THE POLITICAL ECOLOGY OF NATURAL GAS EXTRACTION IN SOUTHERN BOLIVIA

A thesis submitted to the University of Manchester for the degree of Ph.D.
In the Faculty of Humanities

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SCHOOL OF ENVIRONMENT AND DEVELOPMENT
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## List of Acronyms

**APG Nacional:** Asamblea del Pueblo Guaraní (National Guaraní Assembly)

**APG Itika Guasu:** Asamblea del Pueblo Guaraní Itika Guasu (Guaraní Assembly of Itika Guasu)

**APG Yaku Igua:** Asamblea del Pueblo Guaraní Yaku Igua (Guaraní Assembly of Yacuiba)

**BG Bolivia:** British Gas Bolivia

**BG Group:** British Gas Group

**CAOI:** Coordinadora andina de organizaciones indígenas (Coordinator for Andean Indigenous Organisations)

**CBH:** Cámara Boliviana de Hidrocarburos (Bolivian Chamber of Hydrocarbons)

**CCGT:** Consejo de Capitanes Guaraníes y Tapiete de Tarija (Council of Guaraní and Tapiete Captains of Tarija)

**CEADESC:** Centro de Estudios Aplicados y Derechos Económicos, Sociales y Culturales (Centre of Applied Studies for Economic, Social and Cultural Rights)

**CEDIB:** Centro de Documentación e Información de Bolivia (Bolivian Centre for Documentation and Information)

**CEDLA:** Centro de Estudios para el Desarrollo Laboral y Agrario (Centre for Studies of Labour and Agrarian Development)

**CEJIS:** Centro de Estudios Jurídicos y Sociedad (Centre for Juridical and Society Studies)

**CENDA:** Centro de Comunicación y Desarrollo Andino (Centre for Communication and Andean Development)

**CER-DET:** Centro de Estudios Regionales de Tarija (Centre for Regional Studies of Tarija)

**CIDOB:** Confederación Indígena del Oriente Boliviano (Confederation of Indigenous of Eastern Bolivia)

**CIPCA:** Centro de Investigación y Promoción del Campesinado (Centre for the Investigation and Promotion of the Peasantry)

**CMPCC:** Conferencia Mundial de los Pueblos sobre el Cambio Climático y los Derechos de la Madre Tierra (People’s World Conference on Climate Change and the Rights of Mother Earth)
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>COB</td>
<td>Central Obrero Boliviano (Confederation of Bolivian Workers)</td>
</tr>
<tr>
<td>CODEPANAL</td>
<td>Comité de Defensa del Patrimonio Nacional (Committee for the Defence of National Patrimony)</td>
</tr>
<tr>
<td>COICA</td>
<td>Coordinadora de organizaciones indígenas de la cuenca amazónica (Coordinator for Indigenous Organisations of the Amazon Basin)</td>
</tr>
<tr>
<td>COMIBOL</td>
<td>Corporación Minera de Bolivia (Bolivian Mining Corporation)</td>
</tr>
<tr>
<td>CONALDE</td>
<td>Consejo Nacional Democrático (National Democratic Council)</td>
</tr>
<tr>
<td>CONAMAQ</td>
<td>Consejo Nacional de Ayllus y Markas del Qollasuyu (National Council of Ayllus and Markas of the Qollasuyu)</td>
</tr>
<tr>
<td>CPEMB</td>
<td>Confederación de Pueblos Moxeños del Beni (Confederation of Moxeño Peoples of the Beni)</td>
</tr>
<tr>
<td>CPESC</td>
<td>Confederación de Pueblos Étnicos de Santa Cruz (Confederation of Ethnic Peoples of Santa Cruz)</td>
</tr>
<tr>
<td>CPILAP</td>
<td>Central de Pueblos Indígenas de La Paz (Confederation of Indigenous Peoples of La Paz)</td>
</tr>
<tr>
<td>CSCB</td>
<td>Confederación Sindical de Colonizadores de Bolivia (Confederation of Colonists of Bolivia)</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>CSUTCB</td>
<td>Confederación Sindical Única de Trabajadores de Bolivia (Confederation of Campesino Workers of Bolivia)</td>
</tr>
<tr>
<td>EIA</td>
<td>Estudio de Impacto Ambiental (Environmental Impact Assessment)</td>
</tr>
<tr>
<td>FMCBBS</td>
<td>Federación de Mujeres Campesinas de Bolivia, Bartolina Sisa (Womens Campesino Federation of Bolivia, Bartolina Sisa)</td>
</tr>
<tr>
<td>FOBOMADE</td>
<td>Foro Boliviano sobre Medio Ambiente y Desarrollo (Bolivian Forum on Environment and Development)</td>
</tr>
<tr>
<td>FONDIAC</td>
<td>Fondo para el Desarrollo Indígena—Originario-Campesino (Fund for Indigenous-Originario-Campesino) also known as Fondo Indígena</td>
</tr>
<tr>
<td>GASYRG</td>
<td>Gasoducto Yacuiba-Rio Grande</td>
</tr>
<tr>
<td>ICMM</td>
<td>International Council on Mining and Metals</td>
</tr>
<tr>
<td>IDB/BID</td>
<td>Banco Interamericano de Desarrollo (Inter-American Development Bank)</td>
</tr>
<tr>
<td>IDH:</td>
<td>Impuesto Directo a los Hidrocarburos (Direct Hydrocarbons Tax)</td>
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<tr>
<td>---------</td>
<td>--------------------------------------------------------------</td>
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<tr>
<td>IIRSA:</td>
<td>Iniciativa de Integración Regional de Sud América (Initiative for Regional Integration of South America)</td>
</tr>
<tr>
<td>ILO:</td>
<td>International Labour Organisation (Organización Internacional de Trabajo)</td>
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<tr>
<td>INE:</td>
<td>Instituto Nacional de Estadístico (National Institute of Statistics)</td>
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<tr>
<td>INRA:</td>
<td>Nacional de Reforma Agraria (National Institute for Land Reform)</td>
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<tr>
<td>IPSP:</td>
<td>Instrumento Por la Soberanía de los Pueblos (Instrument for the Peoples Sovereignty)</td>
</tr>
<tr>
<td>LIDEMA:</td>
<td>Liga de Defensa del Medio Ambiente (Environmental Defence League)</td>
</tr>
<tr>
<td>LNG:</td>
<td>Liquid Natural Gas</td>
</tr>
<tr>
<td>MAS:</td>
<td>Movimiento al Socialismo (Movement Towards Socialism)</td>
</tr>
<tr>
<td>MHE:</td>
<td>Ministerio de Hidrocarburos y Energía (Ministry of Hydrocarbons and Energy)</td>
</tr>
<tr>
<td>MITKA:</td>
<td>Movimiento Indio Túpac Katari (Túpac Katari Indian Movement)</td>
</tr>
<tr>
<td>MNR:</td>
<td>Movimiento Nacional Revolucionario (National Revolutionary Movement)</td>
</tr>
<tr>
<td>MST:</td>
<td>Movimiento Sin Tierra (Landless Movement)</td>
</tr>
<tr>
<td>MRTK:</td>
<td>Movimiento Revolucionario Túpac Katari (Túpac Katari Revolutionary Movement)</td>
</tr>
<tr>
<td>MSLB:</td>
<td>Misión Sueca Libre en Bolivia (Free Swedish Mission in Bolivia)</td>
</tr>
<tr>
<td>NGO:</td>
<td>Non governmental organisation</td>
</tr>
<tr>
<td>OBIE:</td>
<td>Observatorio Boliviano de Industrias Extractivas (Bolivian Observatory on Extractive Industries)</td>
</tr>
<tr>
<td>ORCAWETA:</td>
<td>Organización de Capitanes Weenhayek (Organisation of Weenhayek Captains)</td>
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<tr>
<td>PDI:</td>
<td>Plan de Desarrollo Indígena (Indigenous Development Plan)</td>
</tr>
<tr>
<td>PDVSA:</td>
<td>Petroleos de Venezuela, S.A. (Venezuela State Petroleum Company)</td>
</tr>
<tr>
<td>PIEB:</td>
<td>Programa de Investigación Estratégica de Bolivia (Bolivian Programme for Strategic Research)</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>PODEMOS:</td>
<td>Poder Democrático y Social (Social and Democratic Power)</td>
</tr>
<tr>
<td>PRAC:</td>
<td>Programa de Relaciones Comunitarias (Community Relations and Support Programme)</td>
</tr>
<tr>
<td>PROVISA:</td>
<td>Proyecto Villa Montes-Sachapera (Villa Montes-Sachapera Irrigation Project)</td>
</tr>
<tr>
<td>SERNAP:</td>
<td>Servicios Nacionales de Areas Protegidas (National Service for Protected Areas)</td>
</tr>
<tr>
<td>TCF:</td>
<td>trillion cubic feet (natural gas)</td>
</tr>
<tr>
<td>TCO:</td>
<td>Tierras comunitarias de origin (originary comunal lands)</td>
</tr>
<tr>
<td>TPH:</td>
<td>Total Petroleum Hydrocarbons</td>
</tr>
<tr>
<td>UNDP:</td>
<td>United Nations Development Programme (Programa de las Naciones Unidas para el Desarrollo)</td>
</tr>
<tr>
<td>YABOG:</td>
<td>Yacimientos-Bolivian Gulf (441km pipeline that extends from Rio Grande (Santa Cruz) in the north to the Duran field in Salta (Argentina))</td>
</tr>
<tr>
<td>YPFB:</td>
<td>Yacimientos Petrolíferas Fiscales de Bolivia (Bolivian National Hydrocarbons Agency)</td>
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Thesis Abstract

The University of Manchester
Denise Humphreys Bebbington
Faculty of Humanities
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Ph.D.

The Political Ecology of Natural Gas Extraction in Southern Bolivia
August 2010

Capital investment in natural resource extraction has fuelled an unprecedented rush to secure hydrocarbon and mining concessions and contracts throughout the Andes-Amazon-Chaco region leading to increased tensions and conflict with lowland indigenous groups residing in the areas that contain subsoil resources. This thesis explores resource extraction and conflict through an ethnography of state-society interactions over proposed hydrocarbon extraction in Bolivia. It asks, how does a “post-neoliberal state” combine commitments to indigenous people, the environment and the redistributive development of natural resource wealth, and how do social movements and other actors respond? In answering this question, the thesis examines how hydrocarbon expansion has affected the country’s most important gas producing region (the Department of Tarija), indigenous Guaraní society and indigenous Weenhayek society, both in their internal relationships and in their historically uneasy negotiations with the central state. By paying particular attention to the Guaraní and Weenhayek it also asks how far a national “government of social movements” has favoured or not the concerns and political projects of indigenous groups that are generally not well represented in the social movements that undergird this new state. In this vein, this research seeks to shed light on a series of contradictions and incongruities that characterise extractive-led economies with an end to contributing to debates about the possibility of combining more socially and environmentally sound modes of production, new forms of democracy, self governance and popular participation.
Keywords: Natural Gas, Bolivia, Extractive Industry, Indigenous Peoples, Socio Environmental Conflict, Social Movements, Post Neoliberal, Chaco
Declaration

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Acknowledgments

This thesis could not have been produced without the help and support of many individuals in different corners of this planet. My sincere thanks to Sue Johnson and to Carole Arrowsmith for their help and efficiency in navigating the University bureaucracy and “getting me started,” and for their continued support throughout the process. I also want to acknowledge the support and encouragement I received from my advisors, Diana Mitlin and Gavin Bridge, for which I am very, very grateful. Credit is also due to David Bonnett whose deft computer skills helped me to overcome last minute production glitches and thus avert disaster.

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Before undertaking my doctoral studies, I worked for a number of years with the Global Greengrants Fund helping to establish and later coordinate an activist advisor network in Latin America. This largely volunteer network continues to be a source of ideas, inspiration and reflection. I am thankful to Chet
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For part of the fieldwork I was privileged to work with Hernan Ruíz and Nolberto Gallardo. I thank them for their invaluable insights, their capable and timely support in conducting and transcribing interviews and above all their keen sense of humour.

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The Author

Denise Humphreys Bebbington received her B.A. in History from the University of California, Berkeley and later her M.Sc. in Development Management from The American University. She has a long engagement with Latin America having worked as Latin America Coordinator for Global Greengrants Fund, Inter-American Foundation Representative to Peru and Catholic Relief Services Sub-Director in the South America region and Project Officer in Guatemala. Her recent work addresses the expansion of extractive industry and infrastructure development in South America, the responses of social-environmental movement organisations and the political ecology of natural resource extraction. Her publications have appeared in *World Development, Development and Change, Latin American Perspectives, Canadian Journal of Development Studies, Area* and edited collections in both English and Spanish.
Map 1.1 South America

Source: http://www.intute.ac.uk
Chapter 1

Extraction, Development, Mother Earth: Negotiating Contradiction

In April 2010 the People’s World Conference on Climate Change and the Rights of Mother Earth (CMPCC\(^1\)) took place in Cochabamba (Tiquipaya), Bolivia. Thousands of activists, NGO workers, community leaders, intellectuals and assorted celebrities from across the globe descended upon the city that was the site of the tumultuous water war of 2000\(^2\) to attend the latest mega event on international climate change. In contrast to the late night, back room negotiations of the Copenhagen conference, in which the block of poorer, less powerful countries were left to roam the hallways, Bolivian President Evo Morales and his organizers were successful in launching an open, alternative forum. The result is a series of counter proposals that UN representatives have promised to take to their follow-on meeting in Cancun.

The Peoples Conference generated enormous excitement – if not expectation - with over 20,000 participants (depending upon whose calculation you accept) including three Presidents and two Vice Presidents. However, it also produced some unexpected if not vexing moments for the host. One of these moments involved indigenous-campesino representatives of highland and lowland areas in Bolivia who were keen to discuss the local dimensions of climate change – specifically the increasing number of menacing extractive and infrastructure projects affecting their communities, territories, water supplies and livelihoods. Unable to negotiate a space within the officially recognised seventeen mesas (workshops) organised by Morales’ Movement towards Socialism (MAS) government, a coalition of social movement organisations and NGOs moved to create their own forum (which became known as the rebel mesa, or Workshop

\[\text{\textsuperscript{1}}\) Conferencia Mundial de los Pueblos sobre el Cambio Climático y los Derechos de la Madre Tierra, 19-22 Abril, 2010, http://cmpcc.org/\]
\[\text{\textsuperscript{2}}\) See Perreault (2006).\]
#18).\textsuperscript{3} The Bolivian Vice Minister of Environment attempted to dissuade the rebel workshop organisers insisting that, “... this meeting is about international climate change - we are not here to discuss country-specific problems ...”.\textsuperscript{4} However the organizers, led by Aymara mallku Rafael Quispe\textsuperscript{5}, a firm supporter of President Evo Morales and the MAS’ process of social change, refused to budge: “This workshop will operate whether the government likes it or not and it will not deal only with problems affecting Bolivia”. Indeed the prohibited Workshop #18, forced to hold its deliberations at an off-site location, gave a full hearing to the growing number of extraction (mining, hydrocarbons, logging) and large-scale infrastructure projects impacting communities across the region and the growing sense that economic development policies as currently implemented by progressive left governments in Latin America were failing to deliver on the promised new paradigm of economic, social \textit{and} environmental well being. In fact the rebel mesa turned out to be one of the biggest draws of the conference with over 1,500 people in attendance.\textsuperscript{6} Among those speaking was anti-globalisation activist and writer, Naomi Klein who when asked to comment on the furore surrounding the deliberations of the clandestine workshop responded with, “all governments know the rule: when you prohibit something you make it even more popular”.\textsuperscript{7}

1.1 \textbf{Extraction and XXI Century Socialism}

While the outside world might have viewed the People’s Climate Conference as the triumph of people power over the opaque, excluding and ineffectual

\textsuperscript{3} Among them CONAMAQ, CEJIS, CEDLA, CENDA, Colectivo CASA, Enlace, FOBOMADE, Movimiento Sin Tierra. See glossary for full names of these movement organizations and NGOs.

\textsuperscript{4} The Bolivian Vice Minister of Environment is Juan Pablo Ramos. He is quoted by Erbol, April 21, 2010. Other government organising officials claimed that the workshop proposal was not submitted on time and then suggested the workshop was promoted by NGOs not social organisations. See http://www.servindi.org/actualidad/24714.

\textsuperscript{5} Rafael Quispe is the head of the Commission on Extractive Industries of the National Council of Aylus and Markas del Qollasuyo (CONAMAQ) a representative organization of highland indigenous-campesino groups in Bolivia and one of the social movements that forms MAS’ political base. Mallku is an Aymara word that means prince of condor. Original text: “La mesa 18 va a funcionar le guste o no al gobierno y no sólo se tratará los problemas de Bolivia,” Erbol, April 21, 2010.

\textsuperscript{6} “Masiva atención a la mesa “clandestina de la cumbre,” El Día, April 21, 2010.

\textsuperscript{7} See: http://www.servindi.org/actualidad/24714.
Copenhagen process (and Bolivia as the underdog champion of mother earth), internally a growing row between the MAS and some social movement elements festered. The MAS government’s pursuit of an extraction led development model, and its sidestepping of environmental impacts linked to extractive industry, was threatening to become a debate about Bolivia’s own commitment to social and environmental justice and in the process to induce a version of red/green debates pitching the developmentalists (or desarrollistas) against the ecofundamentalists. Quite unexpectedly then, hosting the World Conference exposed the deepening fault line between the MAS government’s version of XXI century socialism and the experiences of its indigenous-campesino bases living in the extractive periphery.\(^8\) In the days following the Conference the debate carried on in the national press and on radio with both highland and lowland indigenous-campesino leaders calling on the government to implement an immediate environmental pause (*pausa ambiental*).\(^9\) However the call for a hiatus on all proposed extractive and infrastructure projects - until a comprehensive review of extractive activity and infrastructure projects could be undertaken - was quickly dismissed by government officials. The *mallku* Quispe was even more emphatic: “Some 80 percent of the government’s revenues are generated by extractive industry activity. What should be done? We should talk urgently about a new model of natural resource governance.” He further challenged the MAS to desist from engaging in double talk: “…if we continue exploiting (minerals and hydrocarbons) then we cannot talk about saving the *Pachamama*.”\(^10\) To Vice President Alvaro Garcia Linera, however, the environmental concerns raised in Workshop 18 related to Bolivia’s extractive activity were figments of NGOs’ imagination and manipulation, a sort of hyper environmentalism (funded by foreigners) that would conspire to keep Bolivia from realizing its long held desire to industrialise and democratize the...

\(^8\) Gudynas (2010) cites the work of A. Borón, Hans Dieterich, Juan Carlos Monedero and Tomás Moulian and their analysis of the rise of XXI century socialism in Argentina, Bolivia, Brazil, Chile, Ecuador, Uruguay and Venezuela.

\(^9\) Interviews with Rafael Quispe, leader of CONAMAQ and Justino Zambrana, leader of CCGT, (Radio Erbol, April 25, 2010)

\(^10\) “*Pachamama*” is literally Mother Earth, an indigenous spiritual conception of the earth and biosphere encountered throughout the Andes-Amazon region.
wealth generated from its natural resources. These sentiments were reflected in his comments to the press shortly after the climate conference ended:

We will build highways, we will drill wells, we will industrialise our country, preserving our resources in consultation with the people, but we need resources to generate development, education, transportation and health for our people. We are not going to become park wardens for the powerful countries of the north who can live in bliss while we continue in penury.  

1.2 Extraction and Integration

Capital investment in natural resource extraction has fuelled an unparalleled rush to secure hydrocarbon and mining concessions and contracts throughout the Andes-Amazon-Chaco region. Strong prices for minerals, gas and oil have encouraged a sort of global race to find and export natural resources in order to keep pace with growing world demand (Bridge 2004). The extractive frontier for hydrocarbons is a particularly aggressive one, driven by the expectation that the Sub-Andean Belt (Faja Sub-andina) may hold important yet untapped reserves of oil and natural gas. In Peru, the amount of Amazon land under concession jumped from 15 percent of total territory in 2004 to over 70 percent by 2010 (Finer and Orta Martinez 2008; IBC 2010). In Bolivia, over 53.5 million hectares, about 55 percent of national territory, is considered to be of hydrocarbon potential (CBH, Foro del Gas 2009). Meanwhile in Ecuador, a country with a more intensive modern history of oil extraction, two thirds of the Amazon basin is under concession (Finer et al 2008). In all three countries hydrocarbons operations, concessions and areas of potential interest are superimposed with protected areas, and claimed indigenous territories (Soria & Benavides 2008; CEADESC 2008; Finer et al 2008). A similar scenario has unfolded in the mining sector (Bebbington, 2009). At the same time as this continental stampede to explore for hydrocarbons there has been a parallel continent-wide initiative, since 2000, to connect and integrate via a series of prioritized investments, infrastructure works (highways, waterways, pipelines and telecommunications) that can facilitate the flow of these commodities to

11 From: “García Linera: No nos vamos a convertir en guardabosques del norte,” Erbol, April 27, 2010.
markets both within the region and abroad. This initiative, known by its acronym IIRSA (initiative for the Integration of Regional Infrastructure in South America) represents an extensive reordering of South America’s geopolitical economy through the implementation of more than 500 infrastructural investments in transport, energy and telecommunications networks. Regional powers Brazil and Venezuela vie for a dominant role in promoting, financing and implementing extraction-exportation schemes within Bolivian territory. Brazilian firms such as Odebrecht and Queiroz Galvez (highway building and hydroelectric dam construction), Petrobras (hydrocarbons) and the Brazilian Development Bank-BNDES (finance) are both highly visible and constitute important flows of capital and technical know-how. In addition Brazil is the most important and reliable market for Bolivian gas. Venezuela’s role in Bolivia’s extractive economy is much more recent and is predominantly channelled through its state oil giant, PDVSA, providing important financial and technical support to –and partnering with- the Bolivian state hydrocarbons company Yacimientos Petroliferos Fiscales de Bolivia (YPFB). And if the proposed Banco del Sur (Bank of the South), an alternative financing mechanism to regional multi-lateral banks (Andean Development Corporation, Inter-American Development Bank) to be based in Caracas, comes to fruition, this may well become yet another important source of regional financing for infrastructure and extraction.
Map 1.2 Oil and Gas Development in Bolivia

Adapted from original source, YPFB 2008
1.3 The centrality of natural gas

Bolivia has long relied upon the extraction and exportation of its natural resources to fuel the national economy. Since colonial times the country has lived through boom and bust cycles of extraction and export based on a series of primary commodities including silver, tin, rubber and more recently oil and natural gas (and perhaps in the future lithium). This was supported by a political system in which elites constructed alliances with different social groups to maintain their tenuous hold on power which lasted until mid 20th century. However, beginning in the 1990s historically marginalized sectors of the largely indigenous population, supported by leftist intellectuals and NGO activists, became increasingly mobilised around issues of land, ethnic identity, natural resources, anti globalisation and social justice (Andolina et. al., 2009). These highly visible and ever more intense mobilisations ignited popular ire over resource sovereignty and also intersected with other protests - first around the dispute over the privatisation of water supply in Cochabamba (Guerra del Agua, 2000; Laurie et al., 2009) and later around what was viewed as the proposed dispossession of the country’s natural gas reserves (Guerra del Gas, 2003; Perreault, 2006). In the process, Bolivia’s longstanding practice of “pacted democracy,” a closed, pre-arranged agreement to rule involving the key political parties, appeared finally to have come unravelled. The ensuing period of social convulsion gave rise to new political actors and coalitions and to a process of profound transformation of Bolivia’s governance structures in which the ownership and role of Bolivia’s natural resources, and more specifically the role of natural gas, occupied a central position in national political debate. Thus conflicts over the governance of natural gas played a leading role in driving out a neo-liberal regime considered by movements to be the hand-maiden of foreign companies as well as in leading to the election of an activist President and to the establishment of the only government-by-social movement in Latin America. And unlike any commodity before, natural gas unleashed an endless cascade of intense national debate and struggle over the role that gas should play in the country’s development, leading one gas company executive to
remark that in Bolivia there are 9 million experts on natural gas.\textsuperscript{12} Fights over sub-national administrative and political autonomy and the distribution of gas rents between La Paz and the eastern departments of the \textit{media luna}\textsuperscript{13} in 2008 brought the country perilously close to civil war and more recently natural gas has contributed to increasing confrontation between the state and lowland indigenous groups linked to the proposed expansion of hydrocarbon exploration and exploitation in various parts of the country (including protected areas and buffer zones). Indeed these recent gas-infused conflicts do not appear to be well understood by the MAS leadership – yet they threaten to undermine the government’s larger programme of social change and risk fragmenting the MAS’ base in the rural extractive periphery.

