Economic elites and new strategies for extractivism in Chile

Fernando Leiva
University of California Santa Cruz

Abstract
Within the country’s strategic copper mining sector, economic elites are begetting new political technologies that reshape state, economy, and society relations, to better anchor capitalist domination at the local level. Two post-2012 initiatives, explicitly designed to overcome community-based resistances to mega-extractivist projects, are examined. Promoting “territorial dialogues,” they set private-public-social development corporations which take on the production of public goods, legitimacy, and social cohesion for entire provinces and regions, tasks previously performed by the state. Co-created by transnational capital and centre-left epistemic communities, these novel forms of political domination illustrate a broad variety in the types of state-capital-Left relationships emerging in Latin America during the so-called Pink Tide and its aftermath. Keywords: Economic elites, extractivism, Chile, Pink Tide, Neoliberalism.

Resumen: Elites económicas y nuevas estrategias de extractivismo en Chile
Dentro del sector estratégico de la minería del cobre del país, las élites económicas están engendrando nuevas tecnologías políticas que remodelan las relaciones entre el Estado, la economía y la sociedad para anclar mejor la dominación capitalista a nivel local. Se examinan dos iniciativas posteriores a 2012 diseñadas explícitamente para superar las resistencias comunitarias a los proyectos mega-extractivistas. Promoviendo “diálogos territoriales” que alientan la creación de corporaciones de desarrollo social público-privado que se encargan de la producción de bienes públicos, legitimidad y cohesión social en provincias y regiones enteras, tareas previamente realizadas por el Estado. Cocreadas por capital transnacional y comunidades epistémicas de centroizquierda, estas novedosas formas de dominación política ilustran una amplia variedad en los tipos de relaciones Estado-capital-izquierda que surgieron en América Latina durante la llamada Marea Rosa y sus consecuencias. Palabras clave: élites económicas, extractivismo, Chile, marea rosa, neoliberalismo.

Introduction
A new class-consciousness is being “embrained” and embodied by Chile’s powerful economic conglomerates. Within the country’s strategic mining sector, such awareness is spawning new political technologies to elicit communi-
ties’ “social license” to start new extractivist investment projects and to upscale existing ones. Deploying discourses of “early community participation,” “territorial dialogue,” and “collaborative agreements for territorial development,” these political technologies involve a significant restructuring of state, capital, and societal relations, revealing how center-left consulting firms, NGOs, academics and international organizations play a pivotal role in forging a new territorially-based extractivist consensus. This essay examines how these new political technologies have emerged and why their study requires a revised analytical framework capable of better accounting for three important developments. First, economic elites are undergoing a noticeable rethink about their role in society, a process not fully captured by recent studies on business elites that emphasize firm-level adaptation to ongoing societal changes and neglect broader dynamics of class power (Ossandón, 2013; Ossandón & Tironi, 2013; Atria et al., 2017). Second, elites in Chile are discovering that German ordoliberalism, rather than the dogmatic market fundamentalism of the United States-trained Chicago Boys fervently invoked in past decades, seems to offer a more promising framework to cope with the current contradictions of a depleted neoliberal system of domination. Third, the extent to which center-left politics, intellectuals, and non-governmental organizations collaborate with transnational capital to produce new strategies for domination.

In the following section, I define categories selected to capture the innovations enacted by new corporate strategies deployed in Chile’s mining sector. I briefly sketch the post-2011 context within which these new corporate strategies arise. Then, I examine two case studies that highlight the design, rationale and efforts to operationalize these emerging policies conceived explicitly to support successful installation of mega-extractivist and infrastructure projects. The first examines how a growing awareness within business organizations Sociedad de Fomento Fabril (SOFOFA), Confederación de la Producción y el Comercio (CPC), and particularly Consejo Minero (CM) is fueling the notion that business conglomerates must enact a new citizenship of capital that directly and without mediation “manages the social environment” through territorial planning and production of “public goods” in territories where they operate. The second case study investigates concepts and practices for community/corporate conflict management, initially piloted by Tironi Asociados (TA), a center-left private consulting firm, by establishing public-private corporations for territorial governance. Drawing from latest developments in the social sciences (Action-Network Theory (ANT), Science and Technology Studies (STS), new design theory, etc.), TA devised a new doctrine for community-corporate conflict management (Tironi, 2011, 2018).

By focusing on these strategies, this essay alerts us to emerging modes for territorializing capitalist power under Chile’s mature neoliberal system of domination in a period when neoliberal hegemony is in crisis (Stahl, 2019). Within the Latin American context, the Chilean case underscores the multiplicity of paths followed by different countries in the region. In the context of a post-
2015 hemispheric shift described in the literature either as the ebb of the Pink Tide (Ellner, 2018) or end of the Cycle of Neoliberal Contestation (Ouviña & Thwaites, 2018), studying the emergence of new political technologies and hegemonic projects becomes critical. For the case of Chile, the political technologies (deployed in the mining sector) studied here are the culmination of three decades of collaboration between business elites and Chile’s Left; in contrast to Ecuador and Bolivia’s “accommodation after confrontation” (Wolff, 2016), Venezuela’s “postneoliberal hybrid regime”(Fernandes, 2010), Brazil’s fleeting “reverse hegemony”(de Oliveira, 2006), or even Argentina’s mottled “national-developmentalism” under the Kirchners, what distinguishes Chile within the Latin American context is the scope and depth of capitalist hegemony at least over the center-left, so that (in twenty-five years in government), its horizon of action never challenged the power of transnational capital and political institutions created to service its interests. Studying the strategies being adopted in the mining sector underscores the extent to which under Concertación (1990-2010) and Nueva Mayoría (2014-2018) administrations, center-left epistemic communities, played active, generative, and decisive roles in conceptualizing and operationalizing innovative political technologies that institutionalized the power of transnational capital. Thus, this analysis highlights the significant historical accomplishment by Chile’s capitalist class: its continued ability to transform center-left politics and center-left constellation of intellectual-epistemic communities into active co-producers of the means to institutionalize, legitimate, renew, and re-embed the neoliberal system of domination.

