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Markets and Violence

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Abstract

In this commentary I address different forms of corporate violence, in particular how some contemporary corporate practices result in violence. Violence is carried out often without impunity by a market-state nexus that enables accumulation by dispossession. Structural violence concentrates power on certain groups while creating a class of disposable labor. Epistemic violence involves using language and law to disempower specific groups of people. The state often uses instrumental violence to quell resistance. I discuss how violence operates in the political economy by discussing conflicts in the extractive industries.

Keywords: Violence, dispossession, development, corporate social responsibility, conflict,

I was pleased and surprised when asked to write a commentary for this special issue on the topic of violence, markets and marketing. Surprised because critical voices in the discipline of marketing are few and far between and pleased because such an important topic was being addressed in a relatively mainstream journal. Sadly violence is a ubiquitous part of our society and we are surrounded by it: the media regularly feeds us with stories of violence and violence is an integral part of the entertainment industry in films, television, toys and video games. And while there is some attention paid to the marketing of violence (to children through video games for example) little is known about the violence *of* marketing, by which I mean forms of dispossession that result from specific corporate practices.

In some of my earlier work I had explored how some contemporary corporate practices result in dispossession and violence. Drawing from theoretical perspectives in political philosophy, particularly the works of Agamben (1998; 2005), Harvey (2005) and Mbembe's (2003) theory of necropolitics I developed the concept of necrocapitalism, which I defined as 'practices of accumulation by transnational corporations that involve dispossession, death, torture, suicide, slavery, destruction of livelihoods, and the general management of violence' (Banerjee, 2008a: 1548). Violence and dispossession result from a variety of practices arising from the market-state nexus such as the marketization of security services through private military forces, privatization of land and resources, restrictions on public use of common property resources, conflicts over resource extraction, intellectual property rights on life forms, and forceful displacement of peasant populations. Many of these practices are carried out in the name of 'development' in the poorer regions of the world where violence and dispossession are managed through extraction, exclusion and expulsion (Banerjee, 2011b).

A more nuanced understanding reveals different aspects of violence that go beyond physical force or psychological violence. The modern nation state is constructed as the sole

purveyor of 'legitimate' violence that allows it to use physical force through its police and armed forces. The state's monopoly on violence elides the fact that the modern nation state itself emerged out of violence. The state's use of violence is not just to protect its citizens and maintain law and order but also to quell dissidence and resistance to current social and economic organization. In addition to this form of instrumental violence there is also structural violence that concentrates power on certain social groups – for example the caste system in India and the structural violence of neoliberal capitalism that has created the precariat class of disposable labor. Less easily seen are forms of epistemic violence where language, law and discourse are used to marginalize and disempower specific groups of people. Under colonialism, violence operated in the name of civilization and development where a particular scientific episteme created and sustained categories of civilized-barbaric and developed-underdeveloped. As Said (1993: 8) argues these ideological formations assumed that certain territories and people actually 'require and beseech domination, as well as forms of knowledge affiliated with domination'. Sovereignty of Indigenous populations was no longer contingent on local social, political and cultural norms but depended on the extent they could be 'civilized' and 'developed'.

A similar process of erosion of Indigenous sovereignty is taking place in postcolonial nations. For the former colonies in Africa, Asia and Latin America independence from colonial rule did not mean that all populations enjoyed the benefits of sovereignty. Indigenous sovereignty was never fully realized in these postcolonial states where direct colonialism was replaced by elite nationalism. The transition from colonialism to nationalism while marking a postcolonial moment for the nation state excluded large segments of its populations who were now governed by the same rationality that inscribed the colonial project. Indigenous peoples often found themselves in conflict with the newly formed states as developmental projects invariably led to resource extraction, loss of livelihoods and dispossession.

