School of Environment
and Development

TCD Andes
Territory, Conflicts and Development in the Andes

Seminar 4

"Extraction, water, and territory: extractive enterprises, indigenous peoples and resource conflicts"

University of Manchester/Developing Areas Research Network

Held at Newcastle University on March 20th, 2009

SPEAKERS

Welcome:

Nina Laurie, Newcastle University and Developing Areas Research Network;
Anthony Bebbington, University of Manchester

Presentations:

Jaime Amezaga, Institute for Research on Environment and Sustainability, Newcastle University
Jessica Budds, Department of Geography, Open University
David Preston, Latin American Centre & Centre for the Environment, University of Oxford
Laura Rival, Department of International Development, Queen Elizabeth House, Oxford University
Denise Humphreys Bebbington, Institute for Development Policy and Management, University of Manchester
Patricia Oliart, Latin American Studies, Newcastle University

Commentators:

Esteban Castro, Professor of Sociology, Newcastle University
Emma Gilberthorpe, Department of Anthropology, Durham University

RESOURCES

Jaime Amezaga's presentation
Jessica Budds's presentation
David Preston's presentation
Laura Rival's presentation
Denise Humphreys Bebbington's presentation
Patricia Oliart's presentation

Background

Between 2007 and August 2010, the School of Environment and Development at the University of Manchester is running a programme entitled: "**Conflicts over the countryside: civil society and the political ecology of rural development in the Andean region.**"[1] The principal theme addressed in the research is the relationship between extractive industries (mining and hydrocarbons) and processes of territorial change in rural areas, and the ways in which these relationships are negotiated and contested.[2]

The Developing Areas Research Network (DARN) is a network which brings together development experts from across all Faculties of Durham, Newcastle and Northumbria Universities in order to foster greater interdisciplinary collaboration on research, postgraduate teaching and learning on international development. By creating formal linkages between existing expertise in international development issues, DARN provides: a forum for debate and dissemination of international development issues; a network for developing collaborative international projects; a raised profile within the University for those engaged in international research; opportunities to disseminate and co-ordinate potential funding calls; a training ground for PhD students and facilitation of PG student led initiatives; and identification of potential students for NERC/ESRC studentships.

TCD-Andes and DARN share a range of interests related to resource extraction, indigenous peoples, development politics and the environment. In that context, they co-hosted the seminar "Extraction, water, and territory: extractive enterprises, indigenous peoples and resource conflicts in the Andes".

Two critically important themes in discussions of extractive industry are the implications of such activity for water resources on the one hand, and for indigenous peoples on the other. These themes have recurred both in our research and in earlier seminars in the series.

[1] The project is made possible by an ESRC Professorial Research Fellowship awarded to Tony Bebbington (RES-051-27-0191) and involves researchers and doctoral students in Peru, Bolivia, Ecuador and Colombia as well as collaborations with non-profit research centres in Peru and Bolivia.
[2] More information on the project, which we have named TCD-Andes, can be found in both English and Spanish at http://www.manchester.ac.uk/sed/research/andes/

MEETING REPORT

Nina Laurie and Tony Bebbington, in the chair, opened the event with an overview of the TCD Andes research project and DARN, and a summary of the previous seminars held in Manchester, Oxford and London.[3]

Part 1: Extraction, water and livelihoods

Jaime Amezaga: "Interactive research in water and mining in Peru, Bolivia and Chile; a comparison of emergent priorities and research experiences"

Jaime presented three cases of mining and water management in Peru, Chile and Bolivia. These are all cases addressed by the CAMINAR project (funded by the EU and in which Jaime works). The project aims to study and contribute to the establishment of policy options, management strategies and technologies for sustainable management of river-basins of arid and semi-arid South America subject to impacts from mining. He presented the three cases as an illustration of the different types of relationship that can exist between water and mining, and the different forms of stakeholder engagement that can emerge.

The case from Peru (the Chili river basin and the Cerro Verde mine) is characterized by a highly regulated catchment. To date there have been no major conflicts related to use of water between mining, agriculture and drinking-use; however, as the mine extends, and begins to mine copper sulphide (as opposed to copper oxide) ores, the risk of pollution and need for water will increase. Currently the main water-related problem in the area is the untreated sewage from Arequipa city. Themes to be addressed by the multi-sectoral group created to improve water management are: the institutionalization of a water culture, the recovery of traditional technologies of water use and conservation and the promotion of more positive relations between mining and water. One problem for this group is that Cerro Verde itself is a reluctant participant.

