

Extraction-led growth versus people's well-being



The recently elected Government of Juan Manuel Santos has given priority to environmental sustainability and risk management and has issued a National Development Plan aimed at generating income and increasing production while still preserving and protecting bio-diversity and the nation's ecosystems. Nonetheless people's well-being and the environment are still under threat. A recent example is the production of biofuels, which has damaged the peasant economy, displaced entire populations and destroyed natural ecosystems. Despite its rhetoric of sustainability, the Santos Government continues the same economic model of its predecessor.

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Following his election in 2010, President Juan Manuel Santos, Minister of Defence in the previous Government of Álvaro Uribe (2002-10), established "environmental sustainability and risk management" and a National Development Plan (NDP) as core policies of his new administration. The official text of the NDP recognizes a direct relation between rising poverty levels and environmental deterioration. Two connected strategies are proposed to overcome these problems: an economic policy geared to generating income and increasing production, and an environmental policy of preservation and protection of bio-diversity and ecosystem services that contribute to the people's well-being.¹

The strategy of raising income and production assumes that in the immediate future the country will grow by 1.7 percentage points per year, thereby reducing poverty by 1.2% and indigence by 1.0%. At the same time, the Government estimates that the mining and the energy production and transmission sectors will expand by 588%. Permanent hydrocarbon reserves will increase by 335%; oil and gas production, by 79%; the construction of oil and multi-purpose pipelines, by 78%; coal output, by 70% and gold production, by 51%.²

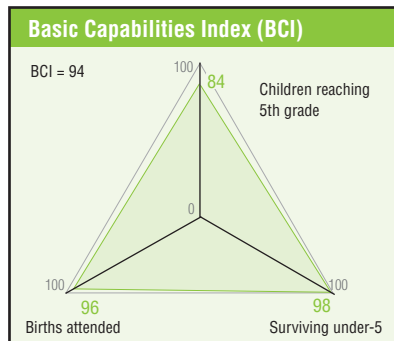
The Plan does not address the distribution of wealth, however. Latin America is the region with the most unequal distribution of wealth in the world, and Colombia has the most unequal distribution in the region.³ The poorest 50% of the population receive only 13.8% of total income while the richest 10% enjoy no less than 46.5% of the income.⁴ It is unclear how the contemplated development will create a more equitable distribution of income.

1 Government of Colombia, *Plan Nacional de Desarrollo 2010-2014, Prosperidad para Todos*, (Bogota: 2010).

2 Ibid., p. 423

3 Colombia Office of the United Nations High Commissioner for Human Rights, *Informe sobre Colombia*, (A/HRC/16/22), (February 2011), paragraph 99.

4 R. Bonilla and J. I. González (coordinators), *Bienestar y macroeconomía 2002-2006: el crecimiento inequitativo no es sostenible*, (Bogotá: CID, Universidad Nacional de Colombia, Contraloría General de la República, 2006), p. 23.



Preservation and protection of bio-diversity, as set forth in the NDP, reflects the need to incorporate environmental considerations into land planning and sector policy management processes. The Government's stated goal is to reduce the impact of the country's ecological footprint of 1.9 global hectares (gha) per person. This unit captures the demand humans make on resources measured against the ecosystem's capacity to regenerate itself. An ecological footprint of 1.9 gha per person means that Colombia is exploiting its ecosystems 1.9 times more rapidly than they can renew themselves. The standard for sustainable human development is 1.8 gha.⁵ One aspect of the new environmental policy is a proposal to stimulate economic growth through increased production of biofuels and the alternative use of coal.⁶

The foundations have not changed

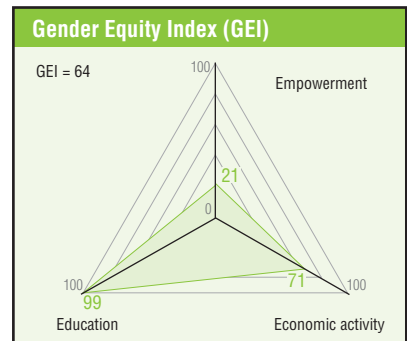
The recent change of government has left many in the country confused. President Santos has moved away from his predecessor's stance in relation to the judiciary and the opposition, but in political economy and environmental development policy - in spite of public pronouncements - the main policy thrust of the new administration seems to be the same as that of its predecessor.