Similar histories of violence accompanied the development discourse, which was a scientific and technological process that subsumed differences in culture while classifying groups of people as 'underdeveloped' and local economies as 'subsistence' needing interventions based on the assimilative imperatives of development (Escobar 1995). As I have pointed out elsewhere, later discourses of 'sustainable development' continued to be informed by colonial thought and unitary knowledge systems that privileged ecological modernization over ecological justice (Banerjee, 2003). Conflicts over the patenting of seeds and life forms through biotechnology reflect these tensions. Knowledge about medicinal properties of plants that have been an integral part of the cultural fabric of rural communities for thousands of years are classified as 'traditional ecological knowledge' that exists in the prior public domain and are not considered 'intellectual property'. However, corporations can claim intellectual property rights for extracts that have been genetically modified from living plants. This 'biopiracy' is a form of violence which relies on a system of multiple exclusions that denies indigenous knowledge and agricultural practices (Shiva, 1993).

The epidemic of farmer suicides in India can also be seen as an outcome of market violence. India was forced to open its seed sector to global corporations due to structural adjustment policies of the World Bank, transforming the agricultural sector and threatening the livelihoods of subsistence farmers who now had to buy seeds from the market. Activists have claimed that the widespread use of Monsanto's genetically modified Bt cotton seeds have led to farmer suicides (Thomas & De Tavernier, 2017). While the factors related to farmer suicides are more complex the fact remains that technology transformed seeds from a

renewable resource to a non-renewable one leading to patented hybrids that farmers were forced to purchase from the market. The rush to grow cash crops such as cotton also transformed a diverse agricultural system to monocropping, which further exacerbated vulnerabilities of the crop to pests, diseases and made them more dependent on expensive pesticides and fertilizers.

Barring some exceptions these topics rarely appear in the academic journals in the business disciplines despite the fact that corporations are directly or indirectly involved in forms of dispossession and violence. State complicity with corporate actors is widespread in these cases where corporations use the state's 'legitimate' forces to quell resistance to projects (Banerjee, 2011a). For instance, in analyzing Coca Cola's response to local villagers' resistance to their operations in India Varman and Al-Almoudi (2016) found that the company used a variety of intimidation and bullying tactics to silence protestors including state violence through police forces against workers attempting to unionize as well as bribing state officials to gain support for their operations. A key insight from this study is how corporations employ counter-resistance tactics to continue processes of violence and dispossession. Similar tactics were used in a mining conflict in eastern India where the mining corporation Vedanta was able to undermine community resistance through intimidation, physical violence, and a divide-and-rule strategy that isolated groups opposed to mining while rewarding others through money and gifts as part of their corporate social responsibility (CSR) based philanthropic activities (Kraemer et al., 2013).

This brings us to a troubling question: what role does CSR play in addressing corporate and market violence? Does it stop corporations from doing bad things? Or by publicizing the good that corporations do does CSR instead provide a smokescreen that allows them to do bad things? The literature is overwhelmingly positive about CSR being a force for good. For example, in explaining the political role of corporations, Scherer et al. (2016: 276) define political CSR as 'those responsible business activities that turn corporations into political actors, by engaging in public deliberations, collective decisions, and the provision of public goods or the restriction of public goods in cases where public authorities are unable or unwilling to fulfill this role'. They point to examples where corporations contribute to 'different areas of governance' such as public health, education, social and environmental standards, climate change, corruption and inequality. By engaging with a wide range of stakeholders CSR can provide 'moral legitimacy' to corporations, help 'rebalance the power between governments and corporations' and 'permit more democratic control on the public use of corporate power' and 'fill the regulatory vacuum in global governance' (Scherer & Palazzo, 2011; Scherer et al., 2016). While it is tempting to accept such a rosy view of corporations spreading peace and democracy throughout the world the reality is somewhat grimmer, as evidenced by ongoing violent conflicts between corporations and local communities (Banerjee, 2008b).