The case in Bolivia – the area of Poopo - is more complicated due to the complexity of the mining sector (where large companies, small miners and agro-miners co-exist in the same area) and the long history of mining contamination. The main company in the area sought to capture Caminar by providing money, and does not attend to the working group. While there are many conflicts between agriculture and mining in Poopo, their logic is less clear as many farmers are also miners (agro-miners) and conflicts are means to gain resources from the mine more than really about water.

In Chile – the Elqui Valley – there is more competition for the use of water between mining, agriculture and tourism. While contemporary mining operations are well controlled, contamination is produced by old abandoned mines. Caminar's main problem here has been that it is difficult to get stakeholders to engage, in particular the mining companies.

[3] For more information about prior seminaries, see http://www.sed.manchester.ac.uk/research/andes/seminars

In summary, while in the Peru case the main water-mining problem is water quantity, in the other two cases there are also quality issues. Improving regulation is not a question of changing the law, but actually implementing existing laws.

Jessica Budds: "Mining and struggles over control of water in southern Peru"

Jessica presented a reflection on how water and mining are related in a water management framework. While it is often said that agriculture uses more water than mining, this depends on the scale of analysis, and at quite local scales, mining becomes a very significant user of water. She said: because of the huge amounts of water used by mines, the removal of land and vegetation when mines are in the exploitation phase, and the contamination that mining involves, water sources are affected and pollution spills over into non-mining territories. In terms of water governance, laws and rules that govern control and use of water are set both at the national and local levels. Locally many permissions and licences to use the resource are not registered and many are informal. That opens up space for disputes between communities and mining companies.

Jessica used two cases (Cuajone and Quellaveco) from Southern Peru to argue that control over water is exercised at discursive levels as much as in a material sense. Water conflicts are therefore conflicts over meanings as well as over rights. In each case the company has tried to suggest that there are no problems of water *availability*, and that the problem is instead inefficient *use* of water by farmers. Companies mobilize technical and scientific data to defend their positions while residents use lay terms and local knowledge. In such contexts, and in the absence of state control and capacity to monitor water contamination, NGOs (such as Labor in Cuajone) have been instrumental in helping communities develop data and arguments, negotiate with companies and obtain compensation. However, Jessica also noted that in spite of the complaints, many local people are in favour of mines wherever they generate jobs and include irrigation projects which benefit farmers. She also highlighted that disputes over water have emerged at an inter–regional level, pitting for example, Tacna and Puno against each other, in the same way as farmers and miners.

David Preston: "Potosí mining contamination: farmer responses in the upper Pilcomayo basin, Bolivia"

David presented his research findings from cases in Potosi (Bolivia). He said that water contamination in the Pilcomayo basin is the product of accumulation of mining waste over 500 years. Along the years local population has adapted to the decline of quantity and quality of resources. On one hand poor people (like women miners called 'palliris') have made a livelihood out of mineral waste and, on the other hand, people use their 'popular wisdom' to deal with water contamination (for instance, people drink water from wells or distant springs, irrigation water comes from uncontaminated tributaries, products are washed before they go to markets, etc).

Notwithstanding preventing measures to avoid consumption of contaminated waters, his research found that lead concentration in some vegetables from two communities exceeded guidelines. Having said that, he also pointed out that no less contamination was found in control communities, which implies that geological connections of water sources are spreading contaminating factors all over mining and non-mining territories. Therefore, David concluded that a policy implication should call attention to the need of improving the quality of drinking water for all rural communities.

Esteban Castro: Commentator

Esteban highlighted the inter-disciplinary character of the three presentations. While Jaime addressed the problematic relationship between mining and water from a more technical approach (a 'ecological modernization'), Jessica and David emphasized the cultural and institutional perspectives in which water management occurs.

He also said that in Latin American countries' history the overlap of historical and contemporary mining makes difficult to articulate social responses to problems of contamination. That also brings to debate the nature of social struggles over natural resources and the need of a clearer identification of the actors (and not just the stakeholders) within. Such a debate should happen in a framework of neoliberal reforms where the interplay between reform, institutional change and social response is a key element. That would enable discussant to address issues regarding democracy and citizenship.

Discussion

Participants commented on the process of commodification of natural resources that mining has brought about into local and national economies. Facing to that process, social movements would have built a local expertise in the water sector and brought that expertise into other sectors and also other localities and even countries. However, in Bolivia that move has not included the mining sector, which could be explained by the complex sector structure that involves large companies, small and artisanal miners, farmers and miner-farmers. Another possible explanation is that transnational activists would not have been involved in mining struggles as they did in other cases (such as in Peru).

Another set of comments addressed the cultural aspects of the relationship between extractive industries and water. It was stressed that, while companies overlook cultural aspects (not necessarily in purpose, but because they have a more technical and technocratic approach), communities keep strong symbolic and practical meanings to water and, in some cases, to the entire place where the mineral resource is found. As a result, there is opposition between the 'technical' and the 'popular' expertise and knowledge on which judgements about water control and degradation happen.