Bolivia’s continued reliance upon an economic model based on the extraction and exportation of primary materials sits uneasily alongside promises to respect (and restore) society’s relationship with nature and to pursue a new paradigm of living well rather than living better. It also sits awkwardly alongside that body of literature and historical experience which suggests that when national development models depend so heavily on the extraction of natural resources, they tend to be characterized by the “curse” of relatively poor performance in growth and poverty reduction, heightened socio-political conflict and institutional distortions that hamper good government and democratic consolidation (Auty, 1993). Opting for this extractive approach to national development presents the MAS government with the challenge of demonstrating that it can escape this “resource curse.”

Nor is Bolivia an isolated case, but rather part of a larger trend among South American countries (Campodonico 2008; Gudynas 2009). Despite a clear turn to the left in the early part of this decade, progressive governments throughout Latin America continue to promote and depend upon extraction to spur

\footnotesize{\textsuperscript{12} Interview with Jose Magela Bernades, Head of Operations, BG Bolivia, January 22, 2009. The same executive added that the vast majority is poorly informed given the inferior quality of information and analysis provided by the media.}

\footnotesize{\textsuperscript{13} The \textit{media luna}, or half moon, refers to a dissident political block which includes the eastern departments of Santa Cruz, Beni, Pando, Tarija and on occasion Chuquisaca seeking greater political and financial autonomy from central government. See Chapter 4 for a more detailed discussion.}
economic growth while attempting to manage extraction in ways that might avoid the resource curse. Analysts such as Eduardo Gudynas (2009) refer to this contemporary form of extraction as progressive neo extractivism (*neo-extractivismo progresista*),\(^{14}\) in many ways a return to a historical ideal of state-controlled extraction but this time with redistribution, a firm commitment to poverty eradication and reduced inequality and yet curiously silent about the economic risks and potentially destructive consequences of a continued dependence upon the exportation of primary materials. Far from forging a path away from extractives, the region’s progressive governments have reaffirmed the ascendancy of extractives as a pillar of contemporary national development strategies.

In Bolivia, this reaffirmation of natural gas as central to the economy has important implications for the MAS’ process of social change and has produced a series of challenges (as illustrated in the opening paragraphs of this chapter) for central government in its dealings with those indigenous-campesino populations who co-exist with extraction and who have their own territorializing projects. These challenges underlie debates about the path towards national development and hydrocarbon policy formulation in the present era. At the local level these challenges are manifested in a series of tensions between the rights of local populations and the prerogative of the central state to extract and redistribute; between the territorial logics of sub national indigenous projects and the territorial logic of the new Bolivian nation-state; between the localized nature of the costs of extraction borne by communities and territories affected by extraction and the nationalisation of the benefits of that extraction; and between the logic of a state of social movements and that of a central state poised to impose the greater collective interest on the territories occupied by indigenous-campesino populations. These tensions - how they have come to constitute state-society negotiations around extraction, how they are contested and how they are governed - are a central concern of this study.

\(^{14}\) Guillaume Fontaine (2008) refers more narrowly to a process of petroleum neo nationalism in Bolivia, Ecuador and Venezuela.
This thesis explores resource extraction and conflict through an ethnography of state-society interaction over proposed hydrocarbon extraction in the Bolivian Chaco, in a context in which a sympathetic government, composed of social movement actors, seeks to forge a post neoliberal model of extractive-led development. The thesis focuses on the ways in which proposed hydrocarbon expansion has affected the Department of Tarija (the country’s main hydrocarbons producing region), indigenous Guaraní society and indigenous Weenhayek society, both in their internal relationships and in their historically uneasy relationships with the central state. At the same time I explore how the lowland indigenous movement, and Guaraní and Weenhayek organisations in particular, have responded to this twenty-first century socialist promotion of natural gas expansion. By paying particular attention to the experiences of the Guaraní and Weenhayek I also ask how far a self-styled government of social movements has favoured (or not) the concerns and political projects of those indigenous groups that are generally not well represented in the social movements that underlie this new state.

1.4 Research Question

With these general orientations, the principal research question that guides the analysis in this thesis is the following: *How does a post-neoliberal state combine commitments to indigenous people, the environment and the redistributive development of natural resource wealth and how do social movements (composed of indigenous and other social actors) respond?* This question can in turn be broken down into three component sub-questions:

- How is the state managing hydrocarbons as part of its broader development policy?
- How do different types of social movements and actors pursue their agendas?
- How does government respond to these agendas?
In addressing these questions, the research is located within an emerging body of work that explores socio environmental conflicts around extractive industries in the Andes-Amazon.\textsuperscript{15} The focus is on historically marginalized and highly vulnerable groups who are immersed in larger processes but are also engaged in long-term struggles to recover territory, identity, autonomy and access to resources which can secure their reproduction. In this vein, this research seeks to shed light on a series of contradictions and incongruities that characterise extractive-led economies with an end to contributing to debates about the possibility of combining more socially and environmentally sound modes of production, new forms of democracy and popular participation. These incongruities and potential contradictions - which together present the spectre of a continuing natural resource curse in Bolivia - are driven or constituted by the following dynamics:

- The territorial unevenness of extractive industry introduces thorny inequalities both within and between territories – particularly around relationships of power - and gives rise to social conflict which then quickly becomes endogenous. As extractive activity expands and its social and environmental impacts are felt more intensely, the sense of inequity and imbalance is deepened, bringing new conflicts to the forefront of everyday life and posing particular challenges for promoting more inclusive patterns of rural development;

- Through its control of the natural resources that it requires to operate, extractive industry changes the distribution of access to and social control over land, water and forests in ways that reduce or circumscribe the access of certain groups and enhance the access of others. These changes contribute to imbalances among groups and communities affected by extraction and have direct implications for the territorializing projects of indigenous groups.

• While the relationship between the MAS government and indigenous Tierras Comunitarias de Origen (TCOs, or originary communal lands) initially sought to redress these indigenous groups’ longstanding land, territorial and historical grievances, since 2008 the relationship has become increasingly corporatist in form, focusing more on creating a stable environment for external investment and extraction of natural gas to take place;

• Initially pro land reform, the state has gradually moved to a position of supporting existing structures of power that can guarantee a stable regime of access to land for extraction in recognition that such legal stability is a necessary condition to consolidate external investment. However, in securing the conditions of extraction the state moved to relax or flexibilizar its own regulations and norms regarding greater social and environmental protection and thus break promises that had been made to indigenous-campesino groups;

• The ways in which the state has come to use its power to fix the terms of state-indigenous TCO negotiations over extraction in ways that constrain and discredit indigenous socio environmental concerns occur at the same time as the state frames issues surrounding extraction in terms of financial compensation;

• The nationalisation of the hydrocarbons sector does not per se overcome a number of the institutional problems associated with extraction, in particular: access to information about rents, revenue and expenditures; more meaningful participation in determining when and where extractive industry proceeds or not; and the need to address the distribution of environmental costs. Indeed, state control of the sector has led to confusing if not contradictory situations in which the state aligns its interests with oil and gas firms in order to facilitate the increased

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16 I will use the term *flexibilizar* in this thesis to refer to the ways in which the governments (usually neoliberal ones) interpret and adjust regulations and norms in order to establish and maintain attractive conditions for investment. See Peck (2001) and Peck and Tickell (2002)
production of natural gas while at the same time claiming to protect the interests and rights of indigenous groups impacted by gas extraction;

- The Bolivian state has constantly been confronted with the challenge of dealing with both inter-regional inequalities and sub-national demands for autonomy in ways that preserve the integrity of the nation state while also delivering on the agenda of the government of the moment. The MAS government has addressed this challenge in ways that have created intense disputes with regional movements and regionalist sentiments some of which are shared by people and organisations who constitute part of the MAS’ own base. Given the centrality of gas revenue to the MAS’ redistributive agenda, as well as the geographically uneven distribution of gas deposits, how the MAS governs gas is directly related to the possibility of governing the tensions between regional autonomy and the consolidation of the nation state.

1.5 Summary of the thesis

This Chapter has set out the focus of this thesis while offering a reflection on the contemporary debates about extraction in Bolivia and South America within which it is embedded. It briefly described how natural gas has come to dominate political and economic life, how it has contributed to a remarkable series of recent events that have profoundly transformed Bolivia’s governance structures and how this same natural gas has been at the heart of debates and struggles over its role in national development. It argues that despite a decided turn to the left in Latin America, progressive governments continue to readily promote and depend upon a model of extraction-exportation of primary resources to spur economic growth while attempting to sidestep the natural resource curse and appease environmental critics. However it has also suggested that the growing confrontation between the state and elements of its indigenous-campesino base over the continuance of an extractive-led economy represents a clear challenge to the MAS’ claims of forging a post neoliberal society and of protecting the Pachamama. In this way the case of Bolivia allows a considered exploration of the possibilities for alternative modes of governing extraction under less-than-neoliberal regimes, as well as of the possibility of
social movements retaining their ideological and political coherence when they become government. That is the larger task of the remainder of the thesis.

In this vein, Chapter Two draws upon currents within two bodies of generally unconnected literatures – that dealing with the resource curse and the role of natural resources in development, and that dealing with contentious politics and social movements - in order to produce a more robust understanding of the relationships between natural gas, socio environmental conflict, mobilisation and development in the context of resource abundance and a progressive post-neoliberal government. The Bolivia case offers an interesting opportunity to explore these themes under a social movement led government. The Chapter closes with a methodological discussion of how the research reported here responded to this opportunity. The discussion hinges around a reflection on undertaking embedded research and the use of multi-sited ethnography.

Chapter Three explores Bolivia’s long economic and political history and its intimate ties to mineral extraction and later oil and natural gas extraction. It places more recent state efforts to regain control of - and increased profits from – the exploitation of natural gas within a context of longstanding tensions and struggles to benefit and “develop” from its natural resource wealth. The Chapter also offers an explanation and description of the context in which the research was conducted (which included the city of Tarija and various sites of extraction in the Chaco of the Department of Tarija). It explains why Tarija is a particularly apposite region in which to address the dissertation’s more general questions.

The main body of the thesis (comprising Chapters 4, 5, 6 and 7) builds an understanding of the deeply divisive and dividing nature of extraction in Bolivian society with a specific focus on the sub-national dynamics of hydrocarbon extraction at the Departmental level (Tarija) and the sub Departmental level (Chaco). Chapter Four explores how patterns of hydrocarbons extraction have given rise to the mobilisation of grievance and the cultivation of resource

17 Tarija is the name both of the department and of its capital city. In most cases in this thesis “Tarija” refers to the department, though where it refers to the city I have made this apparent.
regionalism in Tarija. It argues that place and regional identities (in addition to class and ethnic identities) are central to understanding mobilisation in resource extraction peripheries, and that a complex set of intersecting identities complicates the possibility for a coherent and harmonious management of extractive industry and the rents that it generates. Chapters Five and Six examine two cases of state-indigenous negotiations over proposed hydrocarbon expansion through the introduction of formal practices of consultation and participatory environmental governance, as well as informal spaces and moments of state-indigenous engagement. The two cases involving the Guarani and the Weenhayek, demonstrate both the creeping tendency of the state to use consultation as a means of promoting hydrocarbon expansion, and the splintering effects that this has had both within these indigenous peoples as well as in their relationships to the broader political project of the MAS government.

In Chapter Seven, the final chapter, I return to a reflection on the centrality of natural gas in the economic and political life of the country. Drawing upon arguments developed in Chapters 4, 5 and 6, I consider these multi-scaled contentious struggles in light of ongoing debates over resource curses and resource endowments. Post 2006, we see Bolivia’s state-led model of extraction producing fractures and tensions within the indigenous-campesino movement in Bolivia, fractures which have become progressively more pronounced as the MAS government moves forward with extraction. I reflect upon these tensions, focusing on the discourses and logics of a state, poised to extract, and the logics and agendas of lowland indigenous groups. These negotiations reveal the discursive and material tensions between hydrocarbon expansion, indigenous autonomy, equality, environmental protection and development, as well as the contrasting strategies used by indigenous organisations to resist or accommodate extraction while seeking to secure greater territory, autonomy and rents from the state. Once again the implication is that specific agreements around the governance of natural gas in Bolivia are always fragile and at the same time sit in an uneasy tension with the government’s broader rhetoric of post-neoliberalism. On the basis of this empirical and historical analysis, I close the thesis with a concluding section that analyzes the potential for, as well as the limitations to, reforms and governance
practices that allow for more inclusive resource governance, autonomy and development of marginalized indigenous populations.
Chapter 2

Contestation/Extraction:
Approaching a political ecology of Bolivian natural gas

The *problematique* of this study lies at the intersection of three recent, historically-rooted, processes within Bolivia. The first of these is the ever-growing visibility of social movements and the election of the Evo Morales' government on the back of a decade of particularly contentious politics in twenty-first century Bolivia. Second is an increasingly explicit (at least rhetorical) concern to escape the country’s high degree of dependence on foreign capital investment in natural resource extraction and export, to increase national capture of resource rents, and to transform some of these resources in country. Third is a growing politicisation of the environment in the form of a government discourse that, in speaking repeatedly of *Pachamama*, consciously bundles together issues of environment, ethnicity and post-colonial politics. The thesis analyses how these three processes come together to affect a particular region with gas reserves, and asks what the specifics of those sub-national transformations imply for how one might understand these national processes.

What is unfolding in Bolivia is also part of broader social phenomena in Latin America and beyond. These phenomena – the rise of social movements and protest, political arguments over the natural resource curse, and the politicisation of environmental issues – have generated much theoretical debate and analysis. My purpose in this chapter is not to review this literature exhaustively but rather to pick out those currents which, as subsequent chapters will argue, are particularly helpful for illuminating conflicts between the state, indigenous movements and other social actors over natural gas in Bolivia. I will argue that these literatures generate a series of questions that make the case of Bolivia, and Tarija in particular, a fruitful area of enquiry that can contribute to these broader attempts to make sense of social movements, the resource curse and the political nature of the environment.

The chapter will progress as follows. First, I outline arguments surrounding the relationships between natural resource dependence and the quality of national development – the so-called resource-curse and resource-endowment literatures. That discussion leads to the argument that, while “escaping the
natural resource curse” (Humphreys et al. 2007) may be possible, it remains difficult. This, therefore, raises the question as to whether a post-neoliberal government such as that of Evo Morales – having emerged from social movements that in different ways have contested the adverse effects of resource dependence – might be able to build a different form of development while still relying on resource extraction for its revenue. Second, I move to a discussion of currents in the literature on contentious politics and social movements. Here my argument is that these literatures can help illuminate the processes that have underlain the emergence of the MAS and its mode of governing, but that they also point to factors that might lead to a weakening of the MAS and of its capacity to escape the resources curse. In short, the dynamics of contention within and surrounding the social movements that have supported the MAS project may well reduce its ability to govern extraction. I then move to discuss the approach taken in this research. I first discuss the ways in which currents within political ecology helped address the questions posed in this work. I then discuss in more detail the specifics of how field work and associated research were conducted.

2.1 Debating Extraction: Curses, blessings and local dynamics

In recent years much social science writing on mining and hydrocarbon extraction and its relationship to economic development has revolved around the “resource curse” and ways that governments might escape its clutches and promote more equitable and sustainable forms of development. In this section I discuss three bodies of literature around resource curse debates that centre on: the dimensions of the resource curse at the macroeconomic or national level; good governance ways out of the resource curse and the view of natural resource wealth as an endowment (rather than a curse) that can be used to promote growth and poverty reduction; and the socio-economic, cultural and environmental impacts of local resource curses in local political economies and on vulnerable populations. As I discuss these debates I will also suggest that the period of government since 2006 in Bolivia has been one whose rhetoric speaks explicitly of attempting to overcome the resource curse. This raises the
question as to whether a government of social movements is able to address the obstacles identified in this literature and to deliver the forms of governance that the literature argues are necessary to offset the resource curse.\textsuperscript{18}

2.1.1 Curses

In general terms the resource curse thesis hinges around the idea that natural resource abundance often generates a series of economic and social processes that will ultimately undermine the benefits of such extraction to national development. While it is a thesis that links back to older debates about “Dutch Disease” in the 1970s,\textsuperscript{19} the resource curse thesis has experienced a sort of revival and expansion in recent years as scholars attempt to explain decades of poor economic performance (Auty 1993, 2001; Sachs and Warner 1995), and link dependence on extraction to increasing social conflict and ungovernability (Collier 2007; Ross 2008).\textsuperscript{20}

Those who contest the existence of the resource curse (Davis 1995; Davis and Tilton 2002; ICMM 2006) cite institutional failure not extraction as the crux of the problem. However, even sceptics of the resource curse thesis concede that in the Latin American context there remains a clear dependency on primary exports which most regional governments have found difficult to parlay into economic growth (Lederman and Maloney 2007). The overvaluation of exchange rates leads to reduced export competitiveness and to the effective deindustrialisation of the economy as the manufacturing sector contracts. Scholars also point to: the narrowing of the national economy and increased vulnerability to price swings; the creation of domestic economic enclaves with

\textsuperscript{18} At different times MAS refer to their administration as a “government of social movements”. This is a difficult term. There is no doubt the MAS government was elected on the back of social movement support. It is also clear that social movements have a far closer relationship to this government than is historically the case, and that Morales maintains direct communications with movement leaders. However, not all movements are equally present in the government (as this thesis makes clear).

\textsuperscript{19} The Economist (1977) coined the term Dutch Disease to refer to the effects of a natural gas boom in the Netherlands – this led to overvaluation of exchange rates, loss of competitiveness in other sectors and a general sluggishness in the economy.

\textsuperscript{20} There continues to be significant debate around the curse/blessing interpretations. Brambor’s work on oil and institutional change (2008) argues that there is no curse per se but that it is the presence of poor institutions that turns resource abundance into resource dependence, while Dunning (2008) suggests that reliance on natural resources may have different qualities in Latin America.
few forward or backward linkages to the wider economy; the generation of significant rents during boom periods that cannot be adequately absorbed and invested by the public bureaucracy; the tendency for periods of depressed prices to give rise to economic crisis; increased violent conflict among groups struggling to capture rents; and the emergence of transnationalised states in which governments strike bargains with private firms with adverse impacts on the quality of democracy; and the deleterious effects of resource booms over the long run (Karl 1997; Auty 1993; Weber-Fahr 2002; Humphreys, Stiglitz and Sachs 2007; Bebbington et al 2008; Collier 2010).

Two sub-themes within this literature have assumed particular resonance over the last decade. The first gives emphasis to the enormous rents to be captured by the extractive enterprise. While one part of the literature points to the many institutional distortions that can arise because of these rents (Karl 1997; 2007), of more political significance in Bolivia has been the ability of foreign capital to capture these rents (a concern captured so eloquently in Galeano’s *Open Veins of Latin America*, 1973). In a sector in which the technological complexity of operations coupled with the sheer volume of capital required to invest in start up operations is substantial, transnational capital is particularly powerful as neither domestic elites nor states have the necessary capital or skills to coordinate an extractive economy (though as I discuss in Chapter 3, they did in the past, when technology was less complex). This dependence on foreign capital and technology increases its relative bargaining power as well as its ability to capture rents (Ferguson 2006). As Chapter 3 notes, it was increasing frustration with the sheer scale of such rent capture that motivated a significant part of the mobilisations that culminated in the election of Evo Morales.

