

Neo-developmentalism, Accumulation by Dispossession and International Rent—Argentina, 2003–2013

Mariano Félix*

Department of Sociology, National University of La Plata, La Plata, Argentina

After the crisis of the neoliberal project in Argentina, dominant classes were able to recreate their social hegemony under the umbrella of a new development project, which has been labelled neo-developmental. A new articulation of productive forces, state-form and constitution of the class conflict, led by a new hegemonic bloc dominated by the transnationalized fractions of capital, dialectically displaced neoliberal adjustment momentum in Argentina. Much in line with Rosa Luxemburg's analysis, neo-developmental *savoir-faire* tries to create the conditions for sustained capital accumulation while accepting—as a question of historical inevitability and, even, good luck—the place of Argentina as producer-exporter of primary commodities and basic manufactures of those commodities. In such context, a permanent and systematic process of “primitive accumulation,” or accumulation by dispossession to follow Harvey's terminology, becomes tantamount to the production and expanded reproduction of capital in Argentina's value-space. In this article, I discuss these processes showing how ground-rent articulates with primitive accumulation to perpetuate accelerated valorization and accumulation of capital in Argentina after 2003. First, I discuss some relevant theoretical concepts. After that, I discuss how Rosa Luxemburg's approach can be useful and enlighten the analysis of the current process of capital accumulation in Argentina. Finally, I present some brief conclusions and the bibliographical references.

Keywords: neo-developmentalism; neoliberalism; extraordinary rent; accumulation by dispossession

1. Introduction

After the crisis of the neoliberal project in Argentina, dominant classes were able to recreate their social hegemony under the umbrella of a new development project, which has been labeled neo-developmental (Félix 2012a). In line with the historical developmental project of dominant fractions of capital in Latin America during the 1950s and 1960s, a new articulation of productive forces, state-form and constitution of the class conflict, led by a new hegemonic bloc dominated by the transnationalized fractions of capital (including mostly “foreign” but also some “national” capital), dialectically displaced neoliberal adjustment momentum in Argentina. Having successfully performed the restructuring of capital as a whole (constant and variable, fixed and circulating, productive and financial, rentier and non-rentier, etc.), a new developmentalist consensus has set the pace for capitalist development in the country (Félix 2012b).

Neo-developmentalism has implied a new form of state-intervention, a different composition of the working classes (that includes new forms of political intervention), and renewed conditions for

*Email: marianfeliz@gmail.com

capital-accumulation. In contrast with the structural adjustment of the crisis-ridden neoliberal stage, neo-developmentalism in Argentina seems to profile a new historical process of capitalist development dominated by expanded reproduction of capital in the context of peripheral transnationalisation and the structural precariousness of living conditions, but with some room for relative improvements led by new forms of labour-struggle. The main difference between the two processes is that while neo-liberalism was a historical process led by the strategy of the dominant classes for structural change, neo-developmentalism is a process built on the success of such a strategy for the constitution of a renewed base for capitalist development. This difference does not manifest itself so much in the economic structure (put in place during the neoliberal stage) but in the new forms and results of the sociopolitical intervention of class-actors—in, through and beyond the state. (Félix 2012a)

This new developmentalist consensus is based on a significantly different role for the articulation between manufacturing industry and primary (export-led) productions. Much in line with Rosa Luxemburg's analysis, neo-developmental *savoir-faire* tries to create the conditions for sustained capital accumulation while accepting—as a question of historical inevitability and, even, good luck—the place of Argentina as producer-exporter of primary commodities and basic manufacturer of those commodities. In such context, a permanent and systematic process of “primitive accumulation,” or accumulation by dispossession to follow Harvey's terminology, becomes tantamount to the production and expanded reproduction of capital in Argentina's value-space. Transformation of common goods and natural riches into private “natural resources” (i.e., capital) comes to constitute the basis for a capitalist development strategy that fuels economic growth on production, appropriation and redistribution of ground-rent.

