Oil Sparks in the Amazon

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THE HYDROCARBONS-RELATED conflicts in the Andean countries analyzed in this book involve mainly Indigenous populations. This minority group is the poorest and most marginalized in Peru and Ecuador, and to a lesser extent in Colombia, where Afro-Colombians are the largest, most vulnerable group. Indigenous Peoples remain largely underrepresented in the domestic political and institutional life of all three countries.

This situation persists despite a growing movement for the recognition of the rights of Indigenous Peoples that made major gains in the past two decades, both domestically and internationally. Indigenous demands go beyond economic grievances and include a right to proper institutional and political participation and, most important, to land ownership. They also demand recognition of their right to speak different languages and to engage in specific cultural practices, such as the use of plants for medicinal cures or adherence to customary law. Their demands have been highlighted with the arrival of oil and gas projects, which they view as an invasion of their territory bringing little in the way of improvements to their living standards. Indigenous grievances underlie most oil and gas conflicts in the region.

HOW FAR DOES INDIGENOUS RECOGNITION GO?

The search for recognition by the Indigenous population of Latin America is not new and can be traced back to the colonial period, with natural resources always playing a fundamental role. In the colonial days Indians were removed from their lands and forced to become manual laborers (Grey Postero 2007, 27–36). In Bolivia, Aymara and Kichwa Indians became pongo laborers, serving the hacienda owners or miners in the departments of Potosí, Oruro, and La Paz. At the time of the Spanish colonization, Potosí became the main supplier of silver to the Spanish Crown from a mountain that had such huge accumula-
tions of silver ore that it was named Cerro Rico (rich mountain). The lavishness prompted by the exuberant mineral wealth of the Spanish colonies at the time of the colonization was famously described in a novel by Uruguayan author Eduardo Galeano:

The church altars and the wings of cherubim in processions for the Corpus Christi celebration in 1658, were made of silver: the streets from the cathedral to the church of Recoletos were completely resurfaced with silver bars. In Potosí, silver built temples and palaces, monasteries and gambling dens; it prompted tragedies and fiestas, led to the spilling of blood and wine, fired avarice, and unleashed extravagance and adventure. (Galeano 1997, 20)

The luxuries of colonial Spain that were built on the newly discovered treasures greatly contrasted with the inhuman living conditions of Indigenous populations in the Americas. Not only were they forced to work as quasi slaves in plantations, mines, and public and religious construction undertaken by the Spanish, but their lands were seized and given to Spanish noblemen and colonists. Repression of any opposition was severe.

The Indigenous population staged several revolts against the treatment they received from the Spanish colonizers. Particularly noteworthy was the 1780 Indigenous uprising in Peru led by Tupac Amaru II, born José Miguel Condorcanqui. An inhabitant of Cuzco, and of royal Inca descent, he worked for the Spanish Crown and was educated by the Jesuits. He tried to improve the conditions of Indigenous workers, but when he met with serious resistance from his masters, he adopted his great-grandfather’s name, Tupac Amaru, and staged an all-out rebellion. The struggle was quashed by the colonial power and all the Indigenous leaders were savagely executed. Subsequent efforts by the church, and in particular the Jesuits, as illustrated in the 1986 award-winning film The Mission, largely failed to improve the overall conditions of the Indigenous population until much later, after independence.

Following the assimilation policies at the end of the 1880s came another period of slave-like conditions for the Indians, this time brought about by the profitable rubber industry in the jungle. The inhuman working conditions in Peru were much publicized at the time and even turned into a diplomatic scandal in 1911, when following denunciations by then British consul Roger Casement, the British Parliament opened an investigation on the role played by British Peruvian Amazon Company in the torture and slavery of Indigenous workers (Vélez Araujo 2008). The atrocities of the time in the Peruvian Amaz-
zon were vividly depicted by Peruvian writer and Nobel Prize winner Mario Vargas Llosa:

Every two weeks the harvesters returned to the station to bring in the rubber. This was weighted on the dishonest scales. If after three months they had not fulfilled thirty kilos, they received punishments that ranged from floggings to the pillory, cutting off ears and noses, or in extreme cases, the torture and killing of the wife, children, and the harvester himself. The corpses were not buried but dragged into the forest to be eaten by the animals. . . .

