FES TRANSFORMACIÓN

Development Approaches in Latin America: Towards Social-Ecological Transformation

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- Some of the theories that have attempted to explain social change in Latin America have paved the way to development approaches and models that became hegemonic during the twentieth century and continue to be so in the twenty-first century. The influence of economic theories led to the concepts of accumulation pattern and development model to be considered equivalent. The notion of development model is therefore used to refer to each modality adopted by the process of capital reproduction in a given historical moment. This bias led to each model having serious limitations to address the multiplicity of dimensions inherent in a comprehensive understanding of development.

- Since the second half of the nineteenth century, the Primary Export Model, the Import Substitution Industrialisation Model, the Neoliberal Model, and the so-called Post-Neoliberal Approach have been the development approaches or models prevailing in Latin America. In spite of important differences, to a larger or lesser extent they have characteristics in common: a) they view modernisation as a linear and evolutionary process based on growth as its primary factor; b) they subordinate and deny the intrinsic value of the nature of the relationship between human beings and the environment; and c) they exclude any knowledge departing from the parameters of the ruling Western rationality.

- To oppose the neoliberal model per se does not imply that the capitalist system is being challenged in depth. Changes in the correlation of forces and in the State's redistribution function have not changed the region's profile as a supplier of raw materials and cheap labour for the global economy. Beyond the positive intentions and effects of post-neoliberal redistribution policies, Latin America undoubtedly continues to play a relevant role in the functioning of global capitalism.

- In the Latin American region, the effects of the development models have potentiated a crisis in the management of social change with serious consequences for quality of life and nature's metabolic rhythms. The crisis, however, is also an opportunity for shifting the direction of these approaches. Evidence reveals that in Latin America doing more of the same would only make the situation worse. The current situation demands that social actors articulate and play a role as bearers of change and innovation ideas. Within the context of the field of ideas, the definition of a social-ecological transformation horizon becomes a challenge of the first order.

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The Development Debate in Latin America

The intensity of the discussion and dispute regarding the adoption of a framework with which to guide development policies in Latin America can be traced to the 1950s and 1960s. It is not that there were no expressions of this tension in the discourse in earlier decades, but the capacity to contest and contribute thinking that to a certain extent could be alternative stood out during that period.

From one extreme to the other, development theories took their fundaments from general theories pertaining to functionalist, structuralist or Marxist social sciences. At the same time, they resorted to economic concepts and hypothesis emerging from the Neoclassical, Keynesian, and Marxist economic approaches (Becker, 2001). Essentially, however, those positions contributed to Western modernity, thus placing economic growth as the analytic core to explain a country's situation and trajectory.

Modernisation theory, the ECLAC'S structuralist approach and dependence theory demarcated the spectrum of the discussion regarding the "more convenient" development options for the Latin American region. These three theoretical bodies converged in a common denominator: an economicistic bias. What changed was the modality to achieve economic dynamism. For modernisation theory, it was essential for an economy to overcome traditional backwardness, achieve technical progress, increase the capacity to consume and adopt a democratic regime. ECLAC structuralism and dependence theory, in spite of their differences, shared the common concern of achieving social justice and greater regional and national autonomy vis-à-vis the central countries that concentrated investment and technological development capacities. With regard to the specific field of the Latin American economy, the region was permeated by at least three significant influences:[1] a) the influence of classical and neoclassical economists who pointed to the need to increase the markets' capacity to self-regulate; b) the Keynesian influence favouring State intervention and planning; and c) the Marxist influence appealing to a change in the relations of property (Becker, 2001).

The similarities between the different theories attempting to explain and guide Latin American development are not accidental. Their point of departure is a notion of development rooted in the dominant Western rationality focused on the need for ongoing economic growth, modernisation of the productive apparatus, and socio-political and institutional modernisation (Escribano, 2003). The differences were evidenced when they responded to the following questions: a) how is economic surplus produced, and how and by whom is it appropriated; b) what type of international insertion is more advisable; and c) what role should the State and the market play in the modernizing project. In those times, environmental concerns, with a few isolated exceptions, were not part of the debate.

The Latin American Specificity

One of the main contributions of Latin American thinking in the face of the evolutionist and linear vision of the dominant theories was the argument that the classical conditions did not exist in Latin America to enable the region to follow the Western development process. The region enjoyed a specificity that needed to be explained. This premise motivated research to diagnose and identify alternatives that would respond to the region's specificity (Flores, 2012).

The massive transference of Latin American wealth to Europe, via Spain and Portugal, marked the beginning of the colonial capitalist system-world. This plundering of resources strengthened the primitive accumulation of capital that enabled the industrial revolution. The independence processes of the first decades of the nineteenth century did not significantly alter this transference of wealth. It was not until after World War II that the role Latin America played in the international division of labour started to be reflected upon and seriously questioned. The asymmetries between the so-called peripheral and central economies created a totality and a system in which one part implicated the other. From this perspective, underdevelopment was seen as the other side of development. Productive specialisation was therefore not seen

1 The first two of these influences dominated the economic policy discussion and orientation in Latin America.

as a casual phenomenon, but rather as a structural characteristic of Latin American, Asian and African countries. The ongoing deterioration of the terms of exchange, resultant from the asymmetries between the price of exported primary commodities and imported industrial goods was questioned (Lander, 2014).

Delving deeply into the Latin American specificity, it becomes evident that the main economic drive comes from outside the region, since industrial development in the wealthiest countries increased the demand for raw materials extracted from peripheral countries. This phenomenon reaffirmed the Latin American specialisation within the international division of labour. Of course, this encapsulation was not spontaneous. Various economic and political factors ensured the export-oriented function of primary goods, and at the same time blocked the sustained expansion of the domestic demand. This state of affairs discouraged the emergence of other economic sectors that could have laid the foundations for endogenous accumulation and development of the productive forces (Carvalho and Friggeri, 2015).

According to Stavenhagen (1965), apart from the relationship of colonisation that central countries held with the so-called peripheral countries, colonial forms of domination were also reproduced within the Latin American countries. In each country, the most backward regions played the role of internal colonies in relation to the more dynamic urban areas. For this reason, Stavenhagen emphasized that rather than explaining the internal situation of Latin American countries in terms of a "dual society," it was more appropriate to express it in terms of internal colonialism. Stavenhagen's statement was based on the fact that the transference of capital, raw materials and labour force from the "backward" areas enabled a rapid development of "poles of growth," and postponed the development of the supply zones. Exchange between modern urban centres and backward rural areas in the same country thus presented asymmetries similar to those seen between central and underdeveloped countries.

Whether one agrees or not with the theoretical foundation underlying Latin American specificity, without a doubt this represents a before and after regarding the way in which the debate about development options for the region unfolded.

Dominant Approaches to Development in Latin America

Some of the theories that have attempted to explain and orient public policy formulation in Latin America paved the way for the development approaches and models that became hegemonic during the twentieth and twenty-first century (Figure 1). Due to the influence of economic theories, the notion of a development model became assimilated with the concept of the accumulation pattern. The notion of a development model was thus used to refer to each modality adopted by the capital reproduction process at a given historical moment. This bias implied that each development model would significantly constraint any approach to the multiple dimensions inherent in a comprehensive understanding of development. Having clarified this, at least four predominant approaches can be distinguished in Latin America:

1. The Primary Export Model (PEM): influenced by classical economic theory;

2. The Import Substitution Industrialisation Model (ISIM): formalized and explained by ECLAC's structuralist theory;

3. The Neoliberal Model (NM): directly influenced by neoclassical economic theories; and

4. The Post-Neoliberal "Approach" (PNA): lacking a distinctive or consistent theoretical influence, although the partial influence of the neo-structuralism posited by ECLAC as of the 1990s is noteworthy.

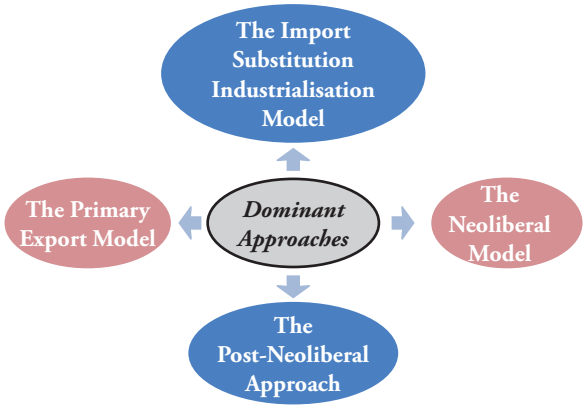
The first and third models correspond to more orthodox expressions of capitalism as an accumulation regime, whereas the second and fourth approaches represent relative options of distribution adjustment, always within the framework of global capitalism, which in Latin America have demonstrated a certain margin of opportunity, taking advantage of specific moments in the world situation. During the boom of the PEM and the ISIM, these models attained greater expansion

in the region than that observed by the NM and the PNA, still underway. This difference in the degree of influence is due to various factors, including most importantly: the balance of power underlying each development option, the profile of the productive systems, as well as the opportunities and constraints of the world system.

The pre-eminence of each one of these models and/or approaches is far from having been homogeneous in each country or subregion. The specificity of each context explains the difference in degree and application time. A temporary historical distinction is here set forth based on the moments in which each approach attained wider dissemination and depth, and was therefore dominant in relation to other options. This does not presuppose a lack of awareness that the gestation, development and decline period of each approach implies a larger time frame than that covered in this document.

Figure 1:

Dominant Approaches Regarding the Direction Development Took in Latin America



The Primary Export Model (PEM)

This model promoted the international insertion of countries considered undeveloped through raw material exports, with an emphasis on agricultural products and minerals. Among others, the following contextual factors favouring the consolidation of the PEM should be mentioned: a) an abundant availability of raw materials and cheap labour in countries within the capitalist periphery; b) the parallel existence of docile governments favouring the attraction of foreign investment in the primary sector by means of extravagant concessions and fiscal exemptions; c) technological advances allowing developed countries to massively process and add value to raw materials from colonies and former colonies; d) an increase in the purchasing power and the consumer capacity of vast sectors of workers in Europe and the United States; and e) progress in maritime transport allowing not only reductions in shipping time, but also an increase in the volume of raw material and commodity freight.