In this article, I discuss these processes in light of Rosa Luxemburg's approach, showing how ground-rent articulates with primitive accumulation to perpetuate accelerated valorization and accumulation of capital in Argentina after 2003. First, I discuss some relevant theoretical concepts. After that, I discuss how Rosa Luxemburg's approach can be useful and enlighten the analysis of the current process of capital accumulation in Argentina. Finally, I present some brief conclusions and the bibliographical references.

2. Rosa Luxemburg, Primitive Accumulation and Rent in the Era of Transnational Capital

2.1. *Primitive Accumulation and Crisis*

Rosa Luxemburg (2007) thoroughly discussed the role of the so-called primitive accumulation as a central means for capital accumulation. The creation of new spaces for valorization of capital through the displacement of non-capitalist social relations of production was for Luxemburg a key element for explaining capitalism's expansive nature, and eventually its final collapse.

The tendency for the profit rate to fall (TPRF) operates as perpetual force within capitalist relations of production and explains its basic tendency to crisis (Félix 2011; Weeks 1981; Saad-Filho 1993). In this respect, Luxemburg agreed with Marx in that capital would tend to compensate a falling profit rate with an increase in the mass of profits produced and appropriated (Luxemburg 1921). Luxemburg (2007) understood that imperialistic occupation of non-capitalist spaces was essential in this regard.

In this line of reasoning, Luxemburg's account stresses the fact that capitalist incursion in non-capitalist spaces was in fact one of many counteracting forces to the TPRF.¹ The constitution of

¹While this is not the place to go further into this, somewhere else we have shown that the crisis of the neo-liberal project in Argentina (1998–2002) was led by the TPRF and the mechanisms analyzed by Luxemburg were part of the counter forces at work in such a process (Félix 2007, 2011).

new spaces/places for the valorization of capital was, in Luxemburg's narrative, tantamount to the possibility of surpassing the barriers to valorization and displacing in time the limits of capitalism as a social system of reproduction. Thus, we may add that opposition to violent processes of primitive accumulation becomes very relevant in the anti-capitalist struggles (Svampa and Sola Álvarez 2010).

The process of primitive accumulation is concomitant and mutually reinforcing with accumulation through exploitation. As Harvey (2004) has showed within neoliberalism—and, I'd argue, in the post-neoliberal era—dispossession gains prevalence as a means of concentration and centralization of capital even if labor's super-exploitation remains dominant in the era of transnational capital.

2.2. *Transnationalization of Capital and Production of Value*

Through neoliberal rule, capital has operated a new "Great Transformation" (to paraphrase Karl Polanyi), finally transcending national borders to create a truly world market. Without undermining the place of nation states as means for the reproduction of capitalist relations, transnationalization of capital has redefined the place of peripheral economies in the international division of labor. In a way, as Marini (2007) asserts, now the division of labor is not just between national labor forces but also within the global labor force itself. In such a sense, the workforce in each country acts, in tendential fashion but increasingly so, directly in the production of abstract labor and value at a world scale, and not just through the commodity exchange (i.e., through trade). In the era of transnational capital, a growing number of corporations operate as if their process of valorization is truly global. Corporations take peripheral countries as sources of supplies of commodities, labor force or as markets—in variable combinations—but within a worldwide strategy of valorization and accumulation. In this context, primitive accumulation strategies operate as part of the plan of global capital to access new sources of valorization and/or productive inputs.²

2.3. *Primitive Accumulation and Ground-Rent*

The current process of so-called primitive accumulation has significant implications for the production and appropriation of ground-rent in particular, and extraordinary rents in general. Since ground-rent is the result of labor's exploitation in particular conditions of production where land is a relevant means of production, within transnational capitalism such income-form is produced and appropriated also in very special conditions for they are immediately part of the cycle of global capital.

Ground-rent (or more generally, extraordinary rent) is the result of a combination of private property of land, the existence of exceptional conditions for production within it and particular conditions of international demand for such commodities.³ The level of rent is fixed by the difference between individual productivity of labor in a particular space and the average productivity—and thus price of production—prevailing within the particular branch (Harvey 2006, 336). This combination allows for the production of differential rent on the land if productivity of labor is

²The process of transnationalization of capital has not been symmetric between central and peripheral countries. While the former have retained control of the key phases of production, most peripheral regions have been placed again as sources and providers of cheap labor and basic commodities.