. . . Dyall confessed to Roger and the commission that one day at the Matanzas station, Normand ordered him to kill five Andoques as punishment for not having met their rubber quotas. Dyall shot the first two, but the manager ordered that for the next two he should first crush their testicles with a stone for grinding yucca and then finish them off by garroting them. He had him strangle the last one with his bare hands. During the entire operation Normand sat on a tree trunk, smoking and watching, with no change in the indolent expression on his reddish face. (Vargas Llosa 2010, 180–82)

Organized efforts by Indigenous Peoples to try to undo the ethnic segregation or forced assimilation imposed in the postcolonial period started in the 1940s, with the first Indigenous organizations created in Ecuador. In some ways oil trailed rubber as a source of conflict and major injustices.

The land reforms that spread throughout the continent in the 1960s supported important programs of land redistribution among peasants (campesinos in Spanish). This created an incentive for Indigenous Peoples to register as peasants, a new social class that gained access to state-run social services and was devoid of any ethnic characterization (Yashar 1999). The underlying goal of the reforms was to dilute the Indigenous identity and to build a homogeneous concept for citizenship that would prevail in each country. Governments were trying to create one citizenship, devoid of ethnic or cultural particularities, by assimilating Indians into the mainstream population. There was a shared belief among the ruling classes at the time that to be able to achieve modernization, countries needed to sustain a homogeneous culture, one that would absorb the various ethnic and cultural identities, along with their histories, languages, customs, and beliefs (Marc 2010, 14–16). This strong push for the assimilation of Indigenous populations through a policy of land reform took place to various degrees in most Latin American countries.
But while governments created a new homogeneous class of small farmers, many Indigenous Peoples cultivated their Indian identity inwardly (Lucero 2008, 139–68). This was especially true in remote areas like the Amazon, where the lack of a strong government presence created the conditions for the survival of Indigenous political identities and institutions that have prevailed since the colonial period. Indigenous populations also created new organizations to promote their identities, which were often at odds with the policies of assimilation of central governments (Yashar 1999). The power of this connection to an Indigenous ethnic identity, particularly in the remote Amazon jungle, survived the assimilation policies of the time and became instrumental in the development of the organized social Indigenous movement that took shape twenty years later.

The economic policies of the 1980s were matched politically by the beginning of democratization in Latin America, after decades of military regimes that had restricted civil liberties and freedom of expression. This period saw a burst of Indigenous activism throughout the region, in part as a consequence of domestic reforms that encouraged popular participation, but largely in response to increasingly active support by the international community for the recognition of the rights of Indigenous Peoples. The fall of the Berlin wall in 1989 and the disappearance of ideological competition between the capitalist and communist blocs have been widely identified as a turning point for social movements around the world that left behind the class-based focus characteristic of the Cold War era. In Latin America, Indigenous movements, particularly in the Andean countries, started to establish international alliances to fight for regional recognition.

The strengthening and internationalization of the Indigenous movement was supported by constitutional reforms at home for the incorporation of the rights and the acceptance of a specific identity for this minority group. Also key in spreading the Indigenous cause was the naissance of an international body of law for the recognition of Indigenous rights. International jurisprudence continues to have a tremendous influence even today, gradually and steadily advancing the legal recognition of Indigenous rights. Some countries witnessed in Indigenous movements the emergence of new social and political actors that started to challenge traditional political structures and were instrumental in reshaping states’ development and political agendas (Bello 2008, 48–65). By putting communal land claims at the heart of the discussion, Indigenous groups
were also asserting their historical claim for a cultural recognition that emphasizes the collective over the individual. Land ownership is one of the most controversial issues surrounding oil- and gas-related conflicts.