While foreign capture of rents might have particular resonance to movements on the streets, the issue of institutional distortions remains politically important. Indeed, for the particular case of Evo Morales, these distortions may – if Terry Karl (1997) is correct – become progressively more important with time as gas and revenues begin to flow. She notes that even though all governments, authoritarian or democratic, are subject to performance pressures, resource booms constitute particular challenges for hydrocarbon dependent states:

...oil booms add another layer of over determination to the fate of petro-states. A boom increases demands for diversification and equity at the
very moment that these goals become most difficult to achieve. It once again raises the assignment question, thereby further politicizing all decision-making just when planning, efficiency, and authoritative allocation are most necessary. It distorts and disorganizes the public sector by expanding jurisdiction and undermining authority precisely when the challenges facing the state require it to be the most cohesive. It creates the illusion that oil exporters have gained new autonomy, while actually making them more dependent on petrodollars. And, in the greatest of ironies, a boom lays the basis for a future bust. This is the petro-state’s special dilemma. (1997:67)

To the extent that the Morales government is administering something of a hydrocarbon boom, the question is whether a government of social movements is better able to manage and prevent these distortions than any other government.

2.1.2. Blessings

A different strain of literature has emerged in response to concepts of the resource curse and Dutch Disease and argues instead that resources are blessings or endowments. To the extent that extractive economies show problems of performance, the explanation of this poor performance is not the presence of mining or oil extraction per se but rather institutional failure (Davis and Tilton 2002). Proposals to remedy the situation centre on the promotion of good governance (Weber-Fahr 2002).

The most sustained recent exponent of this position has been the International Council on Mining and Metals (ICMM), a group of global mining companies concerned to differentiate themselves from other extractive companies on the basis of their social and environmental responsibility and commitment to linking mining to development. Although of the industry, however, this work merits serious consideration if only because it was undertaken with established scholars at Dundee University and Oxford Policy Management (among others) and because its findings are not a simple celebration of all that the sector is and does. Positing that subsoil resources should be seen as endowments (ICMM 2006), researchers asked if and how those endowments had been translated into development in four countries (Peru, Chile, Ghana and Tanzania). Findings are mixed, and hinge considerably around lessons from Chile as a successful transformation of copper into development. At their core, though, they
emphasise the importance of establishing a series of institutional arrangements to manage the macro-economic effects of extraction, to share revenue between the national and local levels, to build linkages with the local economy (see below) and to regulate the sector (albeit with a soft-touch only).

While ICMM’s findings are cautious, as Bridge (2004:15) notes many national governments are more optimistic when they find “buried treasure.” He writes:

Policy makers in developing countries with significant resource endowments often describe foreign direct investment in the mineral sector as a key that will unlock the country’s buried treasure and set in motion a virtuous cycle of socioeconomic change. This treasure chest theory of resource-based economic development is widespread and gains its justification from a remarkably diverse array of intellectual traditions. These include (a) the theory of comparative advantage (countries with large natural resource endowments should specialize in extracting and exporting minerals and use the wealth generated to import other goods and services); (b) theories of resource-based industrialisation via autarkic policies of import substitution (which seek to develop indigenous natural resources and downstream processing capacity as a way to reduce dependency on imports and provide the basis for domestic industrialisation); (c) geopolitical theories about national security and state-led strategies of resource acquisition in order to stave off resource famines and ensure the availability of strategically significant minerals; and (d) growth pole theories that view mining investment as a form of pump priming to address uneven patterns of economic development.

Aside from its succinct summary of the bearing of different “intellectual traditions” on policy makers’ optimism, this paragraph is also fascinating for in many ways it appears to anticipate positions that Bolivia’s Vice President, Alvaro García Linera, would outline five years later:

“The social-state need[s] to generate economic surpluses that are the state’s responsibility, […] you need to produce on a large scale, to implement processes of expansive industrialisation that provide you with a social surplus that can be redistributed and support other processes of campesino, communitarian and small scale modernisation ….. Is it mandatory to get gas and oil from the Amazon north of La Paz? Yes. Why? Because we have to balance the economic structures of Bolivian society, because the rapid development of Tarija with 90 percent of the gas is going to generate imbalances in the long run. It is necessary, accordingly, to balance in the long term the territorialities of the state … combined with the right of a people to the land is the right of the state, of the state led by the indigenous-popular and campesino movement, to superimpose the greater collective interest of all the peoples. And that is
how we are going to go forward‖. (Interview with Álvaro García Linera, Le Monde Diplomatique (Bolivia), 2009).

García Linera’s statement makes clear his identification with the theories of comparative advantage, resource-based industrialisation, (internal) geopolitical security and growth pole linkages that he believes constitute the conceptual basis for Bolivia’s escape from the resource curse.

2.1.3 Extraction and local dynamics
A third theme that resonates in contemporary Bolivia relates to the linkages between extraction and other economic activity. In earlier debates about dependence upon primary exports in Latin America in the 1960s and 1970s, economist Albert Hirschman argued that the backward and forward linkages that a particular commodity might generate with the wider economy could be helpful or harmful to a country’s development process (1981). In his “generalised linkage approach,” he argued that countries should seek a development path on the basis of a combination of production, consumption and fiscal linkages. In general, mineralised economies while producing important fiscal links tend to forge poor production links as income produced from rents distorts incentives for local production (Thorp and Bertram, 1978). However some commodities seem to have worse effects than others. In her seminal study of the political economy of oil, Terry Karl finds that this particular commodity generates few backward and forward links (1997:52). Indeed oil and gas are capital intensive activities requiring inputs and skilled labour that cannot be obtained locally and must be imported, thus discouraging industrialisation and downstream linkages. And because oil and gas are transported via pipelines there is little activity to link to a larger regional development process. Moreover oil is generally refined in more developed countries.

Rents can distort incentives for local production because of rising exchange rates which typically harm the manufacturing and agricultural sectors by making them less competitive.
Hydrocarbon officials I interviewed in Bolivia acknowledged the uneven nature of the hydrocarbon production cycle and its effects on local economy. The exploratory and initial drilling phases commonly produce a sort of localised ‘boom’ in the construction and service sectors as hydrocarbon firms set up extensive camps and build drilling platforms in order to conduct exploratory activities. The boom initially attracts migrants and vendors who are eager to take advantage of the economic activity generated by the presence of the hydrocarbon firms. However given that these firms have specialised input requirements, including for skilled labour, the number of jobs available is generally low. Furthermore many of the jobs go to workers who are part of a transnational work force and have no local ties (Szablowski 2002:263). Lower skilled jobs become part of networks controlled by local elites (Arellano-Yanguas forthcoming) or are part of corporate social responsibility programmes for communities impacted by extraction (see Chapter 6 for more on this issue). These same officials told me that this localised boom-bust cycle is ‘normal’ and that its uneven nature is unavoidable in that oil and gas companies, by their sheer size and scale of activity, always generate outsized expectations for jobs and economic opportunity. Indeed during a recent period of intense national debate over the role of hydrocarbons in the national economy, even the head of the Bolivian Chamber of Hydrocarbons declared that Bolivia should emancipate itself from its dependence on the export of primary materials and look for a development path “beyond gas”.

While this literature focuses more on the economic linkages between extraction and local/sub-national dynamics, a somewhat different body of literature has taken up the issue of local cultural, social and environmental impacts of extraction - at the site of extraction - and the rise of social conflict that often accompanies extractive activity. While much of this work has been undertaken by activist organisations linked to transnational networks, research centres

\[22\] CBH Informa, February 12, 2010.
\[23\] Broederlijk Delen – ALAI (2008); Accion Ecologica and CONAIE (2006); and Oxfam America see Scurrah (2008). This literature highlights themes of dispossession (saqueo), environmental damage, repression and criminalisation of protest and the resistance of populations, in particular indigenous organisations, to extraction.
based in the South and independent consultants, there is also an academic corpus that comes to similar conclusions (Bridge 2004). Here, perhaps the most influential piece of work was UCLA political scientist Michael Ross’ report for Oxfam America (2001) which argued that mining was not only bad for economic growth, it was also bad for the poor. On the basis of detailed fieldwork in Peru, Jeffrey Bury (2004; 2005; 2008; Bury and Kolff 2003) has demonstrated the effects of mining on the different asset bases on which rural livelihoods are built, demonstrating the adverse effects on natural and social capital of rural households, as well as the ultimate failure of compensatory payments to constitute a new basis for the viable livelihoods among those who lose land to extractive enterprise. The focus on socio environmental conflict and struggles for social justice in the Ecuadorian Amazon (Kimmerling 1996; Sawyer 2004) reveal the discourses, manoeuvres and treachery employed by states and transnational firms to stem opposition to their projects. Fontaine’s (2007) examination of socio environmental conflict linked to oil extraction in indigenous territories in Colombia and Ecuador details the unfolding dramas of creeping dispossession combined with environmental contamination facing Amazonian communities. In his consideration of petroleum-fuelled violence in Nigeria and Ecuador, Watts (2001) explores relationships between extraction and violence and ties them to struggles over recognition, citizenship and social justice. Watts considers the mythical and biophysical properties of oil and the inherent contradictions - and violent environments of - oil based development:

“It is as if oil confers on the state a sort of visibility and a set of expectations associated with all modern states, namely to respond to the needs and rights of citizens in the name of development and democracy. And yet the process of accumulation engendered by oil exploitation through the slick alliances in its various iterations – the Faustian pact – reveals the state and nation to be sham, decrepit, venal and corrupt....” (2001:208).

A much more recent strand in this literature explores the re-emergence of state-led mineral and hydrocarbon extraction in post neoliberal environments. A recurring theme in this work is that though “post neoliberalism” marks a critical juncture, it is also likely to “bear legacies of its antecedent paradigms and struggles,” (Andonlina, Laurie and Radcliffe, 2009:241). Hogenboom (2010) notes that concerted efforts by progressive left governments in Latin America to
re-establish state supremacy over extraction have produced important social
and economic benefits, but have also maintained an uneasy dependency on
rents from extraction. In a similar vein Kaup (2010) reflects upon the
persistence of path dependencies in Bolivia that are not easily overcome, not
even by the most determined anti-neoliberal regimes. Perreault (forthcoming)
explores the influence of hydrocarbons in contemporary expressions of
nationalism and the nation, focussing on how the production of a strategically
important natural resource (natural gas) gives rise to nationalist ideologies and
to resource nationalism. He argues that in Bolivia natural gas has come to be
seen as *patrimonio nacional* (national patrimony), a resource belonging to as
well as producing benefits for all Bolivians. Indeed, later in this Chapter I
discuss how the MAS government deploys imageries of natural gas as the
source of national wealth and of national development. However, while
Perreault is concerned with the emergence of *nationalist* sentiments linked to
natural gas, I argue (see Chapter 3) that related phenomena occur at the sub-
national scale and that resource regionalisms are present at the regional and
sub regional levels where gas is produced. I will suggest that the MAS
government is poised to foster and exploit these resource regionalisms in order
to overcome the economic and political imbalances between gas-producing and
non-producing regions.

These different bodies of writing around natural resource extraction highlight the
significant challenges facing governments that opt (or feel obliged) to base their
development strategies on extraction. In the following section I discuss different
bodies of literature that both throw light on, and help analyse, how far a MAS
government is likely to be able to rise to this challenge.

### 2.2 Contentious Politics and Social Movements

#### 2.2.1 Dynamics of Contention

A few years before his death, Charles Tilly asked:

> [Will] the twenty-first century finally bring social movements to the long-
dreamed culmination of People Power across the world? [Will] technologies
of communication such as text-messaging mobile telephones ... provide the means for activists and ordinary people to shift the tactical balance away from capitalists, military leaders, and corrupt politicians? Or, on the contrary, [is the recent upsurge in collective action] ... merely ... the last churning of popular politics in the wake of globalisation's dreadnaught?\textsuperscript{24}

Tilly's question is, in some sense, also the question for Bolivia – will Evo Morales' MAS government constitute “the long-dreamed culmination of People Power” or will its agenda ultimately be captured by the needs of global extractive industry? Tilly's question – in asking “agency (of social movements) or structure (of global capital)?” also sits at the heart of his own long-term intellectual project. One of the more prolific and recognised writers on historical protest and social movements, Tilly had, along with fellow scholars Sydney Tarrow (Tilly and Tarrow, 2006) and Doug McAdam (McAdam, Tarrow and Tilly, 2001) forged a long-term collaboration giving rise to an important body of literature known as the Dynamics of Contention (DOC) tradition. Defined as “the politics in which people make concerted claims bearing on each other’s interests,”\textsuperscript{25} (Tilly, 2004:6) the three authors attempted to make sense of contentious politics by adopting a political process approach with which to study a wide variety of contemporary state-society struggles.\textsuperscript{26}

This body of work is founded on a set of assumptions:

- That there are identifiable mechanisms and processes common to all forms of contentious politics;
- That the best way to identify common and reappearing elements (as well as identify differences) is to develop a shared vocabulary;

\textsuperscript{24} The quotation is from http://contentiouspoliticscircle.blogspot.com/
\textsuperscript{25} The full and somewhat woolly definition offered by Tarrow and Tilly (2006:202) is: “interactions in which actors make claims that bear on someone else's interests, leading to coordinating efforts on behalf of shared interests or programmes, in which governments are as targets, the objects of claims, or third parties”.
\textsuperscript{26} While “TMT” (Tilly, McAdam and Tarrow) have long dominated American-based research on contentious politics and social movements there has been an important trans-Atlantic dialogue with European political scientists and sociologists since the mid 1980s leading to a number collaborative projects among them: Klandermanns (1988); McAdam, McCarthy and Zald (1996); Diani and McAdam (2003); and Della Porta and Tarrow (2008).
That in order to understand these dynamics and contextualize them, they must be examined within a larger process of contention, or using the language of DOC, the episodes of contentious politics.

Tilly has played a monumental role in this effort, formulating and testing a myriad of conceptual and methodological tools for thinking about and explaining the variants of contention from one time and place to another. While his roots were those of an “old structuralist,” in later years he became a self-confessed “relational realist” (Tarrow, 2008: 226), a slow “conversion” manifest in the tacking between agency and structure that characterizes the DOC tradition. Over time he came to see historical political contention as less a product of structure and more as the interplay between dynamic mechanisms and processes.

The idea of contentious politics gained currency in the 1990s and 2000s in the context of the disruptive conflicts that characterised the collapse of states in Central and Eastern Europe but also the rise of transnational movements and activism (as for instance, the 1999 Battle in Seattle: Wainwright and Kim, 2008). Dissatisfied with static, single-actor models, the DOC group sought to explore and explain the explosion of (violent) conflict and mobilisation by asking: what sorts of circumstances favour social movements rather than civil war, how and why? What causes connect contentious episodes with the settings in which they occur? The explanatory concepts proposed by the DOC group draw largely on the concept of political opportunity structure to explain these two broad classes of contention (Tarrow and Tilly, 2006:201).

More than a grand theory, the DOC tradition offers a unifying framework and analytical tools for studying episodes of political contention across time and space. It does not seek to define the sufficient and necessary conditions for mobilisation but rather tries to identify the most common and reappearing elements of contentious politics that interact to produce different outcomes in different places. It seeks to overcome the tendency of scholars to study only a
single dimension of contention\textsuperscript{27} - and without considering similarities to others forms of contention. Contentious politics are thus considered to be collective acts of protest which require coordination - they are not individual acts of resistance and foot dragging (Scott, 1985). With its emphasis on process, the contentious politics approach looks squarely at the politics of challenge and disruption, and how citizens increasingly and creatively use disruptive techniques to draw attention to their issue or cause, to contest policy, or more ambitiously, to bring down the system.

The DOC framework with its accompanying extensive list of explanatory concepts (sites, conditions, streams, events, processes and episodes of contention) and descriptive concepts (political actors, political identities, performances, and repertoires) can read like a “how to” manual and has not been free of criticism. Despite attempts to bring more culture and agency into the framework, critics argue that DOC is still deeply structuralist. Goodwin and Jasper (2004:ix) ask whether the political process approach (dominant for the past thirty years) is still a progressive research programme, or whether it has begun instead to constrain intellectual discovery.

Criticisms notwithstanding, the contentious politics approach is useful in various ways. First, it emphasises that not all forms of contention involve social movements – or put another way, social movements need to be understood in relation to a far broader array of political practices and forms of contention. This perspective is helpful, I will suggest, for understanding both the phenomenon of *Evismo* and the dynamics of conflict in contemporary Bolivia.\textsuperscript{28} Second, in tackling between agency and structure it demands that we understand contention – movements included – in relationship to broader political economic structures. And third is the absence of any romanticism about social movements – indeed Tilly sometimes preferred the language of contentious

\textsuperscript{27} For example social movements, strikes and riots are all forms of contention.

\textsuperscript{28} *Evismo* refers not only to the leadership of President Evo Morales but rather to the birth of a vibrant, radical political movement in which the indigenous majority are the protagonists. Thus Evo is not seen as the typical charismatic Latin American caudillo (political strong man) but as the articulator of an emerging nationalist, popular, indigenous left movement in Bolivia and beyond. See García Linera (2006) and Stefanoni (2010) for differing interpretations of the new left indigenous movement in Bolivia.
politics precisely to avoid the fuzziness of the concept of movements. These three sensibilities are important for approaching social movements in Latin America where such organised forms of contention have long been an important empirical phenomenon, where social scientists are increasingly probing the terrain of *otros saberes*\(^{29}\) (other knowledges) and where these perspectives on social movements have often suffered from a certain slide into oversimplifying, and over-optimistic romanticisms.

With these DOC-inspired perspectives and caveats in mind, I now wish to discuss elements of this social movement literature, and identify themes that help analyse recent Bolivian politics around natural gas.

### 2.2.2 Social Movements in Latin America: Old and New

Social movements have long played a central role in Latin American politics though there continues to be little agreement about what constitutes a social movement (Alvarez and Escobar 1992; Crossley 2002; Edelman 2005; Goodwin and Jasper 2004; Melucci 1989). Interpretations of these movements can be traced to 19\(^{th}\) and 20\(^{th}\) century writing on political economy. In Latin America a common frame, grounded in Marxian analysis, has understood social movements in terms of class interests. Race was not seen as an elemental category of social organisation and thus not considered a sufficient base from which to organise revolt. Popular movements, often actively supported by the intellectual left, were anti-imperialist and anti-American, reflecting the influence of debates around dependency theory.

However with the weakening and increasing fragmentation of traditional popular organisations (urban based groups and rural peasant and worker unions), a process that deepened in the 1980s, earlier frameworks seemed no longer sufficient. On the one hand Marxian emphasis on class solidarities offered no help in understanding those moments when racial identities became meaningful (Eckstein, 1989:24). And on the other, in some settings scholars spoke of a

\(^{29}\) One example of this is the work of Bolivian sociologist Silvia Rivera Cusicanqui on historical rebellions and indigenous struggles using oral histories with Aymara communities in the altiplano of Bolivia.
process of de-organisation and social anomie. In their consideration of the changing nature of social movements in Latin America Calderón, Piscitelli and Reyna (1992) capture this sense of an emerging seismic shift in the nature and composition of popular social movements post 1989:

If we had proposed, a quarter of a century ago, to undertake a study of social movements, we would have analysed national liberation movements; populist or national popular movements; labour union, peasant, and agrarian reform movements; and student revolutionary movements. A common denominator for all these was their search for political power or, rather, for its redefinition. Many of these movements were centred around their relationship with the state and oriented toward models of more autonomous industrialisation.... Today, something different is unfolding (1992:19).

They confess to having been overwhelmed by this burgeoning and unruly world of new social movements, not only because of the countless array of actors, themes, conflicts and networks but also because the questions these movements raised seemed to have “little to do with those we observed a quarter century ago” (Ibid. emphasis mine)

The cultural turn of the 1990s represented a pivotal moment in debates about social movements and provoked significant theoretical renewal among social scientists studying movements (Alvarez and Escobar 1992). Rural populations had moved into the cities and this migration spawned a diversity and plurality of urban organisations and movements that flourished while also seeking to secure their autonomy from the state. At the same time increasingly vibrant movements were emerging around issues of race and ethnicity (not least in the Andean-Amazonian countries). These so-called “new” social movements emerged as new socio-cultural actors organised around issues of gender and ethnicity, ecology, access to housing and other urban services, human rights and ethno cultural themes located outside of the spheres of traditional organising and mobilisation. This was also a period in which social movements played an important role in forcing out authoritarian governments, demanding a return to democracy while insisting on more genuine and meaningful forms of participation in national life. Thus, in the Latin American context social movements were and continue to be important vehicles for moving beyond stagnant or decaying formal political systems in order to redress grievances and to seek profound change in highly unequal and unjust societies. No longer
were popular movements interpreted in terms of identities linked to class alone but rather in terms of cultural conflicts within society (Alvarez, Escobar and Dagnino 1998; Touraine 1987; Melucci 1989).

The return to formal democracy spawned significant scholarly work on democratising processes which Alvarez et al. (1998) have criticised for "misplacing" the debate by focusing on formal institutions and procedural democracy, and for working with a reductionist conception of politics, political culture, citizenship and democracy. In contrast, the work of post-structural scholars highlighted resistances of subaltern groups (Scott 1985) with a special focus on emerging struggles over citizenship and political rights. Latin America was fertile ground for these struggles as (re)democratisation and political liberalisation provided new opportunities for civil society to participate in but also challenge the state (Yashar 1998).

Evelina Dagnino (2008) argues that these popular movement struggles should not be interpreted as being only about securing legal and political rights but also about securing the "right to have rights" and the deepening of democratic practice in a context of longstanding and pervasive authoritarian attitudes. Dagnino points to the persistent efforts of excluded groups to assert their rights at every opportunity - what she refers to as a practice of "citizenship from below," part of a less visible but equally important effort to erode society's culture of "social authoritarianism." While mobilisations may be organised around a particular issue or problem, and practice different tactics, in the context of Latin America these mobilisations are often about deeper issues that revolve around forging more egalitarian social relationships and the right to participate in setting the rules of the game. In her analysis of Bolivia's anti neoliberal uprising of 2003, anthropologist Nancy Postero (2005:73) concurs with Dagnino arguing that popular mobilisation in this period was "not only about economic concerns" but also about citizenship and the place for civic society

30 Here they refer to work from political scientists and sociologists.
31 Also known as the Guerra del Gas (Gas War).
32 Many of the uprisings and social mobilisations of the 1990s can be described as anti-neoliberal and anti-imperial. Escobar (2010) suggests that this is linked to Latin America’s
in neoliberal Bolivia. Following on from Dagnino’s work I would add that the 2003 mobilisation in Bolivia should also be viewed in terms of the invention/creation of new rights (2008:64). In this instance, movements demanded that the government introduce a series of mechanisms through which they could also set the rules of the game.