Making sense of Chile’s post-2011 elite extractivist consensus

To explore the emergence of new corporate strategies in Chile and their implications, I define here a set of concepts used for such an endeavor including “political technologies,” “epistemic communities,” “ordoliberalism,” and “new extractivist consensus.” By political technologies I mean those specific political apparatuses or dispositifs conceived and deployed to stabilize and renew capitalist hegemony over Chilean society. In using this concept, I borrow Giorgio Agamben’s (2009) notion of apparatus as “literally anything that in some way has the capacity to capture, orient, determine, intercept, model, control, or secure the gestures, behaviours, opinions, or discourses of living beings” (Agamben, 2009, p.14). Nonetheless, I refine this definition, circumscribing it to denote a specific subset of apparatuses that stem from an identifiable “intellectual processing of reality” and are deployed to accomplish defined and explicit political objectives. In other words, we can speak of a “political technology” whenever we observe state, corporate, or civil-society actors deploying, alone or in concert, capabilities aimed at capturing, orienting, modeling, or controlling behaviors of living beings with the political aims of either dissolving oppositional acts, creating social cohesion, producing governability, and/or offering real or imaginary solutions to societal problems (Eagleton, 1991). The
extractivist sector (mining, lumber and cellulose, salmon) and the attendant infrastructure projects are a critical site where, in response to community resistance, such political technologies have been forged. Following Haas (1992), by epistemic community, I am denoting those broad networks of intellectuals, leaders, and academics who, unified on the basis of shared values, diagnosis of societal problems, expertise, and knowledge practices, produce action-oriented policy proposals. Chile’s center-left epistemic community comprises a broad array of party-affiliated think-tanks (CIEPLAN, Chile 21, Instituto Igualdad, Fundación Democracia y Desarrollo, etc.), progressive-leaning international development organizations (ECLAC, UNDP), academic institutions, institutionalized NGOs, and a growing number of consulting firms.

Adoption of a new, more “enlightened” paradigm to territorialize capitalist domination opens up a range of issues regarding contemporary struggles for the democratic governance of resources and social existence. It suggests that what needs to be investigated is not just how capitalist enterprises have adapted “after Friedman” (Ossandón & Tironi, 2013), but more centrally the extent to which Chile’s business elites have shed their allegiances to dogmatic neoliberalism and begun to see the ordoliberal light. Recall, that in contrast to United States neoliberalism, German ordoliberalism suggested that if markets are to function efficiently, then business elites must purposely and actively create institutional and cultural preconditions for markets to operate. Hence, in contrast to United States neoliberalism which, a la Milton Friedman, heralded unhampered, deregulated markets as the sure path to success, German ordoliberalism as developed in the 1930s by Walter Eucken and others, emphasized the state’s fundamental role in creating the institutional and ethical foundations enabling a “social market economy” to operate efficiently (Biebricher 2011; Bonefeld, 2012; Berghahn & Young, 2013; Zebral, 2017).

However, the shift in the mindset of economic elites described above suggests that a much more complex process is underway, which cannot be adequately captured by characterizing the embrace of old ordoliberal notions that a free economy presupposes the exercise of strong state authority. Rather, it must be explained by an emerging assemblage that hybridizes and supersedes twentieth century neoliberal and ordoliberal cleavages, by upholding that capital must directly exercise authority at the territorial level, bringing state, private, and civil-society actors under its aegis. Thus, the shift in mindset by economic elites operating in Chile surpasses stale market versus state debates by enacting a new capitalist class awareness: capitalist domination must be deeply embedded in a broad mesh of local sociospatial relationships, and not just on the national and global scales.6

Almost a century ago, under different historical conditions, Antonio Gramsci had labelled similar processes as “transformism” and “passive revolution” (Forgacs, 2000; Thomas, 2006). “Passive revolution” would denote a historical epoch and processes characterized by “the persistent capacity of bourgeoisie initiative which succeeds, even in the historical phase in which it has ceased to
be a properly revolutionary class, in producing sociopolitical transformations, sometimes of significance, conserving securely in its own hands power, initiative and hegemony, and leaving the working classes in their condition of subal-ternity” (Losurdo, 1997, p. 155 cited by Thomas, 2006, p. 73). Contemporary Chile reminds us that business elites’ capacity for initiative is historically, materially, and semiotically produced, and is an open-ended outcome of intersecting dynamics of accumulation, meaning making, and social conflict. Structural factors as well as agency by dominant class actors are relevant.

Into this maelstrom, one in which communities’ resistance to extractivism remains high, center-left sensibilities and cadre, with past and present government positions, operating from non-government organizations and academic institutions, play a fundamental yet understudied role in producing and reproducing the potential of capitalist class power; they do so by constituting working alliances with domestic and foreign transnational capital, around shared goals of expanding the boundaries of mining capitalism and establishing the requisite conditions for its continued operation.