In the 1990s Indigenous movements made major strides in expanding their agenda, both at home and internationally, for achieving political participation and improved living conditions. It was to a large extent growing Indigenous activism that led to increasing recognition and acceptance of Indigenous groups in Peru, Ecuador, and Colombia. The three countries introduced changes to their constitutions, laws, and institutions to support better inclusion of these minority groups.

In Ecuador the 1998 Constitution incorporated the concept of multiculturalism, largely as a result of increasing political activism by the Confederación de Nacionalidades Indígenas del Ecuador. Created in 1986, this Indigenous organization—Ecuador’s largest—had become politically active by 1996 by forming an alliance with non-Indigenous groups and by creating the Pachakutik Pluricultural Movement. The 1998 Constitution gave specific rights to Indigenous Peoples for preserving their culture and their political organizations. An additional constitutional reform in 2008 stated that while natural resources belong to the state, Indigenous Peoples should be consulted when resource development directly affects them.

In Peru the 1979 Law of Communities recognized Indigenous rights to lands that were demarcated, and as a result land titles were granted to Indigenous groups for the first time. The law contributed to the organization of Indigenous populations in the Amazon into communities. Many authors criticized it for isolating Indigenous Peoples and for arbitrarily grouping them in different territories. But the legislation has been commended by some scholars as the most advanced recognition of Indigenous rights in Latin America at the time (Gray 2003, 74–89).

In Colombia the Constitutional Court, since its creation in 1991, produced various legal resolutions in favor of Indigenous Peoples that have been praised as unique in the world. The creation of the Constitutional Court itself was quite exceptional in the region and constituted an important step for the protection of Indigenous rights. The Constitutional Court is a tribunal specifically geared toward protecting and guaranteeing the rights of citizens. The 1991 Constitution also introduced the judicial concept of tutela (writ of protection), which is aimed at protecting the fundamental constitutional rights of citizens and considered to be the backbone behind the incorporation of Indigenous rights in
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Colombia. Furthermore, the 1991 Constitution instituted two congressional seats for Indigenous representatives and stipulated that a percentage of federal funds should be allocated to municipal budgets and to Indigenous communities (Wirpsa and Dunning 2004).

These important domestic steps were parallel to the rapid development of recognition of Indigenous Peoples and minority rights worldwide. International recognition of Indigenous Peoples’ rights goes back to 1957, with the adoption of the International Labor Organization (ILO) Convention 107, which was the first international attempt at addressing Indigenous concerns. But the convention was controversial because it was based on the theory of integration and assimilation prevalent at the time, while placing little value on the protection of the unique characteristics of Indigenous cultures and cultural rights (Anaya 2005, 78–96; Wiessner 1999, 57).

By 1989 much of the controversy was resolved with the signing of the new ILO Convention 169: Concerning Indigenous and Tribal Peoples in Independent Countries. The new binding convention went far beyond the previous one in promoting the integrity of Indigenous culture, as well as the sovereignty of Indigenous communities over their lands and resources (Anaya 2005, 96–100). In essence, it gave Indigenous communities the right to live according to their own distinctive customs, recommending that states respect their objectives in all decisions concerning them. The new convention was a major step toward the adoption by governments of concrete standards for treating Indigenous Peoples, although its wording in the form of recommendations rather than norms was much criticized (99). The language used by the convention reflects the reluctance of many states to recognize the right of Indigenous self-determination—illustrated by the convention’s refusal to use the word peoples because of the association of this term with the right to form an independent state (100–102). Convention 169 is the main international legal instrument cited in disputes over oil and gas that involve Indigenous Peoples.

In 2004 the United Nations went further in highlighting the importance of the Indigenous issue when the General Assembly proclaimed 2005–14 as the second consecutive International Decade of the World’s Indigenous People. The period from 1995 to 2004 was characterized by an upsurge of Indigenous mobilization, demanding greater political participation and better living conditions. Indigenous populations did indeed experience considerable gains in terms of political representation and access to positions of power at that time. Their protests forced multicultural development into the mainstream of poli-
tics (Lucero 2008, 139–68). However, it was clear that the international debate on cultural rights did not significantly serve to improve the living conditions of Indigenous Peoples. In fact, in some cases their living standards even deteriorated, which prompted the United Nations to highlight the issue for a second decade.