In Latin America, the boom and consolidation of this type of development took place approximately between 1870 and 1910,[2] as a trend triggered by European colonisation. The PEM contributed to GDP growth in Latin America with slight variation depending on the type of product and international market conditions. However, this growth did not favour widespread improvement of the population's well-being. On the contrary, it reproduced and strengthened Latin American dependence on the central countries. This led to a heterogeneous and specialized productive system constituted by a "modern" sector in primary product production and export, as well as a "backward" subsistence sector. This model lacked internal drive since its economic dynamism depended on the demand of the capitalist centres. Likewise, the productivity increases of the export sector were not transferred to the entire economy. Most of the surplus was transferred to other countries, whereas a large part remaining in the region was allocated to the oligarchy's imported luxury consumption. In summary, the significant income concentration levels prevailing since colonial times were accentuated during the PEM phase (Guillén, 2007).

In Latin America, the PEM unfolded in differentiated ways. Southern Cone countries like Argentina, Uruguay and Chile –since the victory of the independence processes in the first decades of the nineteenth century– submitted to the requirements of British capitalism. These countries specialized

2 The consolidation of the PEM during this period is due to the fact that the region's role in primary productive specialisation became formalized, thus favouring the inclusion of almost all the Latin American countries into the global system in a time of great dynamism in international trade.

in the production of goods in great demand, such as leather, meat, and cereals. Furthermore, the insertion of countries like Mexico, Brazil, and those in Central America into the new post-colonial order was stronger during the second half of the nineteenth century, once the Liberal Reform had been achieved. It was then that coffee production and export became consolidated in Brazil as the foundation of its economy during that stage. Between 1867 and 1910, Mexico became consolidated as an exporter of: a) agricultural products, particularly cotton, henequen and coffee); and b) minerals (copper), and later, oil (Guillén, 2007).

The PEM made countries exporting raw materials highly vulnerable because the economy's performance depended on the surplus of exports that are highly sensitive to foreign demand, not to mention the fact that the accumulation regime favoured the concentration of wealth and the massive transference of surpluses to the central countries. The role played by Latin American countries in the international division of labour implied a progressive deterioration of trade transactions due to ongoing international price fluctuations. This was linked to the sequels of World War I and later to the Great Recession of the 1930s and World War II. This situation, that triggered recurrent crises accompanied by notorious inflationary and recessive effects, led to the model being questioned by emerging industrial entrepreneurs, allied to worker movements and political leaderships. These alliances later promoted political options that were more favourable to a reformulation of the economic policy aimed at strengthening the domestic market and industrial capacity of Latin American countries. The PEM fell into crisis. Nonetheless, this decline did not lead to its disappearance.

The Import Substitution Industrialisation Model (ISIM)

The ISIM is defined as a set of policies aimed at encouraging domestic industrialisation through discouraging imports. For this purpose, the State is granted ample power over the promotion and management of the economy in the social reproduction of the labour force with an emphasis on urban industrial areas. Although it is a policy option used in other times and countries, like the Soviet Union and even the stage of European mercantilism in the sixteenth and seventeenth centuries, it was ECLAC that since 1948 formalized, perfected and promoted the ISIM as a comprehensive model on a Latin American scale. In the region, the boom of this development approach took place between 1950 and 1970,[3] although development was extremely unequal between subregions and countries. It was then that Brazil, Mexico and Argentina attained the highest levels of relative industrialisation. A second block comprised of countries like Chile, Colombia, Peru and Uruguay attempted to take strategic steps in that direction, having lower impact than the first group of countries.

This model emerged in counterpoint to the PEM, as a critique of the position the Latin American countries held in the international division of labour that locked them into producing value-added commodities and importing manufactured and capital goods that notoriously deteriorated the terms of exchange. With regard to this issue, Raúl Prebish emphasized the distortions in the relationship between centre and periphery. His arguments rejected the premise of the process of linear and convergent modernisation set forth by modernisation theoreticians.

From ECLAC's perspective, the ISIM was the ideal path to increase economic productivity, accelerate GDP growth, systematically absorb the surplus labour from rural areas, improve income distribution, and reorient the profile of the Latin American insertion into the international division of labour.

The most outstanding contextual factors favouring the emergence and consolidation of the ISIM include: a) recurrent international crises affecting raw material price and demand; b) the alliance of political sectors, social movements and fractions of the emergent bourgeoisie that coincided in the

3 There was an earlier history of import substitution industrialisation in Latin America during the first half of the twentieth century, owing to the effects of both the Great Depression in the United States and World Wars I and II. Years later, ECLAC provided theoretical consistency and formalized the way in which countries like Argentina, Brazil and Mexico had been responding to external constraints.

challenging need to expand domestic markets and national industrialisation.

From the ISIM's perspective, a country would have to start out by substituting low-intensity technology goods, and as its technical progress moved forward it would be able to substitute increasingly complex goods. Following this path, countries would eventually attain greater value-added exports, seen as the higher stage of outward-oriented industrialisation. In the end, the export substitution policy helped to diversify the region's basket of industrial goods, using domestic production to meet the need for consumer goods as well as some intermediate and capital goods. As a result of the ISIM, the region achieved important levels of economic growth surpassing historical growth rates. Nonetheless, the region was unable to move toward exporting technologically complex commodities more consistently.

This industrializing effort was highly significant for the modernisation and diversification of the Latin American economies. However, the concentration of industrialization in the main cities represented an important constraint. It promoted massive flows of peasant migration and precarious urbanisation processes. It also weakened the capacity for agricultural production and initiated a tendency to informalise urban employment. In any case, it should be noted that it was under the influence of this industrializing effort that there were important attempts to achieve the universalisation of some social policies. In the end, the region, for different reasons, was not able to even come close to the threshold of the Welfare States prevailing in Europe, although the level reached in countries like Uruguay and Costa Rica before the onslaught of neoliberal policies should be noted.

When the industrialisation process intended to advance towards producing goods with greater complexity, unable to alter the profile of their participation in the global chains of value, the countries' manoeuvring and control capacity weakened. Since the region did not have enough capital, thus lacking technological absorption and dissemination, it was obliged to open the doors to transnational corporations, above all from the United States. These corporations became the main sources of investment, controlling the dynamic areas of industry, a phenomenon that Cardoso and Faletto (1977) called "internationalisation of the domestic market."

The limitations and contradictions of the ISIM were evidenced by the critique made by various authors writing from the perspective of the dependence theory,[4] which in summary posited the following arguments (Diez, 2012): a) capitalism's impossibility to universalize industrial development given the deliberate obstacles central countries imposed on peripheral countries; b) the need for radical changes to the external links since central countries tended to subordinate peripheral countries through transnational corporations and the interweaving of interests of the dominant groups from the central countries and similar groups in the periphery; and c) the fact that the explanation of Latin American underdevelopment did not take into account the causes underlying its serious social asymmetries since this analysis ignored the existence of opposing interests between the ruling classes and the oppressed.[5] The critique of the dependence theory bridged this gap by noting that the Latin America States oscillated between corporate, patrimonialist and authoritarian States that forged capitalist exploitation (Flores, 2012).

The ISIM started to demonstrate symptoms of weakness or deviation, depending on the analytical lens through which this phenomenon is seen. At the end of the 1960s, industrial dynamism decreased. There were later on external shocks, such as those derived from the global oil price and excess

4 The dependence theory rather than opposing ECLAC's structuralist theory radicalized ECLAC's positions. In the 1960s and 1970s, it was supported by extensive circles of specialists in underdevelopment. Celso Furtado and Osvaldo Sunkel (who had played a relevant role in ECLAC) stand out as representatives of these theories as well as Fernando Cardoso, Enzo Faletto, Theotonio Dos Santos, André Gunder Frank, Anibal Quijano and Ruy Mauro Marini, most of whom had an earlier or ongoing relation with Marxist economic theory (Gabay, 2008).

5 Underdevelopment was a term that referred to the economic structures in which the primary sector predominated, with a strong concentration of rent, a very low differentiation of the productive system and, in particular, pre-eminence of the foreign market over the domestic market.

liquidity crisis in the first five years of the 1970s. That same decade, a convergence of various factors corroded the authority of the Keynesian ideas that had prevailed in the post-World War II period. As would be expected, this affected the application of the ISIM in Latin America. Instead of using the crisis in order to change course and adjust the model –which would have favoured an improvement in income redistribution, greater integration and articulation of the productive system, as well as a selective revision of protection schemes– the Latin American governments continued to accentuate the distortions. To make things worse, governments resorted to debt as the preferred adjustment path to face the external and budget imbalances. In the early 1980s, foreign debt and an increase in the international rates of interest deepened the crisis, practically obliterating the viability of paying the foreign debt, which incidentally was not duly invested in the Latin American countries (Guillén, 2007).

The aforementioned factors gradually reduced the volume of capital formation and technology absorption and dissemination, a phenomenon known as "truncated industrialisation." The social and political underpinnings that had backed the ISIM were thus weakened. Parallel to this, there was an increase in the power of the transnational corporations, which with few exceptions controlled the most vigorous sectors of the industrialized sector, with no interest in promoting greater autonomy in the Latin American region.

Apart from the concrete problems faced by the ISIM, it is important to keep in mind that in the last quarter of the twentieth century, ECLAC'S structuralist theory as well as the dependence theory were no longer able to explain the Latin American reality, since in the face of the reconfiguration of the productive system under the influence of globalisation, the centre-periphery dichotomy could not fully explain economic domination and its relationships.

Globalisation did not bring horizontal capitalist development. On the contrary, it broadened inequality. What has changed is that the nation-State lost centrality and the entire world is seen as a network platform in which productive functions are allocated as required by capital's interests, averting as far as possible the legal and territorial barriers that hinder their expansion, including those existing in the central countries. The category of semi-periphery then emerged in order to allude to the territories that become the new global "factories," which because of their advantages (including the availability of a relatively cheap labour), substitute certain cycles of production that are no longer carried out in the old industrialized countries (Martínez, 2010).[6]

The Neoliberal Model (NM)

The neoliberal theoretical contributions gained academic notoriety in the 1970s. Nonetheless, they would have to wait until the following decades to receive extensive political support. The NM was able to hegemonise several regions worldwide, above all after the dissolution of the socialist block. It was in Latin America where the NM became more widespread and more consolidated, displacing the institutional arrangements constructed around the ISIM. Neoliberalism concentrated on both macroeconomic stabilisation and structural adjustment oriented towards market liberalisation and opening up to the world economy.