³Private property implies privative as opposed to common use (which does not imply necessarily state property).

“naturally” different and demand conditions force the use of lands of less than best productive conditions. This form of rent, so-called Differential Rent I (DR-I) (Harvey 2006, 353–54), results from the application of similar amounts of capital in lands of different “fertility.”⁴ As demand for certain commodities grows, capital can enter production in new lands that do not have the highest productivity, with the resulting increase in the price of production. While in these new, lower productivity lands, land owners can claim only minimum incomes (i.e., zero-rent), in the higher productivity lands they can obtain differential-rent as proprietors of lands of extraordinary nature.

It is important to acknowledge that technology plays a key role in the production, appropriation and circulation of ground-rent. Fertility implies an economic relationship. For that reason, it changes with the level of development. Thus, the worst land cannot be identified independently of the application of “normal” capital and the technology and methods that go along with it; besides, “normal” capital varies according to the nature of the soil (Harvey 2006, 356). While “natural” conditions are the basis for the existence of rent (DR-I), through technological developments capital can alter the relative profitability of certain places thus opening up the possibility of production in those areas and the appropriation of ground-rent (Harvey 2006). If some producers invest more than “normal” capital on their land and gain returns to scale on the capital they invest—thus reducing their individual price of production below the market value—they may appropriate Differential Rent II (DR-II) (Harvey 2006, 354–55). In fact, DR-I originally conceived as a reflection of permanent differentials turns into variable, according to the conditions of supply and demand and the productivity of the capital flowing into the particular plot of land.

New technology operates a particularly important task in the process of so-called primitive accumulation. In fact, development of technologies for the exploitation of natural riches in unexplored territories is a very important part of the process of expansion of capitalist relations of production, particularly in times of global crisis. In fact, new technologies allow for particular territories to become “rent-producing” in as much as they create conditions for production of commodities for which land is an important means of production. Of course, these technologies need the presence of particular demand-conditions that make them cost-effective.

Finally, it is important to recall that historically appropriation of rents was basically a “national” problem. Private owners of land were traditional sectors of the national oligarchies and/or the state.⁵ Even in the cases of multinational control of production in particular branches (in the form of “enclave”), state appropriation of ground-rent was relatively simple enough through export taxation. As economies transnationalize through neoliberalism, production, appropriation and circulation of extraordinary rent become fuzzier. As big local capitals tend to become an integral part of the global cycle of capital, it becomes increasingly difficult to follow the flow of value and ever easier for capitals to avoid national (public, popular) control over it. As the mediation of the nation state is weakened so is the autonomy of national societies. In these cases, ground-rent can “disappear” as the owner/user of land can be the same corporation processing and/or exporting the resources. That is, ground-rent can appear as, for example, extraordinary profits on industrial capital (e.g., the capital processing the primary, rent-producing commodity).⁶

⁴“Fertility” refers to the productivity of labor in certain plot of land where capital is producing a particular commodity. It may apply to agricultural activities but also to mining and other branches where land becomes a means of production.

⁵This was the case in the agricultural production in Argentina’s Pampas up until the late 1970s.

⁶This does not mean that nation-states lose all possibilities for appropriation and redistribution of land-rent. The experience of Argentina regarding taxation of soya exports (and the partial redistribution of such income to the working people), and the re-nationalization of the main oil corporation (YPF, *Yacimientos Petrolíferos Fiscales*) show that there’s still much room for political intervention.

