

# **The rise of agro-extractive capitalism**

## **Insights from Guatemala in the early 21<sup>st</sup> century**

### **Abstract**

Financial, food, energy and environmental/climate crises detonate in 2007-2008 and smolder for years to follow. A global, yet uneven, resurgence of natural resource extractivism and consolidation of environmental services in capital accumulation and climate change adaptation and mitigation strategies both drive and express the convergent crises conjuncture in the early 21<sup>st</sup> century. Global demand for agro-commodities grows, expanding beyond traditional food, fiber and feed uses to include liquid fuels, bio-materials and carbon sinks, in what becomes the rise of ‘flex crops and commodities complexes’ (Borras et al. 2016). The “land grabbing” and “new extractivism” research agendas in response to the multiple and convergent crises conjuncture have brought issues of contemporary agro-environmental change into the spotlight.

However, both streams of literature have run parallel to one another. While they have offered important insights, the findings have often been disconnected, and therefore partial, in addressing a common problem. Building on trailblazing efforts to bridge critical (agrarian) political economy and political ecology perspectives, I aim to comprehend the nature, character and trajectories of agro-environmental change, and the politics that enable and constrain them, under heightened resource extractivism during the convergent crises conjuncture. Hence, my inquiry is driven by the question: *How does early 21<sup>st</sup>-century resource extractivism shape the nature, character and directions of agro-environmental change, and with what implications for whom?*

My findings suggest that the restructuring of the agricultural relations of production that results from the rise of flex crops and commodities complexes, as well as the political dynamics behind such an occurrence, underpin a distinct model of resource extractivism after the turn of the century. My examination of this phenomenon in Guatemala during the 2006-2014 period offers a series of insights that may resonate elsewhere. Most especially, burgeoning flex cane and palm complexes from 2005 onward fuel the rise of a distinct form of biomass extractivism. I call this the *agro-extractive capitalist project*. This particular form of organizing labor-power, land, money-capital, knowledge and technology and external nature into agro-commodity production is capitalist in nature, extractive in character and underpinned by a new politics of racialized class domination. Regarding the first claim, I argue that value in flex cane and palm commodity production is generated through the exploitation of mostly free labor, with the exception of some residual pockets that still rely on forced labor. But in the largely job-scarce context of Guatemala in the early 21<sup>st</sup> century, the expansion of cane and palm plantations which results in job losses rather than gains is behind the burgeoning of rural surplus population. Furthermore, the agro-

extractive capitalist project downgrades many subordinate class villagers from the latent to the stagnant section of surplus population—or that on the edge of survival. Hence, the agro-extractive capitalist project is fundamentally capitalist in that it not only enlarges the “reserve army of labor”, but also pushes the surplus population to the limits of subsistence.

Regarding the second claim, the agro-extractive capitalist project is extractive in character for three reasons. First, flex cane and palm commodity production is underpinned by the extraction and appropriation of increasingly diverse (agro)commodity surplus value portions and state revenues. As a result, flex cane and palm companies are able to reap super-profits. Additionally, appropriated surplus value and state revenues are progressively financialized, and thus realized in monetary form to fund accumulation in the flex cane and palm complexes. Second, flex cane and palm commodity production involves the appropriation of productive and reproductive labor of the plantation workers’ families for free. It additionally includes the stockpiling of natural goods and disposal of waste and pollutants at zero cost. Third, hyper-intensive flex cane and palm commodity production damages workers’ health and vitality, and exhausts external nature’s energy and materials. It does so in ways that compromise cane and palm commodity production from the cost side, and upends life in the countryside and beyond.

Regarding the third claim, the agro-extractive capitalist project shapes and expresses a new politics of class domination that I call *authoritarian corpopulism*. Supporters of the overarching project develop an authoritarian corpopulist agenda to recast flex cane and palm commodity production. Instead of simply being yet another accumulation project, proponents of agro-extractivism frame it as an extraordinary “responseable” phenomenon capable of feeding the world, generating green energy and cooling down the planet, while at the same time sponsoring employment and stimulating economic growth. This agenda involves two strategic shifts. First is the “multistakeholderization” of flex cane and palm commodity chains. And second is swapping out the “bullets and beans” agenda of authoritarian-paternalistic military regimes, once used to counter the communist threat during the Cold War era. Instead, authoritarian corpopulism relies on persuasion—and selective violence cloaked in the rule of law—to counter critique and opposition to the agro-extractive capitalist project. But in addition to the policy concessions (i.e. public grants and multi-stakeholder governance) that are part of populist political regimes elsewhere, authoritarian corpopulism brings in concessions in private relations of production. As a result, flex cane and palm companies gain recognition coin a fame as pro-social businesses, while simultaneously increasing labor and land productivity, expanding plantations, accessing new funds, reducing production costs, and contributing to the reproduction of their businesses’ personal and natural conditions of production.

However, the politics behind early 21<sup>st</sup>-century resource extractivism in Guatemala are anything but a story foretold. The agro-extractive capitalist project also triggers reactions from state and social actors that take both challenging and accommodative standpoints. Challengers use their dissent and/or unrest as a practice of contestation against the agro-extractive capitalist project, and advocate for a transformative project. Accommodators struggle to tame the virulence of the

agro-extractive capitalist project, and/or to accommodate themselves to it in the best possible way. They are further divided according to their character (i.e. lawful or criminal) and will (i.e. amenable or reluctant). In sum, the agro-extractive capitalist project reshapes the political terrain of agro-environmental and capitalist transformations through alliances between corporates, the state and a Guatemalan white, oligarchic bourgeoisie permeating both of the foregoing. By legitimizing flex cane and palm commodity production through populist moves, and recurring to force when needed, dissent is suppressed and accommodations are worked out. The result is a new politics of racialized class domination, which ultimate trajectory has yet to be seen.