After three decades of neoliberal policies, the return of leftist progressive governments has unleashed a torrent of pent up social demand. In countries such as Venezuela, Ecuador and Bolivia this has led to a more radical proposal to forge a socialism of the twenty first century (Socialismo del Siglo XXI) that encompasses both a broad agenda for social change based on concepts of pluri-nationality, interculturality and the decolonisation of state and society, and a redefinition of nature-society relations through the concept of buen vivir (living well). Indeed, this agenda has given rise to a pan South American movement, ALBA, which is decidedly anti-imperialist and anti-yanqui but also has strong national-popular roots. Twenty-first century socialism also raises possibilities for a third political path, outside of the left-right political continuum, one that Mignolo and others call the decolonial route (Escobar 2010:6).

In response to the emergence and mobilisation of popular organisations and coalitions with their emphasis on identity and culture there has been a concurrent rise of powerful coalitions of more conservative social movements who fiercely contest the implementation of these alternative agendas and call for regional autonomy (Gustafson 2008). In their more extreme form, (particularly South America’s) early engagement with neoliberalism and its broad application of structural adjustment programmes and economic liberalisation.

33 Fernando Mayorga (2007:5) points to how social mobilisations in Bolivia post 2000 may have destabilised democratic practice in the short term but in the end strengthened and broadened political institutions by producing new rules and institutions such as the popular referendum, citizen legislation and the constituent assembly.

34 This specifically refers to the proposal of indigenous groups for a Constituent Assembly to rewrite the Constitution.

35 Alianza Bolivariana para los Pueblos de Nuestra América (Bolivarian Alliance for the Peoples of Our America).


37 The regional-civic-autonomy movement is very strong in Bolivia with roots that trace back to the 1950s as private, pro development committees. While this movement mounted a strong
conservative groups refer to their struggles in starkly confrontational terms, “as battles between civilisation and barbarism”. These counter movements represent an understudied phenomenon in the present context and combined with the tendency of scholars to overly caricature their histories and grievances as right wing and oligarchic, they constitute an important gap in current knowledge about social mobilisation (and one which I seek to address in Chapter 4). On the other end of the political spectrum, parts of the “Old Left” in Bolivia have become increasingly critical of ethnic based politics as practiced by parts of the MAS and self-identified indigenous organisations, and propose instead that the state should foster ethnic assimilation and redistributive economic modernisation. This critique is especially strong from the nationalist-populist left that sees the issue of indigenous autonomy (and “indigenous fundamentalism”) as leading to the further erosion of national identity and unity. Such tendencies suggest that the shift signalled by Calderón et al. (1992, see above) may not have been as absolute after all, and that elements of the “old” social movements continue to exist alongside the “new” and, in the case of Bolivia, have even become part of a successful political project ostensibly led by such new movements.

There are also significant tensions between social movements and progressive-leftist governments that lead some scholars to ask if these governments will respect the autonomy of social movements. Uruguayan social movement scholar Raul Zibechi cites the steady loss of autonomy by movements in their dealings with progressive states in South America (though he is more optimistic in the case of Bolivia). He argues that, “It is virtually impossible for grassroots movements to overcome their dependence on and subordination to the state, especially given that the new ‘leftist’ and ‘progressive’ governments have challenge to the Morales government in 2008 (see Chapter 4), it is now seen as fragmented and in disarray following Morales’ overwhelming victory in the December 2009 general election. See Pablo Stefanoni (2009) Bolivia después de las elecciones: ¿a dónde va el Evismo? 38 See De Castro (2010) on the cultural nature of neoliberal discourses about civilisation and barbarism in Latin America.

Andrés Soliz Rada, Morales’ first Minister of Hydrocarbons and a founding member of CODEPANAL, the Committee for the Defense of National Patrimony, has publicly criticised the emphasis on indigenous identity promoted by Vice President Álvaro García Linera (Los Tiempos, May 6, 2007).
instituted new forms of domination including social programmes aimed at ‘integrating’ the poor. These play a leading role in the design of new forms of social control” (cited in Escobar 2010:57-58). Other scholars perceive a move towards a less democratic society (Maya 2008) and an increase in state-social movement frictions over extraction and large-scale infrastructure projects (Bebbington 2009). These tensions and others will be explored more fully in Chapters 5, 6 and 7.

2.2.2.1 Bolivia: The Rise of Evismo

The trajectory of Evo Morales and the MAS from social movement to government is a unique experience both in Bolivia and Latin America. In some ways it encapsulates both the transition from old to new social movements heralded by the post-structural literature as well as the ways in which this process has been affected by the persistence of “old” social movement ideologies and the rise of conservative movements – phenomena that are far less discussed in the literature (but to which the DOC perspective should alert us). Equally unique is the fact that one of the most knowledgeable and prolific writers on social movements in the Andes, Álvaro García Linera, also happens to be the Vice President of Bolivia. As the intellectual force of the MAS and its most eloquent spokesperson, García Linera continues to write, publish and give the occasional interview on the MAS trajectory and the emergence of a new indigenous left in Bolivia. His dual role of discursive framer and interpreter of Bolivia’s “government by social movement,” from a privileged position within the Executive Office, affords him a singular vantage point from which to comment.

The MAS was born of contentious politics. Its historical base is among the rural cocaleros of the Chapare who for decades have (on occasion violently) resisted the coca leaf eradication programmes that were conditions of U.S. foreign assistance programmes (Sanabria, 1993). This history can be described, says García Linera (2006), as having three distinct stages that have taken it:

- From locally-based resistance (1987-1995) to

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40 This section draws on a number of articles -and interviews given- by García Linera between 2006 and 2009.
- A phase of expansion and alliance-seeking (1995-2001) and then to
- A phase of consolidation and a coordinated, national offensive to take power (2001-2006).

In this third stage, the MAS leadership, headed by Evo Morales, forged a broad based coalition of campesino, indigenous and urban middle-class voters (see Chapter 3). Morales/MAS’ electoral victory in December 2005 in which they took 100 out of 157 seats in parliament, transformed the social and political landscape (Gray Molina 2008). In addition to the cocalero movement, the key campesino-indigenous groups that form the MAS social base are the organisations which formed the “Pacto de Unidad” (Unity Pact) in 2005 and subsequently presented the government with a proposed text for a new constitution. This Pact includes the Confederation of Campesino Workers of Bolivia (CSUTCB); the National Council of Ayllus and Markas of Qollasuyo (CONAMAQ); the Confederation of Indigenous Peoples of Eastern Bolivia (CIDOB); the Confederation of Colonists of Bolivia (CSCB); the Federation of Rural Women of Bolivia, Bartolina Sisa (FMCBBS); the Coordinator of Ethnic Peoples of Santa Cruz (CPESC), the Confederation of Moxeño Peoples of the Beni (CPEMB), the Landless Movement (MST) and the National Guaraní Assembly (APG Nacional). While the relationships within this coalition are complex and beyond the scope of this research, it is important to point out that coalition members are not subsumed to the MAS but rather the MAS forms part of the coalition, unified under the leadership of Evo Morales (Mayorga 2007:13). Furthermore while Morales enjoys a high degree of authority among the coalition members and beyond, he is not free to make autonomous decisions (Stefanoni 2006).41 Finally, however, there is a constant tension in the relationship between the social movements of the coalition, and between

41 Stefanoni notes that Morales, while clearly a charismatic figure, is obliged to be accountable to the social movements that constitute MAS’ social base in a Bolivian version of “lead while obeying”. Fernando Mayorga (2007) refers to a review of the MAS government’s first six months in office as an “examen ante los movimientos sociales” (literally a review by social movements) in which social movement leaders questioned unfulfilled promises made by the government. Many of the MAS’ mechanisms of accountability (i.e. the assembly) draw on the practices of the rural union (sindicalist) movement.
members of the coalition and the MAS which while denying the label of political party is the organisation that runs the government.

A fourth stage of this history would be the post-2006 period during which the MAS’ “government by social movement” was seriously challenged by an alliance of regionally-based conservative interests. This was a period in which the MAS sought to implement a plan to regain sovereignty over natural resources through (re)nationalisation and state control, and implemented a series of profound institutional changes in national governance.

According to García Linera (2006) there are three underlying threads of Evismo that are important to consider. First, it is a mechanism or strategy for power that is grounded in social movements exercising power. Second, it serves as a nucleus for articulating identity and action. And third, its anti-imperialist discourse stems from the praxis of resistance of the cocaleros in the Chapare from the 1980s-1990s. Each of these threads will be explored in turn.

García Linera argues that the formation of the MAS represents a rupture with history in that previously subaltern groups in Latin America were either created by, or became the bases of, vanguard political movements (in some cases legal, democratic movements and in other cases armed insurgencies). In Bolivia, he notes, indigenous-peasant groups broke their ties with the traditional political parties in order to create their own identity-based movements with emancipatory aspirations. Thus Evismo both challenges this history of political subjugation but also opens a new path for popular social movements to reach the highest level of decision-making on their own. The creation of a “political instrument” or mechanism, the IPSP42 (a precursor to the MAS), allowed movement actors to begin to dispute control of municipal governments (Van Cott 2008) and later gain representation in national parliament. Social movements are no longer the base, says García Linera, but the direct actors that move from a position of resistance to one in which they exercise control of the state from within (2006).

42Instrumento Por la Soberanía de los Pueblos (Instrument for the Peoples Sovereignty)
The ongoing construction and negotiation of identity in the MAS is of central importance. Again, García Linera argues that *Evismo* is a contemporary reworking of identity. He points to the evolution of cocalero discourse, from an entirely peasant discourse of the 1980s to a clearly indigenous discourse by the mid 1990s, a process that has extended throughout the highlands and valleys of Bolivia (García Linera, 2006). At the same time the MAS is shaped by preceding struggles to forge more moderate and more radical forms of indigenous identity (discussed more fully in Chapter 3). The MAS claims to have achieved a more flexible, culturally-based indigenous identity in order to unite indigenous-peasant groups from highland, valley and lowland settings by distinguishing itself from more radical and excluding forms of *Indianismo*. Furthermore, it distinguishes itself from the historic experience with revolutionary nationalism of the 1950s – which promoted the notion of a nation based on a large literate and mestizo middle class.

The MAS has also had to confront its syndicalist (union) past by leaving behind the clientelist and deal-making practices of the Central Obrero Boliviano-COB (Confederation of Bolivian Workers). At the same time, though, it has had to maintain the COB’s syndical discipline and cultural symbolisms through which COB is able to mobilise its bases. What is interesting here, observes García Linera, is that grounded in the historical experiences of *Indianismo*, the national-popular, syndicalism and Marxism, Evo Morales has been able to convert the MAS into a political force that in recent times has come to control the state, and once there, “dared to begin the construction of a post neoliberal model,” perhaps – claims García Linera – “the only serious one in Latin America” (2006:30).

García Linera’s account of *Evismo* reflects, in many ways, the predilections of the new social movements literature, sharing both its strength and its lacunae. This perhaps reflects the political agenda that underlies García Linera’s account, an agenda that needs to insist that what has occurred in Bolivia is without precedent. While there can be little doubt of the profound change that has occurred in the country (Postero 2007; Lucero 2008; Van Cott 2008), the contentious politics literature remains a useful counterpoint to García Linera’s read because of its deeply historical perspective and its insistence on understanding social movements in relation to a variety of forms of contention,
each of which can influence each other. A contentious politics lens, then, would alert us to the possibility that history may still weigh heavily within the MAS – and, specifically, that the syndicalist ideas and practices out of which the MAS grew may not have been as completely surpassed as García Linera claims (see also Van Cott 2008; and Stefanoni 2006; 2010). It would also alert us to the possibility that the dynamics within the MAS might reflect the interactions among a range of political actors, identities, performances and repertoires, potentially leading the MAS to behave in ways that are not as “new” or as unambiguous as García Linera suggests (Stefanoni 2010). One such set of interactions are those with conservative movements that will be discussed in Chapter 4; the other, discussed in the sections below, are those among the different movements that constituted the social basis of the MAS’ consolidation and electoral victory.

2.2.2.2 Indigenous Rights Movements

An increasingly important thread of scholarly work on new social movements in Latin America centres on the rise of indigenous peoples’ organisation and mobilisation in defence of their rights and interests (Starn and de la Cadena 2007; Stavenhagen 1997). At the heart of these movements has been the struggle to make invisible indigenous populations visible to - and legally recognised by - states and others (be they corporations, multi-lateral development banks or international audiences) in addition to taking up issues of land and territorial rights, legal recognition of traditional social organisation and customs, and participation in political life. The agenda of these movements contains a combination of aspirational and defensive positions that intersect with issues of human rights, democracy, development and environment. More recently the contributions of indigenous leaders and scholars indicate that these

43 Rodolfo Stavenhagen (1997:68) remarks that “as most of the indigenous communities in Latin America consist of rural peasant societies, indigenous demands have much to do with the concerns of all peasants.” We will see in the case of Bolivia how this contributes to a divergence in agendas between highland and lowlands groups.
44 While I use the term indigenous, I also include traditional peoples (such as Afro-Latin American communities).
struggles are also about the character of knowledge and culture, and the total
transformation of society (Escobar 2010).

The emergence of contemporary indigenous movements can be traced to
organising and capacity building work in the 1960s and 1970s that took place
across Latin America.45 With the help of NGOs, researcher-activists and
international organisations, indigenous movements met and organised and
began to demand cultural recognition and civil and political rights. Postero
(2007:50) notes that the demands and strategies of the various movements
varied widely across the region depending upon the particular histories of
domination and assimilation, the political and cultural processes at work, and
the majority or minority status Indians hold in their country. In explaining why
indigenous movements and organisations appeared in some places and not
others, Deborah Yashar (2005)46 argues that the main explanatory factor lies in
the political opportunities opened up over the last two decades. The larger
national context of changing citizenship regimes and democracy in twentieth
century Latin America had the unintended effect of politicizing ethnic cleavages
and catalysing indigenous identities. However, she acknowledges that this
alone was not enough to give rise to a movement. She maintains that it was the
presence of associational political space - a combination of the freedom to
organise and state neglect - together with the financial and moral support of
transnational advocacy networks that help explain why indigenous
organisations emerged in some places and not others.

One important characteristic of indigenous movements is the pursuit of links
and the creation of organisations both within and beyond the national sphere.

45 Latin American historian Brooke Larson (2008:8) notes that there is a tendency among
scholars of contemporary social movements to, “sometimes think that the Indian Rights
Movements sprang out of the air, as indigenous peoples suddenly transformed themselves into
political actors and subjects under a new host of circumstances in the 1980s and 1990s.” While
there is a significant body of work on indigenous-campesino revolts throughout the colonial and
republican periods, she laments that historians generally have failed to link up their long-term
historical studies to more recent indigenous movement activity. See Chapter 3 for more
historical background on emergence of indigenous movements in Bolivia.
46 Yashar’s study analyses a subset of five Latin American countries with the largest indigenous
populations: Bolivia, Guatemala, Peru, Ecuador and Mexico but focuses more in-depth on the
three Andean countries: Ecuador, Bolivia and Peru.
Early on those working with nascent indigenous leaders and organisations supported a process of meetings and exchanges that eventually led to the creation of supranational indigenous federations – of particular relevance to the Andean countries are COICA (the Coordinator for Indigenous Organisations of the Amazon Basin) and CAOI (the Coordinator for Andean Indigenous Organisations). In turn, these organisations and their bases began to develop a strategic network of contacts and allies that could provide both legitimacy and material support for their cause but also open doors to important institutions and decision-makers (Keck and Sikkink 1998; Brysk 2000; Selverston-Scher 2001). Stavenhagen (1997) reminds us that indigenous organisations have always had to have a strong external focus on alliance-making given their weak domestic political position. These transnational networks are generally considered to be flexible and effective mechanisms for structuring collaborations on a range of issues but especially important vehicles for raising the alarm when specific indigenous groups began confronting a wide range of developmental and environmental challenges that enveloped their territories and societies.

One important aspect of transnational networks and mobilising around indigenous issues has been the creation of an international legal-institutional framework for indigenous groups that is the basis for the defence of rights but also serves as an instrument through which a broad range of concerns can be pursued (Sawyer and Gomez 2008). The most critical of these instruments has been the ILO Convention 169 on Indigenous and Tribal Peoples. For the case of extractive industries, the most significant articles within this convention are those referring to the right of indigenous peoples to give their “free, prior and informed consent” before large scale economic activity can be initiated in their communities and territories. ILO 169 has been incorporated in various national Constitutions in Latin America (including Bolivia’s), though it has not always been operationalised. As I will note later in Chapters 5 and 6, in the case of Bolivia this constitutional principle has led to legislation giving indigenous people the right to consultation and participation in decisions related to extractive industry. This right, however, has become something of a thorn in the side of the MAS government as it seeks to expand natural gas investment, leading the government to suggest recently that these laws ought to be modified so as to facilitate such investment (Bebbington and Humphreys Bebbington,
forthcoming). The point here is that the existence of such laws can only be understood as a product of indigenous movements and their transnational linkages, just as the existence of the MAS can only be understood in terms of prior indigenous mobilisation. Yet today the MAS (the product of indigenous mobilisation) seems to want to repeal legislation that is also the product of indigenous mobilisation.47

2.2.2.3 Environmentalisms

Social movement activism around environmental issues is one that dates back to the 1970s with the green movement (Gudynas 1992) but in more recent times has become deeply entwined with the emergence of indigenous mobilisation and protest.48 Throughout Latin America, indigenous organisations have organised and sought allies in order to contest neoliberalism and dispossession in the face of increasing global activity within their territories (De Echave et al. 2009; Hindery 2004; Sawyer 2004). In some instances this has led to the formation of broad, transnational alliances (as for instance in the case of the Camisea gas project in Peru: Ross, C. 2008; and Earle and Pratt 2009) which become paradigmatic cases of international renown while in other instances such struggles (most likely the majority of them) are more localised and never rise beyond national debates.

Historically, the environmental movement in Latin America was seen as being the preserve of middles classes and the elites (Simonian 1996). Over time, elements of this movement developed progressively stronger ties to Western researchers and organisations, particularly those of a conservationist bent (and in some cases these western organisations actively cultivated in-country organisations and movements). These processes led to the emergence of

47 In 2008 government officials announced that Hydrocarbons Law 3058 (2005) would need to be modified in order to overcome a series of regulatory problems. Among the identified problems is the Consultation and Participation process. According to one report, the MAS government was keen to facilitate foreign investment by firms looking to partner with YPFB. According to one expert, the government sought to flexibilise the rules in order to attract in order to attract investment from Iran, Libya, Venezuela, China and even Argentina. See Bolpress, “El Gobierno elabora una nueva ley de hidrocarburos,” 2 September 2008.

48 See Bebbington and Humphreys Bebbington (2008) for a more in-depth discussion of the distinct forms of environmentalism practiced in Latin America.
coalitions of scientists and urban-based elites who were concerned about biodiversity loss and committed to conservation and the establishment of national parks and protected areas.\textsuperscript{49}

Alongside – and in contradistinction to – this more biologically and conservation oriented environmentalism, a new strain of environmentalism began appearing in the 1980s that focused on the defence of livelihoods of poor populations and the protection of habitats and natural resources from which they derived their subsistence. Joan Martínez Alier's (2002) work on these movements across the world, but particularly in Latin America, describes them as reflecting and projecting what he denominated an “environmentalism of the poor”. In a complementary vein, the socio environmental justice movement (\textit{socio ambientalismo}) gains its inspiration from environmentalism of the poor but goes further in that it critiques the political economic model that discriminates against or punishes certain sectors of society. It is concerned with inequality and the social dimensions of environmental conflict: in particular the situations of those who are most exposed to the risks - and pay the costs of - private investment and development interventions that induce environmental damage. The rise of \textit{socio ambientalismo} is linked to popular resistance and movements in Brazil and their struggles against inappropriate developments schemes, in particular large-scale infrastructure schemes funded by international financial institutions (Hochstetler and Keck 2007; Keck and Sikkink 1998). Despite a strong emphasis in \textit{socio ambientalismo} on human rights and social justice, however, more conventional human rights organisations (and their funders) were slow to frame these environmental conflicts as falling within the remit of human rights work. \textit{Socio ambientalismo} has a stronger tradition in Brazil but continues to be present throughout Latin America, especially in those areas where extraction and large-scale infrastructure projects have been fought.\textsuperscript{50}

\textsuperscript{49} Such coalitions have frequently involved organisations such as The Nature Conservancy, World Wide Fund for Nature, Conservation International, the World Conservation Society, and various northern Botanical Gardens and Zoological Societies.

\textsuperscript{50} One example of the movement’s dynamism is the Ríos Vivos Coalition that at the height of its campaign against the Hidrovía (waterway) project on the Paraná River brought together hundreds of citizen groups and NGOs across four countries. Again, there was an transnational
Economic liberalisation coupled with aggressive investment in the extraction of minerals and investment in large-scale infrastructure development in the 1990s has led to a significant increase in socio-environmental conflict throughout Latin America but particularly in the Andean-Amazonian countries (Bebbington 2009). Within the socio-environmental movement, this has spurred the creation of a thick web of networks and coalitions that include both local and transnational social movements involving the usual north-south collaborations but also the creation of south-south relations among movements. While there is a growing body of work describing these collaborations and their successes (Hochstetler and Keck 2007; Carruthers 2008), there is an important knowledge gap in terms of understanding how these collaborations come about, how their agendas are formed, and how positions – and differences among actors - are negotiated.

In the early 2000s, Bolivian environmental movement organisations found common ground with the MAS in resisting government proposals to further privatise Bolivia’s natural resources and place them in the hands of transnational firms. There was also common ground in calls for a return to national sovereignty over the country’s natural resources (specifically natural gas) and for an end the “transnationalisation” of the economy. Because the MAS and Evo Morales explicitly assumed the language of Pachamama, insinuating a commitment to a certain form of environmentalism, environmental groups gave their support to the MAS project. This support however was based on a narrow frame of Bolivia’s socio-environmental problems: which were perceived to be rooted in the transnational ownership of Bolivia’s natural resources in the context of neoliberal policy in the governance of the extractive sector. However it did not engage in a more thorough questioning of the role of extraction in the MAS economic agenda. Once again, though, the literature alerts us to the sense in which this is a fragile support. On the one hand, there are environmentalisms and environmentalisms, and while they may converge component to Ríos Vivos in the form of Friends of the Earth International. See Arach (nd) and Hochstetler (2002).