3. Neo-developmentalism, Primitive Accumulation and Ground-Rent in Argentina, 2003–2013

3.1. *Argentina Transcends Neoliberalism*

Argentina's experiences through and following neoliberal rule have become a perfect example of a national process of accumulation that has been transformed by primitive accumulation and transnationalization. From 1975 to 2001, Argentina underwent several stages of capitalist restructuring of neoliberal undertone. Through political and social repression and monetarist macroeconomic policies (1975–83), heterodox strategies of structuralist lineage (1983–89) and overt neoliberal, World Bank inspired, structural adjustment policies (1989–2001), Argentina's dominant classes tackled the limits posed by dependent, peripheral capitalism in the early 1970s (Basualdo 2006; Féliz and Pérez 2010).⁷ These transformations were able to alter value relations across the board and to reshape the structure of capital and labor, creating the setting for a renewed process of successful valorization and accumulation of capital in its aftermath (Féliz 2011, 2007).⁸

Following a turbulent transition during 2002, an original dominant project of development was forged around a new power bloc led by transnational corporations (Féliz 2012). While their weight was dwindled in the early years of neoliberalism (Basualdo 2006), during the 1990s foreign capitals took over most relevant corporations in the main branches of the economy. According to the *Instituto Nacional de Estadísticas y Censo* (National Institute of Statistics and the Census, INDEC), the weight of foreign ownership within the biggest 500 enterprises went from 46% to 65% between 1997 and 2009, after which it stabilized (Féliz and López 2012).⁹

3.2. *Neo-developmentalism and Primitive Accumulation*

Both the neoliberal age and its supersession by neo-developmentalism witnessed the expansion of so-called primitive accumulation. In fact, in the early 1990s, Argentina witnessed the extension of agribusiness led by the introduction of new technological packages (such as “*Siembra Directa*,” or No Tillage Agriculture, transgenic seeds and novel agrochemicals such as Monsanto's Roundup), which resulted in the expansion of the agricultural frontier to new territories such as the hot, dry soils of Santiago del Estero, or the dry, cold weather of the Patagonian provinces, far away from the traditional lands of the Pampas. These new technologies as well as changes in international demand for primary products transformed land use, as producers were lured into soya production and away from the more traditional wheat and maize. After a slow start, in the first decade of the new century soya production has come to occupy as much as half of all arable land (Vértiz 2012). Changes in technological packages for the production in the fields favored changes in the form of capital in agriculture. Financial capital, in the way of “*Pools de Siembra*” (sowing funds or agrarian pools), and land-letting have allowed corporations

⁷While there is some debate regarding the nature of economic policy during the 1980s (Brenta 2008), it is clear to us that the general framework for it was structuralist macroeconomics, and thus it can be understood as “heterodox” (and not overtly “neoliberal”) in nature.

⁸I understand neo-developmentalism as more than “discursive innovations that operate *within* the parameters of actually-existing neoliberalism,” as Webber (2010, 227) sustains. To me, “Neo-developmentalism in Argentina is built on the structural transformations created by neoliberalism, but it implies much more than discursive innovations for it has signified very real changes in state-intervention, class-composition and the general dynamics of capitalist development. That said, neo-developmentalism maintains the main traits exhibited by neoliberalism but represents a whole new level of capitalist development and contradictions” (Féliz 2012).

⁹These figures do not include transnationalization of land ownership and/or use, or foreign control over common goods such as oil, gas and mineral reserves.

to enter into agribusiness without having to sink in much capital into machinery and land.¹⁰ In a parallel fashion, a new form of mining capital expanded through Argentina's territory like powder (Svampa and Sola Álvarez 2010). Under control of big transnational corporations, mega open-pit mining multiplied. The 1994 constitutional reform transferred to the provinces (sub-national states) control over the riches in the underground, creating the juridical space for the transformation of Argentina into a promising mining power, particularly in gold. This was accompanied by sizable fiscal benefits for mining activity (Svampa and Sola Álvarez 2010).¹¹

Since 2003, soya, mineral production and their manufacturing derivatives (e.g., soya flour or oil, biodiesel fuel) have become the principal source of international currency (see table 1) and extraordinary rent since almost all its production is destined to foreign trade.¹²