Related dynamics have been examined in other parts of the Americas through notions of extractivism and neoextractivism. Authors who popularized the concept in Latin America use the notion of extractivism to describe a “modality of accumulation” involving the “removal of large quantities of natural resources that are not processed (or are processed only to a limited degree) especially for export” (Acosta, 2011). This involves not just oil and gas and mineral exports but also agricultural activities based on extensive monoculture such as soy and palm oil (Gudynas, 2009). More recently, the convergence between the right and left around an extractivist/neoextractivism model has been studied through the notion of “commodity consensus” advanced by Svampa to explain the interpenetration (assemblage) between neoextractivist and neodevelopmentalist projects in the region (Svampa, 2015a, 2015b). However, the post-2011 elite extractivist consensus being forged in Chile far surpasses Svampa’s concept, which locates governments and economic development strategy as key protagonists. In contrast, Chile’s new extractivist consensus actively incorporates a panoply of new actors including think tanks, consulting firms, non-governmental organizations, international development agencies, academia, political cadre, as well as corporate mining executives as fundamental protagonists in a process in which national government entities play a subservient, supportive role. Instead of just shaping national development strategy, the assemblages generated by Chile’s new extractivist consensus have been explicitly conceived and designed with a much more defined political objective: as a mode of “governability from below” oriented towards defeating community resistance to extractivism thereby removing all possible local obstacles to investors seeking to boost private corporate profits.
Expanding mining extractivism: Hub of cooperation

Chile is the world’s top copper producer (30.5 percent of world output in 2015) followed at a distance by China (9.4 percent and Peru (8.6 percent). It also holds the world’s largest known copper reserves (29.2 percent) and copper provides 10 percent of GDP and more than 50 percent of Chile’s exports. One out of every three dollars of foreign direct investment (FDI) and 15 percent of fiscal revenues during the past decade are directly linked to copper mining (Consejo Nacional de Productividad, 2017). Pinochet-era mining legislation remains largely untouched since enactment in 1981. Such norms have encouraged the world’s largest private mining transnational corporations to operate in Chile, extracting 69.2 percent of the 5.5 million tons of copper produced in 2016 (COCHILCO, 2017). Such guidelines enable private foreign and domestic transnational mining corporations to extract extraordinary rents and profits without regard to socioenvironmental costs or diversifying the country’s productive structure. As economist Gabriel Palma has pointed out, during the recent twelve-year boom in commodity prices, mining multinationals repatriated profits equivalent to Chile’s entire GDP while copper multinationals repatriated sums equivalent to the total cost of the Marshall Plan that reconstructed war-ravaged Europe after the Second World War.7

After 2010, five interlocking trends came together to shape a new context for transnational corporations operating in Chile’s mining sector: an end to the 2004-2012 boom in commodity prices and a downward slide in the price of copper, which started in late 2010 and deepened in 2014 (Ert en & Ocampo, 2013; Ocampo, 2017; Eyraud, 2015). Along with declining ore yields, this fueled an imperative to open up new spaces to extractivism; generalized social protests after 2011 by an increasingly dissatisfied citizenry; a deepening crisis of legitimacy for neoliberal institutions and the private sector, fueled by a series of political and corporate corruption scandals; a limited ability by the duopolio, the country’s political class, to creatively respond to crisis; and increasingly effective community-based resistance to existing and planned mega-mining, power generation, and extractivist projects. As a result, for the first time since the negotiated transition to civilian rule in 1990, Chile’s business elites felt their hegemony openly questioned. Indeed, the retaining wall raised by the center-left Concertación after Chile’s negotiated transition, the “Pax Concertacionista,” which had proven so effective in holding back challenges to the neoliberal model, cracked, showing multiple fissures. Mobilized social groups – students, workers, indigenous communities, consumers, and women – transformed these fissures into powerful societal movements questioning the very foundations of Chile’s neoliberal order.8

During 2011-2014, each of these dynamics played out in dramatic ways in the country’s strategic copper sector, fueling concerns among transnational mining corporate executives and government planners about the sector’s declining international competitiveness and doubts about future capacity to con-
tinue delivering extraordinary rents and consistent state revenue streams. To address rising apprehensions, the government and private sector launched a series of public-private initiatives. For example, under the umbrella of the Consejo Nacional para la Innovación y Desarrollo (CNID), a presidential commission on “Mining and the development of Chile” was named, convening CEOs from the country’s main mining and power generation multinational corporations (i.e., BHP-Billiton, Anglo American, Antofagasta Minerals, Colbún), academics, NGO representatives, and center-left leaders. By mid-December of 2014, the head of CNID officially handed then-president Bachelet the final report “Mining: A platform for Chile’s future.”

As with similar studies commissioned during 2014-2016, the CNID’s report struck an alarmist tone. It described dire consequences stemming from mining’s declining dynamism and appealed for a “united national effort” to avert a dark future already looming on the horizon: “To begin with, all stakeholders must strive to overcome those problems that discourage investment in mining today. In this regard, it is worrisome to note that, far from increasing, investment in mining in Chile has fallen. According to the last survey of investment projects, there are over US$ 44bn being withheld pending a decision. If this projection holds true,” the report warned, “by 2030 mining production would decrease by about a third from its current levels” (Comisión presidencial minería, 2015, p. 10 [emphasis added]). To avoid such fate, the public-private collaboration behind this report proposed both a grand strategy and a list of specific initiatives. As part of the grand strategy to restore Chilean mining’s international competitiveness, it outlined three main strategic tasks: build trust among different stakeholders, develop a “roadmap to guide the country through efforts included in this proposal and to measure their progress” and create a new set of institutions to support this grand strategy. More specifically, it suggested:

…endowing the country with a public-private institutional framework to ensure greater coordination and joint actions among the different participants in this activity. The idea is to speed things up and move from a transactional to a transformational approach, which will generate collaborative and integrated relationships at all levels. We need an institutional setting that generates, guides and supervises the blossoming of a virtuous, sustainable and inclusive mining industry and thus contributes to create greater trust and value for all parties involved in its development (Comisión presidencial minería, 2015, p.10 [emphasis added]).