Stabilisation was aimed at achieving a macroeconomic balance: a contained inflation, a reduction of both the public and external deficit, as well as the "aspiration" to reach foreign debt

6 A relative increase in the wealth and consumer levels can thus be observed in these semi-peripheral zones, at the same time as the inequality gaps increase. They remain subordinated to the capitalist centres that continue to control the global chains of value. This in part explains the growth of both the so-called Asian tigers, and the emergent economies, in general, that took place since the second half of the twentieth century.
It is not that the centre-periphery dichotomy has fully lost validity, but it does need to be updated and complemented by other categories in order to be able to explain the new economic order. The old division between the centre (i.e., the industrialized countries) and the periphery (i.e., countries with a primary-export-oriented economy) can no longer explain the complexity of the productive relationships in the global system. On the one hand, the territorial reconfiguration goes beyond the parameters of the nation-State, and, on the other, what differentiates them is no longer what is produced, but rather how it is produced (Martínez, 2010).

sustainability. Macroeconomic policy was its field of action: a monetary policy to repress inflation, a fiscal policy to contain budget deficit, and a rate of exchange attempting to make adjustments to the external imbalance. Structural adjustment, however, took place in the microeconomic sphere. It aimed to reduce distortions of the incentives introduced by State intervention or by the absence of competitive markets in traditional economies: reverting the anti-agricultural and anti-export bias, increasing industrial productivity, privatizing public enterprises, attracting foreign investment, improving market performance, and reorienting the productive structure in accordance with the comparative advantages of the Latin American countries (Escribano, 2003).

The following factors, among others, mainly enabled the emergence and the further consolidation of the NM: a) the debt crisis in the early 1980s, which marked the end of the ISIM in the region and the transition towards the NM; b) internal and external constraints which hindered not only the accumulation of endogenous capital, but also greater control over the chains of value in the second phase of the ISIM; and c) the political pact between the US government, international financial institutions and the Latin American elites to adopt a policy framework commonly known as the Washington Consensus.

In any case, it should be noted that in Latin America there are early antecedents of this model in the first years of Pinochet's dictatorship in Chile, and in the military dictatorship in Argentina (1976-1983). These two countries were used as an experimental phase of the neoliberal policies that would later be applied by the Reagan administration in the United States and by Margaret Thatcher in the UK (Guillén, 2007).

In the macroeconomic sphere, the NM was able to adjust certain indicators, such as inflation, at an extremely high social cost. Likewise, multiple incentives were promoted in order to attract foreign direct investment, although at the cost of: a) a drastic reduction of the States' capacity to capture economic surplus; and b) promoting the destruction of the national productive fabric displaced by the transnational corporations' economies of scale.

In Latin America, the strategies to correct the anti-export bias introduced by the NM were far from homogeneous. Depending on the weight of the most dynamic goods, population size, territorial extension and location, two strategies were seen to bolster exports as the linchpin of surplus production (appealing to the classical principle of comparative advantages):

a) Raw material exports: mainly minerals and hydrocarbons, but also agricultural crops like soybean. This is more evident in the Andean countries and the Southern Cone (although in the latter both strategies were observed to be complementary).

b) Low-technology manufacturing: for export to United States where the textile maquila industry has occupied a dominant position. This is the case of Central America, the Dominican Republic, as well as Mexico (regardless of the fact that Mexico also exports oil).

In any case, both strategies together led to deindustrialisation processes and the elimination of domestic chains of production.[7] Logically, in many senses, the NM is similar to the PEM, since they both lack internal drive and depend on foreign demand. Technical progress concentrated in the most dynamic export-oriented sectors is not linked to the rest of the productive system, thus destroying the possibility of setting up an endogenous nucleus of capital accumulation (Guillén, 2007).

One of the main promises of the NM was that it would make it possible to eliminate the so-called external constraint, defined as a lack of capital and technology for the development of Latin American societies. The assumption was that changing "outward-oriented" production would allow for overcoming the anti-export bias remaining in the wake of the ISIM. Thus foreign exchange would be obtained through foreign trade, acting as an

7 In Argentina, the participation of the industrial sector in the GDP dropped from 28 per cent in 1976 to 15.4 per cent in 2001. In Mexico, this indicator went from 29 per cent in 1980 to 24.5 per cent in 2003. In the case of Colombia, it decreased from 27.1 per cent in 1976 to 14.1 per cent in 2003 (Guillén, 2007; Echavarría and Villamizar, (n.d.)).

inner drive towards growth. This would lead to an endogenous foundation for capital accumulation and financing. In practice, the exact opposite took place: dependence on imports increased. The import ratio in the region thus went from 15.9 per cent of the GDP in 1981 to 22.3 per cent in the year 2000 (Guillén, 2007).

As a whole, the Latin American economies grew less during the 1980s and 1990s than in earlier decades.[8] Besides, the application of the NM led several countries in the region to face serious crises. The episodes of instability in Mexico (1994), Brazil (1999) and Argentina (2001) illustrate this trend. It should also be noted that even countries that showed rapid economic growth towards the end of the 1980s and 1990s –Chile, Argentina, Costa Rica, Panama and Peru– demonstrated poor results in reducing poverty, simultaneously deepening inequality (Arenas, 2012).

The promise to generate quality employment was also truncated. The application of neoliberal measures did not create the announced level of employment, but rather extended the informal economy. This phenomenon had a determinant influence on the deterioration of real wages, the concentration of income, and the increase of poverty. This reinforces the thesis that capital accumulation does not ensure an increase in real wages due greatly to the existence of a vast supply of labour. In this sense, the informal economy not only hires those who do not find a place in the formal economy, but also becomes the baseline for the value of labour. As a result, in Latin America the NM accentuated and complexified the structural heterogeneity of both the economic system and social stratification (Guillén, 2007).

It cannot be ignored that the social cost of the NM was unfairly distributed between the different sectors of society. In most countries, financial liberalisation and massive capital inflow led to currency overvaluation and to a new foreign debt cycle, thus accentuating financial vulnerability and fragility. Whereas investors have in general benefited from the proposed reforms currently being implemented, the increase in unemployment, the decrease in social services, and the contraction of real wages substantially affected the most vulnerable groups (Sierra, 2012; Guillén, 2007; Papa, 2004).

From a systemic perspective, it could be said that neoliberalism's two substantial effects have been the over-dimensioned weight of the financialisation of the economy and the worsening of labour relations, which translates into the hegemony of financial capital under its speculative form and the expropriation of labour rights (Sader, 2008)[9]. These effects produced conditions that made social discontent increase in all countries, with different levels of intensity and empowerment regarding people's ability to claim their rights. Already in the first five years of the twenty-first century, the correlation of power in most Latin American countries set the pace of political projects that rejected neoliberalism's core hard-line policies.

The Post-Neoliberal Approach (PNA)

The post-neoliberal approach resembles a platform under construction that is motivated by an interest in reverting the more drastic effects of market deregulation, the reduction of State functions, and the weakening of social policy. Post-neoliberalism is a descriptive category that includes different degrees of rejection of neoliberalism and presupposes the possibility of various political projects aimed at improving the life conditions of the population without strictly speaking becoming a new model.

It is thus an approach based on a concept with multiple layers of meaning. It has the a priori advantage of opening up multiple alternatives to neoliberalism, but unfortunately uncertainty prevails over its cohesive weight and its explanatory power. For this reason, the range of possibilities

8 In Latin America, the annual GDP growth rate was 5.5 per cent between 1950 and 1980, whereas during the period from 1981 to 2003 it was 2.1% per cent per year (Valenzuela, 2011).

9 In this respect, J. Valenzuela (2013) sustains that on a global level, the neoliberal model played two strategic functions: a) to increase the rate of exploitation; and b) to promote a greater subjugation of the economic order to international financial capital. According to this author, both functions explain the terminal crisis the neoliberal model is experiencing, having achieved its objectives. This situation in no way ensures that capitalism itself is going through a terminal crisis, but rather indicates a turning point in which the new approaches are competing for hegemony.

includes: a) alternatives that reinforce capitalism; b) the construction of ways out of capitalism based on its own capitalist institutions; and c) the search for collective ways of conceiving and actualising non-capitalist social organisations (Ceceña, 2011).

In contrast, it is important to highlight that the PNA has been under observation for a very short time. Its peak was achieved between 2005 and 2012. As of the latter year, it has been seen to stagnate due to the erosion of the political projects that had spearheaded it, aggravated to a significant extent by the impact of external shocks that have reduced the foreign exchange earned through raw material exports. Perhaps in the future, the post-neoliberal space will be seen more as a phase of transition than as an approach in itself, but today it is pertinent to highlight its existence in the region as a counterpoint to various neoliberal practices that have deteriorated social conviviality.

The main contextual factors favouring the emergence of the PNA include: a) the relative displacement at the time of the United States' geopolitical priority towards other areas on the globe, particularly the Middle East and the Asia-Pacific region; b) the increase in the demand for raw materials from emergent economies, above all China; and c) the premature deterioration of governments with a neoliberal orientation that resulted in extremely high social costs, citizen discontent, and new political forces with the capacity to win elections.

While neoliberalism was practically rampant throughout Latin America –regardless of its varying intensity in each country– the PNA concentrated in South America, with less possibility in Peru and Colombia.[10] It can be said that post-neoliberalism's scope and dynamics vary according to: a) the characteristics of the State before the left-wing and/or progressive governments assumed predominance in South America; b) the countries' economic profile (their almost absolute dependence on raw material exports or a given combination of competitive primary, industrial and service sectors; and c) the accumulation of forces of the political blocs coming to power in order to revert the hard-line core of neoliberal policies.

The aforementioned factors place the Andean countries –Venezuela, Bolivia and Ecuador– whose post-neoliberal projects -based on governments with a strong concentration of presidential power- have to a large extent challenged the preceding status quo. Furthermore, countries like Argentina, Brazil, Uruguay, and to a lesser extent Chile, demonstrate a more limited application of the PNA due in part to a more balanced existence of a correlation of political forces as well as earlier institutional agreements that had consolidated within the sphere of public policies.

In any case, it should be noted that the observed PNA experiences do not necessarily fully revert the so-called Washington Consensus. The struggle has focused on returning a certain regulatory role to the State, capturing a part of the economic surplus in a timely way, accompanied by re-prioritizing public expenditure in order to reduce inequality as well as strengthen infrastructure in order to enable economic development.

Concerning international relations, the PNA has attempted to bet on greater regional autonomy, which explains the efforts to reconfigure regional institutions. There have been attempts to redefine or transcend merely commercial ties, as well as to adapt to a context marked by the global crisis and the displacement of economic dynamism toward the Asia-Pacific region (Arenas, 2012).

Although the rates of unemployment and poverty demonstrated a tendency to decrease during the boom of the PNA, the inequality gap remains virtually intact (Graphs 1 and 2). Together with Sub-Saharan Africa, Latin America continues to be one of the two regions with significant wealth inequality in a world that is extremely unequal to begin with

10 The post-neoliberal wave impacts with a different intensity the countries that from 2005 to date have proven to a certain degree to challenge the neoliberal orthodoxy. Colombia and Peru are mentioned because political parties with a program that questions the neoliberal model have not yet come to power. Besides, it is well known that in the case of Chile progressive policies coexist with a deeply rooted, markedly neoliberal economic foundation. The case of Paraguay is very similar to that of Peru and Colombia, except for some measures adopted during the brief episode of Fernando Lugo's administration.