The objective of the second decade was to strengthen international cooperation to solve problems faced by Indigenous Peoples in areas such as culture, education, health, human rights, the environment, and social and economic development. As part of these developments, the United Nations adopted the Universal Declaration on the Rights of Indigenous Peoples. The adoption of the declaration was not easy; it was the result of more than twenty years of negotiation. The declaration emphasizes in its introduction the importance of territorial control for Indigenous Peoples’ culture:

Control by indigenous peoples over developments affecting them and their lands, territories and resources will enable them to maintain and strengthen their institutions, cultures and traditions, and to promote their development in accordance with their aspirations and needs. (United Nations 2007, 2)

The declaration is seen as a vital step in proclaiming the right to self-determination for Indigenous Peoples, as stated in article 3. This means, among other matters, that Indigenous groups should have some level of freedom to adopt their own internal policies and to make use of their natural resource endowments. On the latter, however, they must abide by international economic cooperation obligations, based on international law and the principle of mutual benefit (García Hierro and Surrallés 2009, 18–29). The nonbinding declaration went beyond Convention 169 by incorporating the controversial concept of self-determination with regard to Indigenous communities, the land they live on, and the natural resources that surround them. The introduction to the declaration includes the words, “Bearing in mind that nothing in this Declaration may be used to deny any peoples their right to self-determination, exercised in conformity with international law” (Anaya 2005, 114–18, 3).

Over the years discussions about these international documents have forged the basis of a quasi-universal consensus about the rights of Indigenous Peoples, based on general human rights principles in widely ratified treaties. Some scholars argue these developments can be understood as giving rise to a body of customary law on Indigenous rights, when particular customs within a community
become the norm and are generally accepted as such (Anaya 2009, 13–61). The United Nations incorporated several mechanisms for approaching Indigenous questions, including the Permanent Forum on Indigenous Issues, a special rapporteur on Human Rights and Fundamental Liberties of Indigenous Peoples, and an Inter-Agency Support Group on Indigenous Issues. The Permanent Forum is especially noteworthy because it constitutes the first time that Indigenous populations have direct access to the United Nations. The sixteen members of the forum are independent experts acting on their behalf, with eight chosen by the Indigenous Peoples themselves and the remaining eight selected by governments.

These moves in favor of Indigenous Peoples have been supported by a general acceptance that integration of minority groups requires some recognition of specific cultural rights. This recognition has called into question previous assumptions about the importance of assimilation to support a modern state. One of the most influential theorists on cultural rights, Will Kymlicka, writes,

> I believe it is legitimate, and indeed unavoidable, to supplement traditional human rights with minority rights. A comprehensive theory of justice in a multicultural state will include both universal rights, assigned to individuals regardless of group membership, and certain group-differentiated rights or “special status” for minority culture. (1995, 6)

In 1989 the General Assembly of the Organization of American States (OAS) requested that the Inter-American Commission on Human Rights prepare a legal instrument on the rights of Indigenous Peoples. The declaration was meant to be approved by the General Assembly as a symbol of the willingness of American governments to recognize Indigenous rights. But twenty years and several drafts later, the OAS has yet to come up with a document on Indigenous Peoples’ rights that reflects their demands. The original declaration, presented by the commission in 1997, lacked Indigenous Peoples’ input and reflected the methodology then used: debates behind closed doors by OAS working groups for drafting the document. Indigenous Peoples were not officially recognized as participants in the OAS working groups together with member states until 2003. By contrast, the final revision of the declaration currently under consideration is more inclusive and reflects discussions among member state delegations, NGOs, and Indigenous representatives (Permanent Council 2010).