On the basis of an exhaustive study, one presidential commission concluded that the future of copper mining, and the 7.5 million-ton goal, hinged upon the following factors: “(i) improved internal management by each mining company; (ii) availability of new fields for exploration and exploitation; (iii) increasing expenditure on exploration activities; (iv) entry of new investment projects and expanding the scale of existing mining operations; (v) the availability of
water and power resources; (vi) a strategic relation with providers; and (vi) the ability of the mining industry to operate with a ‘social license’” (CNP, 2017, p. 24 [my translation]). Unsurprisingly, most of the critical variables identified were directly linked to expanding the sociospatial frontiers of extractivism. Similar conclusions had been reached by Consejo Minero, the business association of large mining transnationals operating in Chile. A 2016 survey of its members, ranked raising productivity, ensuring availability of water, and relations with surrounding communities as its three main challenges. As the Comisión Nacional de Productividad concluded, for large-scale copper mining operations, “improved relations with communities entails greater legitimacy, fewer conflicts and lower costs” (CNP 2017, p. 25 [my translation]).

According to the Instituto Nacional de Derechos Humanos, Chile recorded in 2018 a total of 116 socioenvironmental conflicts possessing a significant human rights dimension (INDH, 2018). Close to a third involved mining-sector projects which violated basic human rights including the right to life, health, an environment free of pollution, water, participation, territory and resources, indigenous property, and indigenous prior consultation (all sanctioned by ILO Convention 169). Another watchdog entity, the Observatorio Latinoamericano de Conflictos Ambientales (OLCA) informed that twenty-eight of the forty-eight socioenvironmental conflicts tracked in Chile involved mining. Likewise, the Observatorio de Conflictos Mineros de America Latina’s (OCMAL) database showed forty-one socioenvironmental conflicts involving multinational extractivist corporations operating in northern, central, and southern Chile.

Business elites across the economic spectrum duly noted how these conflicts were negatively impacting the valuation of capital. In fact, the annual survey of investment projects carried out by the Sociedad de Fomento Fabril (SOFOFA) noted with concern the significant ratio of investment projects blocked by community opposition. Its 2017 Annual Survey of Investment Projects classified a total of 43 projects under the category of “detained” amounting to US$ 57.9bn in investments. Of these, about 50 percent had been “detained” by what SOFOFA calls “external factors” including “increasing judicialization of projects, unfavorable environmental regulation, and legal uncertainty related to implementation of specific norms linked to ILO Convention 169” (SOFOFA 2017, p. 31 [my translation]). Hence community-based resistance has become a formidable roadblock to scaling up operations, attracting new foreign mining investment, and moving forward on the “roadmap” traced by elite public-private collaborations encouraged by presidential commissions.

Additionally, given the location of Chile’s massive unexploited copper reserves, political technologies capable of producing community acquiescence to extractivism became even more critical. Studies confirm that Chile’s Central Zone, particularly its most densely populated Valparaíso and Santiago metropolitan regions, are precisely where the country’s greatest mining potential lies (Valor Minero, 2017). The greatest unexploited copper reserves in the world
(200 million tons), representing over half of Chile’s known copper reserves, sit in the Río Blanco-Los Bronces copper district of Chile’s central zone. “However, this territory is inhabited by nearly 60 percent of the population engaged in multiple, significant economic activities. Therefore, there are varied land uses and other resources that must be considered to make viable the future of mining in this region” (Comisión Minería, 2015, p. 10-11). In other words, to gain access to this world-class motherlode, transnational corporations and investors must fashion new strategies for pre-empting, domesticating, and managing socioenvironmental conflicts.

**Consejo minero: Lead organization for transnational extractivist capital**

By 2013, as the commodity price boom evaporated, the key business entity of transnational mining capital, Consejo Minero (CM), launched a comprehensive strategic rethinking that revamped its public-relations strategy and laid the foundations for a new paradigm in relating to communities. Paying attention to how this process unfolded is relevant for a number of reasons. First, shifts in how transnational extractivist elites participate in politics and relate to the state cannot be deduced from structural factors alone (Poulantzas, 1973). The ability of any particular social actor to intervene in the public sphere and successfully shift an existing balance of forces in their favour depends to a great extent on three capabilities: their organizational capacities, their learning capacities, and capacities to enforce strategies elaborated in and through discourses (Jessop 2005, p. 36). As Heigl (2011) further explained, organizational capacities “refer to the ability to form alliances and to access financial resources” while learning capacities refer to the ability to “take in experiences and modify [one’s] own strategies in the course of conflicts.” Finally, the capacity to enforce strategies elaborated in and through discourses is the ability to create unity in action taking a sustained direction over time which, in turn, depends upon the capacity to “launch specific strategic discourses which are dominant with regards to important discursive reference points” (Heighl, 2011, p. 83). As we shall see below, after 2013, the transnational extractivist capital grouped in Consejo Minero deployed all three capacities with extreme effectiveness.

In Chile’s post-2011 conjuncture, when the hegemony of neoliberalism and business elites was being seriously questioned, transnational extractivist mining elites quickly marshalled material and ideational resources, tested new discourses and lines of ideological intervention, stemming the hemorrhage of credibility and restoring to a significant extent their intellectual, moral, and political ascendancy over society. First, CM created a sub-committee on community relations under the association’s standing public affairs commission. Understanding that managing the social environment surrounding mining operations was key, by 2014 CM reorganized the association's structure by creating a Social Environment Commission (CM, 2014, p. 78). As a lead-up to such restructuring, in September 2013 CM hired the Fundación Casa de la Paz, a
three and half decade old non-governmental organization, with vast experience in offering private corporations and government agencies, “high-impact solutions that enable us to build bridges and trust among different stakeholders” (Fundación Casa de la Paz, 2018). As a non-governmental organization, Casa de la Paz claims to be a pioneer in promoting alliances among communities, local governments and the private sector, “thanks to our work with corporations such as Shell Chile, Minera Escondida, Doña Inés de Collahuasi, Masisa, Aguas Andinas, Anglo American, Philips, Bei, Gerdau AZA, Coca Cola, and the Association of Chemical Industries (ASIQUIM) on topics such as building relations with communities, infrastructure, verification of responsible behaviors, internal environmental management and recycling.”