During President Uribe's two terms in office, inequality in Colombia - measured by the Gini coefficient - held steady at 0.59,⁷ which was the 2002

5 Ibid., p. 424.

6 Ibid., p. 463.

7 Departamento Nacional de Planeación, *Misión para el Empalme de las Series de Empleo, Pobreza y Desigualdad (MESEP) entrega series actualizadas al Gobierno Nacional*, (24 August 2009), <www.dnp.gov.co>.



level when Uribe took office. That inequality did not change over his eight years shows how ineffective the government programmes in that period were. Yet the current administration is continuing those same programmes.⁸

One of the mainstays of economic growth during President Uribe's tenure, which continues today, is a steady expansion of mining. Over the last ten years, the mineral extraction sector has greatly expanded, causing a corresponding shrinkage of investment in the agriculture sector. Before 2001, between 80 and 100 mining authorizations were issued per year. Since then, they have been issued at an average rate of more than 400 per year.⁹ The severe negative effects that mining has on the soil and the reduced financial support for small peasant farmers have undermined small-scale agriculture throughout Colombia.

Biofuel production

A worrying aspect of the Government's environmental policy is the link it proposes between environmental protection and the expansion of biofuels, an alternative energy source favoured by international capital and the Santos Government. The Inter-American Development Bank has proposed biofuels as the best production and clean energy option for developing countries since they are presumed not to have a

8 "Familias en Acción va a seguir y se va a fortalecer," *El Universal*, (Popayán: 5 March 2011), <www.eluniversal.com.co/cartagena/politica/familias-en-accion-va-seguir-y-se-va-fortalecer-12786>.

9 J. Houghton (ed.), *La tierra contra la muerte. Conflictos territoriales en los pueblos indígenas*, (Bogotá: Centro de Cooperación al Indígena, 2008).

harmful impact on the environment.¹⁰ Washington has implemented a series of commercial strategies to encourage biofuel expansion in the hemisphere as a low-cost way to solve US energy problems without diverting part of its own agriculture resources from food production to biofuels.¹¹ Concomitantly, in recent years the Colombian Government has increased its support for agro-industrial mono-cultivation, which is the mode of production of biofuels. The diversion of resources from small scale peasant farming to biofuels has caused the displacement of entire populations.¹²

In the period from October 2005 to March 2006, five ethanol plants went into operation (Ingenio del Cauca, Providencia and Risaralda, Ardila Lulle, and Mayagüez and Manuelita). These plants produce 1,050,000 litres of ethanol per day, which represents 60% of the Colombian market's needs. The negative consequences were evident from the start.

Biofuel production requires large-scale monocultivation of sugar, maize, palm oil or soybean. First, this production system erodes the soil and exhausts its nutrients.¹³ Second, water resources are compromised because the extraction and refining processes cause pollution. Third, less land is available for producing food, so food prices rise and food shortages among the poorest stratum of society are aggravated.¹⁴

The use of soybean and maize to produce biofuels is pushing up the prices of these products on the food market. Since the US started promoting ethanol as a fuel, the price of maize has soared to an all-time high. In 2007, the International Food Policy

Research Institute issued a report that estimated international repercussions of this rising demand for biofuels: by 2020 the price of maize is expected to have risen by 41%; the prices of soya and sunflowers could increase by as much as 76%, and wheat could be 30% more expensive.¹⁵

Further, biofuels emit CO₂ and produce greenhouse gases - though less, of course, than methane and those fuels which contain nitrogen and sulphur (NO_x and SO_x).¹⁶ Moreover, the financial yield of such biofuels as palm oil is very delayed, with the return on the initial investment coming as long as five years after planting. Consequently, biofuels often are profitable only for agricultural units of more than 50 hectares, which means that only medium and large landowners benefit from their production.