It soon became obvious that such an advanced body of international laws,
with far-reaching cultural and political minority rights, would be difficult to monitor and especially to impose on countries. For that reason, much emphasis was placed on the establishment of a balanced dialogue between Indigenous populations and the rest of society, including the government. The underlying goal of Convention 169 is to institute an intercultural instrument in the hope that it will eventually bring parties closer to achieving common ground.

Even more significant for the impact on conflicts about investment in hydrocarbons is the adoption by large multilateral organizations of safeguards related to Indigenous populations. The World Bank and its private sector branch, the International Finance Corporation, have compiled policies on Indigenous populations that redirected the way these multilateral institutions invest in areas populated by Indigenous communities. The World Bank policy on Indigenous Peoples underscores the need for borrowers and bank staff to identify Indigenous Peoples and to consult with them and ensure their participation in and benefit from operations funded by the bank (World Bank 2005). The Inter-American Development Bank promotes development policies that respect the identity of Indigenous Peoples. In the case of natural resources, it specifically supports policies that include consultation with Indigenous Peoples, their participation in resource management, and the sharing of benefits resulting from projects developed on their lands (IADB 2006).

But these safeguards have become controversial, because Indigenous representative organizations have contested the extent of the consultation process. They demand the inclusion of the concept of “free, prior and informed consent,” as stated by the UN Declaration on the Rights of Indigenous Peoples (2007), that would give them the right to veto a World Bank project. The bank policies accept this concept in general terms, but they specifically refrain from giving Indigenous Peoples veto power. The World Bank Operational Policy on Indigenous Peoples reads,

*Consultation and Participation.* Where the project affects Indigenous Peoples, the borrower engages in free, prior, and informed consultation with them. (Article 10)

The Bank reviews the process and the outcome of the consultation carried out by the borrower to satisfy itself that the affected Indigenous Peoples’ communities have provided their broad support to the project. The Bank pays particular attention to the social assessment and to the record and out-
come of the free, prior, and informed consultation with the affected Indigenous Peoples’ communities as a basis for ascertaining whether there is such support. The Bank does not proceed further with project processing if it is unable to ascertain that such support exists. (Article 11)

Free, prior, and informed consultation with the affected Indigenous Peoples’ communities refers to a culturally appropriate and collective decision-making process. It does not constitute a veto right for individuals or groups. (Note 4)

Recently there has been increasing realization that the rapid development of international norms for supporting minority and Indigenous Peoples’ rights has created a critical gap between the reality in the field and the ambitious safeguards introduced from outside. There is also a general sense that the debate on minority rights has gone too far. Some European countries and newly emerging markets, such as China and India, have expressed concern about the effect that increased minority rights could have on the national cohesion of their societies.

LIMITATIONS TO ECONOMIC AND POLITICAL INCLUSION

Latin America is a good example of the fact that the numerous national and international norms to protect the rights of Indigenous Peoples have a limited impact on improving the livelihood of this marginalized sector of society. The region maintains deep inequities, even after some progress over the past decade, particularly in relation to poverty reduction. Indigenous populations in the three countries under study are among the most affected by these inequalities and form a large part of the poor and extremely poor. It is these populations that are directly affected by oil and natural gas projects.

Persistent social and economic inequality is probably the most pervasive unresolved social problem in Latin America, overshadowing growth-related progress. In 2010, a full 32.1 percent of Latin Americans—or 180 million—still lived in poverty, and 12.9 percent—equivalent to 72 million—in extreme poverty. As striking as they may look, these figures still represent a strong improvement from 1990, when 48.3 percent of Latin Americans were beneath the poverty level (United Nations 2010, 17–20). Income inequalities were reduced in the past decade, due to the expansion of basic education that helped to close the income gap between skilled and low-skilled workers and to increased govern-
ment transfers to the poor. The Gini Coefficient for the region declined by an average 1.1 percent per year (López-Calva and Lustig 2010, 18).

