

ECONOMY WITH NATURE

For decades, governments and intergovernmental agencies like the UN or the World Bank have been busy finding ways to allow the flow of large investments and projects to go on – no matter the consequences. Despite fossil fuels being the main cause of climate change, we see oil, coal and gas companies expanding extraction activities. Despite land clearance for industrial agriculture being one of the main causes of deforestation, we see agribusinesses increasing tree and crop monocultures. We also see the mining industry going deeper into the Earth. We see more roads, railways, pipelines, ports and other major infrastructure projects that facilitate the extraction and commercialization of “natural resources”. And as a consequence of this, we see thousands of communities being dispossessed of their homes, livelihoods, cultures, territories and even people losing their lives. Ironically, these same industries can continue their destruction while claiming now that they are “green” or “certified”, “climate neutral” or “sustainable”.

But in spite of the nice wording, the dominant economic system has been and continues to be violent. It is violent with nature and therefore it is violent with the people that coexist with and depend on it. This is inherited in the system’s necessity of constant growth and accumulation, even when the Earth’s “resources” are finite. In this context, governments, corporations and financial backers have been promoting a “new” economy: an “economy with nature” that allows business to compensate for their pollution or biodiversity destruction. A company that wants to extract minerals lying under a forest would be able to do so and claim no damage is done to the diversity of the forest as long as the biodiversity that is destroyed is compensated by preserving or restoring another area that should be “equivalent” to the one destroyed. Likewise, an oil refinery can continue to pollute above any target as long as elsewhere a project is avoiding or saving an “equivalent” amount of emissions. Behind the compensations, hundreds of brokers, consultancy firms, NGOs, certification schemes and financial agencies are profiting from these transactions. As a consequence, the dominant economic system is reinforced and can continue growing.

In this way, power relations, injustices, dispossessions and violence are being hidden behind measurements and numbers. Transforming “nature” into quantifiable units for compensating its destruction is allowing companies and governments to have further access and control over more and more territories. The idea of compensating the devastation of a specific place in a specific time, with specific living inter-connections, communities and histories is absurd. To make things worse, this “economy with nature” also tends to portray forest and peasant communities as the ones to blame for the destruction of “nature”. Traditional cultivation methods are being demonized, and even forbidden in some places, for supposedly being a source of large-scale deforestation. Meanwhile, large investments are off the hook of any responsibility while promoting with expensive campaigns how good they are for the climate and the forests.

During this year, and in order to learn more about how the “economy with nature” manifests itself in and for forest and peasant communities around the world, we included a series of articles in our monthly bulletins that try to shed some light on this trend. We ask: what does the “economy of nature” imply to the struggles to protect forest and peasant territories? How could we resist this trend? As the end of the year approaches, we want to share a compilation of the articles related to this trend with the hope that we can keep learning together and therefore strengthen our analysis and resistance.

WRM International Secretariat

Compilation of 2015 WRM's Bulletin articles on the “economy with nature”

Enclosing territories for financial profit

Bulletin 210 – January 2015

Private and state enclosures of lands, forests and water are not new phenomena. Much of what grows on land, what is grown by humans on land, what flows on and under land, what forms landscapes and eco-systems, what is built on land, and what is extracted from under the land, have been commoditized. What is new is the array of means, mechanisms and instruments by which political and economic control over land and nature are exercised, and by which land and land-based wealth are becoming commodities in new markets. Over the past 10 years, financial actors and instruments have become implicated in land, forest, mineral and water deals. While land itself is immovable, financialization enables the wealth that springs from it to move across the world as exchangeable financial instruments that can be traded in distant markets.

Trading communal rights in Gabon: The ‘Sustainable Development’ Law

Bulletin 211 – February 2015

The government of Gabon adopted a ‘Sustainable Development’ Law in August 2014. The new Law establishes that companies in Gabon can compensate the destruction they generate to forests or traditional territories by buying ‘sustainable development credits’, which include carbon credits, biodiversity credits, ecosystem credits and community capital credits. This is the first Law introducing credits for ‘community capital’, and is being defined as the “sum of the natural and cultural assets belonging to a community.” Without further explanation, ‘community capital’ could include things like community lands, crops, water resources, culture, or education. In this context, women stand to be the most affected as they are most often the care-takers, educators, medicine makers and the ones growing food within communities.

Safeguarding Investment: Safeguards for REDD+, women and indigenous peoples

Bulletin 211 – February 2015

Nowadays there is much talk around the world about safeguards for the implementation of REDD+ (Reducing Emissions from Deforestation and Forest Degradation) projects, conservation, sustainable forest management and increasing forest carbon stocks. REDD+ project safeguards seem to be a merely formal requirement, almost in the shape of a checklist, with the goal not of ensuring respect for the rights of local communities, but of avoiding social conflict at minimum cost, while guaranteeing the working of the carbon market. These safeguards would in fact be aimed at effective implementation of REDD+ through minimizing – not preventing – the social and environmental risks inherent in REDD activities.