The final round of comments stressed the role that scholars are expected to play in the struggles between companies and communities. It was suggested that communities see academics as means to understand and transmit their view and situation.

Part 2: Extractive industry in indigenous territory

Laura Rival: Old and New Carbon Values: Oil Development and Alternative Forms of Wealth Making in the Ecuadorian Amazon

Laura started her presentation showing an extract of a video on the Huaoroni community and Texaco relationship in the Ecuadorian rainforest. She said that the advance of extractive industries has created great vulnerabilities for the physical,

spiritual and cultural survival of indigenous peoples. The right to information and participation in projects occurring in communities' land, and the right of free, prior and informed consent for indigenous peoples (established by art 15 ILO 169) does not guaranty people's right because of the current gaps with national legislation regarding environmental impact assessments.

She then added that in Ecuador history oil has been central to its development strategy; however, it did not bring development for the whole country. Instead, it has left a heritage of land and water contamination, the segmentation of indigenous territories (some located in pristine areas), and colonial relationships between companies and communities.

The attempt of renewed state control over the oil sector to increase the share of national benefit drove some transnational companies out of the country while it attracted others. In any case, Laura highlighted that the intensified exploitation of oil in a context of dwindling internal reserves and high international oil prices has led to contradictory government policies. Whereas some policies are aimed at preserving national sovereignty over natural resources, others are promoting privatization and direct foreign investment.

With regards to companies and communities relationships, Laura qualified them as extremely colonial and showed pictures of extreme contamination by oil spillages in indigenous territories. Finally, she added that in their struggles communities negotiate and resist based on apparent accommodation, one that enables them to avoid conflict with foreigners but still leave space to keep their identity and accountability with their people.

Denise Humphreys Bebbington: Negotiating extraction: TCO experiences from the Bolivian Chaco

Denise presented the case of gas development in the Bolivian Chaco and said that gas does not seem to generate the same impacts that oil does. She said that recent neoliberal policies introduced in the country in the 1990s, together with high international prices, produced a natural gas boom, which culminated in the gas sector re-nationalization in 2006. In that process new actors have appeared: the "national oil companies" (such as PDVSA from Venezuela and GAZPROM from Russia) and the "international oil companies" (Repsol of Spain, British Gas of the United Kingdom)). In both cases, the companies' primary goal is profit.

Following the re-nationalization of the sector, plans for investment and expansion of the sector have stalled. More recently these plans have been jeopardized by falling prices and lower demand from Brazil but further complicated by the recent scandal in the state hydrocarbons agency, YPFB. The government is pressuring energy firms to begin investing again – though this time as partners with the state. The government is also pursuing hydrocarbon expansion within areas reserved for the national hydrocarbons company, YPFB. This has led to expansion into new lowland areas in the North of La Paz and Beni – areas of ecological fragility and indigenous territorial claims.

In the Chaco region, where the most important gas fields are located, extraction directly impacts Guarani and Weenhayek ancestral territories (TCOs). Each have

organizations (the Consejo de Capitanes Guaranies de Tarija, and ORCAWETA for the Weenhayek) that are engaged in negotiations around hydrocarbon expansion in Guaraní and Weenhayek territories. Prior to 2005 negotiations were between private energy firms and indigenous leaders, but post-nationalization the state has assumed the role of negotiating the terms of gas expansion and compensation. The state also sends conflicting messages. In one instance, it gave the Guaranies the power to co-administer the Serranía de Aguarague National Park, and then immediately after announced plans to undertake large-scale gas exploration within park boundaries.

Post 2005, the ggovernment has introduceda series of new institutions and norms aimed at reshaping the relations between state and indigenous communities. Most importantly, these institutions, around consultation and participation, monitoring of environmental and social impacts, the creation of an indigenous fund,) have had the effect of limiting the conversation between indigenous groups and the State, and closing off debates that seek alternatives to gas extraction, or at least alternatives to this mode of gas expansion. Also, there is a tendency on the part of the government to abbreviate or shortcut processes (consultation and participation , technical reviews) and rely on political solutions to resolve conflicts in order to advance projects.

Finally, debates over gas in Bolivia have been much more influenced by the "anti-globalization" frame of social movement actors who seek to re-establish State control over extraction than by concerns for environment and social impacts.

Patricia Oliart: Competing discourses on biodiversity and the Peruvian rain forest, and the shaky existence of natural reserves.