The structural transformation at a productive level, together with the global change in the price of commodities, has made ground-rent into a substantial source of surplus value (Iñigo Carrera 2007, 2008). According to Arceo and Rodríguez (2006), agrarian rent in 2002–4 was nine times greater in constant terms than in the previous decade (1991–2001). It has grown even further in the following years as the extension of rent-accruing productions has increased (Giarracca and Teubal 2010; Colectivo Voces de Alerta 2011). The land used for Argentina's main agricultural products (i.e., soya, wheat, corn) went from 27 million hectares in 1995–2004 to 34.5 million in 2010–11, while production jumped from 65 million tons to 104 million tons in the same time span (López and Oliverio 2012). At the same time, the number of mining projects jumped from 18 in 2002 to 614 in 2011 and investment in mining went from 541 million dollars in 2002 to 11 billion in 2011 (Secretaría de Minería 2012).¹³

Within the biggest capitals, branches directly related to exploitation and manufacturing of “natural resources” (mining, food, beverages and tobacco, and fuels, chemicals and plastics) appropriate—since 2002—more than a half of total profits, peaking in 2003–6 with 73.2% (see table 2).

3.3. Primitive Accumulation through Dispossession

As an example of the global process of capitalist restructuring through and beyond neoliberalism, Argentina has become a fertile field for primitive accumulation throughout its

¹⁰According to Arceo, Basualdo and Arceo (2009), the main changes in the structure of agricultural capitals are (a) the increasing renting of land by big landlords and (b) the increasing weight of non-land owners (such as agrarian pools) as producers on rented land. In the nuclear agricultural lands (Pampean region), the number of hectares rented by landlords grew by 25% between 1998 and 2002 (the latest figures available) while the number of hectares rented by non-owners of land increased by 49.6% in the same period. The fraction of land under let for rent increased from 21.4% to 33.4% in that same period.

¹¹Recent changes in public policies regarding oil and gas production point to a new side of the process of primitive accumulation. Through the partial re-statization of YPF (the formerly privatized petroleum company) and a policy of “inviting” foreign corporations to participate in the development of new “non-conventional” oil and gas fields, Argentina could become one of the world's largest exporter of both oil and gas (see IEA 2013).

¹²The main exception is production and export of cars and trucks. However, since this industry benefits from a particular regime for exporting to Brazil (the overwhelming destination of car exports) it can be said that capitals operating in this manufacturing branch appropriate a huge amount of extraordinary rent (see Bekerman and Montangú 2007). In this case, however, this is absolute or monopoly, not relative, rent.

¹³While important legal transformations were produced in the previous neoliberal stage, this heritage was ratified and strengthened in the neo-developmental era. In 2004, newly elected president (Néstor Kirchner 2003–7) promoted a mining strategy that secured those privileges, while in 2008 his successor (Cristina Fernández, his wife, 2007–15) vetoed the glacier protection law to favor mining capital's interests (see Comelli 2010).

Table 1. Export, relative weight of the main commodities (goods), Argentina, 2003–2011.

Commodity	Participation in total exports, 2011	Big grouping	Var. 2003–2011
Residues and waste from the food industry (i.e., soya derivatives)	12.80%	MOA	1.1 pp
Land transport vehicles	11.90%	MOI	7.1 pp
Cereals	10.00%	Primary	2.3 pp
Grease and vegetable oils	8.40%	MOA	-1.1 pp
Oleaginous seeds and fruits	7.10%	Primary	0.5 pp
Chemical and related products	7.00%	MOI	1.7 pp
Carburant, greases and oil lubricants	3.70%	C&E	-3.4 pp
Common metals and its manufactures	3.60%	MOI	-1.5 pp
Precious stones and metals	3.30%	MOI	2.9 pp
Electric machinery, apparatus and materials	2.90%	MOI	0 pp
Crude oil	2.60%	C&E	-5.4 pp
Meats	2.50%	MOA	0.1 pp

Notes: Main exported commodities selected and organized big grouping and their weigh in total exports in 2011. pp: percentage points. MOA: Manufactures of Agricultural Origin. MOI: Manufactures of Industrial Origin. C&E: Fuel and Energy.

Source: Féliz (2013).

Table 2. Appropriation of profits by 500 biggest corporations. Percentage of total. Argentina, 1993–2009.