(Graph 3). Closing the inequality gap requires a global understanding of the way in which wealth accumulation works within the capitalist system. As explained by Picketty (2014), since the 1980s, the dominant economic system recovered its inertia and foundations: to maximize capital profits and reduce wage participation within wealth as a whole. This global phenomenon therefore has repercussions on the Latin American region, and, as can be deduced, capital-intensive investments, financial speculation, lower capital gains tax, labour flexibility, precarious employment, as well as unemployment are not mere externalities, but rather are consequences of a deliberate intention to increase the concentration of capital.

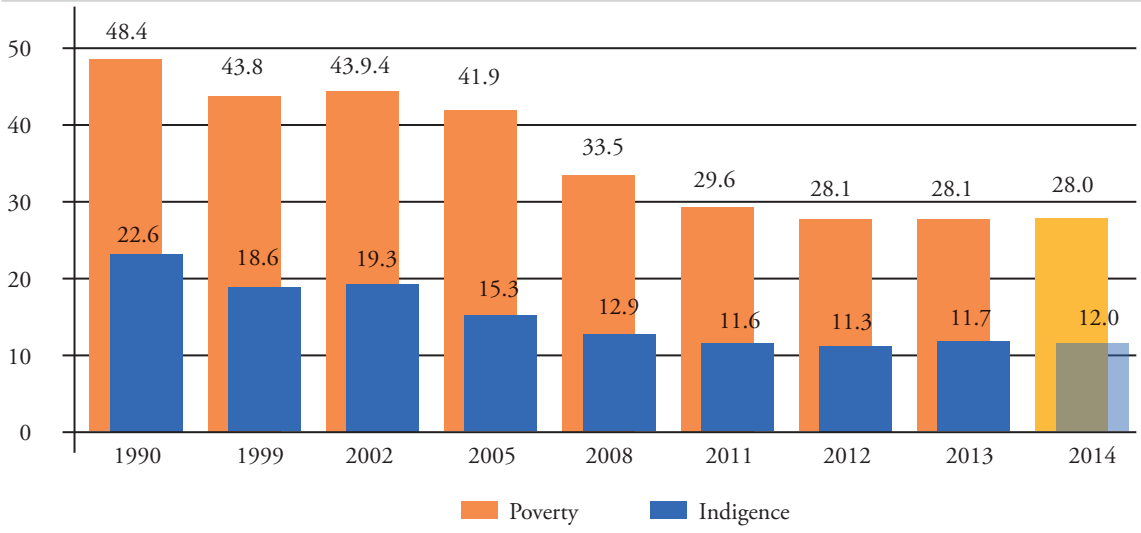
One of the main critiques of the PNA policies is the insistence on a pattern of primary-export-extractive accumulation financed above all by transnational capital. As Stolowics notes (2011; pp. 12-13), this pattern is based on "vast genetically modified monocrops; mining (particularly open-pit strip mining); energy exploitation such as oil, gas, hydroelectricity; the expropriation of biodiversity; and the construction of multimodal transport and communication systems to reduce extraction costs. All these activities demand territorial control accompanied by the dispossession of villages, peasants, small-scale owners and indigenous communities."

It is evident that in spite of a discourse claiming the opposite, the so-called progressive governments that defend post-neoliberal projects continue to enable economic growth based on the export of natural resources and the attraction of foreign investment, which support the expansion of popular consumption and apply compensatory measures targeting the poorest sectors. These governments have redefined some criteria regarding the relationship with capital, which represents a notorious move forward, and in most cases have been able to capture a significant amount of surplus from some extractive areas. However, they show serious limitations in their movement towards both achieving productive diversification and changing the role the region plays in the international division of labour (Gudynas, 2015). In fact, Latin America –with nuances depending on the subregion or specific country– continues to depend greatly on low value-added goods in order to sustain its export supply (Graph 4).

In general, the Latin American countries were able to take advantage of the periods during which raw material prices were high and the industrialised nations were in crisis. This gave them a wider margin of manoeuvring and enabled economic growth, but they did not seem well prepared to face a drop in the prices of the commodities they export (Graph 5). This is the risk they face, while the elites affected

Graph 1

Latin America: Evolution of Poverty and Indigence, 1990-2014



Source: Abramo, 2015; p. 16, based on ECLAC data. Estimates include Haiti. The data for 2014 correspond to projections for that same year.

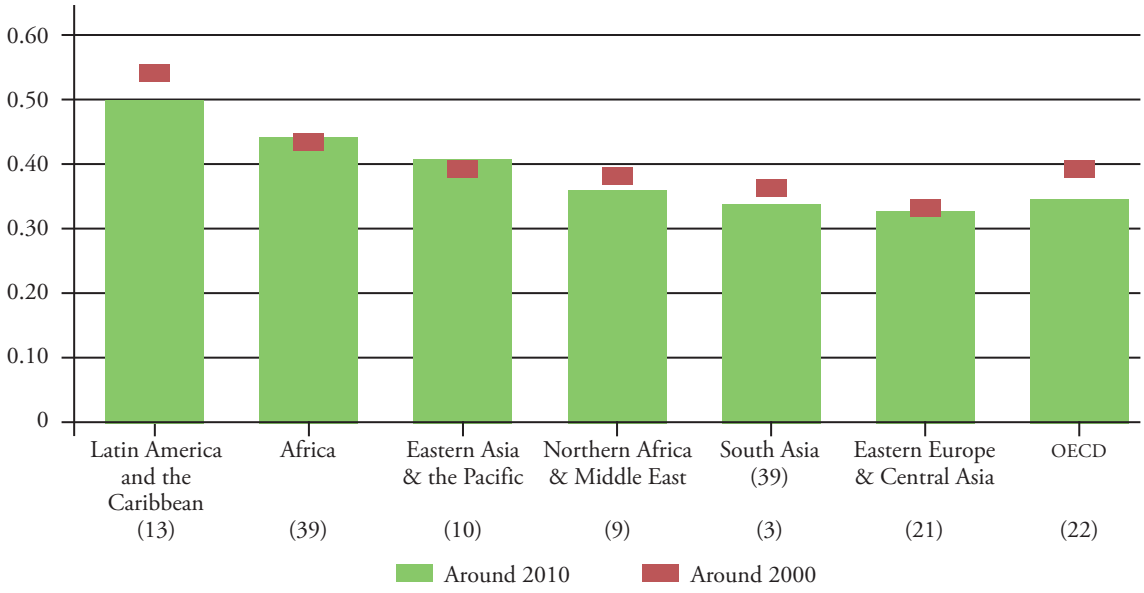
Graph 2

Latin America: Income Inequality, 2002 and 2013 (GINI Index)

Source: Amarante and Jiménez, 2015; p. 14.

Graph 3

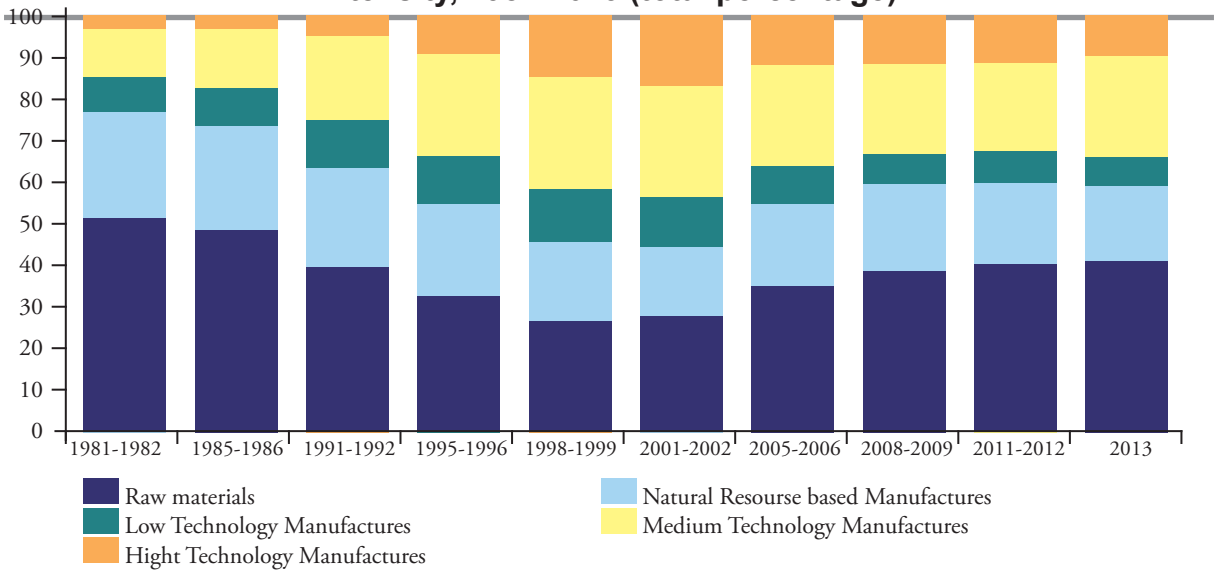
Latin America and Other Regions: GINI Coefficient, around 2010



Source: Prado, 2015; p. 4.

Graph 4

Latin America and the Caribbean: Export Structure per Level of Technological Intensity, 1981-2013 (total percentage)



Source: Bárcena, 2015; p.12.

by the new correlation of forces within each country use the opportunity to re-emerge as an electoral option. The post-neoliberal projects face the threat of not being able to sustain an increase in social investment and expenditure. The pressure to move towards the extractive industry increases in spite of implying greater destruction of the ecosystems,[11] land grabs and social-environmental conflict.

However, this juncture also provides a valuable opportunity to identify this moment in time as a period of transition towards a transformation that includes various dimensions of human needs as well as the requirements of the natural milieu of which it forms part.

Crisis of the Development Model in Latin America

It would be a mistake to consider the four aforementioned approaches as modalities that are isolated from each other, and can only be explained by the balance of power that promoted them. On the contrary, their application and results are in part conditioned by the depth and permanence each model has had in the Latin American region. Without a doubt, designs oriented towards the PEM and the NM were the ones that were able to put more "locks" in place so that decisions regarding them would not be substituted in depth by challenging approaches.