But social disparities are still very large and most evident in four basic areas. First, disparities in levels of income have historically been extremely high: household surveys between 1989 and 2001 show that the richest 10 percent of the population receives between 40 percent and 47 percent of total income (De Ferranti et al. 2004, 37–76). Second, access to basic services such as education, health care, and drinking water is still far from universal. Despite much progress since the 1990s, disparities in sanitation coverage, particularly between rural and urban areas, remain high. The extent of sanitation coverage in rural Latin America was on average below 50 percent in 2010 (UNICEF–World Health Organization 2012, 19). Access to drinking water among the rural population of western Latin America was as low as only 50 percent that year, compared to almost 100 percent among the urban population (13). In Peru, about three out of ten households within the lowest quintile in the society have access to drinking water, compared to nine out of ten in the uppermost quintile (Gasparini et al. 2009).

The third disparity, related to land distribution and ownership, is probably the most controversial as far as oil and gas development is concerned. Inequitable land ownership has been a typical feature of Latin American countries, which have a history of incomplete or inefficient land reforms throughout the twentieth century. Land reforms have mostly been focused on achieving a more equitable distribution in the size of plots per farmer but not so much on how the newly distributed plots would be developed. In Peru, for example, the redistribution of land from landowners to farmworkers that took place in the 1950s and 1960s was not accompanied by programs to promote an efficient development of the newly acquired areas. This could be one of the reasons for today’s high poverty levels among many of the peasant owners of those redistributed lands (De Janvry and Sadoulet 2002).

Throughout Latin America, land ownership rights are unclear or nonexistent, which creates disputes when trying to define borders for the development of natural resource projects. Ambiguous property rights in turn may reduce investment incentives for developing the land and may affect the ability to use it as collateral for credit. Landholding elites that built political influence through the ownership of huge territories have largely disappeared. But there is still a minority of poor people in the region whose access to land has been historically
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Contested but whose identity is paradoxically directly connected to the territory they live in. These are Indigenous communities, especially in the Amazon region, for whom their land is not only a source of livelihood but also a symbol of identity passed on through generations.

Last, Latin American countries also show large inequities in relation to the number of people who have political decision-making power and also with regard to those who benefit from the rule of law. Historically, Latin American countries have shown an entrenched pattern of clientelism and corruption, usually determined by the extent of influence individuals or groups can exert on the authorities to advance their own interests. Wealthy individuals or companies generally have more access to the state than those in lower levels of the society. In the 2010 Transparency International Corruption Perceptions Index, Peru and Colombia both ranked 78 of a total of 178 countries (50). That was three levels down from the 2009 ranking, when both countries occupied the 75th place of a total of 180 (45–49). Ecuador was by far the worst of the three, as it ranked 146 in 2009, although it saw an improvement the following year, when it occupied the 127th place. This is an index based on perceptions rather than on actual deeds; however, its results reflect that Latin Americans have little confidence that they have fair and effective governmental institutions.

In highly unequal societies like those of Latin America, relatively new democratic institutions are prone to manipulation by the educated elites or other influential groups that use them for their own particular benefits (Perry 2008, 50). Such manipulation has serious impacts on equality because economically disadvantaged groups lack the tools for accessing the authorities through parallel channels. In Latin America the exchange of favors for benefits is still common practice. Politicians try to get popular support by providing material goods to meet immediate needs rather than by implementing public policies that will provide these goods on a sustainable, long-term basis. On the other end, clientelistic relationships undermine the organization of voters and their demands for the development of well-functioning public services.

In Latin America inequality has a strong ethnic component, and Indigenous populations in general, and Afro-Colombians in Colombia in particular—constituting roughly 11 percent of the total population, or 4.4 million—are especially affected (Dane 2005). Poverty rates decreased in most countries across the region throughout the 1990s; however, the situation changed little for Indigenous People during that time. Indigenous Peoples work mainly in agriculture
as self-employed workers, and their salaries tend to be significantly lower than those of their non-Indigenous counterparts. Ethnicity may not only account for lower income or wealth but can also be related to lower education levels and fewer employment opportunities in most Latin American countries (Atal, Nopo, and Winder 2009).