Patricia presented the conflictive situation of the Amaraekeri Communal Reserve (ACR) in Madre de Dios (South-East Peruvian rainforest) as the complex result of effective political agency on the part of the indigenous movement, on one hand, and extreme pressure from extractive activities in the area on the other. First she recalled how the reforms during the Velasco military regime (1968-1975) were seen by pro-indigenous activists as an opportunity for Indigenous groups in the Amazon to have access to legal titles for their territories, and to manage natural reserves. However, she also mentioned how the common error of attributing collectivist traditions as a trait intrinsic to all indigenous groups had unforeseen consequences in the Amazon.

Patricia explained that the ACR encompasses an area of pristine rainforest surrounded by both Comunidades Nativas, and migrants; the second group being a majority. Over the years and following successive commodity booms (rubber, timber, gold) many of them became loggers and miners. At first the granting of the ACR was seen by some as an opportunity for the indigenous communities to access the rainforest resources in a more orderly way, protected from illegal loggers and miners. Thus, confronting the legal limitations for the uses of a protected area has created disappointment.

Social movements in the region have usually opposed the chaotic, aggressive and disruptive presence of illegal loggers, miners, and also oil companies, with little response from the state. The Paro Indigena (indigenous strike) of 2001 had a big impact, and as a result, the ACR was created. Ethno-development projects promoted in the buffer zone are not being successful, and can't compete with the income that logging or mining generate. In spite of this, the creation of the reserve has in fact helped to protect crucial water resources, and has represented a deterrent to intruders. But the constant pressure from both outsiders and dwellers of the buffer zone to use

the resources of the reserve for extractive activities, has created a conflict between the elder and the young (who question the existence of the reserve); crisis of authority; illegal practices of resource extraction induced by income opportunities; and the distrust of state and logging companies. In such a context that includes the granting of block 76 to Hunt Oil, both conservationist and some leaders of FENAMAD are considering that a big company could be the lesser evil for the area.

Emma Gilberthorpe: Commentator

Emma made a reflection on the Andean cases making a comparison to her work in Papua Guinea. She drew attention to differences of colonial history and the institutional arrangements that exist in each region for natural resources use and ownership. She then suggested that mineral resources are potentially an important source for development. In that line, she remarked that none of the papers commented on the ongoing initiatives (such as Dfid's transparency initiative or the companies' social responsibility programmes) to make that mineral resource-based strategy possible.

She also indicated that more focus in research is needed to reveal how companies are impacting communities in terms of conflicts and how divergent views of development are opposed in what companies, communities and the state want to do in indigenous territories. She asked about the extent to which developmental projects take into account what people want.

John Stirling (special invitee): West African insights on Andean extraction

Based on his work with labor unions, John made comments and questions on the relationships between unions and communities – if any in the Andean region. He said that, in many experiences of mining development in countries such as the UK, unions have played an important role in shaping the companies' actions and the state policies. He then added that perhaps one of the reasons why there are no many experiences of joint-work between unions and local community organizations is because of the differences in their organizational cultures. Whilst trade unions are bureaucratic organizations which do not tend to do things quickly, community organizations are quite reactive and act more spontaneously.

Finally, John said that engagement with civil society is a challenge for all political actors. That would help to tackle in a more consistent way problems regarding corruption, informal mining and the companies' bad practices.

Final plenary

A final round of comments hinged around: the scholars' role in the current context of mining expansion and social protest; further reflection on new forms of negotiation between powers, particularly taking in account the new scenario put forward by the current financial and economic crisis; a further distinction among mineral commodities (oil, gas, metals) when analysing the impact of mineral expansion on local communities; a necessary discrimination among companies and the ways in which the same companies may act differently in different contexts; and, how to pass from case studies towards larger pictures at macro level both in policy terms and theory.

It was also added that indigenous people are fighting not only for themselves, but for a different type of development for everybody. Therefore, insights on comparative costs and benefits of development alternatives are needed.

Finally Tony wrapped-up the journey highlighting that, because the rate of change of the contexts and scenarios has been so fast, academics have not have the pace to following up all events. Therefore, conceptual themes that need to be addressed by further research and debate are:

- ◊ the production of space, in the sense that state apparatuses help constructing certain spaces (building pipelines, infrastructure, etc.) and indigenous groups also do so by developing their own livelihoods and forms of organisation. In many cases there is conflict between those different approaches to construct space and that brings into analysis the relation between the creation of space and power relationships;
- ◊ the production of space also involves the struggles of using natural resources for constructing those spaces;
- ◊ natural resources and extraction show the relationships between the hydrocarbon and the mining sectors (for instance, contamination along the Pilcomayo basin and the demand of energy by the Mutun mining project in Bolivia, and the gap-filling role that the mining sector may play in Ecuador when the oil reserves will run out).