A key assumption in political CSR is that a multi-stakeholder engagement process involving corporations, NGOs and government agencies will result in pro-social and pro-environmental outcomes or at least minimize harm done by corporate activity. However, simply engaging with NGOs does not always lead to positive environmental and social outcomes but can result in further marginalization of vulnerable populations. For instance, Khan et al. (2007) found that a transnational campaign to stop child labor in the football stitching industry in Pakistan pushed impoverished local villagers into even more poverty and deprived them of their livelihoods. Kraemer et al. (2013) in their study of an anti-mining resistance movement in India described tensions between powerful Western NGOs and local

activists with the latter accusing the former of hijacking the movement to suit NGO agendas and undermining local resistance movements. A study of microfinance practices of NGOs in rural Bangladesh found that microfinance led to increasing levels of indebtedness among already impoverished communities and exacerbated economic, social and environmental vulnerabilities (Banerjee & Jackson, 2017).

Studying corporate-community conflicts can provide insights into the limits of CSR and highlight the counter-mobilization strategies of corporations. Nowhere is this more evident than conflicts involving the global extractives industry (mining, oil and gas extraction) which is one of the largest industries in the world with annual revenues of \$5.4 trillion and operations in more than 100 countries. Perhaps the most comprehensive list of ongoing conflicts over resource extraction can be found in the Environmental Justice Atlas (<http://ejatlas.org>). This comprehensive database catalogues social and environmental conflicts arising from resource extraction. The database currently lists a total of 2097 conflicts over social and environmental impacts of resource extraction projects including mining, forestry, dams, fracking, drilling, exploration, waste management, ore processing and others. Environmental impacts (deforestation, air and water pollution, soil contamination), social and cultural impacts (dispossession, loss of livelihoods, threats to cultural heritage) as well as a lack of participation of affected communities in decision-making are key drivers of conflicts.

The geographical scope of resistance movements against extractive industries is remarkable. Here is a partial list of countries where there are ongoing violent conflicts between local communities and corporations in the extractives industries: Angola, Argentina, Bangladesh, Brazil, Cambodia, Cameroon, Chile, China, Colombia, Costa Rica, Côte d'Ivoire, Democratic Republic of Congo, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Gabon, Ghana, Guatemala, Honduras, India, Indonesia, Jamaica, Kenya, Laos, Liberia, Madagascar, Malawi, Mali, Malaysia, Mexico, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, Thailand, Tibet, Trinidad & Tobago, Tunisia, Turkey, Uganda, Uruguay, Venezuela, Vietnam, Zambia, Zimbabwe. And this is a partial list.

It is no coincidence that nearly all of these countries are former colonies. It is also no coincidence that the companies involved in these conflicts are headquartered in countries that were colonial rulers. While the era of direct colonial rule is over neocolonial modes of dispossession continue in the postcolonial world this time governed by native elites in the former colonies. Ironically several of these countries now employ colonial era laws that were used to imprison independence movement leaders, to incarcerate tribal populations resisting occupation of their lands. Moreover, a significant number of mining projects are operated as joint ventures between the state and transnational corporations, which raises questions about state interests in dealing with resistance to mining on the one hand while generating profits through its mining operations on the other. State violence and market violence go hand in hand in many of these conflicts.

The fact that virtually all the mining corporations involved in community conflicts – Shell, BP, Rio Tinto, Anglo American, BHP Billiton to name a few giants – have extensive CSR policies and stakeholder initiatives in place and are signatories to several multi-stakeholder initiatives designed to promote environmental and social welfare, casts serious doubts about the effectiveness of CSR (Banerjee, 2018). Instead corporations and

governments use CSR as a weapon to obscure processes of dispossession while presenting a positive image to the public. The rhetoric of ‘socially responsible mining’ has little currency with local communities that are dispossessed by mining activity. Counter-mobilization strategies such as CSR can undermine resistance because the energies of subaltern groups become dissipated not just in opposing development projects that threaten their livelihoods but also in resisting more manipulative and divisive practices of CSR.

