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They Come for Lithium: The Return of the Alliance for Progress in its extractivist version

Only this space of geopolitical insertion offers some possibility of overcoming the extractivist logic and the consequent primarization that condemns a third of the Argentine population to the lack of quality work.

Lithium: a strategic natural resource in global geopolitical reconfiguration

At the end of January, the consulting firm Global Data estimated that Argentina became the fourth largest producer of lithium, the basic input for the production of useful batteries for energy conservation in portable appliances for cell phones, computers, electric vehicles and solar energy panels. According to the different surveys, our country has approximately 19.3% of the world's lithium reserves.

The lithium extracted in Argentina is destined for export. The three provinces that lead this extractive practice – Catamarca, Salta and Jujuy – obtain 3% of the resources resulting from their extraction in the form of mining royalties. In addition, except for one project that is being executed in the Salar de Olaroz – located in the Susques Department, in Jujuy – the rest, which amount to a dozen, are initiatives of foreign capital: American, Canadian, Chinese, Australian and Japanese.

Lithium is an abundant mineral globally and is found in different forms of clays, geothermal waters, in the sea, in the rock and in continental salt flats. The latter are easier to access and are the ones that abound in the so-called lithium triangle (Argentina, Bolivia and Chile). The technologies developed today make the salt flats the most economical and profitable territories to access the mineral. According to estimates by automotive companies, each electric vehicle requires between 30 and 60 kilos of lithium carbonate for its electric batteries.

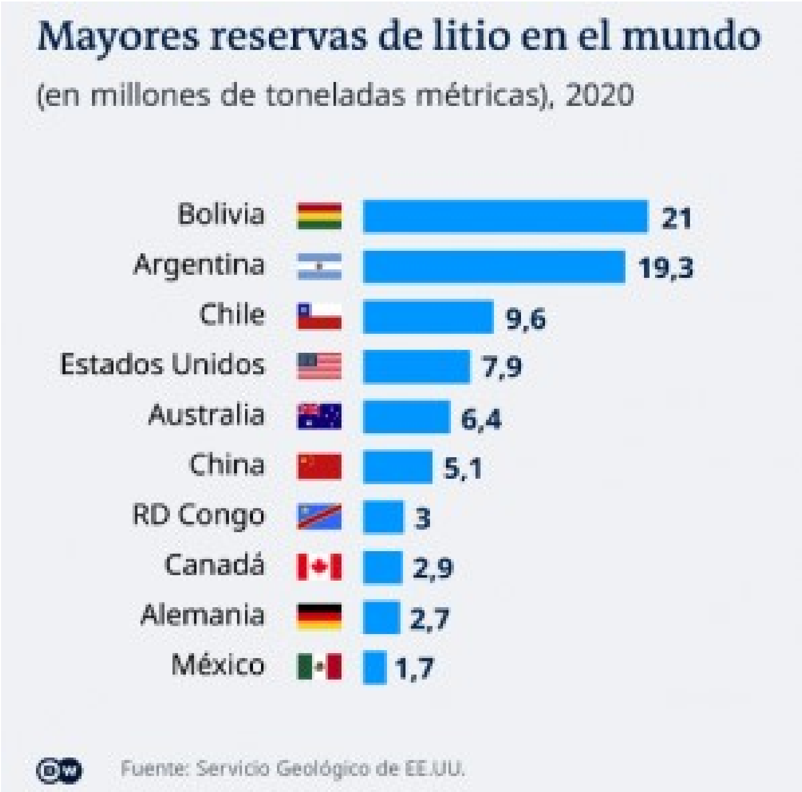
The lithium triangle: Bolivia, Chile and Argentina in the crosshairs. Bolivia, Chile and Argentina form the so-called "lithium triangle", the area of the world where 70% of this precious mineral is found and which is under the sights of the United States.

The international values of this natural resource have increased persistently in the last decade. In January 2020, transactions averaged $6,000 per ton, but between 2021 and 2022 their price reached around $80,000. In recent years the increase amounted to 400%. Currently, China leads the world production of electric cars, having imported almost all the lithium offered globally. Given the trade war planted by Washington against Beijing, the Asian giant has made significant investments in the South American triangle.

In Chile, Tianqi Corporation was consolidated as the most important company. In Bolivia, the state-owned company Yacimientos de Litio Bolivianos (YLB) seeks to operationalize agreements with German and Chinese corporations, while the US embassy tries to foment discontent and paralyze these agreements. In Argentina, Ganfeng was configured as the majority shareholder of the Cauchari-Olaroz plant, a candidate to become one of the most productive globally. Both Chinese corporations – Tiangi and Ganfeng – occupy two of the three most relevant positions among mining companies dedicated to lithium extraction.

According to the World Bank's Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition, global demand will increase by 500% over the next three decades. That explains the brutal sincerity of U.S. officials. One of its spokespeople for the region, General Laura Richardson, head of the Southern Command, made clear Washington's ambition for such resources. According to the utilitarian surveys carried out by the United States Geological Survey (USGS), Argentina has 870,000 hectares available for exploitation, which is why its production must be monitored by those assigned to the guardianship of its backyard.

Country facing east



A recent report by the Center for Strategic and International Studies considers Argentine lithium as "a fundamental resource for the United States, in its race with China." A reading between the lines of this document makes it clear that the country offers great opportunities thanks to the fact that it is the least regulated in the region, has a lack of dollars, offers affordable human resources and is also in a delicate economic situation due to external indebtedness.

Along the same lines, Harvard University researcher Andrew Sady-Kennedy disseminated in May 2022 a so-called policy analysis exercise in collaboration with the State Department's Bureau of Energy Resources (ERB). In that document, Sady-Kennedy presents the *ally-shoring* necessary for the strategic dispute against China. Its intention – as the Alliance for Progress was five decades ago – is to reify the economies of the region in its extractivist place and prevent the multipolarity that allows greater spaces of sovereign autonomy. In a way, the proposed mechanism of alliances is nothing more than a mechanism aimed at excluding Beijing and at the same time guaranteeing the necessary strategic resources so as not to lose geo-economic leadership.

U.S. Ambassador Mark Stanley and Jujuy jailer Gerardo Morales at the "devil's disinterment."

According to the author, "*ally-shoring* is a process by which democracies further integrate their critical value chains, deepen the exchange of goods, services and essential raw materials to safeguard their economies and investments in the long term." The proposal, in addition, is to break the commercial link of Latin America and the Caribbean with the Asian giant. Consistent with this proposal, the State Department's Office of Energy Resources has promoted a series of meetings, pledges and blackmail to support the Energy Resources Governance Initiative (ERGI), whose most relevant chapter is linked to the lithium triangle.

Faced with this reality – framed in the pressure exerted by Washington through the IMF and its local partners – the coordination of regional and geostrategic articulations appears to be essential. On the one hand, articulating negotiations and potential agreements from an integration umbrella such as CELAC and, on the other, reorienting foreign policy towards the BRICS, whose central axis is Beijing, New Delhi and Moscow. Only from this paradigm will it be possible to enable an industrialization scheme that integrates different links in the value chain, such as finished batteries and technologies associated with the needs of electric cars. Only this space of geopolitical insertion offers some possibility of overcoming the extractivist logic and the consequent primarization that condemns a third of the Argentine population to the lack of quality work.

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