51 It is not possible to recount here the multiple initiatives of different environmental NGOs such as FOBOMADE, CEDIB and later LIDEMA (among others) to organise seminars and public debates on issues of natural resource sovereignty, globalisation and the perceived transnationalisation of the Bolivian economy.
around a political platform for change, the possibility of discrepancies over actual alternative proposals seems real, given the differences among their respective understandings of environmentalism. And on the other hand, to the extent that a MAS commitment to Pachamama might prove more rhetorical than real, the strength of support from socio environmental movements might also be expected to weaken.

2.2.2.4 Anti-Globalisation movements

With the rapid changes of the 1980s and 1990s, international social justice networks quickly mobilised to respond to issues ranging from debt reduction, to the vigilance of multi-lateral banks and to support for international labour and environmental campaigns. In this process, the expansion and depth of transnational activism has been a defining characteristic (della Porta and Tarrow 2005). Variously referred to as grassroots globalisation (Appadurai 2000) or counter globalisation movements (Kirsch 2007) the striking feature of these movements is their virtual character and transnational reach. They have become a regular feature of movements resisting extractive industry activity. Kirsch (2007:303) notes the symbiotic nature of “these social movements (that) bridge the gap between the local and the global as international campaigns piggyback on specific struggles and local protests hitchhike on global initiatives.” These networks allow local actors to bypass local and national politics (Selverston-Scher 2001; Keck and Sikkink 1998; Brysk 2000; Atkinson and Scurrah 2009) taking their issue to the international sphere where they can build visibility, expand their alliances and mobilise financial resources for their cause. Indeed, a recurring feature of these collaborations has been their ability to function at multiple levels, enacting both a “politics of scale” (Escobar 2001:166) and revealing the glocalized nature of socio environmental conflict in which apparently local conflicts are simultaneously global (Bebbington et al. 2008). These movements, which often manifest themselves in the form of campaigns, form part of large international networks generally calling for forms
of globalisation that enhance democratic representation, human rights, and egalitarianism (della Porta and Tarrow 2008).\(^{52}\)

While much of the work on these anti-globalisation activist networks generally views them as empowering local groups and campaigns by giving visibility and voice to subaltern groups, and outing the egregious practices of corporations and states, some scholars, like Kirsch (2007), are wary of the trap that such associative activity may lay. He points to the fact that indigenous leaders and groups are bound to disappoint their international colleagues by assuming positions that are not in line with those of the larger network. This is particularly likely to happen when indigenous leaders and groups – who are often not *anti-extraction per se* but rather concerned to ensure that indigenous populations gain *something* from extractive industry – begin to negotiate compensation directly with corporate, state or third party entities. When this occurs, indigenous leaders are frequently accused by their one-time transnational allies of opportunism and greediness.

### 2.2.2.5 Social movements in summary

This circumscribed discussion of currents in the literature on social movements makes evident several points that are important for this study. The first is that the literature on new social movements, while reflecting a series of genuine changes in Latin America, may also have overstated the demise of certain forms of “old” movement politics – in particular of class based, modernising forms of Marxist thinking and of conservative counter-movements. This “old” politics is likely to influence, sometimes from within, the dynamics of apparently new movements. Second, is the claim that García Linera’s framing of *Evismo*, as the ideology underlying the political project of the MAS government, shares some of these same lacunae of the new social movement literature (which in itself is ironic, given the sorts of modernising arguments Linera has also made in favour of extractive industries, as discussed earlier). Third is the argument that the literature that has dealt with the specific types of movement that came together to help bring the MAS to power, reveals just how multi-faceted these movements are. There are also, of course, other movements that are more radical and violent.
movements are. Indeed, it suggests that such movements are often characterized by deep differences regarding their ultimate objectives and their foundational ideas. Fourth, and finally, is the importance of transnational linkages within each of these movements. These linkages are both resources (allowing a politics of scale) and constraints (because local, national and international actors often do not share exactly the same agenda and this can lead to contradictions and tensions).

As will become clear in the chapters that follow, these insights are invaluable for analysing and interpreting the ways in which a “government of social movements” has interacted with social movements in the process of building a development model that hinges around the extraction of natural gas. The insights also call into serious question the possibility that a MAS government might be able to govern gas in ways that escape from the resource curse.

Before moving to these substantive chapters, however, the final section of this chapter describes the methodological approach taken to addressing the thesis’ research question: How does a post-neoliberal state combine commitments to indigenous people, the environment and the redistributive development of natural resource wealth and how do social movements (composed of indigenous and other social actors) respond?

2.3 Approaching extraction and contention in Evo’s Bolivia

This thesis positions itself within the broad field of political ecology. It does so, however, in a methodological sense more than a theoretical one. In this section, therefore, I first outline elements of a political ecology approach to extractive industry conflicts and then describe in more detail the conduct of the research that produced much of the data for the next four chapters.

2.3.1 Political ecology & socio-environmental conflict around extraction

The term political ecology was first used politically by the Greens to represent a progressive political movement that challenged the excesses of industrialisation and modernity but also incorporated concerns for social justice, poverty and unequal North-South relations (Neumann 2005). As an academic field, however, political ecology emerged somewhat later in the 1980s and 1990s as a critique of the prevailing views of rural and agrarian dynamics in poor countries. Since then the field has both matured and burgeoned as an
increasing number of scholars have turned to a more multi-disciplinary approach to the interpretation of evolving nature-society relations. Considered to be an approach rather than a “coherent theory” (Watts 2000:590), political ecology is a body of research that explores the political and economic factors at play in environmental problems, and the social implications of those factors. The field is characterised by its emphasis on historical analysis, the multi-scalar dimensions of environmental problems, and a questioning of apolitical interpretations of these problems.

In its early period, the field was marked by a strong historical-materialist perspective, inherited from cultural and human ecology but also influenced by political economy. Later it was infused with a more explicit Marxian analysis through the work of a group of scholars (Watts 1983; Carney 1993; Peluso 1992; Moore 1993) who focused on situations of inequitable access to resources rooted in the wider relations of production in society. The proliferation of environmental struggles and the intensity of those struggles within a context of rapid globalisation and economic liberalisation led to a series of important studies on patterns of resistance and struggle over access to resources and the inequitable distribution of the costs of environmental destruction (Bryant and Bailey 1997). Kirsch (2007:289) refers to the shift in focus from cultural to political ecology as a move toward “the anthropology of trouble”53 which he links to large-scale political economic changes, environmental destruction and the rise of environmentalism.

Over time the field of political ecology has addressed an ever more varied range of empirical questions. That said, there continues to be significant scholarly attention to socio-environmental conflicts involving largely rural, marginalised populations (the iconic collections here are Peet and Watts 1996, 2004). The fact that many of these sites of conflict involve indigenous populations reflects the penetration of foreign investment, in part facilitated by new technologies, into more remote and resource rich physical spaces. Many scholars working in

53 Originally a term coined by anthropologist Roy Rappaport in 1993 who stressed the need for anthropologists to engage more fully with social and environmental challenges.
this vein have a tradition of active engagement with the groups and movements they are studying (Hale 2006; and Davidson 2002 on Bernie Nietschmann), and recognise explicitly the political nature of their research. Indeed much work in this field can be described as scholars engaging with communities involved in struggle and together producing a political ecology framework that brings together issues of identity, territory and culture and links them to strategies for the sustainable use and conservation of natural resources (Escobar 2010).

If a continuing concern to understand conflict has been one defining feature of much political ecology research, the other - more recent – defining concern (often related to the former) has been with neoliberalism and nature-society relations (Castree 2008a and 2008b). The studies in Heynen et al.’s edited collection for instance, “explore not only the environmental impacts of neoliberal reforms but also consider the ways in which environmental governance, and environmentalism as a set of political movements, coincide, collide, articulate and even constitute the emergence of neoliberalism” (2007: 9).

These concerns for neoliberalism and nature on the one hand, and socio-environmental conflict on the other, have come together in the emerging body of broadly political ecological literature on extractive industries. Without wishing to overstate the convergences that exist within this literature, several do seem to stand out and in doing so suggest elements that necessarily need to be part of a political ecology of extraction. First is the concern for questions of scale. Whether through the rubric of global production networks (Bridge 2008) or transnational advocacy networks (Bebbington et al. 2008), this literature traces the relations among actors operating across different scales and affecting the ways in which extraction affects environments and peoples in particular locations. Second is the concern for the ways in which localities are transformed by extraction. Again different concepts are used to address locality, with notions of territory, livelihood and regional development all being deployed (Bridge 2008; Bury, 2004; Bebbington et al. 2008). The concern for place based transformations, however, is constant. The third recurrent concern is for the intersections between mobilisation and discourse (Perreault 2008; Sawyer 2004; Valdivia 2008).
My own research on the politics of natural gas exploration in the Department of Tarija carries on political ecology’s tradition of focusing on history, multiple scales and the political and social dimensions of environmental problems. It moves from a focus on extraction under neoliberalism to trace the evolution of state-indigenous debates over the expansion of natural gas operations in a post neoliberal context and by a state that proclaims itself as “government by social movement”. It represents new work on studying extraction in post neoliberal contexts, attempting to clarify the often confusing and contradictory positions taken by both social movement and state actors over extraction. Furthermore it contributes to the literature by providing empirically based research on the impacts of natural gas extraction in the Bolivian Chaco where little work on this issue has been carried out, despite more than 80 years of oil and gas operations in the region.

2.3.2 Methodology and Positionality

Social movements contesting extraction, specifically mining, oil and gas have become increasingly visible in Latin America in the past decade. This is directly related to the frequency and intensity of socio environmental struggles for recognition, land, territory and autonomy. Under these conditions, social scientists find themselves confronting a series of ethical, political and methodological decisions with significant implications for shaping how fieldwork is done. Johnny Fox (2006: 27) acknowledges the more radical tradition of power-structure research in Latin America, where the goal is to reveal injustices in the system and the contributing factors to these injustices so that communities and popular organisations might be mobilised into action. Escobar (2010:3) reminds us that the questions of where one thinks from, with whom, and for what purpose become important elements of the investigation and toward constructing forms of effective collaboration (Escobar 2008:307); this also means that the investigation is, more than ever, simultaneously theoretical and political.

This section will take up the issues of methodology and positionality related to researching this thesis - two issues that present special challenges for anyone undertaking engaged research but especially for researchers, as in my case, with a previous record of direct activism. I prefer to use the term engaged research to emphasise the collaborative nature of my research project but also
to distinguish between the action-oriented research and participatory research methods used in more activist research, and the more abbreviated and formal methods used in my own research. Certainly, my own work was not the product of an ongoing dialogue with groups in struggle in which they help shape each phase of the research process. The exigencies of university requirements, the time frames of local organisations and the real time constraints I faced were not compatible with such a research approach. Ultimately I had to be more pragmatic and design a research process that would involve (some) local participation in producing information and analysing findings but also allow me to gather the information I needed for the thesis within the limited time that I had. I will return to a discussion of engaged research and dissemination further below, however first I will provide some background as to the origins of this study and its relationship to the global production network of natural gas – for this too is related to my own activist background.

2.3.3 The Mexico-California Connection

In this section I describe the origins of this study and its relationship to a wider programme of ongoing research about extraction, conflict and development in the rural Andes. I reflect upon my long history of engagement with activist networks in Latin America around environmental and social justice issues and how these experiences have both influenced and shaped my approach to research and dissemination activities with social movement organisations and actors. I close with a reflection on debates around engaged activism and the challenges of conducting “engaged dissemination” in a context in which social movements and organisations have come to form the state but at the same time are critical of state policy.

The origins of this dissertation are to be found a long way from the gas fields of the Chaco Tarijeño and a long time before beginning my doctoral studies. As with many of the socio-environmental conflicts that communities confront across the planet those in Tarija are part of a much larger, scaled and complex story

about the politics of energy, integration and globalization at the beginning of the 21st century. Struggles over the extraction and export of hydrocarbons in Bolivia are but a small part of this wider web, yet they serve to illustrate how contemporary energy projects seek to forcibly incorporate distant landscapes and unwitting populations into global production networks.

My own awareness of these wider networks surrounding natural gas development in Latin America traces back to mid-2001 when I learned of an emerging plan to establish a series of Liquid Natural Gas (LNG) terminals along the Baja California Coast in Northwest Mexico and the Southern California coastline of the United States55. At that time I worked as the Coordinator for the Latin America Programme of an environmental justice organisation, the Global Greengrants Fund, or GGF. I was standing on the main pier of Imperial Beach (the first beach town on the US side of the border and some 60 miles south of my home town) talking to two committed socio-environmental activists, Serge Dedina and Luis Bourillón.56 I was meeting with Serge and Luis - who had both been recently recruited as GGF advisors - in order to launch GGF’s Mexico programme Advisory Board and discuss grant-making strategy. The conversation turned to the dual threats posed by the Mexican government’s plan to develop a large-scale infrastructure programme to promote tourism in Baja California (a project known as the Nautical Staircase) and the proposal to develop a series of LNG plants and related infrastructure along the coastline. The proposed sites for the LNG terminals coincided with highly valued and biologically diverse coastlines and islands in the region, not to mention surf hotspots.57 U.S. and Mexican activists mobilised immediately to respond to the

55 David Carruthers (2008) writes about energy issues and environmental justice networks along the U.S.-Mexico border and refers to the region as “an enigmatic place where the local and global collide”.
56 GGF began making small grants (less than US$5,000) to non-US groups in the 1990s via networks of US environmental groups. During the 2000s, GGF developed a decentralised international network of activist advisors who both identify and mentor communities and citizen groups involved in environmental struggles – I led the process of building this network in Latin America. The strong ties between advisor and citizen groups means that GGF can reduce the transaction costs involved in providing donations to small, inexperienced groups while strengthening bonds of solidarity and linkages to the larger socio-environmental movement.
57 Interestingly coalitions of surfers (both US and Mexican) and local fishermen became the most mobilised and vocal oppositional groups to the construction of the LNG plants in Mexico. Transnational campaigns had already launched protests to prevent surf hotspots from being
siting of these terminals, building upon previous environmental justice campaigns in Mexico as well as transnational collaborations over border environmental health issues. A large meeting was organised by activists to discuss the proposed LNG terminals but also to increase public visibility of the issue and to raise the alarm regarding the impending investments. The meeting also served to consolidate a broad coalition of transnational actors. One strategy of the organisers focused on mapping out the natural gas chain by identifying those places slotted as potential supply zones. Among those on the list were Sakhalin Island (Russia), Indonesia, Peru (the Camisea field of Cusco), Papua New Guinea and Bolivia (the Margarita field of Tarija). In subsequent conversations with the Mexico advisors we discussed how GGF might support the travel of activists from Bolivia and Peru to participate in the meeting.

Some months later I learnt that activists from South America did participate in the meeting and that the Bolivian activists had been unaware of the details of the “larger” plan to ship natural gas from Tarija to supply US energy markets. This was not a surprise. Many large-scale projects are short on detail precisely because project proponents have learnt that this is an effective strategy to avoid controversy and unwanted scrutiny by potential critics.

By 2002, the also newly created Andes Advisory Board found synergy with the LNG campaign in Baja California, Mexico. The Andes advisors recommended small grants to the Guaraní Peoples Assembly of Itika Guasu (the APG Itika Guasu is discussed in greater detail in Chapter 3) to prepare and support indigenous leaders in their negotiations with hydrocarbon companies, as well as to a small NGO, Ambio Chaco based in Villa Montes, in order to monitor and evaluate the socio environmental impacts of the construction of a major gas pipeline traversing the Bolivian Chaco. The GGF Andes Advisory Board, at the time composed of advisors from Bolivia, Peru and Ecuador, assigned much of

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58 Indeed in both Bolivia and Peru, government officials said the destination of the natural gas was Mexico – technically correct – but failed to explain the ultimate destination was the U.S. energy market, specifically energy hungry Southern California.
its funding in support of community groups, in particular indigenous groups, contesting the aggressive expansion of mining and hydrocarbons in the Andean highlands and in the Amazonian lowlands.

In 2005, our family moved to Lima, Peru for a sabbatical year. This allowed me to continue coordinating the work of GGF’s advisory boards and follow the unfolding extractive story from close proximity. It was a period of enormous activity for socio-environmental and indigenous groups both in Peru and the Andes more generally as conflicts erupted over proposed mining, oil and gas developments on campesino and indigenous lands. The demand for small grants far outstripped GGF’s capacity to respond. Beginning in the mid-1990s, the pace and scale of mining and hydrocarbon investments in the region increased exponentially and was further aggravated by the emergence of investments in large-scale physical infrastructure under the rubric of IIRSA after 2001 (see Chapter 1 for a discussion of both). For its part, the Peruvian government moved aggressively to position itself as friendly to foreign investors and more importantly as an alternative source of natural gas for Mexican and U.S. energy markets in the aftermath of Bolivia’s Gas Wars (2003) and the ensuing collapse of the Pacific LNG deal (discussed in Chapter 3). Peru’s Camisea gas field became an emblematic conflict during a period in which it became clear that the Peruvian Amazon was up for sale, thrust into a frenzy of international bidding for hydrocarbon concessions and pipeline projects. As Peru deepened its commitment to extraction and foreign direct investment in natural resources, both Bolivia and Ecuador moved in a different direction, calling for a return of state control and sovereignty of natural resources.

2.3.4 Territories, Conflict and Development in the Andes

While in Peru I also became involved in a comparative and multi-year research initiative on extraction and conflict in Bolivia, Ecuador and Peru and supported by the Economic and Social Research Council (ESRC). The research programme, known as Territories, Conflict and Development in the Andes (TCD Andes) sought to understand the causes and effects of conflicts in rural areas that are the product of the expansion of extractive industries and the liberalisation of agriculture. More specifically the programme tried to understand the role of civil society actors in challenging and contributing to the geographies of neo liberal development; the conditions under which civil society

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actors are able to change the terms of national and local debates about the type of rural economy that should be pursued; the factors that give rise to social movements (civil society actors); and the potential conditions under which social movements (and their allies) might promote more sustainable and inclusive forms of development.

In the case of Bolivia, the newly elected administration of Evo Morales pledged itself to fostering a new form of “government by social movements”. Such a government, it argued, would not only recover the sovereignty of Bolivia’s natural resources but also pursue a more equitable, sustainable and post neoliberal model of development. The opportunity to consider how the Morales government might forge a new model of extraction and more specifically how this would take shape in the hydrocarbon producing region of Tarija was an opportunity to enrich the wider study.

Considering that members of the social movement that advocated for changes in state policy were now inside the Bolivian state, the Bolivian case offered an important opportunity to understand a specific set of processes of negotiation and influence between civil society and the state. As Anna Tsing notes:

“the literature has been very good at telling us what is wrong with state natural resource management however it tends to tell us less about successful campaigns in which environmentalists have come to influence and remake state policy or state protocols or, conversely, moments in which the state’s way of doing things has come to influence and remake the social movement” (1999:20)

Furthermore the Bolivia case also held the potential to shed light on the conditions under which certain types of institutional change might take place (in practices and policies) that would lead to more equitable distribution of rents as well as more participatory forms of environmental governance and control of extractive industry activity. Finally, within the context of the TCD Andes (as well as on its own terms), the study of the specific conflict in Tarija would contribute to an understanding of the how the broader context of Latin American political economy - and energy politics in particular – can alternately limit or provide opportunities for social movements and their allies to open up alternative, more inclusive and sustainable forms of development.
From the outset the aim of the research has been to contribute to ongoing debates about extractive industry and development in the Andes in empirical, conceptual and practical terms – and to do so within these networks of learning (one more activist, the other more academic-activist). This interest and commitment reflects my own background as a participant in the Latin American socio-environmental movement as well as my desire to distill broader lessons from those specific conflicts and movements that offer the potential to generate new knowledge and insights to address complex and at times contradictory positions over resource extraction.

The methodology I used to conduct my research draws its inspiration from the still emerging field of multi-sited ethnography (Marcus 1995; Marcus and Fisher; 1996) I saw this approach as being the most appropriate for generating insights into the ways in which how communities and groups of people experience the impacts of extraction’s impacts in a particular region and how they responded to these pressures. Using multi-sited ethnography also seemed a natural complement to a political ecology approach that aimed to work across scales and territories. Marcus (1995) rightfully notes that this methodological shift away from a single site to multiple sites is not without its anxieties and pitfalls in that it moves away from a practice with established methods and boundaries into a practice where boundaries are less defined and the richness of depth may be sacrificed. Still, the litmus test for Marcus is whether multi-sited fieldwork is practical and indeed in the case of my work in Tarija, the approach offered many advantages – practical and analytical. It allowed me to look at the different experiences of distinct social and ethnic communities as the hydrocarbon frontier began to expand across the Chaco – an option that would not have been possible with a more classic form of ethnography at each site (for reasons of time). Working across these sites – rural and urban, Guaraní and Weenhayek, etc., meant that I could trace linkages across the unfolding conflict over extraction in Tarija as confrontations erupted over the distribution of rents, over the failure of the state to stand by the environmental and social safeguards to indigenous communities, and over the failure of the new state of social movements to live up to agreements to allow indigenous groups greater control over their ancestral territories. At the same time, the approach allowed
me to trace the linkages across scales – right from ethnic territories in the Chaco through to offices and events in Santa Cruz, Lima, Mexico and London.