From an epistemological point of view, the four models, despite some important differences, share[12] common features that are important to identify in order to a priori get to know their potential scope and restrictions. These features include: a) the notion that modernisation is an evolutionary and linear process based on economic growth as a fundamental factor; b) the subordination and denial of nature's intrinsic value regarding the relationship

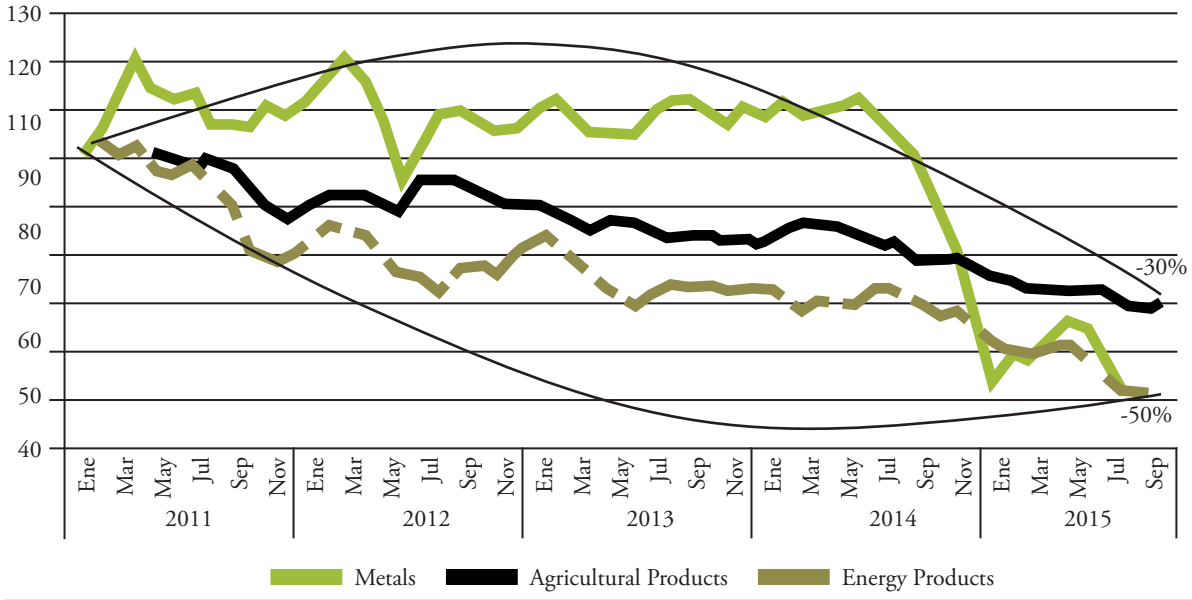
11 The recurrence of extractive activities exercises considerable pressure on the Earth's boundaries, particularly because of land-use change, the persistent fossil fuel dependence and water pollution. Regarding the concept of "planetary borders" see reports by the Stockholm Resilience Centre (http://www.stockholmresilience.org/21/publications.html).

12 In the case of post-neoliberalism, it is true that some influences question the foundations of the Western paradigm –such as, for example, the discourse of good living in the constitutions of Ecuador and Bolivia– but in practice a modernizing vision has prevailed that prioritises economic accumulation as a fundamental factor in the search for development.

Graph 5

International Price Index for Basic Products

January 2011 to October 2015 (baseline January 2011=100)



Source: ECLAC, 2016; p. 11, based on World Bank data base, Commodity Price Data (Pink Sheet).

human beings have with the environment; and c) subaltern knowledge's subordination to and exclusion from dominant Western rationality.

Despite continuing to be in force as a political praxis, the stronghold ideas of traditional development theories lost credibility in the last 25 years as a result of the persistence of inequality and, at times, irreversible damage to the ecosystem. Even in the field of cooperation for development, the aspiration to have a holistic approach was somehow relegated, sustaining these programs with a short-term vision, such as poverty reduction initiatives, attention to vulnerable groups and, in general, a repertoire of focused actions carried out by governments and NGOS.

The creation of a sustainable development approach, promoted world-wide by the UNDP since the 1990s aimed to project a multidimensional vision of human well-being –partially taking up alternative approaches from earlier decades– with the purpose of explaining the broad range of lags and restricted potentialities within a theoretical framework focusing on GDP growth. Between 1990 and 1991, ECLAC also published lengthy documents on an approach that appealed to productive transformation with equity and respect for the environment.[13] Simultaneously, the human rights approach started to gain greater legitimacy, as well as theoretical perspectives that highlighted the importance of quality institutions, knowledge and technological innovation, local and citizen participation, among other themes, which together reconfigure the space for action as well as civil society demands in each Latin American country.

Beyond the degree of relevance of each one of these alternative approaches, it is clear that they do not

13 ECLAC's most recent approach, called neo-structuralism, assumes the strategy of State intervention in the creation of social benefits and infrastructure externalities. It fosters the State's role in promoting not only inter- and intra-sectoral chains, but also the development of technological and organisational innovations, as well as institutional reforms. It posits that it is not a question of attempting to resuscitate old import substitution policies and intense protectionism, but rather strengthening an industrialisation process that can lay the foundations for the transformation of a regional productive system. Along these lines, it considers increasing domestic savings rates, higher investments in human capital, education, health, training, and scientific and technological development (Briceño and Álvarez, 2006). For a more complete reference to neo-structuralism, see ECLAC (2015).

have either the instruments or the political power that the traditional development theories and approaches have. Their application can therefore only be referenced to some countries or sectoral policies. Furthermore, these new contributions continue to be locked to a notion that in spite of going beyond the exclusivity of the economic dimension, keeps facing the epistemic cores that sustain the idea of economic development as a concept prevailing in strategies for well-being.

Capitalism, its Contradictions and Boundaries

Although capitalism is not the only social-economic concretisation of Western modernity, it is currently that which has predominated after the fall of the Soviet bloc and the reconfiguration of economic relations in China. It has thus been stated that today capitalism is facing its own contradictions rather than an alternative notion with a significant counter-hegemonic capacity. The main contradictions shaking capitalism today are related to: a) the overproduction crisis in the face of global demand stagnation; b) the imposition of financial speculation over the actual productive base; and c) the Earth's physical limitations to sustain the dynamics of the capitalist economy. These three aspects converge in a concentration of wealth and the worsening of the livelihood of the majority of the world population regardless of relative progress in healthcare and education in recent decades.

In the face of capitalism's intrinsic problems, instead of reformulating the economy's boundaries and possibilities regarding other societal spheres, the system always seeks to surmount the immediate barriers affecting the rate of profit (Stolowics, 2011), even if it implies maximizing deregulation in the field of finance, the environment and labour relations, as well as removing the cultural, legal and institutional barriers that pressure deregulation. It thus places globalisation at its service in order to utilise the entire planet as a stage for transactions and plundering in order to ensure capital flow and the generation and concentration of surplus.

Given the above, how should the relationship between the post-neoliberal approach and capitalism be understood in Latin America? An observation of the trajectories gives rise to note that questioning the neoliberal model itself does not imply a deep criticism of the capitalist system. However important and desirable both the readjustment of the correlation of power and the changes in the State's distributive role may be in the region, they do not essentially alter the role Latin America plays as a supplier of raw materials and cheap labour for the global economy. There are structural obstacles the removal of which demands more coherence and a greater accumulation of force. Beyond the extent of the intentions and the positive effect of the post-neoliberal redistributive policies, it is evident that the region continues to play a relevant role in the functioning of global capitalism (Stolowics, 2011).

It would not be reasonable to attribute absolute responsibility for the socio-economic crisis the region is experiencing to the effects of post-neoliberal measures. The different prevailing approaches have reinforced a vicious cycle, the main expression of which is the persistence of high levels of inequality in the distribution of wealth, as well as the existence of large populations living in conditions of poverty, in spite of the gradual decrease this indicator has recorded throughout the twenty-first century.

The four models this document addresses as a whole have reinforced a prototypical characteristic of Latin American societies: structural heterogeneity, understood as a complex articulation of "modern" and "backward" forms of production. Capitalism's performance in Latin America has tended to reproduce this structural heterogeneity. Import substitution industrialisation, as well as any other strategy to generate an accumulation of endogenous capital were unable to absorb massive migration to cities. Acknowledging the nuances that differentiate Latin American countries, three distinctive levels can be clearly identified within their productive systems (Guillén, 2007):

1. The export sector: the system's dynamic linchpin, which nonetheless is to a large extent isolated from the rest of the productive tapestry.

2. The earlier modern sector created during the import substitution stage: integrated by small, medium, and even large industry separated from

the export sector and confined to the domestic market.

3. The "backward" sectors: which include: a) the old traditional urban and rural activities (including indigenous communities as in the case of Mexico, Guatemala and the Andean countries); and b) the growing sector of the informal economy.

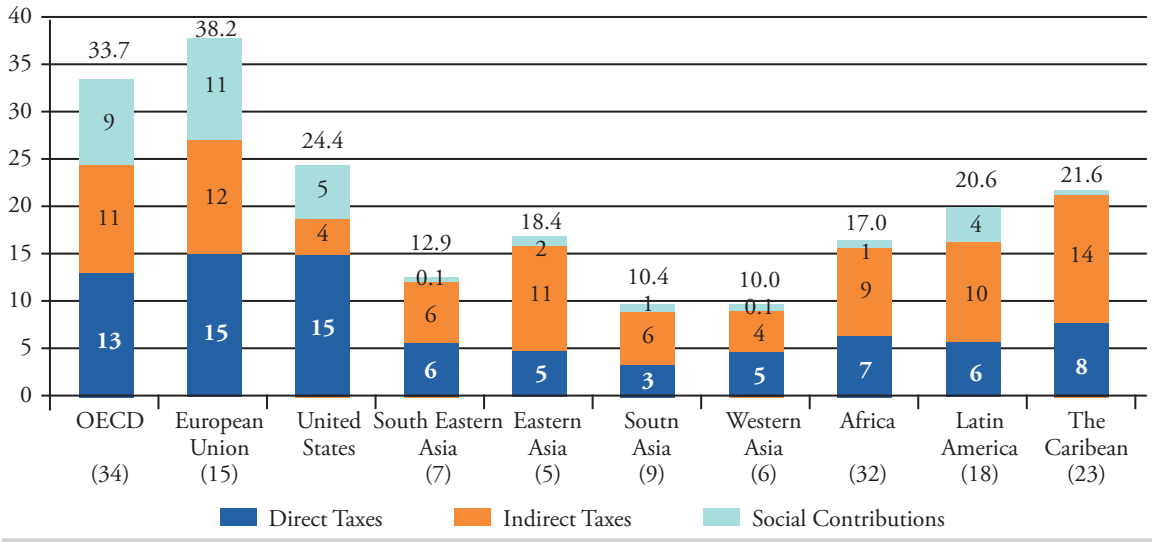
With regard to the PNA, heterogeneity has not been reverted, but, on the contrary, it has become accentuated. As the boundaries of the extractive industry extend, it is not possible to foresee a premeditated turning point that would shift this tendency.