Branch	1993–97	1998–2002	2003–06	2007–09
Mining	19.6%	17.7%	40.2%	23.0%
Food, beverages and tobacco	13.0%	11.3%	9.4%	12.2%
Fuels, chemicals and plastics	14.9%	15.4%	23.5%	20.9%
Machinery, equipment and vehicles	5.3%	4.1%	4.4%	5.7%
Rest of manufacturing industry	9.3%	10.1%	18.1%	13.8%
Electricity, gas and water	9.4%	10.7%	-1.7%	1.9%
Communications	15.0%	16.3%	0.5%	11.3%
Other branches	13.5%	14.4%	5.6%	11.2%

Source: My own elaboration based on data from INDEC (2013).

territory.¹⁴ After 2003, within the neo-developmental stage, this deepened. In line with Rosa Luxemburg's argument, the expansion of capitalist relations of production to a whole different level within Argentina's economy was done through significant levels of political repression and territorial expulsion of traditional occupants and producers (Giarracca and Teubal 2010). In the case of the expansion of agribusiness, the process implied mainly the expropriation of small farmers and peasant communities as well as original occupants of lands, many of which use the territories as common goods without private property. During neoliberal rule, this was done with the combined efforts of national and sub-national levels of government, together with interested private corporations. In the later neo-developmental stage, the national government turned to a policy of "letting do" to the local governments. These used their local police forces and their control of the justice system against peasants, to displace them and allow

¹⁴These changes have had an important political outcome for they have created a sizable number of new renters (land owners that rent their land for production by third parties, and cash in a sizable rent out of it). This new rentier middle class lives in the cities and has become a relevant political actor in Argentina, as the conflict in 2008 regarding taxes on primary exports has shown (Sartelli et al. 2008).

private capitalists to usurp their lands. In the case of mining projects, most of them were set in the provinces at the feet of the *Cordillera de los Andes* (Colectivo Voces de Alerta 2011). In general, transnational corporations (such as Barrick Gold) have occupied areas that were traditional virgin territories to capitalist production, mainly used by small peasants as feeding grounds for their cattle. One of the main concerns has to do with the close distance between the proposed mineral exploitations and important glacial grounds, which are sources of fresh water. Besides, new mining technologies operate in a very big scale consuming large amounts of water and electricity, and using highly toxic chemicals in their operations. In most of these cases, local communities have organized as popular assemblies to confront the mining projects (Colectivo Voces de Alerta 2011). In some of them, they have been successful in stalling the advancement of the exploitation, even banning them through popular consults.

3.4. *Ground-Rent and Industrialization*

In most cases, both these processes implied first the private appropriation of traditionally common lands. In general these lands were not unused but used (and cared for) by families that practiced non-capitalist ways of land usage, as producers worked the lands for the reproduction of their livelihoods. As such, production there did not contribute to capital valorization in any way. In an accelerated process of “land grabbing,” the actual privatization (for capitalist use) of land property and/or use by large capitals has put what used to be common goods within the cycle of local and global capital. Thus, this process of primitive accumulation has provided capital in Argentina with new sources of surplus-value that can feed valorization and accumulation within the economy as a whole. Besides, it provides the global cycle of capital with both surplus-value and commodities needed for its expanded reproduction.

These new capitals enter such a cycle in a quite different fashion from what was the traditional participation of capital in primary activities. While they are mainly produced for its exportation, in general the production processes of primary commodities now include some form of manufacturing process.¹⁵ Foods and beverages plus common metals represent in 2010 52.6% of total industrial exports (see table 3).

For example, in the case of soya while exports of beans are significant, their transformation into oil and flour for export is also an important by-product. More recently, the use of soya as well as other oleaginous seeds in the production of “biofuels”—much of it for export—has turned into an important destiny for primary products. In the case of mining, most exports of minerals require some sort of manufacturing for their transformation and exportation. For that reason, for example, gold exports appear in Argentina as one of the fastest growing manufacturing exports.

