society and make converge different powerful local struggles on energy issues at regional level to build a new political space to act on energy democracy issues for reclaiming the commons; as well as to develop a new convincing political narrative around energy, investment and infrastructure issues in order to get wider support among citizens.

At the same time the structuring of a political process toward energy democracy and communities' energy sovereignty requires to construct a "positive" agenda which put upfront the existing and possible new alternatives to current dominant approaches to energy issues. In this regard exchanges with Latin American social movements and actors in other regions of the global South would be quite helpful in order to draw lessons from existing alternative experiences and define a framework to identify key principles based on practices which could become guidelines to promote new practices and policies aimed at decarbonising and de-marketising European energy policies. For instance the new approach promoted by the Oilwatch International network for keeping oil in the ground, and its related challenges to implement and finance such a policy, is quite powerful to shift the terms of the debate about energy issues and to establish a new discourse around energy, climate, democracy and sovereignty issues.