While FAO celebrates the International Day of Forests, artificial trees advance: Genetically engineered “forests”

Editorial - Bulletin 212 – March 2015

For several years now the Food and Agriculture Organization of the United Nations (FAO) has celebrated the International Day of Forests on March 21. The theme for 2015 was: “Forests,

Climate, Change.” According to FAO’s one-minute promotional video for this International Day, forests are essential because “[they] are the frontline against climate change,” emphasizing exclusively the capacity of forests to absorb CO₂ in the wood and soil. This focus seeks to include forests in a climate agreement to be made in Paris at the end of 2015. Could the change that FAO is advocating with the International Day’s theme be to persuade everyone to share that limited vision in which forests are needed merely in order to combat the climate crisis? And, what does that mean for the peoples and communities that depend on forests?

Tropical Forestry Action Plan+30: The FAO and the World Bank are at the centre of another false solution to the forest crisis: REDD and Climate Smart Agriculture

Bulletin 212 – March 2015

During FAO’s World Forestry Congress in 1985, the Tropical Forestry Action Plan (TFAP) was adopted as the new international framework for forest-related action. Donor agencies, supported by international NGOs, also accepted the TFAP as a framework for their activities and funding related to tropical forests. Countries of the global South prepared national plans on ‘sustainable forest management’, investment strategies and lists of activities to be undertaken to address the deforestation crisis. Yet, the forest crisis continued and deforestation soared. Fast-forward 30 years, and funding from the World Bank and FAO is again pushing pilot initiatives, national policy and investment schemes in many countries with tropical forests in the global South. The ‘development’ objective of the TFAP has been replaced to now address the climate crisis, through reducing emissions caused when forests are destroyed. And again, their analysis of the root causes is faulty.

World Bank paving the way for a national biodiversity offset strategy in Liberia

Bulletin 213 – April 2015

In March 2015, the World Bank released a report that will help mining companies operating in Liberia present themselves as saviours of biodiversity even though their operations will continue to destroy some of the country’s most biodiverse forests. The report “explores the feasibility of implementing a national biodiversity offset scheme in Liberia”, and the World Bank sees potential for profiting from such a plan not only for the mining industry but also for oil palm and forestry corporations. Whether the authors of the report consulted with local communities who risk losing access to the land that provides their livelihoods not only through the mining operations but also from the biodiversity offset areas that are meant to compensate for the mining companies’ destruction, is not known. What is known, however, is that they consulted international conservation NGOs and mining and oil palm corporations: They are explicitly thanked for their contributions in the report.

Profiting more from doing the same: The financialization of Fibria’s eucalyptus monocultures in Brazil

Bulletin 213 – April 2015

A piece of news circulating in Brazil in 2013 appeared odd at first glance: Fibria, one of the world’s largest producers of pulp wood from eucalyptus monocultures, owner of nearly 1 million hectares of land in Brazil, sold 210 thousand hectares of “its” land to Parkia Participações, a “Brazilian” company with foreign investors. When Brazilian press reported the transaction, the company stated it was considering selling almost half of its land in Brazil, i.e. about half a million hectares in a similar fashion. Thus, questions arose, such as, why would a company which – like its

peers – had previously always sought to seize more and more land to expand its eucalyptus plantations, be willing to let go of the land? How does this work? And what are the challenges for affected communities?

FSC: Certifying accumulation markets

Bulletin 213 – April 2015

For a long time, WRM, along with other organizations and social movements, has denounced the certification of projects that are destructive to forests and their web of life. These projects have also proven to be detrimental to communities living in and depending on forests. The Forest Stewardship Council (FSC) certification not only legitimates industrial logging in tropical forests and vast areas of monoculture plantations, but has also been associated with carbon markets, by certifying trees planted for “carbon capture”. Furthermore, by the end of 2015, the FSC aims to have a comprehensive plan to certify so called “ecosystem services”. Without addressing the underlying causes of deforestation, FSC promotes the idea that “nature” can be quantified and commodified, while encouraging increased consumption of timber and wood products – provided they have their label.

Financialisation of water: what is it all about?

Bulletin 214 – May 2015

The process of “financialisation of the economy”, where trading money, risks and the financial products engineered on their basis became more profitable and started outpacing trading goods and services for capital accumulation, has penetrated all commodity markets. But more than that: their reach has expanded from areas like social reproductive systems (pensions, health, education, housing) into nature’s commons. In this framework, the financialisation of the natural commons creates new “assets”, which can be appropriated and from which financial investors can extract profit, either directly or through creating other possibilities for trading and speculation on financial markets. So then, to what extent can we claim that the natural common water is financialised?

Biodiversity offsets facilitate continuation of business-as-usual destruction by mining companies

Bulletin 215 – June 2015

For well over a decade, mining corporations like Newmont and Rio Tinto have been participating in voluntary biodiversity offset programmes even where the law does not require such compensation. So, what is the interest of mining companies to engage in offsetting programmes even where there is no legal obligation to do so?

What do the criticism of the Pope’s encyclical by carbon market and REDD proponents reveal?