The extraction of natural resources raises complex and difficult questions about state sovereignty, human rights, Indigenous land rights and cultural survival. Implementation of state led economic development policies also requires particular legal, political and social institutions, and most importantly a system of property rights. Since the state is the ultimate guarantor of property rights and human rights it also becomes the most important actor to manage conflicts that arise over these rights, as in resource extraction projects for example. States maintain the resource extraction system through negotiation, hegemonic accommodation and collaboration, and when conflicts occur, states as the only ‘legitimate’ purveyor of violence, often use police and armed forces to quell anti-mining resistance. Thus, in its role as a guarantor of property rights and as a manager of conflicts the state is also responsible for developing appropriate governance structures that enable the socialization of risks, through legislation, consultative processes and/or suppression of dissent.

Conflicts between Indigenous communities and the extractive industries are essentially over the contested meaning of development and the negative impacts of market-state imposed models of development on communities. Many of the ongoing conflicts over resource extraction in the developing countries are outcomes of neoliberal policies of structural adjustment and privatization dictated by institutions like the World Bank and International Monetary Fund. The emergence of the neoliberal state in the 1980s resulted in transforming its role from a regulator of the economy to providing and maintaining the institutional and material conditions that enable the expansion of capital and private enterprise through increased state surveillance and repression. This neoliberal shift resulted in major structural changes in the governance of the political economy, most notably the shift from government (state power) to governance, which involves a coalition of market, state and civil society actors. Increasing involvement of private actors in governing the extraction of public resources results in legitimizing political frameworks of governance that are not democratic and further marginalizes segments of the population that do not have access to these new structures of power. State institutions and practices have been reconfigured as a result of the nexus between the state and private capital thus shifting the balance ‘between coercion and consent, between the powers of capital and of popular movements, and between executive and judicial power, on the one hand, and powers of representative democracy on the other’ (Harvey, 2005: 143).

The market-state nexus also enables epistemic violence to dispossess communities. In particular Indigenous communities’ connections with land are more a bundle of relationships than a bundle of property rights. Economic valuation of environmental resources like forests and wetlands that employ measures such as net present value using arbitrary discount rates or return on assets cannot accommodate spiritual and cultural values of inhabitants of forests. For instance in a recent mining conflict in the Indian state of Odisha, spirituality, sacredness and culture were key claims in the legal case mounted by the Dongria Kondh tribe against the state and the company with their writ petition stating that they were ‘protesting against the intrusion into their cultural space’ (Temper & Martinez-Alier, 2013: 85). The location of the proposed mine was opposed by the local tribals because

it was to be constructed on a mountain called Niyamgiri that the tribals considered to be their 'soul': in the words of a tribal leader 'without Niyamgiri we cannot think of life. If we lose the mountain we will lose our soul. Niyamgiri is our soul. If Niyamgiri goes our soul will die' (Kraemer et al., 2013). That same mountain is a profitable source of bauxite for the mining company Vedanta and the state, and according to the company's mission statement 'Vedanta firmly believes in making the local people a participant in the growth process of the organization and works as a facilitator of socio-economic transformation of rural parts of Odisha' (Banerjee, 2018). The problem of course is how does one value a mountain which is both the 'soul' of a community that inhabits it as well as a profitable non-renewable resource for a corporation that can ensure 'socio-economic transformation'? These competing and incommensurable worldviews will inevitably lead to conflict because contrary to the premise of the global economic paradigm 'there can be no universal metric for comparing and exchanging the real values of nature among different groups of people from different cultures, and with vastly different degrees of political and economic power' (McAfee, 1999: 133). Or as Marx put it while describing another form of struggle – 'between two rights, force decides'. State violence was initially used to quell resistance but after a struggle lasting more than 10 years the Supreme Court overturned the original judgement approving the mine and called for more consultation. During the legal case, the state government argued that environmental activists were 'romanticizing tribal life' and that the Dongria Kondh were in fact living in 'abject poverty and deprivation bordering on dehumanizing conditions', engaging in 'destructive and subsistence agricultural practice', and that preservation of tribal culture and customs did not mean 'allowing them to lead a life in illiteracy, poverty and hunger in perpetuity' (Banerjee, 2018).