As an outcome of this 2013 consultancy, Consejo Minero armed itself not only with a new vision but also with the organizational tools – the apparatus – to carry it out. As a harbinger of what mining corporations would quickly adopt, in coming years Casa de la Paz provided important tools, including a pilot web platform with all available data on corporate-community interactions and an intranet system to collect such (georeferenced) information. These platforms made it possible to cross-reference such data with social development indicators as well as development planning instruments for those territories in which large mining corporations are present” (Consejo Minero, 2014, p. 81 [my translation]). With such a platform shared among corporate mining executives via an intranet system, transnational mining corporations could now “detect room for improvement in decision making regarding social investments and relationship with communities.” (Consejo Minero, 2014, 0. 81). Tools similar to those used by the former Pinochet military regime for scientific repression and Concertación planners for the sociospatial targeting of social policy, were now placed in the hands of transnational mining executives to exert their influence at the local level.

In addition to Fundación Casa de la Paz, Consejo Minero was also advised by the United Nations Development Program (UNDP) Chile Office. Thus, during March 2014, eleven mining corporation executives travelled to Lima, Peru to participate in the workshop “Chile-Peru: First exchange of experiences for sustainable management of the mining sector.” Jointly organized by Consejo Minero and the Chile and Peru UNDP offices, the meeting sought to exchange views and experiences on dialogue and prevention of socioenvironmental conflicts (CM, 2014, p. 81). For decades, UNDP in Latin America, and specifically its Chile office, has been a hub of center-left and ordoliberal thinking, promoting notions that contemporary Latin American market societies must be managed better by paying more attention to cultural and political interventions. Casa de la Paz and UNDP staff provided CM with techniques of governance very different from the more dogmatic market-centric views of right-wing entities such as the Pontificia Universidad Católica’s Institute of Economics, El Mercurio, Centro de Estudios Públicos (CEP) and the Instituto Libertad y Desarrollo (ILD), traditionally entrusted with advising the capitalist class.
By 2018, CM could thus claim major accomplishments, including having consolidated the work with Alianza Valor Minero (AVM) a center-left led public-private policy initiative created to rebrand mining and pre-empt socio-environmental conflicts. Through AVM, Consejo Minero constructed a broad alliance among private transnational corporations, state agencies, academia and non-governmental organizations which led to creating an Office for Large Sustainable Projects (Oficina GPS) within the Ministry of Mining, a one-window service for investors, as well as a new public policy proposal to create an Agency for Territorial Dialogue (ATD).

Thus, in the span of only a few years, transnational extractivist capital progressed from the 1990s stage of complete deafness to community demands, to a “new paradigm” of engaging communities through carefully orchestrated initiatives for territorial dialogue and “early” community participation. This new approach advocates managing the entire spectrum of social, political, economic, cultural, and ecological environment in the territory of operations; transnational extractivist capital abandons its “transactional” approach and Corporate Social Responsibility (CSR) strategies of the 2000s. Whereas CSR initiatives in Chile sought to improve corporate image and promote brand loyalty, the CSR toolkit proved too limited to overcome rising levels of community resistance (Fooks et al., 2013). Indeed, before 2006 mining and lumber and cellulose transnational companies such as Antofagasta Minerals and Arauco carried out community initiatives designed to buy off specific individuals within communities, or co-opt a clearly defined set of local actors through monetary compensation. However, over the past decade, mining elites have adopted a more “transformational” approach that seeks to embed transnational extractivist corporations in the existing local web of social relations. Embracing this new paradigm reflects extractivist transnational capital’s capacity for leadership, learning and self-discipline in following a concerted strategy, a process underway not only in Chile but also globally, as more and more communities stand up to resist and defend their territories.

Tironi Asociados: Coupling profits and Euro-centered social sciences

Tironi Asociados, a private consulting firm with annual revenues of US$ 4 million, has been advising corporate clients in Chile and Latin America since 1994. Its services encompass (a) strategic communication; (b) management of communities and disputes; (c) organizational change; and (d) institutional identity branding and design.16 Eugenio Tironi, its founder and leader, politically close to the center-left Partido Por la Democracia (PPD), claims to have designed the Concertación’s successful “No” media campaign for the 1988 plebiscite which defeated Augusto Pinochet. He is one of Chile’s most prolific sociologists and pundits. After serving in the first civilian government elected in 1990, Tironi moved to the private sector, proudly and unabashedly defining himself as an empresario:17 “I am an entrepreneur. In fact, I provide employ-
ment to more than a hundred people. What we “sell” are dispositifs (devices) to increase private enterprises’ reflection capacity. This requires maintaining and fostering a critical perspective without which there can be no innovation, creativity or adaptation.”

Over the past decades, the consulting firm he created, Tironi Asociados, compiled an impressive list of clients, including state agencies, the Inter-American Bank, and powerful private-sector conglomerates such as Telefónica/Movistar and many directly involved in extractivism, including Endesa; Minera Los Pelambres (Grupo Luksic), Antofagasta Minerals (Luksic), Arauco (Grupo Angelini), Anglo American, Minera Escondida (BHP-Billiton) and CODELCO, among others. In 2004, Eugenio Tironi created a second consulting firm, Gestión Abierta, with annual sales of US$ 2 million, and an equally notable roster of corporate clients, many of them in the energy and power generation sector, such as HidroAysén (Enel), Colbún (Grupo Matte) and private water management and distribution such as Esval and Essbio, among others. Each of these corporate and governmental clients has been involved in highly visible and long-lasting conflicts with local communities, sparking national and global campaigns against extractivism (i.e., Patagonia Sin Represas (Schaeffer, 2017), and Caimanes (Lehne, 2015) among others). Thanks to this intimate relationship with transnational economic conglomerates, Tironi Asociados has crafted modes of community-corporate conflict management which have been replicated throughout the country.