The other side of the excessive bet on external markets is the weakness to potentiate the sustainable and widespread supply of commodities to meet the population's needs still seen in the domestic markets. This is one of the region's structural characteristics that has not been easy to face and far less to revert. Betting on the re-primarisation of the economies or the use of unskilled labour as a competitive advantage in order to attract foreign direct investment, together with the resistance to implementing progressive and adequate tributary systems (Graph 6), destroys not only the population's livelihood, but also the assurance of effective social security in most of Latin America. This despoiling acts on multiple fronts, and ends denying the possibility of a common well-being. The very same logic should be used to analyse phenomena like the territorial displacement of populations that have been sacrificed in order to pave the way to extractive activities, the increasing weight of the informal economy, or the unstoppable flexibilisation within formal employment itself.

Crisis of the development approaches prevailing in the region: This crisis can be seen in the pressing need to accentuate the commercialisation of territories and incorporate them into the dynamics of capitalism's financial accumulation. A tendency to extend the extractive boundaries in their different modalities can thus be observed: a) an extension of the oil boundary with an emphasis on offshore, oil exploration and exploitation, as well as in glaciers, natural reserves and indigenous territories; b) industrialisation of bituminous and oil shale; c) strip mining; d) agrobusinesses including pesticides, genetically-modified organisms, monocrops and plantation systems; e) environmental services (water privatisation, carbon markets, tourism industry, payment for environmental services; and

Graph 6

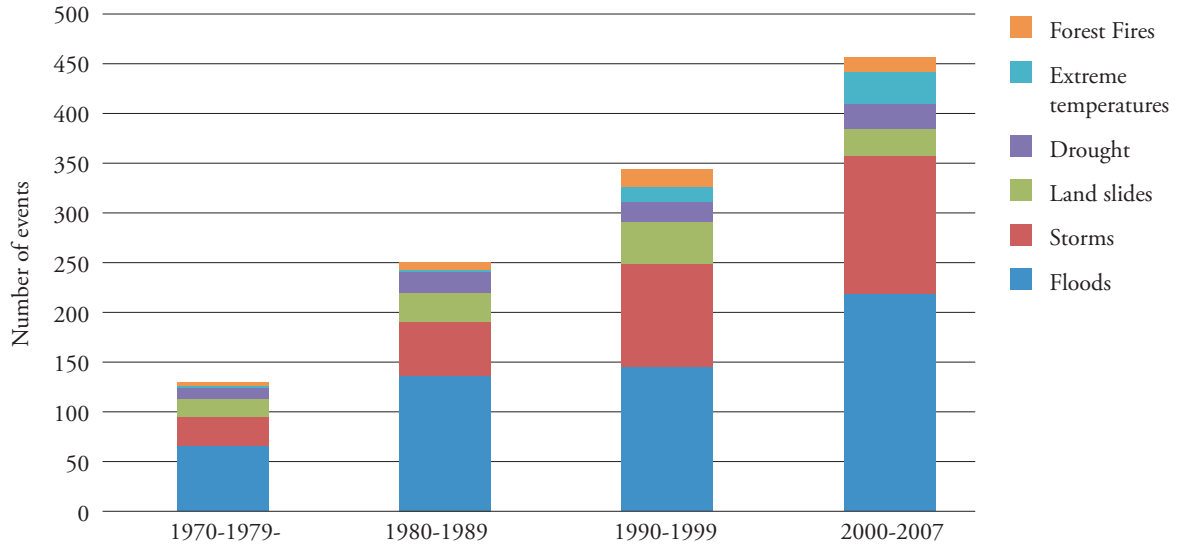
Tax Burden Structure in Selected Regions and Countries, 2012-2013



Source: Prado, 2015; p.12, based on ECLAC and OECD.

Graph 7

Latin America and the Caribbean: Hydro-Meteorological Event Frequency, 1990-2007



Source: UNEP, 2010; p. 40.

f) biotechnology, geotechnology, and biofuels, among others (Albuja and Dávalos, 2012).

Maristella Svampa (2013) meaningfully noted that a new economic and political cycle had become installed in Latin America, which she called the Commodities Consensus. For Svampa, commodities in general can be understood as undifferentiated goods, the prices of which are fixed internationally, or as products that are manufactured, available and demanded globally that have a range of international prices and do not require advanced technology in order to be manufactured and processed (Fornillo, 2014).

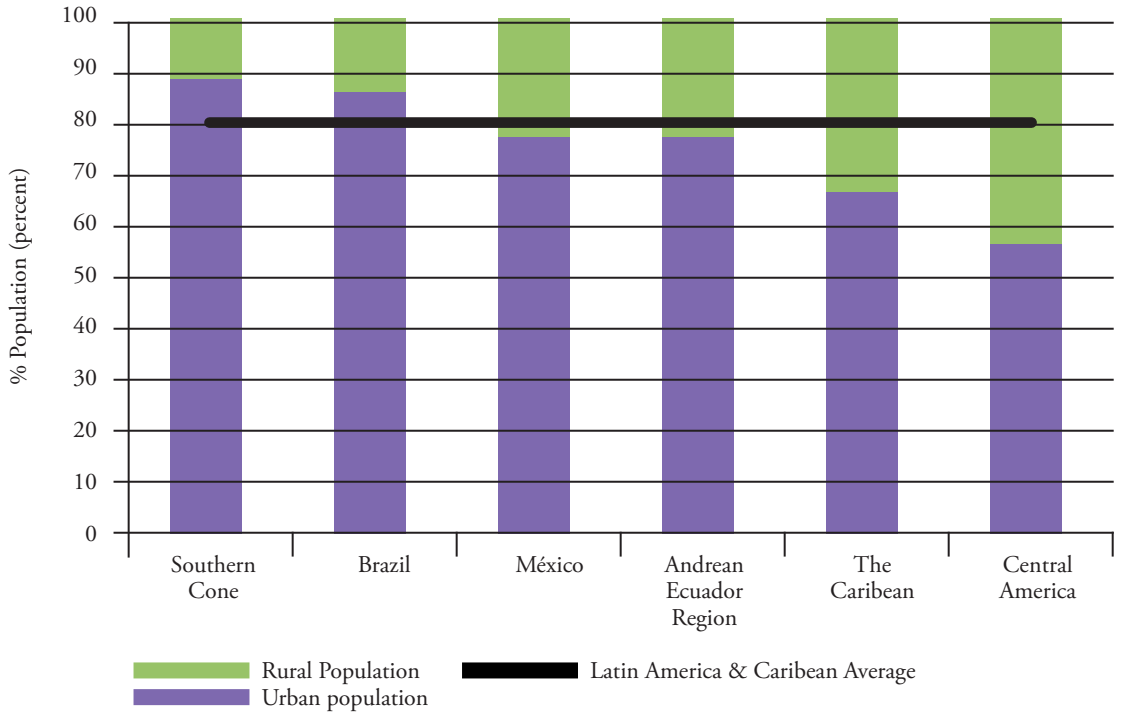
The importance of the extractive industry as the linchpin of accumulation for countries that follow post-neoliberal or neoliberal policies influences the attempts to hide its social-environmental effects. However, upon confirming the perverse convergence of these effects with those of climate change, which -as is well known- imply particular risks for the Latin American countries, particularly those in Central America and the Caribbean, the situation is far worse. The increase in the frequency of hydrometereological events with catastrophic social effects deserves special mention (Graph 7). Although the region is not among the main greenhouse gas emission zones responsible for climate change, it indirectly contributes through the massive stock of raw materials entering the global industrial production cycle.

As two sides of the same process, the expropriation of the livelihood of peasant and indigenous communities converges with the precarious urbanisation of Latin American cities and its attendant problems regarding quality transport, housing availability, air quality, the generation of waste and urban violence, among other issues.[14] When cities in a given country are not considered to be an option for social mobility, millions and millions of Latin Americans decide to migrate under high-risk conditions to other countries either within Latin America itself or to the United States or Europe, depending on each situation. For this reason, the indicators that reflect an increasing urbanisation in the region must be seen with

14 In Latin America and the Caribbean, the number of cities with one million or more inhabitants has increased from 8 in 1950 to 56 in 2010 and one out of every three people in the region live in these cities. Out of these 56 cities, five are considered mega cities (with a population of over ten million inhabitants). Latin America is currently considered the most urbanized region of the so-called developing world. Two thirds of the Latin American population lives in cities with 20 thousand inhabitants or more and almost 80 per cent live in urban areas (CELADE, 201; CEPAL, 2013).

Graph 8

Latin America and the Caribbean: Urban and Rural Population per Subregion and Larger Countries, 2010.



Source: UNO_HABITAT, 2012; p20.

caution, keeping an eye on the specificities of the process within each country (Graph 8).

Based on the above, it can be deduced that the vicious cycle of the failed development strategies in Latin America is self-reinforced by a feedback loop, thus potentiating the high concentration of wealth accompanied by severe social exclusion and environmental damage. Equally important is the historical observation that the region's economic cycles demonstrate a high vulnerability to the external shocks resulting from changes in the demand for and prices of the commodities the region has specialized in. In other words, during an economic boom, benefits tend to concentrate, whereas during recession or stagnation, it is the most vulnerable populations, recurrently women, youth and children, peasant, indigenous and afrodescendent populations that wind up bearing the cost.

The stagnation of democracy: The possibility that the political system become a channel to process alternative policies that may challenge the structural core of exclusion in Latin America has been truncated. This statement is based on the confirmation that the ideals of citizenship and democracy in the regional praxis have become deformed. The crisis of the development models is also expressed as a political crisis. Democracy as a regime and life style has not been able to consolidate beyond valuable but insufficient advances not only in the electoral field, but also in respecting certain public freedoms. The institutional system tends to be captured by pressure from groups of power that impose their interests onto public policies outside the framework of democratic procedures.

Formally democratic regimes coexist with: a) robust niches of authoritarianism and the abuse of force; b) patrimonial/prebendary States instead of democratic States of law; c) technocratic institutional islets, estranged from any public scrutiny; and d) increasing penetration of organized crime into State institutions in several countries.