This means that Argentina has restructured its local cycle of capital in line with a new articulation with global capital. Thus, it has moved away from its traditional position as supplier of primary products to become a semi-industrialized economy that offers commodities that are usually manufactured derivatives of such primary products. These new industries compete at an international level through the appropriation of fractions of the ground-rent produced. While in some cases this appropriation is done by direct action by the government (through taxation and fiscal redistribution), in the cases of most manufacturers and exporters of primary products, rent appropriation is the result of the redistribution of value through exchange and property

¹⁵In the case of soya, almost 95% of production is exported in some way or another. This makes agricultural production increasingly “independent” of the internal market. In the previous decades, primary exports of wheat, maize and their by-products competed with their use in domestic consumption (Vertíz 2012).

Table 3. Industrial exports, in millions of dollars. Argentina, 1998, 2003, 2010.

	1998	2003	2010	2003–10
Food and beverages	8,172.1	9,295.4	21,461.5	131%
Common metals	1,095.8	1,522.8	4,465.8	193%
Automobiles and trucks	3,236.9	1,563.6	8,177.9	423%
Rest	6,096.2	8,551.0	15,187.9	78%
Total	18,600.9	20,932.8	49,293.1	135%

Source: Féliz (2013).

relationships.¹⁶ Direct control of sources of primary production by manufacturing corporations is one of the means for redistribution. However, more important is the “market power” associated with capital concentration and centralization in manufacturing, which allows these corporations to force primary producers into “giving away” a portion of the rent generated in direct production.

In no way, however, has the country been able to overcome its dependent, peripheral position within the world market, with ground-rent providing a significant source of extraordinary profitability. Argentina remains a worldwide provider of primary commodities much in the same way it has always done, with little or no control over the process of valorization and accumulation, as well as the technological development associated with modern primary production.

4. Conclusions

Rosa Luxemburg proposed that primitive accumulation was a permanent process in capitalist development. Particularly, she explained how it worked to displace and overcome crisis tendencies in capitalism (even if temporarily). However, she didn’t emphasize the special relationship between primitive accumulation and ground-rent production and appropriation.

The case of Argentina in the current era has served to better understand how the generation of differential rent has a significant role in the current process of primitive accumulation. Primitive accumulation serves as a means not only to recreate the conditions for successful capitalist valorization but in peripheral economies, such as Argentina, serves as a source of extraordinary profitability in the form of ground-rent.

The expansion of primitive accumulation in space of the production of rent-accruing commodities has not only displaced traditional producers and occupants, creating new grounds for valorization and accumulation of capital, but also increased the production of extraordinary rents and profits that—under the control of mostly transnational corporations—has created a new basis for economic growth articulated into a new place for Argentina within the global cycle of capital.

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Notes on Contributor

Mariano Féliz is Adjunct Professor of economics at the Department of Sociology of the Faculty of Humanities and Sciences of Education at the National University of La Plata (Universidad Nacional de La Plata,

¹⁶In Argentina, the use of taxation on exports of rent-accruing commodities is one significant, but not necessarily the most important, means of redistribution of ground-rent to industrial manufacturing capitals. These taxes finance an array of subsidies that include reduction in the costs of transportation and energy and “industrial promotion” through tax exemptions, amongst others (see Azpiazu and Schorr 2010).

UNLP), in La Plata, Argentina. He is also Adjunct Researcher at the Centre of Geographical Research (Centro de Investigaciones Geográficas, CIG) of the Institute of Research in Humanities and Social Sciences (Instituto de Investigaciones en Humanidades y Ciencias Sociales, IdIHCS) of the National Council of Scientific and Technical Research (Consejo Nacional de Investigaciones Científicas y Técnicas, CONICET) and the UNLP, in La Plata, Argentina. He specializes in development theory, Marxian critic of political economy and macroeconomics. His most recent book is *Neo-developmentalism in Argentina* (in Spanish; co-edited with Emiliano López; Editorial El Colectivo/Herramienta Ediciones, 2012). He has also published articles in *Historical Materialism* and *Review of Radical Political Economics*.

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