Abierta® is the proprietary political technology at the heart of the Tironi Asociados’ métier. It evolved from the intersection of two unlikely forces: economic elites’ urgent need for better conflict management, and the latest trends in progressive and left social-science research being produced at elite cosmopolitan universities. In the book Abierta: Gestión de controversias y justificaciones, Eugenio Tironi explains how Tironi Asociados developed its key dispositif Abierta®:

Abierta is closely linked to two currents that comprise French pragmatic sociology. The first is Action-Network Theory or ANT, established by Bruno Latour, Michel Callon, and scholars from the Centre de Sociologie de l’Innovation at the Paris School of Mines. The second is Luc Boltanski and Laurent Thevenot’s sociology of justification, both from the Groupe de Sociologie Politique et Moral from the Ecole des Hautes Etudes en Sciences Sociales, also in Paris (Tironi, 2011, p. 8 [my translation])

Tironi explains how Arauco, one of the largest lumber and cellulose multinationals in the world, belonging to the Angelini conglomerate, hired TA to help in obtaining Forest Stewardship Council certification. Such a request led Tironi Asociados to the work of French sociologist Michel Callon. A subsequent contract from Telefónica-Movistar to improve corporate reputation led his staff to Boltanski and Thevenot’s work “On Justification” and the realization that corporate reputation was not universal or fixed but rather essentially depended on
“regimes of worth” deployed at critical moments. In a nutshell, the Abierta® political technology incorporates a new set of conceptual resources and corresponding political practices for managing crises of legitimacy confronted by large conglomerates: soft power, Action Network Theory (ANT), subjectivity, justificatory regimes, transcending technocratic knowledge, harnessing interpersonal dynamics and shared dreams through “placemaking” (Tironi, 2011).

These requests from the private corporate sector led Tironi Asociados to devise between 2004-2011 a five-step conflict management strategy: Careful mapping of the socioeconomic and politico-cultural causes of conflict in a community; Convening relevant stakeholders to a Hybrid Forum, purposely denoted as hybrid because it discusses different angles of knowledge (technocratic and grassroots), understandings and visions (corporate, state, and community), seating them around a table so that they can together dream a different future for their town and region; Installing a Community Open House so that community members can agree on a portfolio of sustainable development investment projects for the town, province or region; Constituting a private-public-civic society consortium tasked with managing agreed projects; and Producing and screening a documentary film that celebrates the emerging local identity, normalizing the presence of the extractivist corporation in the territory. Each step, funded by the multinational extractivist client, involved the company’s technical, professional, and media staff working closely with TA. The results illustrate how conflict between economic elites and local communities, duly intellectually processed by institutionalized non-governmental organizations and in this case, for-profit consulting firms, has fueled the elaboration of political technologies.

The first step involves a systematic mapping of a specific conflict through in-depth research by a team of TA experts which examines a broad spectrum of variables including conflict intensity, timing, cycles, protagonists, strategies, justifications, arenas, and content. Working with architectural firms such as Elemental and the Catholic University’s School of Design, Tironi Asociados, funded by Canada’s International Development Research Centre, developed a visual spreadsheet as a tool for “mapping controversies” which, akin to sheet music for an overture, offers insights into the “dynamics, rhythms, and textures of disputes.”

Once mapping of the conflict is completed, the Hybrid Forum plays a key role. This is a technique designed to create a conversation between the company’s technical knowledge and the state bureaucracy with the community’s social knowledge and historical memory. In this forum, it is inevitable that diverse opinions, judgments and values will forcefully clash, since participants will express their points of view with great emotionality and conviction. While a member of the facilitating team leads this difficult, often cathartic conversation, another Tironi Asociados team member carefully records everything discussed. All the emotions and disagreements that have arisen yield critical ingredients to make this political technology effective. The facilitating team
knows perfectly well that the hybrid forum is convened to identify the moral foundation of arguments, those value regimes, logics of action, worldviews of the different actors in the territory. 22 As Rodrigo Araya, a Tironi Asociados senior partner explains, the open nature of the discussion is consubstantial with the “Ten Commandments for the Hybrid Forum” guiding the facilitator’s work. 23 If the previous step was to register stakeholder and conflict dynamics, this second step seeks to carefully map desires and forms of argumentation. Aspirations of forum participants will be collected and represented at the end of the session in a colorful “Tree of Dreams.” This information will provide the material with which Tironi Asociados will be able to lastingly glue a set of community developed initiatives to be voted upon in local plebiscites and community referendums at the Casa Abierta or Open house. Once selected, these community development projects will be managed by a public-private corporation for territorial development created for this purpose. A final component of Abierta®’s conflict management approach is that, in almost all cases, a famous cinematographer is hired to produce an inspiring film that captures key elements of the desired/shared local identity. Once finished, the film is shown to the community. Overwhelmed by emotion, the community is literally moved to tears by this act of place-based memory/identity making. Thanks to Tironi Asociados and corporate funding of the film, many community members for the first time feel acknowledged “for who they really are.” Unnoticed is how this new cinematographically-depicted identity has erased collective community struggles, while enacting a new, “more modern” place-based identity in which the extractivist corporation is firmly validated as “just one more” legitimate community member. 24

Tested and developed in response to long-standing and specific conflicts between communities and transnational extractivist corporations in Constitución, Calama, Antofagasta and the Choapa Valley, Tironi Asociados forged a new set of place-specific imaginaries and modes of intervention which relied on bringing local government, civil society and community organizations together with representatives of transnational capital to imagine and plan for a shared future (See Figure 1). In these four cases, these strategies successfully dissolved challenges to conglomerates’ extractivist operations and guaranteed successful EIA certifications.