Where multi-sited ethnography makes important methodological contributions to understanding contemporary extraction is in its capacity to recognise and make explicit the associations or connections among the various sites under study. What transpires in one site ultimately impacts another site in ways that are not always immediately clear or obvious. For instance, the rebellious strike launched by Tarijeño elites in September 2008 (see Chapter 4) immediately undermined ongoing negotiations between indigenous groups in the Chaco (under whose lands the gas reserves lie) and the central state (see Chapters 5 and 6). When leaders of the TCO Weenhayek questioned the government’s actions in conducting a Consultation and Participation process, adjacent Guaraní territories, also negotiating hydrocarbon expansion, found themselves confronting an increasingly restive state that was ready to roll back progressive legislation providing social and environmental safeguards. Thus rather than see these events (and their narration in different chapters) as stand alone cases or experiences of extraction, this research seeks to connect the dots between the sites of extraction as well as to the larger political economy of the region. Indeed, as I noted at the beginning of this section, it was in connecting such dots that the seed for this project was initially sown – when I learnt of the role of energy supply zone that Tarija was being assigned within a wider system providing natural gas to LNG Terminals in Mexico and the U.S. It is precisely because of such relationships that understanding contemporary socioenvironmental conflicts around extraction necessarily requires an approach that is rooted in the local but that is able to move beyond the local to draw out the complexity and scalar nature of extraction and the rapidly changing context in which it takes place.

Using an ethnographic approach meant that I relied upon participant observation methods, though at times it was more participation and at others
more observation (Albert 1997). While I used these methods, however, this was not participant observation in the *thick* sense of the term. Using a political ecological approach to my research problem meant working across sites and scales which by definition meant that I could not be a long-term, participant observer in just one place or one community. Instead my emphasis was on observing and participating in various activities and moments across a range of sites and networks in order to understand how they were linked together and with what effects (Marcus 1995).

While I was a participant in a range of activities, I remained vigilant on the issue of intellectual autonomy and the need to avoid taking an active role in (and thus influencing) the processes that I wanted to study. At meetings, assemblies and during the sessions of the Consultation and Participation process I remained a silent observer. At the same time I was conscious of the collaborative and reciprocal nature of my project and the need to always offer something in return, mostly by helping to organise and analyse information (in particular the volumes of technical documents linked to the Consultation and Participation process with the Weenhayek but also by gathering and presenting information in the case of the APG Yaku Igua).

From the outset, as I gathered together material, I attempted to present and prepare information in Spanish so that it might be easily shared with indigenous groups and NGOs. This inclination to disseminate information comes from years of working with and supporting community groups, who often work in isolation, and in environments in which learning (or thinking) is always separate from doing. Indeed, I want to argue that one way forward, beyond activist research, is what I refer to as engaged dissemination - the other side of the coin of activist research. Edelman (2009:246) notes the creative tension in the knowledge production practices of activist researchers, specifically academic

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59 I draw from Albert's (1997) calls for an ethnography based on "observant participation and critical solidarity".
60 The Consultation and Participation process refers to the MAS government's consultation with the TCO Weenhayek over proposed hydrocarbon operations within their territory. See Chapter 6 for a description of this process. I refrained from talking or asking questions during the C&P meetings and in meetings where state officials were present. However I did actively participate in strategy sessions with indigenous leadership.
researchers, NGO researchers and movement researchers. He rightly notes that the difficult contexts in which social movements operate require “activists to become researchers,” and I would add researchers to become more activist. But these can be awkward relationships. Academic researchers are seen as having more resources and as receiving more support – a view that can create annoyance, jealousies, and simple asymmetries of power. Nonetheless and in spite of these tensions, there is plenty of scope for joint action in terms of sharing contacts, preparing joint publications, coordinating informational activities and training cadres of new researchers.

In my own work I offered to support the preparation of information that might be published, presented or shared and discussed more informally within a framework of collaboration, not only with my host institution but in collaboration with other projects on extractives. The urgency of the situation in the Chaco and elsewhere in Bolivia favoured these efforts. They were also significantly boosted by the fact that the Tarija research was part of a larger TCD programme of research that involved other Andean countries and had its own dedicated website making all materials available in English and Spanish. This ready-made dissemination tool allowed me, my fellow TCD researchers and other research collaborators to make our information available very quickly. Too often academic incentives and anxieties lead researchers to turn away from publishing in Spanish journals or books as U.S. and European academic circles do not recognise these contributions. While perhaps understandable within the institutional logic of academe and peer reviewed research, the effect of this tendency is that academic research can too easily become a lost opportunity for activist or engaged researchers. In this research, I firmly believe that a commitment to publish in Spanish and in particular to collaborate with other researchers and research centres who produce journals and other publications has been important in creating bonds of collaboration and solidarity. This was my writing and dissemination strategy from the outset, and I am in no doubt that it both increased the impact of this work but also opened up avenues of information gathering and participant observation opportunities that otherwise would not have occurred. (See Appendix 2 for a list of publications and presentations)
My field work consisted of three separate visits to Bolivia, the first and third were briefer visits with the second encompassing an eight month stay in Tarija. Extensive interviews (over 90) and informal conversations were conducted with indigenous leaders, community members and promoters, socio-environmental activists (both local and transnational), academics and researchers, NGO directors and staff, government bureaucrats, and representatives and consultants linked to the oil and gas industry (see Appendix 1 for a schedule of interviews). Most of these were individual, semi-structured interviews. However on some occasions, particularly while visiting Guaraní and Weenhayek communities, group interviews and meetings were conducted to allow for a more relaxed and informal exchange of views. These were usually conducted outside (there is no “inside” in Weenhayek villages) and were particularly useful for gaining historical perspective on hydrocarbons operations on (yet to be recognised) indigenous lands. As a fluent Spanish speaker, I was able to conduct and transcribe interviews without assistance. However in both the TCO Weenhayek as well as the Guaraní communities I required support during some meetings as I do not speak Weenhayek or Guaraní. While most open meetings were held in Spanish, meetings among indigenous leaders are often a mix of Spanish and the indigenous language. On these occasions a promoter would offer to interpret the discussion. This was perhaps not the ideal way of working however given the many constraints in conducting fieldwork this seemed to be a satisfactory resolution to the problem as well as the least intrusive. Two research assistants, Hernan Ruiz and Nolberto Gallardo, who have long established relationships with Guaraní organisations in Tarija, helped conduct and transcribe the interviews in Guaraní territories. I conducted all of the interviews in the TCO Weenhayek. Initially we entertained the idea of working in up to six areas (TCO Itika Guasu, Carapari, Villa Montes, Yaku Igua, Tentayapi and the TCO Weenhayek) to reveal how hydrocarbon expansion affected indigenous territories across much more of Tarija. However, this was quickly reduced to two areas because of logistical difficulties (the remote

61 Mostly indigenous but also non indigenous
location of communities), political sensitivities within some of the TCOs, and the emergence of proposed exploratory activity affecting two of the groups. In the process of conducting research both the TCO Weenhayek (ORCAWETA) and the Guaraní organisation, APG Yaku Iguá, began negotiations with the state over proposed hydrocarbon expansion within their territories. This allowed me to observe two important episodes (or critical incidents) of state-indigenous dialogue related to proposed hydrocarbon expansion. The first involved the three month Consultation and Participation (described in detail in Chapter 6) with the TCO Weenhayek near Villa Montes, and the second involved negotiations between state officials and the APG Yaku Iguá and the Consejo de Capitanes Guaraníes de Tarija (CCGT) over existing environmental contamination and proposed hydrocarbon expansion in the Aguaragüé National Park and buffer zone (discussed further in Chapter 5). These episodes have provided much rich ethnographic data that lies at the heart of this thesis.

In the case of the TCO Weenhayek, the Capitán Grande of ORCAWETA (the representative organisation of Weenhayek communities) sought to recruit a team of advisors to work with him during the negotiations which included CER-DET staff. I accepted the invitation to participate as part of the advisory team as it would provide me with a first hand view of how a sympathetic state engages with an indigenous organisation over the expansion of extractive territory and how such a dialogue might overcome long established patterns of extraction, suspicion and conflict. Also, the process was scheduled to take place over a period of three months – well within my planned time in Bolivia. This process is discussed more fully in Chapter 6. Before I could travel to Villa Montes, however, I would first live through several weeks of strikes, protest, fuel shortages and general social convulsion - that paradoxically began in the Chaco.

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62 For example, initially I planned to include the TCO Itika Guasu.
63 ORCAWETA’s directorate was considered ill prepared to fulfil this role as they had been selected on criteria of loyalty and not experience.
64 The strike began in late August 2008. During the strike, one of the country’s main gas lines, GASYRG, operated by Transierra, was sabotaged by a group eventually linked to the Comité Civico of Villa Montes.
Originally I had not intended to include an analysis of the regional autonomy movement in Tarija (part of the larger movement in the *media luna*) though it became clear in the course of my work that this was an actor too important to ignore. Just a few weeks after I arrived, Tarija held an unauthorised referendum on regional autonomy. This was followed by the national referendum on Morales/García Linera and Departmental Prefects which led to the catastrophic stalemate and the September 2008 rebellion organised by media luna leaders (discussed at length in Chapter 4). Following this story, though unplanned, allowed me to explore an additional dimension of the complexity and scalar nature of hydrocarbon conflicts in Tarija.

In addition to conducting interviews, I attended national, international and sub-national workshops and seminars on mining and hydrocarbons in Bolivia and Peru and assemblies organised by indigenous organisations in Tarija and Santa Cruz in which I took every opportunity to observe ongoing debates and processes. I also observed a number of state-indigenous informational meetings and exchanges in the initial three months of the Consultation and Participation process with the Weenhayek (see Chapter 6) and also attended public conferences and seminars on hydrocarbons policy in Bolivia and Peru.

In these different ways, my research strategy included a mix of methods for both gathering and analyzing information on the one hand to tell the story more fully but also to strengthen its potential explanatory capacity. I intentionally sought out multiple sources and multiple perspectives and then triangulated the data I collected, what Robert Chambers calls, “crosschecking and progressive learning and approximation through plural investigation” (1994:1254).

The thesis also relies upon a wide array of secondary sources provided by individuals and organisations working directly on these cases. These include Bolivian and international ethnographic writings on the Guarani, Weenhayek and Tapiete, project documents and reports, articles, diagnostic studies, technical reports on socio environmental impacts of hydrocarbons operations,

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65 See Gray Molina (2008) for a detailed analysis of the causes of the stalemate.
environmental impact assessments, policy documents, and a substantial number of publications on the gas question, nearly all of which were in Spanish.

These secondary materials were reviewed and organised into files (both hard copy and electronic) and drawn upon to provide historical background to certain chapters and to corroborate, supplement and expand upon information provided by interviewees. At times secondary materials were reviewed (as in the case of the Proposed Hydrocarbon Projects and Environmental Impact Assessment reports) and then summarised and presented to indigenous leaders for discussion.

Much of this secondary material came from the archives/documentation centres of NGOs in various regions of Bolivia (CER-DET in Tarija, CEDIB in Cochabamba, CEADESC in Santa Cruz, and CIPCA and CEDLA in La Paz) but also from other sources, among them the publications of the Cámara de Hidrocarburos de Bolivia (Bolivian Chamber of Hydrocarbons in Santa Cruz), the Plataforma Energética (Energy Platform), the Observatorio de Industrias Extractivas de Bolivia (Observatory on Extractive Industries in Bolivia) and PetroPress (CEDIB). In recent years an increasing amount of information on extractives has become available through transnational networks of which local Observatory and Platform networks form part. Much of this information is made “visible and transparent” through circulation via the internet. Local newspapers provided a lively, if not raw and unfiltered, sense of the debates around hydrocarbons.

Collecting technical information about proposed hydrocarbon expansion in Tarija and elsewhere proved challenging and frustrating. Formally there are no maps or summaries of proposed projects available later than 2007, although the government has announced a number of new exploratory projects in 2009 and 2010. In order to overcome this informational gap, I pulled together information from different sources: newspapers, industry sources, government websites and presentations, NGOs, interviews with informants close to the

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66 As I finalise this thesis the government announced it intends to open up a total of 56 areas for hydrocarbon exploration and exploitation by YPFB and its partners.
sector, and from direct communications with indigenous groups who had been notified of upcoming projects. The CEADESC Atlas (2008) remains the best comprehensive source of information for existing hydrocarbons operations and their overlaps with indigenous lands (TCOs) and municipal boundaries. However, more extensive mapping and analysis of the expanding hydrocarbon frontier in Bolivia remains to be done and needs to be made public. This is of urgent importance. Where possible I present images of existing and proposed hydrocarbon exploration.

In sum this research produced an enormous amount of data, more than I could possibly use in this thesis. I have not referenced every individual and organisation interviewed not because I found their views, opinions and experiences unimportant but rather because I needed to draw tight boundaries around this research project. Deciding what would be included and what would not be included was a difficult process but not completely arbitrary either. The individuals and groups that I do reference seem to me to provide useful insights in terms of explaining the dynamic processes, aspirations, tensions and frustrations that are always bound up in conflicts over extraction. Some of the individuals I interviewed and cite hold - or have held - important leadership positions in indigenous organisations, in the government or in industry (while others have played lesser roles) and they are cited because they convey the positions and experiences of their organisations. In other instances, I have tried to capture the tone of debates from meetings, workshops, seminars and informal conversations. I created a system (using Microsoft OneNote) to store audio files, transcripts and photos and general information gained from interviews but also to organise other sources of information such as electronic newspaper articles, reports, my field notes and personal communications. This was very helpful in terms of handling large amounts of data over multiple sites. It was also helpful for locating references to support the points I wanted to make. Finally, my work was greatly enriched from the ongoing conversations and insights from a broad circle of contacts, some of whom were already friends and colleagues and others who became friends, who freely shared their views and experience. These exchanges were helpful in cross checking the information I collected but also important in terms of understanding the longer histories and complexities of particular conflicts.
One issue that continues to present dilemmas for researchers studying potentially sensitive topics involving vulnerable groups is whether or not to use real names. In almost every case here I use real names unless a person requested anonymity (an option that was offered to all individuals interviewed) or where I sense that by identifying an individual I might put them at risk. I have chosen to do this because most people with some degree of familiarity with the situation would be able to identify the individuals and groups involved. In those instances where I cite indigenous leaders directly, I have mostly used quotations that form part of the public record (interviews that appeared in the newspapers, on television or radio, or that form part of public statements and declarations). In those cases where I have quoted directly from interviews or workshops, I have only reported quotations that are similar to statements that indigenous leaders have made to public media. When I have been told things that I consider might incriminate and put the informant at some risk, I have either chosen to anonymise the source and context so that the person/organisation cannot be readily identified or have simply decided not to cite the material (though the material has still informed some of my interpretations). For professionals, NGO representatives and state officials I use a slightly lower bar while maintaining a respect for confidentiality.

Conducting research in the context of resource extraction can be particularly difficult, especially when the stakes between communities, corporations and states are high and traditional lines separating social scientists from other activities are increasingly blurred.\(^\text{67}\) My presence in each of the spaces of research was a process of continual definition and negotiation supported by written agreements. Certainly this helped to make clear the expectations on both sides. However elaborating clear agreements doesn’t obviate the need for a researcher to always be mindful of how reciprocity and solidarity underlie these

\(^{67}\) It is common practice for mining and oil and gas firms to hire anthropologists and sociologists to undertake diagnostic studies of indigenous groups in Bolivia. This is increasingly problematic as it potentially places the discipline in a role of information (intelligence) gatherer. On several occasions I was asked if I was an anthropologist. It is also increasingly common for oil and gas firms in Bolivia to hire former indigenous leaders and former NGO advisors to act as intermediaries in order to secure permission from indigenous TCOs and communities. This includes both private firms and firms in which YPFB forms part. These information gathering exercises are seen by indigenous groups as acting in a disloyal manner.
collaborations. For me it was a constant process of reflection and adjustment. The frank and ongoing conversations with colleagues and friends were invaluable as were the electronic exchanges with my larger network of activist and researcher friends. Most of those I interviewed assumed I would be sympathetic to their position – even those from the industry who knew that I was working with an NGO and indigenous groups on natural gas extraction. However I also faced personal and ethical challenges in this research that required a continual re-evaluation of my position as engaged researcher.

Being allowed into the internal spaces of discussion and debate (inside the patio as an NGO colleague says) of groups engaged in struggle required a clear personal and political commitment to those groups (Edelman 2009; Hale 2007; Fox 2006). Indeed on many occasions I was directly asked by leaders and organisations to make a commitment/contribution to their cause which I always tried to oblige by sharing information, collaborating on the preparation of reports and presentations, and providing advisory services. This position was not a matter of choice but rather necessity (Albert 1997). The presence of extraction always induces great uncertainty and stress inside organisations and communities. Most often an urgent need for information, detailed explanations and lengthy discussion in order to “socializar” and analyse issues: groups are typically short on skills, time and experience to face these challenges. There is also the possibility that faced with external threats, group members will turn on each other, especially when some members come to believe their leaders are acting in self-interested ways. Equally problematic are the “internal dramas” of troubled alliances that come together to contest or resist extraction: in particular the tensions between indigenous groups and external advisors (NGOs, researchers and transnational network members) over responsibilities, strategy and the boundaries of positions. These are not small challenges for researchers or for the groups with whom they collaborate. However they do

68 Most researchers are elites. Research involving subaltern groups accordingly raises expectations of support (practical information) but also solidarity and a deeper understanding of issues of justice and equity. Adopting a neutral position is not an option. Indeed the idea that such a position exists probably reflects that researchers have chosen to ignore these issues.

69 I use the term socializar to describe the popular process of information sharing which is characterised by debate, discussion and a cultural processing and internalising of information.
bring greater understanding about how damaging negotiations over extraction can be to relationships and trust, and how they often weaken local institutions. As Hale (2006:98) notes:

To align oneself with a political struggle while carrying out research on issues related to that struggle is a profoundly generative scholarly understanding. Yet when we position ourselves in such spaces, we are also inevitably drawn into the compromised conditions of the political process. The resulting contradictions make the research more difficult to carry out, but they also generate insight that otherwise would be impossible to achieve.

This chapter began by introducing the three historical threads that constitute the problematique that underlies this research. As well as being historical phenomena, these threads – the ever-growing visibility of social movements, the explicit discourse of escaping the resource curse, and the politicisation of the environment – also provide the platform from which this research engages wider literatures. These literatures not only help analyse recent transformations and contemporary politics in Evo Morales’ Bolivia but also frame a methodological approach for studying how these three historical phenomena come together to affect a particular region with gas reserves and how those sub-national transformations in turn affect national processes. In the following chapter, the focus moves to this sub-region – the Chaco Tarijeño – where issues of contentious conflict, resource dependence and environmental politics will remain very close to the surface of the analysis.
Chapter 3

Long histories and changing geographies: Contextualising gas in Bolivia

This chapter covers a broad sweep of time, space and politics. It begins with early sixteenth century colonial administration and ends with twenty-first century post-neoliberal government; it opens in the Western Bolivian altiplano and closes in the eastern lowland Chaco; its early sections focus on silver and tin mining, while the closing ones analyse gas. The purpose is to show how this long economic and political history has contributed to shaping modern Bolivian society and the complex trajectories of oil and gas development in the country, as well as to suggest that the political economy of lowland territorial dynamics can only be understood in relation to those of the highlands. I argue that contemporary state efforts to mine the country’s enormous gas wealth continue to be linked to and interact with unresolved tensions and struggles of the last century – producing a series of continuities over time and space that frustrate the Morales/MAS agenda to reap the benefits of the gas bonanza. This history reflects Bolivia’s long participation in a number of global commodity chains - beginning with silver in the Colonial period - that have been important forces in organising internal space and production, and giving rise to a series of harsh and discriminatory labour arrangements and rural institutions that have endured for centuries. This history is also one in which, during Republican rule, Bolivia would come to lose over half its territory through a series of disastrous wars and diplomatic treaties with its neighbours. These wars, often sparked by the machinations of foreign capital acting independently and/or in alliance with neighbouring states, resulted not only in the loss of territory but also the loss of important natural resources, and ultimately in Bolivia’s consequential loss of access to its coastal port and the Pacific Ocean (War of the Pacific 1879-1884).

More than 120 years after the War of the Pacific Bolivia continues to navigate the effects of its forced dismemberment and the implications of its lost access to the sea. In particular, it struggles with an altiplano economy in which rural
livelihoods based largely on agro-pastoral production and mining face constant pressures on their viability. In this context, the early and mid twentieth century territorializing projects of the Bolivian state revolved around colonisation of the lowlands, the promotion of commercial agriculture in these same lowlands, and development of the country’s emerging oil sector. Together these projects constituted a critical turn eastward (Orihuela and Thorp, forthcoming), a turn which has not been without its social and political consequences. As the Occidente (Western Highlands) no longer offered attractive opportunities for capitalist expansion after the loss of access to the sea, Bolivia was forced to look eastward and to the vast, relatively uninhabited Amazonian frontier for such expansion. This turn gave rise to a whole series of movements (in both the physical and social sense – of migrants and mobilisations) that are the precursors to a complex and often contradictory series of events in more recent times. Understanding this history is critical to gaining an appreciation of present day contests over land, territory and gas, and of the tensions surrounding proposed state expansion of the hydrocarbon sector in the eastern lowlands. It also elucidates the often complicated positions that different actors assume in these political economic contexts.

Histori-ans studying the emergence and evolution of commodity chains in Latin America remind us of the region’s long history of participation in world trade and that “forms of globalisation have long existed“ in the region. Bolivia is perhaps the quintessence of this experience. From its earliest days as a territory claimed by the Spanish Crown it has been profoundly inserted into international trade circuits, initially through the extraction and export of minerals (silver) supported by agricultural expansion in its hinterlands. The discovery of enormous minerals riches in Potosí, the city at the base of the legendary Cerro Rico, transformed the city into the largest and most prosperous in the Western

70 Altiplano refers to the Bolivian highlands and the Departments of La Paz, Oruro, Potosí dominated by aymara-speaking (and to a lesser extent quechua speaking) indigenous communities.
Hemisphere for many years\textsuperscript{72} while La Paz, the political capital of Bolivia, was founded as a commercial and trans-shipment centre to facilitate the movement of goods between the Audiencia de Charcas in Sucre (of which Potosí was part) and Lima, the seat of Spanish crown authority for Upper Peru (present day Bolivia).\textsuperscript{73}

The crown’s representative, Viceroy Francisco de Toledo (1569-1581), introduced an ambitious and expansive system of Colonial administration that reorganised highland indigenous communities and reordered agricultural production in support of the mining economy.\textsuperscript{74} Colonial historian David Brading argues that prehispanic practices in the Incan empire were profoundly influential in shaping colonial policy, a policy that hinged on mobilising significant amounts of Indian labour through the \textit{mita}\textsuperscript{75} and thus enabled the Spanish to establish a command economy in the Andean highlands. He notes:

\begin{quote}
The Inca reliance on labour levies as against the Aztec preference for tributes decisively influenced viceregal policy. If Potosí came to act as a magnet for the entire imperial economy, it was largely because Viceroy Toledo summoned a vast annual migration of over 13,000 Indians to work in the mines of the great peak (1987:142).
\end{quote}

However we should not see the Indian population as mere hapless victims of Spanish cruelty. While the full complexity of Indian-Spanish relations cannot be addressed here, there appears to have been some degree of indigenous autonomy and entrepreneurialism linked to the mineral economy.\textsuperscript{76} Likewise

\textsuperscript{72} Potosí’s population, estimated to be 160,000 in the 17\textsuperscript{th} century, rivaled the population of London, and the descriptions of accumulated wealth of Potosinos make clear that Bolivia was not always at the periphery of world trade. See Vásquez et al, 1994.