Moments of crisis are windows of opportunity to change direction. Evidence shows that to continue doing more of the same in Latin America will only aggravate the situation. The region is now in its best demographic moment, as it demonstrates lower rates of historical dependence due to the fact that a larger ratio of its population is aged between 15 and 60 years. However, making the best use of this demographic advantage does not happen automatically. It requires the development of policies to generate an extensive and consistent structure of opportunities. Otherwise, in the decades to come, the aging of the population without having created the social-economic foundations with which to face this demographic stage could lead to an unmanageable situation (Graphs 9 and 10). The problem is that reproduction of capital has been privileged over and above the reproduction of decent living conditions. The current situation demands that each social actor become a bearer of ideas of change and innovation. A horizon of flexible but consistent transformation in the field of ideas is a challenge of the first order.

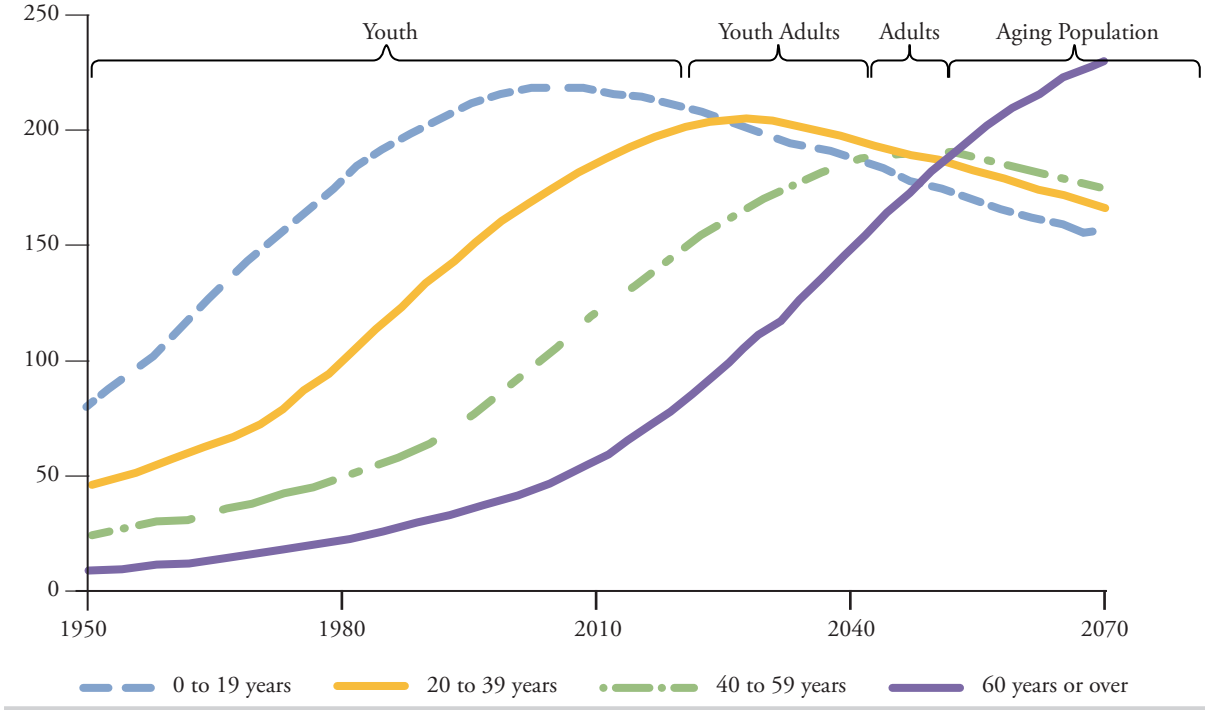
How to Overcome the Contradictions of the Current Models

Latin America has been a region in which experiments have been made with various development models. These attempts, however, have suffered from an innate flaw: rather than being based on meeting human needs, they have focused on solving problems related to the accumulation of capital, and have secondarily offered unsatisfactory responses to the challenge of ensuring conditions for the reproduction of labour required by the economic regime itself in order to endure. In other words, attention to human needs has become ancillary and subsumed to the economic system. Environmental conditions have suffered the same fate: they have been made invisible or subordinated to a profit-oriented rationale.

Neither indiscriminate market liberalisation, nor protectionism per se, far less the bet on the extractive industry have proven to be consistent solutions. On the contrary, they have left sequels

Graph 9

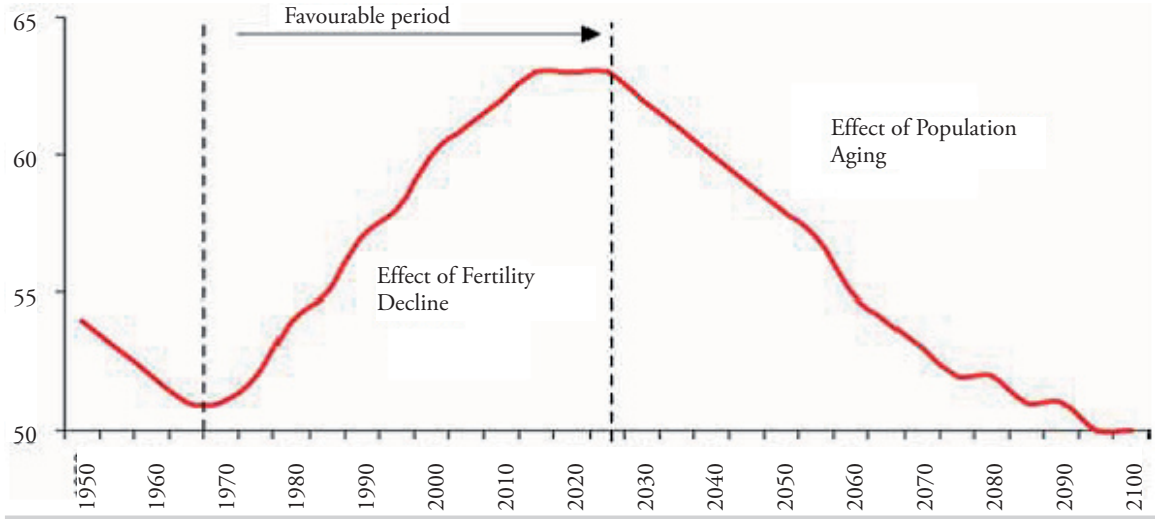
Latin America: Population by Age Groups, 1950-2070



Source: CELADE, 2014; p. 28

Graph 10

Latin America and the Caribbean: Ratio of Population Aged between 15 and 59 Years, 1950-2100 (%)



Source: ECLAC, 2013; p.82, based on United Nations, World Population Prospects: The 2012 Revision, 2013.

that turn into obstacles to overcoming the region's developmental lags. Rethinking the satisfaction of basic needs and patterns of conviviality among humans and between humans and their surroundings requires questioning the assumptions on which the idea of development has been raised. It is a question of constructing an alternative horizon of social-ecological transformation that can serve as a benchmark both for the formulation of public policies, as well as for the choices available to individuals and social groups.

The word horizon is used so as not to relapse into dogmatic, one-sided, and vertical schemes. The parameters of an alternative approach must be based on reasonable principles and arguments that question the epistemological basis of the prevailing concept of development. Such an extensive task requires a holistic approach that is sensitive both to the specificities of the Latin American region in relation to other world regions, and to the diversity of conditions and worldviews existing between and within countries. It is not a question of positing a new Latin American essencialism. The purpose is to delineate the space in which options aimed at the population's well-being are constructed that take into account the physical boundaries and requirements of the surroundings as fundamental rights, and, along the same lines, may process social conflicts and contradictions through rules that are not infringed in order to conserve the interests of the more powerful groups.

A proposal of this sort enters into a dialogue with the contributions made by decoloniality and boundary thinking in order to reflect beyond the axioms of Western modernity, through retrieving and integrating subalternate knowledge that has been marginalised. As Loera notes (2015), an anti-hegemonic space must be constructed through reappropriating, adapting and consolidating knowledge that may enable new parameters of action in order to resist, coexist and transform the patterns on which what is today known as Latin America has been constructed.

In order to create a horizon for social-ecological transformation, it is advisable to escape from the traps or dichotomies that have severed the options of more comprehensive visions of development. One of these false contradictions confronts the State with the market. This antagonism is mostly artificial since the State and market are not necessarily separate, counterpoised forces. They can complement and reinforce each other in order to reach inclusive social change.

Towards a Socially Fair and Ecologically Sustainable Transformation Approach

Societies are not static, even those that seem to show less symptoms of change throughout time. This statement implies the challenge that social change should be assumed and managed. The direction and intensity of transformation will greatly depend on the principles, means and ends that the countries and region as a whole propose. Although it is not advisable to insist on a uniform approach to development, it is important to identify aspects in common that make a horizontal interdependence of different initiatives viable.

Based on a description and critique of the main development approaches prevailing in the Latin American region, at least three large orientations that should be present in any process of transformation could be identified:

1. Meeting the population's basic needs: There exist various attempts to qualify human life's crucial needs. A transformation horizon like that which has been highlighted in this section is related to the appropriate satisfaction of at least eight aspects: a) food; b) housing and habitat; c) clothing; d) health; e) knowledge; f) mobility (transport); g) decent work; and h) leisure and creative recreation.

The simple mention of these needs requiring satisfaction is not what in itself differentiates a social-ecological transformation horizon from traditional approaches. The key lies in how they are each conceived and how society responds to them. Regarding how they are conceived, the core issue is the quality of the satisfiers, that is, the extent to which the responses interact in a virtuous way with nature's life cycles, and simultaneously dignify and enrich human life. As concerns society's response, need satisfiers must be seen as rights rather than as commodities (responding to a profit rationale) or privileges granted by a patronising State (i.e., a clientelistic approach to needs). The consideration of a rights-based approach is intimately linked to an understanding of not only the subject's freedom and autonomy, but also the role of solidarity in attempting to have needs met.

The dominant ideas regarding development have subordinated needs to an accumulation approach to such an extent that satisfiers are mostly relegated to the commercial sphere. The purpose of an alternative approach is far from demonizing commercial relations and their possible participation in meeting some of the aforementioned needs. However, the tendency that the market become the main instrument for the allocation of satisfiers must be confronted since this bias leads to: a) speculation, making equity precarious; and b) favouring waste and either real or symbolic obsolescence of the goods and services people need (for the sake of reproducing cycles of profitability).

2. Respecting biosystemic boundaries and requirements that make possible the diversity of forms of life on Earth: The reorientation of the relationship humans have with nature is linked to a multidimensional understanding of the impact we have on our surroundings. Given the weight of this challenge, it is urgent to reformulate the matrix of the extraction, production, circulation and consumption of goods and services. This implies questioning the rationale of the use that is made of natural resources and energy processes in different phases of the economic cycle.