One should note that these repertoires for managing disputes, developed by Tironi Asociados, emerge from decades of advising and collaboration with the country’s largest and most powerful economic conglomerates. The “new responses for new scenarios” represented by these practices are being co-produced by center-left intellectuals and transnational capital. As Eugenio Tironi acknowledges:

…the intellectual property of Abierta is shared: one portion belongs to Tironi Asociados and the other corresponds to managers from those corporations we have interacted with during the process of its creation. They are
the ones who provided us with the incentives, rigorously tested the prototypes we proposed, and were willing to open up their corporations to transform them into true open laboratories to test these new approaches (Tironi 2011, p. 19 [my translation, my emphasis]).

Figure 1: Tironi Asociados’ Abierta® in Action: Conflict, participants, outcomes. Compiled by author on the basis of press reports.

<table>
<thead>
<tr>
<th>Community</th>
<th>Client conglomerate &amp; funder</th>
<th>Conflict</th>
<th>Tironi Asociados intervention</th>
<th>Examples of grassroots governability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antofagasta</td>
<td>BHP Billiton, Antofagasta Minerals (Luksic), Anglo-American</td>
<td>Contamination, cancer, child health</td>
<td>CREO Antofagasta (2011-2013)</td>
<td><a href="http://creoantofagasta.cl">http://creoantofagasta.cl</a></td>
</tr>
</tbody>
</table>

The techniques and lessons learned by Tironi Asociados thanks to for-profit consulting for transnational capital and state agencies have been put into circulation in the broader “marketplace of ideas” thanks in part to support by Canada’s International Development Research Centre (IDRC). Like the Inter-American Development Bank (IADB), Canada’s IDRC is happy to put these “best practices” in global circulation. Such interventions broaden the horizon for a new politics of capital, which locates transnational extractivist capital as the hub, only source, midwife, and funder for fulfilling a community’s dreams for a better life.

**Conclusion**

Chile’s strategic mining sector has become a key site where local and foreign transnational capital alongside center-left epistemic communities are co-producing a new set of political technologies for expanding extractivism’s sociospatial frontiers. Initiatives by Fundación Casa de la Paz and Tironi Asociados (among others), have increasingly assumed a leading role, actively engaging local organizations, government agencies, civil-society entities and aca-
demic institutions alongside transnational capital in producing political technologies to deter, deflect, and ultimately defeat community resistances to megaprojects in mining, lumber and cellulose, hydropower, energy, and infrastructure.

With emphasis on territorial conflict management, governmentality from below (bottom-up), and strategic environmental assessment for territorial sustainability (AESOT), these novel political technologies bring together a broad spectrum of actors, knowledge types, and sentiments to enact new modes for manufacturing consent and capitalist domination at the territorial level. Such repertoires represent a nascent form of politics which disputes the role of the state and reconfigures statecraft, enacting “artisanal politics” targeting local relational, emotional, dialogic, identitarian, memory, interpersonal place-based subjectivity-making processes, to yoke them into the service of transnational capital. These innovations represent a ratcheting up of the “socioemotional turn” (Leiva, 2008) and of hegemonic participatory politics (Greaves, 2005; Leiva, forthcoming), as well as new manifestations of the global-national-local nexus (Schorr, 2019).

These initiatives engender a new language and apparatuses for refurbishing neoliberalism’s hegemonic project and leapfrogging environmental impact assessment regulations through “collaborative agreements for territorial development” being embraced by large mining, lumber, hydropower, and infrastructure corporations. Brandishing such scaffolding, transnational capital successfully summons state agencies, local governments, non-governmental organizations, academic institutions, and even community organizations to join in supporting a new extractivist consensus: accept the extractivist corporation as one more member of the community at the center of long-term territorial development planning. Under the umbrella of such discourse, a new political entity thrives: the private-public-social consortium begotten through carefully orchestrated territorial dialogues. This new entity, with the extractivist transnational corporations firmly at the center, is now entrusted with conceiving, directing and managing the “sustainable territorial development” of those extensive valleys and entire provinces where they operate. One could argue that the strategies analysed in this article illustrate one modality through which Svampa’s “commodities consensus” is territorialized at the local level as a strategy of domination and dispossession. Examples can be found in Somos Choapa with Antofagasta Minerals of the Luksic Group and Calama Plus with CODELCO, Freeport-McMoran and Glencore as hubs.

Initiatives like these represent business leaders’ new-found understanding that, if they are to successfully restore their hegemony and spark a more dynamic cycle of capital accumulation, they must reconfigure private capital’s role in society. As SOFOFA president, Bernardo Larraín-Matte, indicates, the key lesson is that, “every business leader, CEO, board member, or president of a private company must exercise a permanent public role. Not just from his business association, but also from the leadership role in the business firms he
A new doctrine among business elites about the importance of consciously embedding capitalist enterprises within a broader web of social and spatial relations is being engendered as a response to mounting popular resistance to extractivism. SOFOFA’s Dialogues Initiative underscores that, from now on, private firms should be conceived as “an ecosystem formed by investors who supply financial capital, entrepreneurs who contribute innovative and entrepreneurial capital, collaborators who contribute human capital, suppliers contributing technological capital, the state, who provides institutional capital for establishing the rules of the game, and consumers and communities who favor us with perhaps the most important capital of all: trust.”