The separation of the economic value of land from its cultural and spiritual value provides a justification of land appropriation by the state in the name of economic development and poverty reduction. Even the final judgment by the Ministry for Environment and Forests denying permission for the mine to proceed specifically rejected any cultural claims of loss by tribal communities. According to the Indian Minister of Environment, 'There was no emotion, no politics, no prejudice in this decision... It was not because Niyamgiri is considered sacred [by the Dongria Kondhs]. It is a decision on a purely legal basis' (Temper & Martinez-Alier, 2013: 85). It is the 'purely legal basis' of development decisions which constitutes the power of the neoliberal sovereign state that erodes the internal sovereignty of Indigenous peoples. Land conflicts may well be 'cultural distribution conflicts' (Escobar, 2006) but the resolution of these conflicts creates inequitable outcomes because one set of cultural norms and values that reflect the dominant neoliberal state are imposed on people with different cultural norms.

Indigenous peoples all over the world face similar regimes of exclusion and dispossession. In the lawsuit against Exxon following the oil spill from the tanker Exxon Valdez a court ruled (based on 'anthropological evidence' provided by an Exxon hired anthropologist) that the 'subsistence culture' of the Alutiq people of southern Alaska had not been damaged by the oil spill because 'culture is deeply embedded in the mind and heart'. Consequently there was no loss of cultural resources resulting from the environmental disaster and hence no monetary compensation was required (Kirsch, 2001). Mining companies and state interests while publicly acknowledging cultural rights of Indigenous communities undermine Indigenous sovereignty by citing 'national interest' and the need for 'development', discourses that transmute cultural rights into 'partnerships' between mining corporations and Indigenous communities. These 'partnerships' and 'agreements' are invariably based on unequal relations of power and do little to address the needs of

marginalized communities. For example, in announcing their decision to drill for oil in the Arctic, Shell defined the potential impacts on Indigenous communities as follows:

‘The Iñupiat communities treasure their heritage and values and they view the sea around them as their garden because it is so critical to their subsistence. However, they have also expressed that preserving the most important threads of their culture may mean helping to shape the development of resources in their sea. In some cases, we have partnered with the community in support of future production: in 2014, we signed an agreement with a newly formed Alaskan company called Arctic Iñupiat Offshore (AIO) granting them an option to acquire an equity interest in Shell’s acreage and activities in the Chukchi Sea if we continue our offshore drilling programme in Alaska’ (Shell, 2014).

Exactly how drilling for oil in the Arctic, the ‘garden’ for Indigenous communities, is going to ‘shape the development of resources in the sea’ that would ‘preserve the most important threads of their culture’ is not made clear in Shell’s report. It is difficult to see how an equity interest in Shell’s drilling operation is going to preserve local cultures that have a spiritual relationship with ‘their sea’ when it is the very process of oil extraction that can cause ecological damage. Cultural values of Indigenous communities are thus once again reduced to compensation and ‘partnerships’ that promote extraction and all processes of obtaining consent are contingent on securing access to natural resources

However, it is important to realize that within governable populations there are always groups of people that resist governing rationalities and there are lessons to be learned from the various anti-corporate resistance movements across the world. Market-state violence, however abhorrent also reflects a failure of hegemony. Understanding the struggles of communities who are resisting hegemony by refusing to give up their lands as ‘sacrifice zones’ for progress and development is an important step to imagining alternate ways of being and living in the world.

As we face an increasingly precarious and uncertain future world I cannot but help contemplate with the questions asked by the Ghanian novelist Ayi Kwei Armah:

‘How have we come to be mere mirrors to annihilation? For whom do we aspire to reflect our people’s death? For whose entertainment shall we sing our agony? In what hopes? That the destroyers aspiring to extinguish us, will suffer conciliatory remorse at the sight of their own fantastic success?’ (Ayi Kwei Armah, *Two Thousand Seasons*, p. xiii).

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