Discrimination against people of African descent

The expansion of biofuel production has also had a negative impact on people of African descent in Colombia. In proven cases, bio-fuel entrepreneurs with links to paramilitary groups have illegally expropriated the lands of these communities. In places like Curbaradó, where people of African descent are a large majority of the population, some 29,000 hectares of their land have been annexed through paramilitary action, and today 7,000 of these stolen hectares are being used for palm oil production.¹⁷

Racial discrimination against people of African descent has been a problem in Colombia for a very long time. These communities, which account for 26% of the total population, are living under mar-

kedly worse conditions than the rest of the country. For example, an estimated 72% of all people of African descent are in the lowest socioeconomic stratum.¹⁸ The infant mortality rate is twice that of Colombia as a whole. As high as 79% of the municipalities in which Afro-Colombian people represent a majority are at the lowest economic and social development level with 85% of the population living in poverty. This shocking percentage contrasts sharply with the other municipalities where at most 38% live in poverty.

People of African descent have less access to basic education, health services or good jobs and a lower level of participation in public life.¹⁹ In May 2009 the Inter-American Commission on Human Rights (IACHR) reported that although the Government has made an effort to combat violence in areas of Afro-Colombian settlement, law enforcement authorities have failed to solve most violent crimes, a situation that has led to the displacement of entire communities.²⁰

Recently some progress has been made towards rectifying this state of affairs. In March 2011, more than 25,000 hectares of land were returned to communities in the Curbaradó and Jiguamiandó River basins in the northeast of the country. That land had been expropriated for biofuel production by a paramilitary organization called Autodefensas Unidas de Colombia, which was dissolved in 2006. It was restored to its rightful owners as part of a Santos administration programme to return some 2.5 million hectares that had been taken over by paramilitary groups.²¹ ■

10 P. Álvarez Roa, "La política del Gobierno colombiano en la promoción de agrocombustibles", (2008), <confraternizarhoy.blogspot.com/2010/08/estado-terrorista-en-colombia-para.html>.

11 M. A. Valencia, Los agrocombustibles en Colombia: El modelo de Robin Hood al revés y los precios de los alimentos, (2008), <mavalencia.blogspot.com/2008/03/los-agrocombustibles-en-colombia-el.html>.

12 "Ley para sufrir menos por el dólar," *El tiempo*, (24 July 2009), pp. 1-8.

13 Ecoclimático, *El monocultivo y sus consecuencias*, (November 2008), <www.ecoclimatico.com/archives/el-monocultivo-y-sus-consecuencias-822>.

14 Movimiento Mundial por los Bosques Tropicales, *Biocombustibles, un desastre en potencia*, <www.wrm.org.uy/actores/CCC/Nairobi/Biocombustibles.html>.

15 Greenpeace, *Biocombustibles*, <www.greenpeace.org.ar/biocombustibles/argentina/informacion.html>.

16 Ibid.

17 Revista Semana, *Los usurpados del Choco*, (no. 1402, 16 to 23 March 2009), p. 49.

18 G. Romaña, *Afrocolombianos en busca de leyes contra el racismo y la desigualdad*, (November 2005), <www.revistafuturos.info/futuros14/afrocolombianos.htm>.

19 Globedia, *Padece población afrodescendiente de Colombia marginación*, (15 May 2009), <uy.globedia.com/padece-poblacion-afrodescendiente-colombia-marginacion>.

20 IACHR, (May 2009).

21 Vanguardia.com, *Restituyen más de 25 mil hectáreas a colombianos afrodescendientes*, (19 March 2009), <www.vanguardia.com/actualidad/colombia/97218-restituyen-mas-de-25-mil-hectareas-a-colombianos-afrodescendientes>.