What is of note (and needs further investigation) is how such a shift is being embraced by both locally-based domestic transnational capital (Luksic and Matte conglomerates) as well as foreign transnational capital, represented by diversified mining behemoths such as Anglo-American (South Africa/United Kingdom), Glencore (United Kingdom/Switzerland), Teck Resources (Canada) and Newmont-Goldcorp (United States/Canada).

* * *

**Fernando Ignacio Leiva** is associate professor of Latin American and Latino Studies, University of California Santa Cruz.
Address: University of California Santa Cruz, Merrill Academic Services 30, 1156 High Street, Santa Cruz, CA 95064, United States.
E-mail: fleiva@ucsc.edu

**Notes**

1 This essay draws from my paper, El ‘dialogo territorial’ y la ‘participación temprana’ como dispositivos de despojo: El capital transnacional extractivista y sus nuevas estrategias, December 2018.

2 Established in 1883, to represent the interests of manufacturing-sector capitalists and as a counter-balance to agricultural entrepreneurs organized in the Sociedad Nacional de Agricultura (SNA), SOFOFA has the mission to “validate the role of the private sector as a trusted, relevant actor in the project of transforming Chile into a developed, modern, inclusive country.” It is a federation of business associations, representing over 4,000 firms, 48 sectoral associations, and 22 regional groupings.

3 The Confederación de la Producción y el Comercio (CPC) established in 1935, is the umbrella organization coordinating all of the major domestic organizations of the business class. It includes the Sociedad Nacional de Agrícola (SNA), the Cámara Nacional de Comercio, Servicios y Turismo, the Sociedad Nacional de Minería (SONAMI), the Sociedad de Fomento Fabril (SOFOFA), Cámara de la Construcción, and the Asociación de Bancos (ABIF). Its mission is “to promote – within a framework of principles
and ethical values – the conditions that enable the creation and upholding of entrepreneurial initiatives, and the existence of an institutional framework that promote free competition and growth so that we attain development that is economically, socially, and environmentally sustainable.”

4 In 2013, Consejo Minero was composed of only ten mining transnationals: Anglo American, Antofagasta Minerals, Barrick, BHP Billiton, Codelco, Collahuasi, Freeport McMoRan Copper & Gold, Glencore, Kinross, Minera Lumina Copper Chile, Teck and Yamana Gold. Since then, nine additional multinationals have joined the association.

5 For a display of this new corporate awareness, see the August 28, 2018 Colloquium, Empresa y Territorio: Rol de la empresa en la gestión del territorio y el desarrollo territorial, Instituto para la Capacitación en la Administración Racional de la Empresa (ICARE), Casa de Piedra, Santiago. https://www.icare.cl/encuentro/empresa-y-territorio/.

6 The literature on economic elites is vast. For a critical review of this extensive literature and prevalent framework, see F. Leiva and T. Chiasson-LeBel (2018), Sharpening Our Tools, Linking Our Endeavors: Research on Recent Transformations of Latin America’s Capitalist Class, Corporate Strategies, and the role of Economic Elites. www.academia.edu/39896082/Sharpening_Our_Tools_Linking_Our_Endeavors_Research_on_Recent_Transformations_of_Latin_Americas_Capitalist_Class_Corporate_Strategies_and_the_Role_of_Economic_Elites


8 All of these factors also lie behind the October 18, 2019 social explosion taking place throughout Chile, an analysis of which clearly lies beyond the scope of this essay.


10 Mining, A Platform for Chile’s Future, 2015, p. 10.

11 Mensaje del presidente ejecutivo del Consejo Minero, Informe Anual 2016, p. 5


13 See Observatorio de Conflictos Mineros de América Latina (OCMAL), https://mapa.conflictosmineros.net/ocmal_db-v2/conflicto/lista/02032300

14 Consejo Minero 2013.

15 Fundación Casa de la Paz website, La Fundación, www.casadelapaz.cl/la-fundacion/

16 Tironi Asociados, www.tironi.cl/practicas/ [my translation]

17 Eugenio Tironi in the Panel Empresa y Sociedad, Encuentro Regional de Empresas, organizado por Irade. #Erede2017. https://www.youtube.com/watch?v=uN0QnIP47Ys


19 http://www.poderopedia.org/cl/empresas/Tironi_y_Asiociados

20 See ¿Qué son los Foros Híbridos? https://www.youtube.com/watch?v=LIS45uMSRuk

21 http://partitura.visualizaciomycontroversias.cl/. A detailed graphic description of the tool is available in the presentation by Manuela Garretón et al. Visualizando Calama y sus
23 Foros Híbridos para Controversias Urbanas http://helsinkidesignlab.org/blog/hybrid-forums-for-urban-controversies-the-ten-commandments.html
24 Funded by Antofagasta Minerals, see Tesoros de Choapa by Christian Leighton http://tesorosdelchoapa.cl/. Funded by Arauco, see Mauchos, a film by Ricardo Larraín https://www.youtube.com/watch?v=vQ4DjtRDBOM
25 IDRC Project 107672, Adressing local conflicts in Latin America: New conflicts, new scenarios, provided Tironi Asociados with Cn$ 478,000 to carry out “groundbreaking research on alternatives to traditional corporate social responsibility approaches and foster dialogue among otherwise reluctant private sector community actors.” www.idrc.ca/en/project/addressing-local-conflicts-latin-america-new-responses-new-scenarios
26 President SOFOFA, June 6, 2017, Seminar on Indice de Politica Monetaria [my translation, emphasis added]

References

Berghahn, V., & Young, B. (2013). Reflections on Werner Bonefeld’s ‘freedom and the strong state: On German ordoliberalism’ and the continuing importance of the ideas of ordoliberalism to understand Germany’s (contested) role in resolving the Eurozone crisis. New Political Economy, 18 (5), 768-778. https://doi.org/10.1080/13563467.2013.736959