Graph 7 compares poverty levels between Indigenous and non-Indigenous groups in Ecuador over a five-year period (2005 to 2009). In 2005 an astonishing 64 percent of the Indigenous population in Ecuador was poor, compared with 45 percent of non-Indigenous. While overall poverty levels improved in 2009, the gap between Indigenous and non-Indigenous persisted, 58 percent versus almost 40 percent, respectively (eclac 2010c).

Since 1985 Ecuador incorporated bilingual education for Indigenous children as part of the country’s official curriculum; however, Indigenous children have still to gain access to quality schooling. This mirrors overall statistics for the region, where Indigenous Peoples have on average less access to formal education—only 4.3 years of schooling, compared with 6.9 years for non-Indigenous Peoples (Larrea and Montenegro Torres 2006). In addition, 43 percent of Indigenous children who go to school also work, which makes it difficult for them to stay in school on a regular basis, and they often suffer from malnutrition, which has been linked to poor education outcomes. According to the 2001 national census, only 58 percent of Indigenous children between the ages of five and eighteen went to school and did not work, compared with 73 percent among non-Indigenous groups. Infant mortality rates among Indig-
Indigenous children are more than double—10.5 percent versus 5.1 percent—those of the non-Indigenous population in the 2001 census data (INEC 2001).

Peru shows the most improvement in terms of poverty reduction among Indigenous communities in the past decade, but the differences with non-Indigenous groups is still striking. Between 25 percent and 48 percent of Peruvian households can be considered Indigenous, measured by the number of members that speak an Indigenous language (Trivelli 2006). Graph 8 shows comparative poverty levels for Indigenous and non-Indigenous groups for 2001, 2008, and 2009. Poverty among Indigenous groups went down to 55 percent in 2009 from an astonishing 82 percent in 2001. But during the same years, the number of poor among the non-Indigenous population was also reduced: 29 percent in 2009 and 50 percent in 2001.

Generally speaking, some 66 percent of Peruvian non-Indigenous households have access to drinking water and 53 percent to sewage facilities, while among Indigenous groups those figures drop to 53 percent and 30 percent, respectively (Trivelli 2006).

By 2011 Colombia did not have ethnically differentiated official data on poverty. The official data measured poverty levels overall but not by ethnic groups. The country managed to reduce overall poverty from 54 percent of the total population in 2002 to 46 percent in 2008, and indigence figures also decreased during that period, from 20 percent to 18 percent. But poverty indicators remain relatively high for a country that has averaged 5 percent annual Gross

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**Graph 8** Peru: Percentage of poor according to ethnicity

<table>
<thead>
<tr>
<th>Years</th>
<th>Indigenous</th>
<th>Nonindigenous</th>
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<tbody>
<tr>
<td>2001</td>
<td>50.43</td>
<td>82.45</td>
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<tr>
<td>2008</td>
<td>29.6</td>
<td>60.36</td>
</tr>
<tr>
<td>2009</td>
<td>28.95</td>
<td>55.42</td>
</tr>
</tbody>
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Source: Compiled by the author with data from ECLAC (2010d).
Domestic Product growth rates in recent years, in part thanks to oil and gas revenues. In 2008 Colombia had the third highest incidence of poverty and indigence in South America, after Bolivia and Paraguay (ECLAC 2010c, 18).

Nonofficial studies show higher percentages of illiteracy for Indigenous groups and Afro-Colombians—14.9 percent and 15.2 percent, respectively—versus 8.1 percent for nonethnic groups, according to data for 2003 (Urrea Giraldo and Viafara López 2007, 60–66). Health indicators are especially negative for Afro-Colombians living in rural areas, of whom only 34 percent have access to health care, compared with more than 55 percent for Indigenous and nonethnic groups (Bernal and Cardenas 2005).