\textsuperscript{73} The fantastic riches produced by Potosí’s Cerro Rico led to competition between crown authorities in Sucre (the seat of the Audiencia de Charcas) and Lima and this ultimately led to the creation of a new Viceroyalty of La Plata (Buenos Aires) from which the Audiencia of Charcas was later administered. This shift to La Plata in turn spawned a whole series of expeditions throughout the eastern lowlands of the Amazon and Chaco in search of the most expeditious routes linking the new Viceroyalty with the Audiencia of Charcas.


\textsuperscript{75} \textit{Mita} as used here refers to the work that Indians were required to supply for public service, in this case the mines in Potosí. See Klein (1992) for an explanation of the \textit{mita} labour system in Upper Peru.

\textsuperscript{76} Citing the work of Luis Manuel Glave on the importance of colonial circuits of trade in wine, coca leaf and spirits tied to the silver mines and later tin mines, Rivera Cusicanqui suggests that
politically, during the 18th and the early 19th centuries, we find highland Indian communities engaged in revolts and rebellions throughout Upper Peru both in response to the harsh, discriminatory practices of their colonial taskmasters who sought to squeeze excess production, labour and taxes but also in response to the clear decline of Spanish Colonial order.

After the Republic of Bolivia was established in 1825 and once England definitively ended Iberian control of commerce with the New World and established a regime of free trade,77 the new criollo government found itself facing near bankruptcy, hostile neighbours, increasing isolation and internal challenges to nation building initiatives.78 With the decline of the silver trade, a process that began in the late 18th century (i.e. before independence), Bolivia was forced to look to new commodities in order to maintain its participation in circuits of world trade. Among these commodities were quina (from which quinine is made), guano, nitrates, coca leaf, and later tin.79 In this sense the more recent twentieth century international interest and investment in natural gas is merely the latest experience of Bolivia being inserted into new circuits of world trade through the extraction and export of a natural resource.

3.1 Post Independence: Neo Colonialism and the “harmony of inequalities”

Much of Bolivia’s economic history is a story of the rise and fall of commodity chains, leaving the country vulnerable to downturns in world prices and to periodic economic and budgetary crises. These crises in turn contributed to internal conflicts and periods of political instability and reform. However this history is also punctuated with moments in which technological and intellectual indigenous actors found in these circuits not only secured a means of long-term economic participation but also a space of cultural resistance (2007: 58).

77 Here I refer to the ability to trade freely with another country and not to the elimination of tariffs.
78 Colonial Spanish society was highly socially stratified and deeply racist which itself traced back to the middle ages when purity of blood and origin of birth were legally recognized. Criollo generally refers to a person of Spanish ancestry but born in the New World. The social status of criollos was lower than that of the peninsulares, those born in Spain, but higher than the status of mestizos, those of mixed Spanish and Indian ancestry.
79 See Gootenberg (2006) for an interesting analysis on the rise of Coca/Cocaine commodity chains from 1860–1890. See Miller and Greenill (2006) regarding guano and nitrate commodity chains involving Bolivia, Chile and Peru before and after the War of the Pacific.
innovation gave rise to a new class of entrepreneurial mine owners who, having built their fortunes elsewhere (in commerce and agriculture), challenged conservative elites based in Sucre for control of the sector. The rise of tin, a mineral that is found with silver in Bolivia’s northern mines, was promoted by one such entrepreneur, Simon Patiño, who came to control 50 percent of Bolivia’s tin production and become the world’s most famous tin baron. The rise of tin as a commodity favoured the Liberal Party and La Paz-based regional interests which demanded the creation of a federalist system to allow for greater autonomy and a greater share of government resources from the Conservative Party led government in Sucre.

In the Revolution of 1899 (also known as the Federal War) the Liberals allied with and armed highland indigenous groups and then challenged and defeated Conservative rule from Sucre. The Liberals, seeking to demolish the vestiges of the Andean-colonial legacy and replace it with a vision of universal progress based on the expansion of private property, capital accumulation and free trade, engaged in a broad discursive appeal that found echoes in parts of the Indigenous highland communities. However, this circumstantial alliance between Aymara Indians and the Liberals was short-lived. The fierce battle given by the Indian allies horrified both Liberal and Conservative criollos and mestizos and gave rise to fears of a race war. Indeed, after negotiating a transfer of most government functions to La Paz while agreeing to keep the unitary system and elite control of the country intact, the Liberals and 

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80 Simon Patiño became known as the Rockefeller of Bolivia and was purported to be the richest man in the world acquiring mines, smelters and financial institutions throughout South America and Europe.
81 The Liberal Party based in La Paz and the Conservative Party based in Sucre were the two political parties contending for power. After emerging victorious from the Federal War of 1899, Liberal politics prevailed in Bolivia until the military coup of 1921 (Gray Molina 2005:7).
82 James Dunkerley (2003) refers to this as a liberal war and stresses the transition from silver to tin production, aggravated by the falling price for silver, and the growth and emergence of La Paz as an economic centre as key factors to the open conflict between La Paz-based and Sucre-based elites.
83 Mestizo refers to persons of mixed ancestry, usually of Spanish and Indian heritage but in more recent times also refers to persons of Indian heritage who have taken on urban dress and culture. Colonial society in Bolivia inherited practices of social stratification and discrimination from the Spanish who prioritized bloodlines and place of birth.
84 General Pando, leader of the Liberals, upon subduing the Conservatives decried the now mobilized Indians as “barbarians” and “rebellious” and executed indigenous leader “Wilka” Zárate. See Platt (1987) and Irurozqui (1994).
Conservatives then turned on the Indians. Rather than pursue radical reform though, the Liberals governed Bolivia much as their predecessors did, keeping mining taxes low, expanding infrastructure around mining (particularly the construction of railroads), and apportioning government positions to party loyalists while maintaining the privileged social status of criollo and mestizo society.

The persistence of a hierarchical and deeply discriminatory society based on ethnic and class divisions characterised neo colonial rule throughout the Republican period and up to mid twentieth century. The attitudes and practices of the ruling classes combined both vestiges of colonial practice with newer currents of social Darwinism that extolled the superiority of white society. However this was also a weak elite society racked by its own internal disputes and immersed in struggles to maintain its internal coherence and dominance. Historian Marta Irurozqui, a scholar of the Republican period, maintains that at the turn of the twentieth century Bolivian elites sought to sustain a ‘harmony of inequalities,’ an arrangement that would allow a weak elite class to maintain its increasingly precarious hold over political and economic power through the formation of (largely circumstantial) alliances with certain social groups. Gray Molina, following Irurozqui, considers how elites introduced inclusive social and political mechanisms during this period which partially eased class and ethnic tensions and contained popular violence in a context of a highly divisive, unequal and fragmented multiethnic society. In an interesting parallel to present day Bolivia, Gray Molina notes how rents produced from the extraction of natural resources were redistributed to finance this politics of inclusion while providing access to a patrimonial state (2005:4).

Tin extracted from the northern mines became the new source of the government’s financial wealth and made La Paz the centre of national political

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85 Bolivia is the only country in the world with two official capitals. Sucre (also the departmental capital of Chuquisaca) retains the juridical branches of the government and it held the Constituent Assembly in 2007. The Constituent Assembly was nearly derailed when regional interests sought to raise the issue of returning the Executive and Legislative branches of government to Sucre.

However tin production peaked in 1929 and declined precipitously as the global economic crisis spread. Just as this production declined another mineral entrepreneur, John D. Rockefeller, set about drilling for oil on the other side of the country in the Chaco region. However, to understand the significance of Rockefeller’s interest in the east of Bolivia, and the political economic transformations of which it would later become a part, we must first discuss Bolivia’s historic loss of access to the Pacific – the result of one war in the west, and the precursor of a later war in the east (the Chaco War).

3.2 Territorial losses and the “Catastrophic loss”

What is important to note about this long history is that during the Republican period, Bolivia lost, either through war or through diplomatic negotiation, more than half of its original territory. At Independence (1825) Bolivia’s national territory totalled 2,363,769 km². Over the next 133 years, Bolivia shrank to its current area of 1,098,581 km². This dramatic loss of territory included the loss of important natural resources. The nitrate fields of the Atacama Desert were lost in the War of the Pacific with Chile (1879-1888), while rubber and tropical timber were first lost when Brazil took the Amazonian Acre Territory after the Caucho War of 1903, and then again in 1909 when Bolivia lost the Madre de Dios Basin to Peru via a diplomatic settlement over a disputed boundary. Caught up in its own internal conflicts exacerbated by periodic economic crises and unable to effectively defend national borders against larger and better
armed neighbours, Bolivia accepted diplomatic settlements that were harmful to its longer term interests.  

However, no conflict ended more grievously for Bolivians than the negotiated settlement with Chile in the 1904 Treaty of Peace and Friendship in which Bolivia effectively relinquished its sovereignty over portions of the Atacama Desert (which later were found to hold important copper reserves), losing the Port of Antofagasta and all access to the Pacific Ocean. In exchange, Chile agreed to construct a railroad linking the altiplano to the Port of Arica allowing Bolivia to continue exporting its minerals via this narrow corridor. To this day, Bolivians remember the occasion with the annual Day of the Sea (Día del Mar) celebrated on March 23rd in which political and civic authorities take to the Plaza Abaroa in the city of La Paz to invoke the collective memory of injustice and call upon Chile to return Bolivia’s access to the sea.

This loss of territory is not only physical (loss of sea access and potential natural resources) but also emotional and symbolic. In some regard it is akin to having lost part of one’s body and so now finding oneself ultimately dependent upon the goodwill of others to gain access to the outside world. Worse still, in this instance the dependence is on neighbours with whom the Bolivian state has at some point been in conflict. The loss of access to the sea is often blamed for Bolivia’s widespread and extreme poverty not only by Bolivians but also by scholars of underdevelopment and poverty (Collier 2007).

It has been suggested to me that, at the time they take place, such negotiated deals may be considered in a more favourable light and only later, in hindsight, be considered unfavourable. In these instances of territorial loss, I would argue that Bolivia was already negotiating from a position of significant disadvantage and was materially unable to defend its interests through the threat of war, particularly after the War of the Pacific, and thus was forced to graciously accept diplomatic agreements as a way out of potential conflict. The subsequent discovery of significant copper deposits in this territory further complicated subsequent Bolivian efforts to negotiate access to the sea. On occasion Chile has offered Bolivia the use of more northern ports. However this is contested by Peru which also cultivates a longstanding grievance over the resolution of its loss of territory (and the Port of Arica) with Chile.
3.3 Bolivia’s twentieth century history

Original Sin\textsuperscript{91}

After centuries of colonial usurpation, Bolivia was born independent, as an insult to the Viceroy of La Plata (Buenos Aires) and Lima on which the provinces of Upper Peru (Bolivia) had alternately depended. The founding of the Republic comes at a moment in which one must elect between these two centres of economic and military power or the final option of independence from both. Neither legally, territorially, much less socially, did the new State display a pre-existing unity or a reason to exist other than the provisional interests of its criollo elites.

The indigenous population, the overwhelming majority, was never represented in the Assembly that gave birth to the Republic, nor did it participate later in the governing bodies or in the public administration of the new Republic. State institutions were fashioned in the image and likeness of Europe, North America and of the more advanced countries of South America, ignoring the culture and needs of the indigenous peoples of the country.

In this foundational divorce between “civil society” and “political society” we find the roots of Bolivia’s instability. A State that is built at the margin of society and against the majority of its own inhabitants is condemned to illegitimacy and to chronic ungovernability. Before the eyes of the indigenous majority, all the economic and political machinations imposed by the State suggested an invasion, a dispossession. If the people are the natural base of the State then it is just to admit that here a State “against nature” has been constructed. Nor has this State effectively administered the national territory, having lost half of its total land area over conflicts with every one of its neighbours. The result was the edification of a simulated State that had all the difficulties of any state order but very few of the advantages (Quiroga 2005:14-15).

Bolivia’s twentieth century history is generally portrayed as a prolonged period of politically instability and civil unrest in which a series of caudillos\textsuperscript{92} (notoriously inept and corrupt military dictatorships) have come to power only to be replaced by equally weak and disappointing democratically elected regimes. It is a history that, until recently, has been dominated by class-based analysis of underclass struggle against elite rule and foreign domination in the dependista

\textsuperscript{91} From José Antonio Quiroga (2005) Apuntes sobre la crisis estatal y la convivencia social (o la agonía de Leviatán en los Andes) in Las Piezas del conflicto, La Paz: Fundación UNIR Bolivia.

\textsuperscript{92} Spanish term used to refer to a style of authoritarian leadership in Latin America. It is used to describe both political-military leaders (i.e. a dictator or strongman) as well as charismatic populist leaders of local populations.
vein. More recent scholarship on Bolivia has emphasized the need to pay fresh attention to the emergence and mobilisation of subaltern groups in the late nineteenth and early twentieth centuries that arose to stave off liberal onslaughts on their lands and livelihoods.

By taking a longer view of Bolivia’s history of social mobilisation and struggle we can appreciate the changing access to citizenship experienced by the indigenous majority throughout colonial and neo colonial rule (Irurozqui 1994; Albó 1987; Rivera Cusicanqui 1987; Gray Molina 2005). But these long histories of mobilisation are also important in order to comprehend the underlying historical continuities at play in present conflicts. Historians Forest Hylton and Sinclair Thomson warn that any attempt to understand the social convulsion and protests of twenty-first century Bolivia and their underlying dynamics must necessarily be linked to an understanding of the country’s longstanding and “distinctive insurrectionary traditions” (2005:2). Not only do we find current indigenous leaders invoking the distant memories of indigenous revolts and struggles against dispossession, we can also detect a resurfacing dynamic of intra-elite disputes over natural resources (Irurozqui 1994). The opening quotation evokes the image of a country born in original sin, a state created against nature that is condemned to ungovernability and strife. Thus understanding Bolivia’s “long history,” the historical but still unresolved conflicts, tensions and contradictions stretching across the decades of Republican rule, is fundamental to understanding the contemporary struggles for voice, inclusion and change.93 It is the twentieth century and contemporary implications of this long history that I now turn to address.

With reference to the existence of a “long memory” (or history) that corresponds to the colonial period; a “medium memory” that refers to the National-popular period of the MNR in the 1950s, and the “short memory” of the more recent period of struggle against neoliberalism and dispossession led by MAS and Evo Morales. See the works of Silvia Rivera Cusicanqui, Raul Prada and Luis Tapia for how these historical trajectories are recast in present grievances.
3.3.1 The Chaco War and its Aftermath: Nationalisation, the 1952 Revolution, Agrarian Reform and the Eastward Turn

Beginning in the early 1900s, the Bolivian government awarded significant concessions to private investors for the purpose of exploring and producing oil. One such concession was awarded to a Bolivian businessman who, lacking the capital to conduct exploratory drilling, sold his concession and interests to the Richmond Levering Company of New York.\(^94\) In 1921, the company sold on its concession to Standard Oil of New Jersey which began exploring for oil in a massive area of the Chaco stretching from the south of the Department of Santa Cruz to the south of Tarija. The first productive fields were established in Bermejo (Tarija), along the border with Argentina, followed by discoveries in Sanandita and Camatindi, the latter two located in the Chaco of Tarija. These discoveries positioned Tarija as an early source of financial rents for the national economy (L. Lema 2008).

With the outbreak of the Chaco War (1932-1935) that was purportedly fought over hydrocarbons reserves in the subsoil of the Bolivian Chaco and proved ultimately disastrous for Bolivia, oil became a strategic resource to be controlled by the state.\(^95\) But the war also produced unexpected and enormous changes within Bolivian society. It was the first war in which all Bolivian men were conscripted: miners served alongside university students, urban workers, peasants and rural workers, some of whom had been working as “captive”

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\(^{94}\) The earliest concessions appear to date back to the 1860s although these appear to be largely speculative ventures in which entrepreneurs attempted to obtain vast tracts of land in concession in order to sell them on to others for a profit. Many of these entrepreneurs were Bolivians but there were also American and German interests involved. See Fundación Jubileo, 2009; Fernández Terán, 2009 and the OBIE website http://cedla.org/obie/ for the early history of the oil sector in Bolivia.

\(^{95}\) Bolivian scholars link the causes of the Chaco War to an emerging conflict between Standard Oil of New Jersey, a U.S. based firm and Royal Dutch Shell, a British firm with interests in Paraguay, for control over what was thought to be “an ocean of petroleum under the Chaco”. However some historians (Klein, 1992) have disputed this thesis citing internal divisions and struggles as causal factors of the conflict. Notwithstanding this research, I argue that the majority of Bolivians believe the Chaco War was the result of transnational oil companies’ greed and duplicitous dealings. Even President Evo Morales, in an address to the UN Permanent Forum on Indigenous Issues, alluded to an externally driven conflict over potential hydrocarbon reserves (see www.presidencia.gob.bo/discursos1.php?cod=13>). Also, see Carlos Toranzo (“El Control estatal de los hidrocarburos” La Prensa, June 18, 2010) for a discussion of how this interpretation has given rise to the “idea fuerza” that the state must retain control over the oil and gas sector that continues to present times.
labour on the semi-feudal haciendas of Cochabamba and Chuquisaca. The conditions of the war were atrocious and thousands of soldiers died of thirst, hunger and exposure in the relentless heat of the Chaco producing enormous loss of life for both sides. But what the war also produced – which had not been accomplished in previous wars – was a new consciousness especially among those who suffered discriminatory treatment on the haciendas and who after the war resisted returning to such conditions.\textsuperscript{96} If the war was a humiliating defeat for the Bolivian military it also provoked a deep national identity crisis that created openings for renewed reform efforts that would come to rock Bolivian society decades later.

In the aftermath of the Chaco War (1936), Bolivia experienced significant political instability together with the rise of a set of new political actors and coalitions with nationalist-patriotic proclivities. A military coup, led by young officers sympathetic to popular calls for nationalisation of the country’s oil fields, overthrew a government that was seen as corrupt and in the pocket of foreign oil firms. The new military government led by Colonel David Toro then signed the decree creating the National Hydrocarbons Agency (YPFB - Yacimientos Petrolíferas Fiscales de Bolivia). Within months the oil fields operated by Standard Oil of New Jersey were expropriated after a customs officer revealed that the company had been shipping oil illegally to Argentina via a secret pipeline. Standard Oil was eventually expelled from Bolivia for its perceived “anti-Bolivian behaviour during the Chaco War and flagrant fiscal fraud” (Fernández Terán 2009: 33).

From 1937 until the mid 1950s YPFB, as sole operator in the sector, went on to drill some 45 wells at different sites in the Chaco) during a period that came to be seen as the golden age of the state company (Fundación Jubileo 2009:10). In the process oil production, and later natural gas, become part of the Chaco landscape and heritage, establishing itself alongside the large cattle estates and

\textsuperscript{96} See Albó (1987:381) for a discussion of the shift in attitudes of returning soldiers to the haciendas and the emergence of new alliances between them and political parties in the post war period.
military outposts, building alliances with these sectors, and spawning an economic boom that over time drew large numbers of mostly highland campesino migrants in search of land and opportunity. While the petroleum sector was fairly stable, the national politic dynamic was anything but stable as rural Bolivians staged uprisings across the highlands and valleys in defiance of a return to the old order.

After a series of military dictatorships elections were held in 1951. The National Revolutionary Movement (MNR) won these elections but right wing military interests later denied the MNR the right to take power. This led to the Revolution of April 1952, considered by some to be the second great revolution of Bolivian history and the first “national-popular revolution” in post WWII Latin America (Forest and Hylton 2005: 2). Victor Paz Estenssoro, the leader of the MNR, assumed the presidency after police forces defeated the military. The MNR itself was an alliance of mostly urban-based, middle class reformists which successfully built a broad if not eclectic alliance of (tin) miner militias from the highlands, and radicalized students and workers from La Paz. The agenda of Paz Estenssoro and the MNR called for the nationalisation of the mines, the break-up of the landed estates and the demise of the landowning class, the extension of universal voting rights, and the definitive end to oligarchic rule. The intent was to create a strong unitary capitalist state and the vision was that the state would give rise to a modern, productive society based on the inclusion of all sectors and the forging of a strong national identity. Along the lines of the PRI of Mexico and Peronism in Argentina, the Paz Estenssoro regime sought to consolidate a single, all powerful party with strong ties to a wide range of social-popular organisations.

To this end the government nationalised the mining sector and created a national mining agency (COMIBOL), strengthened YPFB, established the universal right to vote, created rural unions and pronounced that all peasants and rural workers were henceforth campesinos.\(^7\) Initially the Paz Estenssoro government was hesitant to undertake a programme of agrarian reform,

\(^7\) Albó (2008b) notes that the term Indian became taboo in government circles.
however, after peasant groups mobilised to take over haciendas in the Cochabamba valley the MNR was forced to act, implementing reform in 1953. The MNR then moved to create rural unions (sindicatos de trabajadores campesinos), fashioned after the unions of tin miners,\(^98\) and these first appeared on the haciendas but later appeared in traditional rural communities and ayllus\(^99\) throughout the altiplano. In the case of the latter, rural unions were created not so much to gain title to land but to access government services and programmes, such as food donations which were spreading throughout Bolivia with the introduction of international aid programmes. The creation of rural unions gave rise to second tier and third tier representative organisations all of which were closely allied to the party as the MNR came to see the campesinado as its closest ally (Albó, 2008a). While later the Bolivian military ousted the MNR, they retained the idea that an alliance with the campesinado (the peasantry) was politically crucial, and institutionalized the idea in the Pacto Militar Campesino (Military Campesino Pact) which remained in place until the introduction of neoliberalizing reforms in 1985.