An alternative transformation horizon is accompanied by a qualitative and quantitative change in use of raw materials and sources of energy. This is not a passing fancy, but rather an aspect that cannot be ignored when considering the Earth's capacity to withstand our ecological footprint. There is conclusive evidence that our presence has destroyed, limited and conditioned the reproduction of life forms, including the reproduction of the human species. The time frame to change the trend has been reduced as never before in history. Ignoring these dangers is an act of irresponsibility. However, the dominant rationale does so, surmounting any obstacle that may attempt to curb profit generation.

Observing and interrelating with marginalized cultures, can provide lessons regarding a different way of living with nature. The purpose of addressing this issue is far from attempting to intimate a dogmatic conservationist position, but rather aims to refute the rationale that the exploitation of

natural resources is inherent to and inevitable in any human society. The anthropocentric premise of human superiority and the unquestionable right to subjugate nature must be replaced by a vision in which human beings' special capacities are able to integrate into the reproductive logic of the different forms of life. This must be done not only out of solidarity, but also as a *sine qua non* condition for the survival of our species.

3. Horizontal conviviality between different types of human societies: An essential condition for transformation is to break away from the vicious cycle in which the well-being of a few is possible thanks to the dispossession of others. In the case of Latin America, the sequels of the conquest and colonisation in part explain the distortions suffered by the utilization of its countries' potentialities. The independence processes of the nineteenth century did not put an end to this situation since different world powers have insistently sought to draw on the raw materials and other factors offered by Latin American countries. The countries of the region, despite being independent, at least in name, continue to demonstrate a structural dependence on the decisions taken in the main centres of world power.

Furthermore, within each country this relationship is reproduced between the wealthier strata and the rest of the population, not to mention the marginality to which most of the indigenous population is relegated as well as the condition of vulnerability that women experience as a result of androcentric relations of power. The verticality in the relationships between countries and social groups not only damages the material life conditions of the weakest, but, from a cultural perspective, also impoverishes humankind as a whole.

What is underlying the lethal conflicts and violence affecting the Earth is the lack of institutional schemes ensuring horizontal relationships between countries and social groups. Latin America is no exception. Greater access to monetary resources, political power, and technological capacity drives some countries or corporations with a transnational scope to invade the everyday life of populations that are not prepared to face this attack. This takes place through trade invasion, dispossession of livelihood or lack of respect for peoples' worldviews and modes of conviviality.

This ongoing destruction and/or cultural assimilation is sustained by the premise that dominant Western modernity is an unquestionable rationale that assumes the superiority of a given society over other cultures. The way out of this false assumption is not to revert the roles, but rather to assume a paradigm of social relationships based on respect for traditional knowledge, beliefs and ways of living expressed by the diversity of peoples in the region, so long as they do not lead to the destruction or degradation of other human beings. This is not meant to be an unstaunched defence of relativism. That would be counterproductive. What is required is the definition of universal guidelines based on respect for human dignity so that the fact that an individual or group of individuals belong to a given group does not become an excuse to obliterate them.

To concretize a type of conviviality that potentiates freedom, responsibility and solidarity is not something that can be left to chance or to the good will of the elites, but rather requires the empowerment of the excluded groups so that they can have a broad range of instruments with which to defend their rights.

The synergy of these three orientations would enable a differentiated approach to the classical notions of development. Feedback from these three orientations would point to the parameters that alternative social change initiatives should hold in common. Moving in this direction, critical nodes have been identified as references to elaborate and detail possible lines of action, which should be reflected upon deeply in order to give coherence to a process of transformation:

1. Democracy as a political regime and a life style to transform asymmetric relationships of power underlying different forms of oppression: This implies going beyond the boundaries of procedural democracy and clientele citizen participation. It refers to a notion of democracy as a platform for conviviality as well as peaceful and equitable conflict resolution that is under ongoing

construction, and simultaneously promotes the subjects' autonomy and responsibility. Besides, given that entities dominating the network of international relations are taking many decisions that today compromise the population's well-being, where both peoples and affected groups have an insignificant margin of influence and can hardly defend their rights, democracy would have to be extended and enriched within a trans-national space.

2. The balance between the public and private spheres: This relationship is not limited to the relationship between the market and the State, but actually goes beyond it. Neither do all private aspects enter into the market sphere, nor all public issues pertain to the State. The point of departure to redefine the public sphere therefore lies in how the collective is understood, in the understanding of what is important to each one of us, whether male or female, and what the different institutional strategies can deal with and manage.

3. The human rights approach as an individual and collective safeguard vis-à-vis abuse and arbitrariness: The breadth of the notion of the public sphere includes the possibility of reaching collective agreements regarding the spectrum of basic rights. Human rights not only allow for the exercise of freedom and the enjoyment of a set of rights applicable to everybody, but they also provide a protection status as well as affirmative action in favour of subjects who, because of their condition, are greatly exposed to suffering the effects of injurious policies and behaviours. Some examples of this shield of protection are: the recognition of women s rights vis-à-vis patriarchy, the rights of children and youth vis-à-vis an adult-cantered vision, the rights of indigenous and afrodescendant populations vis-à-vis the sequels and dynamics of colonial and neocolonial domination.

4. The reflectibility of the progress made by science and technology based on ethical references in which the precautionary principle prevails: Scientific research and progress require an interaction with ethical principles that apart from being flexible in time, delineate the parameters regarding what should or should not to be developed in a given moment. From this perspective, the amount of resources allocated to the production and purchase of weapons or artefacts that continue promoting fossil fuel dependence would not be admissible. Experiments or alleged innovations that place ecosystems and the population's livelihood at risk would not be admissible either. It is thus crucial to respect the precautionary principle, which postulates that until effects of certain scientific and technological procedures and devices have been accurately determined, governments and firms, or any person in an individual capacity must not put them into practice.

5. The natural environment should be valued beyond arbitrary economic value: The destruction of the environment is a sequel of the imposition of the economic sphere as the dominant and unquestioned realm. In general, these effects have been externalized from the productive process, and are seldom even quantified. The monetary quantification of natural goods can thus help to constrain the economic system's predatory logic, but is not in any way desirable for an adequate measurement of the value of nature. On the contrary, the challenge implies recognizing the complexity, and, therefore, the immeasurable value and multidimensional character of the attributes ecosystems fulfil, which explain why the accumulation logic should not subordinate them via economic value. This aspect is of key importance to curb the depredation the planet is suffering today.

The interaction of these three orientations with the appropriate responses to the aforementioned critical nodes in the case of Latin America would give way to pinpointing the specific qualities of social-ecological transformation projects. The following qualities should be highlighted:

1. Renouncing extractivism as the core accumulation linchpin in Latin American States: This would imply strategic actions, sustained over time, in order to reduce the economic dependence on raw material exports. To attain this, countries would have to move towards diversification and chains of production,

increasing innovation capacities and adaptation to socially and ecologically friendly technologies. The theory of comparative advantages should be challenged. Along the same line, cheap labour supply, labour deregulation and excessive fiscal incentives should be discouraged as strategies to attract investment to the region. It would also imply recognizing the non-market economy, giving due attention to the economy of care, generating decent and equitably distributed work among different social strata, and between men and women.

2. Substantially reducing inequality as one of the main purposes of public policy: Given the inequality thresholds in the region, policies would have to be adopted so that as a whole they could discourage the concentration of wealth, encourage progressive taxation and the horizontal articulation of social and economic policy. It would also contemplate the bridging of gaps not only between social strata but also between different territories.

3. Strengthening and extending a socially responsible democratic State: This aspiration assumes: a) a reduction of the asymmetries of political power between social groups through strengthening the representative and participatory dimensions of democracy; b) ensuring basic human rights; c) strengthening democratic conviviality as a substitution for violence as the preferred way to solve conflicts; and d) the relevant design of curbs and counterweights in order to minimize the arbitrary use of public power.

4. Redefining the integration processes toward collaborative and empowerment schemes for the people: This implies reducing the almost exclusive weight of trade exchange as leitmotiv in the relationships between countries in the region. A new style of international relations within Latin America would require strengthening intergovernmental collaboration as well as an eventual definition of the supranational entities with legitimate ends, subjecting them to public scrutiny. Social cohesion, understood as joint efforts to reduce inter- and intra-country asymmetries, should be sought as a priority. It is not a question of replacing State responsibilities, but rather of complementing national efforts with regional action. It would also be of particular interest to: a) articulate the positions agreed to as a region at continental and global forums; and b) potentiate domestic markets at a subnational, national, subregional and regional level aimed at generating conditions for the development and expansion of the endogenous economic tapestry, establish economies of scale, whenever convenient, and reduce transport and energy costs.

To move towards formulating and applying an alternative concept for the unfolding of Latin American countries is not a task that can be left to contingency or the good will of the elites. It is imperative to include into the process the subjects most affected by traditional development approaches. Their knowledge and collective action must be included as a counterweight so that the elites are obliged to give up privileges in order to transform Latin America.

It should be clear, however, that it is not a transformation revolving around surplus accumulation, but rather the transformation that is required for the reproduction of life in its diversity of expressions, a decent, oppression-free life that may therefore allow individuals to be in harmony with themselves, with their neighbours and the planet as a whole. It is thus not an issue that can be reduced to how much a country should grow economically speaking, but should rather establish, among other things, what type of growth is more convenient, which includes deciding that there are areas that given their social and environmental effects should not be encouraged. From this point of view, the economy, rather than being a core aspect is a subsystem subordinated to the ecosystem.

A process of such dimensions should not be hindered by the dilemma between, on the one extreme, visions that staunchly defend an immediate rupture as the only path forward, and, on the opposite extreme, positions that claim that the only way out is to resort to reforms and adjustments, even if they are superficial and merely cause an adaptation to the *status quo*. Instead, the process should be steeped in intelligent ruptures and gradual changes, depending on the urgency of each situation, the level of citizen

consciousness and organisation, the material and institutional possibilities to manage change, among other factors. What is important is to have clearly defined purposes as well as the means to manage the transformation. The worst scenario would be to continue with the current tendency where there is simply no possible future for the emergence of a Latin America that ensures its population a good and decent living and congruent coexistence with the natural metabolism of the territory they inhabit.

A transformation horizon cannot and must not offer recipes. Instead, it should offer orientation, principles and sensitive reflections about the situation's complexity. Depending on the specific conditions of each country or people, specific responses can be formulated to face the crisis of the development models. Isolated responses or the country's or people's assimilation into the projects of the powerful should be avoided at all costs. What should be particularly avoided is to fall into the same rationale that focuses on the economy as a determinant for people's well-being.

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