Child labor is the norm for 75 percent of Indigenous children living in rural areas and 60 percent of Afro-Colombians living in urban centers (Urrea Giraldo and Viafara López 2007, 71–72). By some accounts, Indigenous and Afro-Colombian groups constitute as much as 40 percent of the total population, displaced as a consequence of the country’s armed conflict (80). The loss of land assets has had a direct effect on the real poverty of these groups.

FROM SPARKS TO EXPLOSIONS

By 2008 at least thirty-five oil companies were developing 180 oil and gas blocks in the western Amazon, some of which overlapped with biodiversity-rich areas and regions inhabited by Indigenous groups, some living in voluntary isolation (Finer et al. 2008). The increased presence of oil and gas developments in areas inhabited by Indigenous populations that remain economically underprivileged and marginalized and whose land tenure status is unclear at best has proved to be an inevitable recipe for conflict. Moreover, many of these groups feel that the arrival of hydrocarbons development in the territories where they live challenges the survival of their culture and traditions and leaves them with little economic benefit in exchange. The conflicts around hydrocarbons also have become a means for Indigenous organizations to assert their broader claims for a strong role in the political life of the nation and for the recognition of their cultural distinctiveness.

Peru is a particularly graphic example of the struggling forces that normally shape the oil scenario in remote areas inhabited by poor Indigenous populations. Since the beginning of the twenty-first century, successive governments have focused their efforts on quickly developing the country’s oil and natural gas reserves to make Peru self-sufficient in oil production and an exporter of
natural gas. With economic growth, demand for hydrocarbons has increased. But oil imports at a time of high international oil prices became a source of major financial stress that governments were determined to minimize through the development of new and increased oil and gas reserves. The number of oil contracts in Peru rose threefold, from just thirty-one in 2004 to eighty-nine in 2009. But as oil licenses multiplied, so did the number of socioenvironmental conflicts, including those related specifically to oil and gas projects. Graph 9 illustrates the increasing trend in the number of oil contracts in Peru between 2004 and 2011 (see oil contracts line). In 2008 socioenvironmental conflicts in general, which include oil and gas disputes, shot up and reached a peak of 123 in 2009.

The new oil and gas projects particularly affected Indigenous areas: the northern Amazon, home to the Jivaroan and Urarina groups; the central jungle, which includes the territories of the Ashaninka, Nomatsiguenga, and Yanesha peoples; and the southern jungle department of Madre de Dios, home to the Camisea natural gas development and to the Harakmbut, Machiguenga, and Yine peoples.

Of the 89 hydrocarbons concessions active in 2009, the highest number in the history of the country, 70 were exploration contracts, up from 14 in 2004 (Ministry of Energy 2009). The Amazon housed 63 contracts, of which 46 overlapped with officially recognized Indigenous lands. A total of 17 developments
coincided with proposed or already designated territorial areas for Indigenous Peoples living in voluntary isolation, who hold no formal land title yet. Also, 29 of the concessions overlapped with natural reserves that are protected or internationally recognized for their wealth in biodiversity (Orta-Martinez and Finer 2010).

SUMMARY

Local conflicts have developed parallel to—and in some cases as a consequence of—rapid growth in investment in oil and gas in the region. The quest for increased recognition of Indigenous People’s rights and their struggle for improving their living conditions came together in opposition to oil projects, especially in the western Amazon basin. Underlying that trend were deeply rooted inequalities that have historically characterized Latin American societies and that particularly affect Indigenous populations.

The proliferation of oil and gas licenses coincided with an increasingly active, and sometimes politicized, Indigenous movement that is not shy about putting its demands forward, particularly in defense of its rights to property in the Amazon. Supporting that Indigenous activism is a large international and domestic body of laws created to safeguard Indigenous rights. But for Indigenous Peoples, none of those gains was enough when it came to sheltering their territories from oil and gas developments. The right to own land has historically been one of the main sources of conflict and still remains largely unresolved. Also contributing to the disputes around oil and gas is an imperfect legal system and governance flaws at the national and subnational levels that prevent an equitable distribution of the new hydrocarbons revenues.