Editorial - Bulletin 216 – July 2015

Although it is uncommon to see so many organizations and individuals discussing a papal encyclical, the document was quite incisive and effective in its analysis and questioning of the current globalized capitalist over-consumption and production model. With this, the encyclical reinforced what social movements and other groups have been pointing out and denouncing for a long time. In this document, the Pope also questioned some of the false solutions to the climate crisis that have been presented to the people of the world, such as carbon trading and offsets. Some

defenders of the carbon offset mechanism were upset. The question then is: What does the criticism published by some of them reveal?

Deforestation funds more plantations: The new Compensatory Afforestation Fund Bill in India

Bulletin 217 – August 2015

The new Compensatory Afforestation Fund Bill in India follows the offset logic at its bluntest. It calls to establish tree plantations in non-forest land for at least an “equivalent” amount (in case of public sector projects) of the diverted forest. In case of private sector projects, plantations must be established on twice the diverted area. Notwithstanding the fact that a forest can neither be recreated through plantations nor compensated by monetary means, the government is determined to push its neoliberal agenda of no-holds-barred economic growth. This process further victimizes forests, forest communities, and a large section of the rural poor of India. Moreover, the illusion that money or plantations can compensate destruction of forests legitimizes and greenwashes, ecologically and socially impermissible deforestation events.

Mining company VALE promoting oil palm in Pará, Brazil: Impacts of the “green economy”

Bulletin 218 – September 2015

Around 2006, a process of expansion of oil palm monocultures began in Pará. Companies like the mining giant VALE appropriated land in the region and oil palm plantations expelled many families from their territories. Vale’s oil palm plantations are serving mainly as “green” propaganda for the company, since 80% of its demand for diesel is obtained from oil. With the planned expansion of the iron ore production and the railways to transport the mineral, the company will also its carbon emissions. This is an example of how the “green economy” rather than being a recipe for emission reductions, is a way to create a smokescreen that allows companies to further increase their production and burn fossil fuels, doubling the impacts for local communities which are fighting against not only mining but also the oil palm plantations.

Financialized capital and palm oil corporations

Bulletin 218 – September 2015

The surging global demand for palm oil has produced windfall profits for the industry and turned oil palm plantations into hot targets for investment by banks, pension funds and other financiers looking to cash in on the palm oil boom. Wealthy business magnates control most of the biggest groups in the palm oil sector, especially in Asia. However, investment in several financial instruments is facilitating these multinationals to expand their plantations and power. Yet, oil palm plantations continue to be a cause of deforestation. They are connected with forest and peatland fires, pollution from the intense use of agrochemicals as well as being imposed on local communities and indigenous peoples, whose livelihoods and territories these plantations destroy.

REDD Alert! How REDD+ projects undermine peasant farming and real solutions to climate change

Bulletin 219 – October 2015

Agriculture is increasingly being discussed at high level forums on climate change that promote different programmes which they claim will help farmers to adapt to climate change and reduce agriculture’s greenhouse gas emissions. These initiatives are heavily influenced by corporations

and governments that want to protect industrial agriculture and corporate food systems from real solutions to climate change that would provide peasants with more lands and support agro-ecological farming for local markets. As a result, small scale peasant agriculture is being targeted by a number of aggressively promoted false solutions to climate change while industrial and corporate-driven agriculture mostly continues with business as usual. One such programme is called REDD+.

Corporate Smart agriculture

Bulletin 219 – October 2015

As the UN climate negotiations in December approach, there's only one major intergovernmental initiative on climate and agriculture, and it is controlled by the world's largest fertiliser companies. The Global Alliance for Climate Smart Agriculture, launched in 2014 at the UN Summit on Climate Change in New York, is the result of several years of efforts by the fertiliser lobby to block meaningful action on agriculture and climate change.

Two bright shining lies teaming up: Certification roundtables and REDD+

Bulletin 219 – October 2015

Certification has been described as the brightest of bright shining lies of the sustainability movement. And in recent years, certification roundtables have teamed up with another bright shining lie – REDD+. In the case of REDD+, the lie starts with the name. REDD+ is not designed to actually reduce emissions, at least not the emissions caused by those responsible for large-scale deforestation. Instead, REDD+ blames forest loss on peasant farmers and forest peoples while the corporations and government policies really responsible for large-scale deforestation continue unabated, with the deforestation they cause often greenwashed by the twin labels of commodity certification standards and REDD+.

The Farce of “Smart Forestry”. The Cases of Green Resources in Mozambique and Suzano in Brazil

Bulletin 219 – October 2015

“Nobody eats eucalyptus.” With this statement farmers expressed their outrage when the company Aracruz Celulose expanded its monoculture eucalyptus plantations several years ago on arable land in Espirito Santo, Brazil. While the objective was to produce and export more pulp, Aracruz and other companies publicly promote their practices as “smart.” They claimed they only plant trees on “degraded” or “abandoned” land, for example. And now with the climate crisis, the FAO suggests adopting “climate-smart forestry” practices. The question that arises: Can we really consider current company practices to be “smart forestry”?