

# Neo-liberalization and the expansion of capital into nature

Commodification

# Capital, crises and expansion

To resolve the first crisis of industrial capitalism (c. 1873 on)

- European factory owners required new markets
- Entrepreneurs new enterprises to invest in.
- The newly created (but unemployed) working classes desired new locales to migrate to (Alden Wily 2012).

# Capital, crises and expansion

The stage was set for the concentration and globalized expansion of capital, expressed in the first wave of “accumulation by dispossession” in Africa (Amin, 2011)

- 1st formalized into the General Act of the Berlin Conference on West Africa (1885)
- culminating in the carving up of the continent
- process designed to create new markets and provide cheap land and labour for the colonizing powers.

# Capital, crises and expansion

Segue to the present - the 2<sup>nd</sup> systemic crisis of capitalist accumulation, starting in the 1970's and leading to the financial meltdown of 2008 has:

- left major investors with trillions of dollars on hand and in need of new investments
- Again capital has responded with a “double movement” - concentration and globalization

# Capital, crises and expansion

This restructuring of capitalism in response to the systemic crises of accumulation has several features:

- 1) the intensification of the imperialist globalization process, with capital moving out of national markets and uncompetitive fixed national investments;
- 2) a growing shift out of productive capital into speculative financial capital;

# Capital, crises and expansion

3) fixed capital investments and acquisitions, including through privatization in the developing world; and

4) A reconstitution of power between states, markets and society,

- the re-definition of the state to reduce taxes and increase the capacity to push through neo-liberal reforms (Cronin, 2006).

# The market is the solution!

- This has seen a shift from an economy based primarily on the production of goods and nonfinancial services to one characterized by financialization, the growth of a shadow industry of hedge funds, private equity firms, and financial innovations such as derivatives (Tabb, 2012).
- The “market’ is represented as the solution to environmental problems and the challenges of ‘unsustainable development’.
- Rio + 20 was typical of this trend and is representative of a deep seated transformation in international environmental governance favoring ‘market forces’.

# The market is the solution!

Yet the market has not resolved the challenge of unsustainable growth.

- industrial gas emissions have increased by almost 50%;
- more than 300 million ha of forest have been cleared;
- many communities in developing countries have lost rights and access to lands and forests to large multinational corporations acting in collaboration with national governments;
- although poverty has been reduced in a few industrializing countries, nearly 20% of the world's population remains in absolute poverty (Watts and Ford, 2012; Global Race Equality Action Trust, 2012),

# The market is the solution!

- more continue to be impoverished through land and resource expropriations.
- the commodification and privatization of the environment has accelerated.
  - increased ‘green grabs’, land grabs,
  - expropriation through carbon sequestration, water privatization, and conservation
  - the suppression of indigenous forms of production and consumption.

# The market is the solution!

“The main substantive achievement of neo-liberalization has been to redistribute, rather than to generate, wealth and income.” (Harvey, 2005).

This has been achieved through ‘accumulation by dispossession’ – i.e. the continuation and -proliferation of accumulation practices which Marx had treated as ‘primitive’ or ‘original’ during the rise of capitalism

# Accumulation by dispossession

- includes the commodification and privatization of land and the forceful expulsion of peasant populations;
- conversion of various forms of property rights (common, collective, state, etc.) into exclusive private property rights;
- suppression of rights to the commons;
- commodification of labour power and the suppression of alternative (indigenous) forms of production and consumption;
- colonial, neocolonial, and imperial processes of appropriation of assets (including natural resources);

# Accumulation by dispossession

- monetization of exchange and taxation, particularly of land; the slave trade (which continues particularly in the sex industry);
- usury, the national debt and, most devastating of all, the credit system as a radical means of accumulation by dispossession.
- the extraction of rents from patents and intellectual property rights
- erasure of various forms of common property rights (such as state pensions, paid vacations, and access to education and health care)

## 4 Main Features of Accumulation by dispossession

- Privatization and commodification
- Financialization
- The management and manipulation of crises
- State redistributions.

# Privatization and commoditization

Primary aim has been to open up new fields for capital accumulation in domains hitherto regarded off-limits to the calculus of profitability.

- Public utilities of all kinds (water, telecommunications, transportation),
- social welfare provision (social housing, education, health care, pensions),
- public institutions (universities, research laboratories, prisons) and

# Privatization and commoditization

- warfare
- The intellectual property rights established
- In Southern Africa the reversal of “Fabian colonialism”
- THE ENVIRONMENT

# Assumptions of commodification

To presume that markets and market signals can best determine all allocative decisions is to presume that everything can in principle be treated as a commodity – i.e. it presumes:

- the existence of property rights over processes, things, and social relations,
- that a price can be put on them, and
- that they can be traded subject to legal contract.

the market is presumed to work as an appropriate guide—  
—an ethic—for all human action.

# Assumptions of commodification

- Every society imposes limitations on commodification
- But neo-liberalism is constantly rolling back these boundaries
- The environment – land, atmosphere, water, forests etc – is the last frontier of capital expansion

# Good Governance

- A market-supporting regulatory framework,
- minimum government,
- partnership between state and civil society,
- decentralized and participatory public administration,
- consensus-based political institutions,
- social equity and inclusiveness,
- accountability,
- integrity,

# Neo-liberalization of Environmental Governance

- entails the privileging of the market in through selective re-regulation and re-orientation of state.
- re-orientations are reinforced through the technocratic and political deployment of knowledge by global biodiversity institutions
- In order to enhance the marketization of the environment through the emphasis on “ecosystem goods and services”

# Commodification of Environment in Africa

- Green grabs (forest management programs such as REDD + )
- CDM projects
- Logging and mining concessions
- Fisheries concessions
- Land Grabs (for food and biofuel production)
- Privatization of water resources
- Expansion of GMO crop production
- Protected areas and conservation initiatives (ecotourism, safari hunting etc