The modernising vision of the MNR in the 1950s centred on territorial occupation and integration with an eye to incorporating into productive use the vast Amazonian lowlands lying to the east. The succession of wars and territorial losses since Independence coupled with increasing internal land conflicts in the altiplano and elsewhere threatened the very viability of Bolivia.\(^100\) Furthermore Bolivia, since colonial times, had never seriously engaged in a project to incorporate and articulate the lowlands. The Paz Estenssoro government looked to create a dynamic and modern agricultural sector that would serve as an engine of growth for a stagnant economy and an increasingly

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98 The Confederation of Bolivian Workers (COB) which represents miner interests was the most important and powerful popular organisations during the national revolutionary government and up until the mid 1980s when it fell victim to government action and neoliberalizing reforms.

99 Ayllus are indigenous forms of social and territorial organisation, with their own authorities and governance structures (Rasnake, 1988; Rivera Cusicanqui, 1992)

100 The issue of Bolivia’s viability (in an economic sense), in particular the viability of the altiplano region, is a recurring theme throughout the twentieth century. In the early 1990s when I worked for a large US NGO based in La Paz there were periodic discussions about programme strategy which included proposals to shift financial support for rural production projects away from the altiplano and towards the colonisation zones in Santa Cruz and the Beni. For more on debates about viability in Bolivia see: IDB (1996); Bebbington (1999).
land hungry population concentrated in the highlands. This territorializing project followed the outlines of the Bohan Plan\textsuperscript{101} a proposal crafted by US government economic development advisors (of a Keynesian bent) a decade earlier that sought to lessen the country’s dependence upon tin production and promote incentives to establish a modern capitalist agricultural sector in the two thirds of national territory that remained “unexplored” (Postero 2007). Large amounts of US foreign assistance (loans and technical support) followed and were directed to the Bolivian lowlands, particularly to the Department of Santa Cruz. Multi-lateral banks (the World Bank and InterAmerican Development Bank) also financed this expansion into the lowlands, with loans for road-building and other infrastructure schemes. The Bolivian government supported colonisation projects and introduced schemes to attract foreign investment and foreign colonists, who were envisaged as positive modernising influences in the agricultural sector.\textsuperscript{102} The city of Santa Cruz, with only 57,000 inhabitants in 1957 is now the country’s most dynamic and important economic centre with a population of over 1.7 million.\textsuperscript{103} Santa Cruz also became the base for the development of Bolivia’s oil and gas sector as well as of a large, export oriented livestock sector.

The eastward turn also encouraged informal colonisation and migration from poor Andean communities into the tropics. Thousands of highland families in search of \textit{tierra para cultivar} (land to farm) moved into the Yungas, the Beni and the Chapare regions giving rise to new forms of rural organisation and

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\begin{itemize}
\item\textsuperscript{101} Merwin Bohan, a career bureaucrat in the US Department of Commerce, led a government mission to Bolivia from 1941-1942 that resulted in the Bohan Plan for economic development and cooperation. Apart from promoting agricultural expansion and modernization in Eastern Bolivia, the Plan also called for investment in increased oil exploration and production for export in the Chaco region. Among the proposed projects was the construction of a pipeline to Argentina and the opening a market with Northern Chile. Bohan himself was no stranger to the hydrocarbons industry having grown up in Mexico and Texas where his father worked in the oil industry.
\item\textsuperscript{102} Eastern Bolivia became an important destination for foreign investment and immigrants among them Mennonite farmers from Canada, Mexico and Paraguay. The Mennonites typically engage in large scale farming through the collective purchase of land. In more recent times, the presence of Mennonite farming colonies and their aggressive farming practices (primarily soy production for export) has drawn criticism especially from lowland indigenous groups.
\item\textsuperscript{103} See Instituto Nacional de Estadística http://www.ine.gov.bo
\end{itemize}
Some of these migrant groups have pursued more entrepreneurial forms of production, such as the cocoa growers of El Ceibo in the Beni (Bebbington 1997) and organic food and coffee production in the Yungas (Healy 2004). However in other spaces such as the Chapare which received significant in-migration of Aymara and Quechua peasants during the 1970s and especially in the 1980s, peasant families sought to tap into the burgeoning and increasingly profitable market for the coca leaf. Organised and increasingly militant, the coca growers of the Chapare grew to become the country’s most powerful social movement through their sustained resistance against the eradication of coca leaf by the Bolivian government and the U.S. financed drug interdiction. Bolivia’s first indigenous president, Evo Morales, is from such a migrant background (his own family left Oruro for the Chapare in the early 1980s). Increasingly radicalised by the exclusion of and violence toward peasant families in the Chapare, Morales became involved in the rural syndicalist movement and later rose to become leader of the cocalero movement in the 1990s.

In contrast to the experience of highland and valley indigenous communities, the MNR revolutionary government did not undertake a programme of land reform in the Amazonian lowlands nor in the Chaco. To the contrary the MNR government gave away large tracts of public lands which allowed for the creation and consolidation of large farms and haciendas with important implications for lowland indigenous populations whose territories were not formally recognised by the state. Indigenous groups living in the lowlands were much more dispersed than highland groups, and those linked to evangelical and Catholic missionary projects were neither organised nor linked to broader indigenous movements. Under the 1953 Agrarian Reform Law they were categorized as jungle groups (grupos selváticos) and thus not considered potential beneficiaries of the Revolution and its programme of reform. This history and its implications will be explored more fully in the case of the Chaco.

The Yungas is in the eastern portion of the Department of La Paz, while the Beni lies further east. The Chapare, the main coca-growing region of Bolivia, lies in the lower Cochabamba valley. While not all Bolivian coca is used for cocaine production it is generally accepted that this is the final use of most of the Chapare’s coca.
Tarijeño and the Guaraní and Weenhayek territories within this sub region in Chapters 4, 5 and 6.

3.3.2 The Rise of Katarismo:

The 1952 Revolution succeeded in breaking with the old liberal regime. It profoundly changed the terms of indigenous engagement with the Bolivia state - no longer as indios but now as campesinos. However there was little progress in terms of forging a more equitable society. Albó (2008b) argues that the new state, despite its wide ranging reforms and revolutionary rhetoric, left the colonial structure intact:

This structure was no longer built on the exclusion and direct exploitation on haciendas; rather, it depended on a deep and persistent inequality between rural and urban areas, particularly in terms of access to common goods and services... the 1952 state deprived people of their originario (Indian) identity, this being the necessary price for full citizenship105... the ideal of the 1952 state was to build a society that was more inclusive, but also more homogenous, through the adoption of mestizo culture and values (2008b:21).

In the decades following the 1952 National-Popular Revolution, Aymara indigenous intellectuals, like the militant writer, Fausto Reinaga, sought to give greater visibility to cultural and ethnic questions through the reinterpretation of Bolivian history and revaluation of indigenous history and culture. One of his most important contributions, The Tiwanaku Manifesto of 1974, launched a stinging critique of the national revolution and its initiatives to create a uniform society in which indigenous identity would disappear, promote a culturally insensitive programme of mass education, and institute a programme of agrarian reform and rural organisation based on corporatist ties.

While Reinaga provided an important critique and a new discourse for a young, urban and increasingly educated group of Ayamara activists, his own efforts to

105 Other scholars, exploring and contributing to the emergence of ethnic politics in the closing decades of the last century, have strongly critiqued the dominance of class-based analysis and the elimination of indigenous identity by a new dominant mestizo/white class in the national revolutionary period (see Patzi 2002; and Rivera Cusicanqui 1987)
create and consolidate a political party failed. However, this new discourse found fertile ground elsewhere and was taken up by rural unions in the altiplano who created a new political movement Katarismo. Drawing upon Reinaga’s writings and upon the long history of Aymara struggle against colonial rule and dispossession, the movement pointed to the failure of the 1952 reforms to bring full citizenship and equality to the Indian majority. It also criticised the progressive clientalism of Bolivian politics while simultaneously calling for a reinvention of Indianness (indianidad) but without the stigma associated with earlier pejorative uses of the term Indian. However such a process would inevitably collide with Marxist analysis that resisted any effort to frame exploitation in ethnic terms. By the late 1970s, Katarismo was able to consolidate an independent Confederation of Campesino Workers of Bolivia (CSUTCB – Confederación Sindical Única de Trabajadores Campesinos de Bolivia) and break the Campesino-Military Pact that had tied Andean communities to corporatist politics for nearly two decades.

Having ruptured the campesino alliance with the military, movement leaders engaged actively in party politics creating two parties: the Túpaj Katari Revolutionary Movement (MRTK), an indigenous and more moderate faction allied with the CSUTCB, and the Túpaj Katari Indian Movement (MITKA) which assumed a more radical, Indianist stance promoting Aymara nationalism and an autonomous political agenda. This more radical variant of the Katarista movement did not seek citizenship status from the State but rather proposed the refounding of the Bolivian State in which indigenous peoples would govern

106 Túpaj Katari (aka Julian Apaza) was an Aymara hero from which the movement draws its name. Katari was the leader of the 1781 uprising against colonial rule. He and his followers encircled La Paz, laying siege to the city for months. He was later captured by Spanish soldiers and drawn and quartered in the main public square (Hylton and Thomson, 2005).

107 The MRTK was led by Genaro Flores and Victor Hugo Cárdenas. Both have held prominent leadership roles with Flores head of the national Bolivian Workers Organisation (COB) and Cardenas serving as Vice President of Bolivia during the first Sanchez de Lozada regime(1993-1997) in which he promoted an agenda of a plurinational and multicultural Bolivia, also known as the pluri-multi agenda.

108 Led by Constantino Lima and Luciano Tapia, the movement radicalized and went underground. It was revived by Felipe Quispe in the late 1990s who called for an end to pluri-multi politics and the recognition of two Bolivias: one indigenous and one q’ara (white or non indigenous).
directly, an agenda that would resurface during the period of social convulsion in the early 2000s.

While *Katarismo* (linked to the MRTK) continued to exert leadership of the CSUTCB, the strength of the predominantly Quechua coca growers movement in Cochabamba led to an important change in leadership in the 1990s. Internal disputes within the CSUTCB and its bases returned the leadership to Aymara hands but this time under a more radical current of *Katarismo* as promoted by El Mallku Felipe Quispe.\(^{109}\) Earlier in the decade, Quispe along with Alvaro García Linera - now Vice President of Bolivia - were part of an insurgent movement known as the *Ayllus Rojos*. Later the two formed part of the Túpaj Katari Guerrilla Army (EGTK) although this movement was quickly demobilised after staging minor attacks on physical infrastructure. Quispe and García Linera were jailed for part of the decade with Quispe assuming the leadership of the CSUTCB after his release. García Linera went on to study social movements, write books and become a political commentator on television. Only later did he join the MAS as Morales’ candidate for Vice President. By the early 2000s then, notwithstanding Quispe’s periodic public pronouncements, *Indianismo* was no longer an ideology of resistance but rather actively vied for the cultural and political leadership of society in direct challenge to the ideology of pacted democracy (a closed, prearranged system of elect politics and governing). The political instrument for achieving this was not, however, a radical current of *Katarismo* but rather the MAS, a party whose origins map back not to the altiplano but to the coca growing Chapare.\(^{110}\)

### 3.3.3 The Rise of the *cocaleros*: From ISIP to MAS to the Presidential Palace

Most coca leaf production in Bolivia is undertaken by migrant families whose origins link them to Andean (mostly Quechua speaking) communities. Escaping from poverty, periodic drought and a shortage of cultivable land these migrant families moved into the Chapare of Cochabamba in search of economic...

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\(^{109}\) El Mallku, the condor or prince.

\(^{110}\) The term “political instrument” is heard a lot among indigenous movements in the Andean-Amazonian countries. Most simply it refers to the need to create party with the legal and formal recognition to be able to run candidates in elections.
opportunity. However, their efforts to forge a new life in the tropics were complicated by the U.S. led War on Drugs. Indeed US drug interdiction programmes were implemented alongside structural adjustment and neoliberal reforms in the mid 1980s under the second government of Victor Paz Estenssoro. This included the passage of ill-advised legislation that not only limited the production of coca leaf but also demonised coca leaf producers.\textsuperscript{111} By the 1990s, during the second government of General Banzer, a close ally of the US government, a programme of “zero coca” was enacted which in turn triggered a prolonged period of government repression and direct conflict between local peasants and drug interdiction forces. Mobilisations and increasingly violent confrontations with government forces resulted in more than one hundred deaths, most of them peasants (Albó 2007:9).

The coca growers' movement, organised into a series of federations, has come to be the strongest and most influential regional peasant movement in the country exerting significant influence within the CSUTCB but also in the Federation of Colonists (Confederación Sindical de Colonizadores de Bolivia). They were the first to organise as a political party with the introduction of the Popular Participation Law, part of a package of social-cultural and administrative reforms introduced by the MNR and President Sánchez de Lozada (1993-1997). The decision to create a political instrument, IPSP, Instrument for the Peoples Sovereignty in 1999 gave rise to a complex movement that sought to construct, from the ground up, a political structure mostly based on the rural unions movement but also involving a wide range of rural organisations,\textsuperscript{112} including the coca growers federations, the colonists

\textsuperscript{111} Under strong pressure from the US Embassy, and in dire economic straits, the second government of Victor Paz Estenssoro passed Law 1008, a poorly worded and confusing piece of legislation which signaled the beginning of a long period of direct US intervention in the Chapare and in national affairs. See Harry Sanabria (1993) \textit{The Coca Boom and Rural Social Change} (Ann Arbor: University of Michigan)

\textsuperscript{112} The decision to create a political instrument or mechanism dates to the mid 1990s. This instrument allowed indigenous leaders to stand in local municipal elections without having to rely upon traditional political parties with a long history of deception. The IPSP was formed in 1999 after a period of internal struggles among campesino organisations in which Morales emerged as the leader. From its inception, the political instrument was seen as a vehicle of the movement but was never intended to exceed the power of the movement nor be able to dominate the movement’s organisations (Van Cott 2008).
federation, indigenous-campesino organisations from the valleys of Cochabamba, the women's agrarian federation Bartolina Sisa and eventually the CSUTCB. At first denied recognition by the National Electoral Tribunal, the leadership of the newly created political instrument decided to “borrow” an acronym from another registered political group eventually settling on Movement Towards Socialism (MAS). The new party quickly consolidated its base in the municipal elections of 1995 in Cochabamba and was able to elect six representatives to Parliament in the 1997 elections. Among them was Evo Morales. With public sentiment growing increasingly wary of pacted democracy (Mayorga and Cordova, 2008:20-21), MAS became a contender in the 2002 national elections. Morales ran a close second to a well-financed Sanchez de Lozada campaign losing by less than 1.5 percent. However MAS was able to elect 35 representatives to Congress shifting the balance of power away from the traditional parties. Its blend of ethnic-nationalist discourse capitalised on public anger with neoliberal reforms, the growing sense of the loss of sovereignty - especially with respect to control over natural resources - and the inability of traditional political parties to govern. In contrast to Katarismo which had participated in previous elections but was never able to capture more than a small percentage of the Andean vote, MAS successfully mobilised the indigenous vote overcoming the longstanding pattern of political fragmentation in the highlands. Moreover, Morales and MAS successfully appealed to a broad swath of Bolivian society by inviting in members of the urban middle and professional classes sympathetic to the party’s calls for profound change.113

Political observers, such as Rene Antonio Mayorga (2008), note that MAS has effectively employed a dual strategy that combines street mobilisations with participation in elections in order to gain – and maintain – power acting alternately as social movement and political party. But Mayorga, among others, is increasingly worried about and critical of MAS’ style of governance. Grounded in its rural union roots, MAS employs the politics of confrontation not

113 Xavier Albó points out that Morales’ background as a son of a miner, musician, football player, coca grower, union leader and media savvy politician allows him to move between groups and speak to distinct constituencies with relative ease (2007:22)
only to force external adversaries into submission but also to silence internal dissent. Studying the experience of municipal governments under indigenous-campesino control in the 1990s, Donna Lee Van Cott found that MAS municipal authorities in rural Cochabamba governed in ways that were neither particularly democratic nor inclusive of others. Her findings reveal historical patterns of tension and conflict between MAS and lowland indigenous groups which resulted in their systematic exclusion from participating in local budget formulation (Van Cott notes that local private businesses were equally excluded). And she echoes Mayorga’s critique of MAS militants’ use of “authoritarian means” to intimidate and bend the will of dissenters (Van Cott 2008:197). This apparent contradiction between political openness and intolerance of dissent is a theme that will be taken up again in later chapters as I explore the impact of hydrocarbon expansion in the Department of Tarija.

Having examined the role of Bolivia’s long history in current debates and struggles over more inclusive and participatory forms of democracy and governance, and the rise of a series of new political actors and movements in the course of that long history, I will now turn to focus on Bolivia’s more recent and polarized history of hydrocarbon development. This history, also influenced by the country’s “long” history, is characterised by the longstanding struggles of different groups, some more nationalist, others more free-market oriented, to gain control over the sector in which the role of the State is the fundamental point of disagreement. By the late 1990s, the struggle to reassert State control over hydrocarbons found its way into the MAS discourse, and eventually came to constitute a central grievance of social movement mobilisation against neoliberalism and dispossession.

3.4 Bolivia’s “short” hydrocarbon history

Over its nearly 80 years of hydrocarbon production Bolivia has nationalized the sector on three occasions (1937, 1969 and most recently in 2006). These nationalisations were fuelled by perceptions of unfairness over prices paid for extracted oil and gas, corporate enrichment at the expense of national well-
being and overt manipulation of political affairs by foreign companies and their governments.\textsuperscript{114} However periods of state control of the sector have, until now, been followed by governments that have moved to liberalise the sector in order to attract private investment and bring new technologies to bear in the never ending search for new reserves. This was the case again in the early 1990s when the Bolivian government, on the advice of the multi-lateral banks, initiated a series of reforms to liberalise the hydrocarbons sector and foster greater private investment in exploratory activity. In the wake of structural adjustment, and the collapse of the tin industry and a decline in natural gas income,\textsuperscript{115} Bolivia moved to reinvent itself through the expanded extraction and export of its natural gas reserves. Indeed this reinvention and transformation of the country’s economy depended upon a re-invention of its long historical position in global value chains as a primary commodity exporter. The emphasis now, however, was on high value commodities. As observed by one World Bank consultant,\textsuperscript{116} “... The only products that Bolivia has ever been able to export are commodities with a very high value per unit weight because only those commodities can successfully overcome high transport costs” (quoted in Sachs 2005:104).\textsuperscript{117}

3.4.1 Privatisation and Capitalisation of the Hydrocarbon Sector – the 1990s

Upon signing a deal to sell gas to Brazil in 1993 the Bolivian government carried out a series of reforms known as privatisation and capitalisation which, in the

\textsuperscript{114} The most conspicuous presence was that of the United States of America. In 1956 the Bolivian government contracted a North American law firm to draft the new petroleum code. Known as the Davenport Code (Código Davenport) after the law firm, Gulf Oil and Occidental Petroleum began operations in Bolivia. The new code liberalized the hydrocarbons sector providing attractive opportunities for foreign investors in exchange for payment of royalties of 11 percent; and a tax on profits of 30 percent though these taxes were applied flexibly. Gulf Oil (later Bolivian Gulf Oil) was the only firm of the 14 firms investing in Bolivia that had any success in drilling for oil. (Gisbert et. al. 1998; Gavaldá 1999)

\textsuperscript{115} See Morales, J. (1992) Bolivia’s Tin and Natural Gas Crises 1985-1989, for an in-depth analysis of the collapse of the tin sector as well as the structural constraints plaguing the production and export of natural gas in the period prior to the liberalisation of the sector.

\textsuperscript{116} The consultant was David Morawetz, an international trade specialist, working on identifying potential commodities exports.

\textsuperscript{117} Of course, processed oil and gas would have yet higher value per unit weight and it is indeed the case that the MAS government wants to increase in-country processing of minerals and hydrocarbons through a programme of industrialisation. However, even unprocessed, oil and gas remain relatively high value per unit weight commodities.
case of YPFB, meant the partitioning of this once powerful public agency. The first Sánchez de Lozada administration continued the policies initiated under the previous government of Jaime Paz Zamora (1988-1992) promoting an “energy triangle” policy in which Brazilian investment in gas exploration and infrastructure development played a key role. Hindery (2004) describes the role of multi-lateral development banks in shaping favourable legal and policy frameworks for private investment in the sector. The privatisation of the Bolivian hydrocarbons sector and its subsequent opening to private capital has been described and analyzed in great length by those supporting liberalisation (CBH 2008), those whose fierce opposition to the “fire sale” of state resources has been critical in cultivating a sense of national grievance over the loss of sovereignty of the nation’s natural resources (Villegas 2002; Orgá 2002; Mariaca 2009; Soliz Rada 2002), and those whose visions of gas and development lie somewhere in between (Incháuste Sandoval 2005; Molina 2009). Here I am less concerned to enter into debates on how best to interpret and explain these reforms. Instead I want merely to suggest that the “gas rush” produced in the wake of a series of large discoveries in the Bolivian Chaco at the beginning of the new century spawned significant economic, political and social impacts that have influenced regional dynamics and relationships, especially in the Department of Tarija, impacts that are not well understood.

The privatisation and capitalisation of the hydrocarbons sector in the 1990s unleashed an intense rush to explore in Bolivia in which Latin American oil and gas firms (Petrobras and Pluspetrol) competed aggressively with international firms (Repsol, British Gas, Amoco-British Petroleum, Total ELF) in order to position their projects to reap the rewards of Bolivia’s gas bonanza. Spun

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118 Carlos Villegas, former researcher and hydrocarbons analyst with the NGO CEDLA has been Minister of Hydrocarbons and Minister of Planning during the MAS government. He is currently interim head of the YPFB. Andrés Soliz Rada was the first Minister of Hydrocarbons and Energy in the first MAS government but was forced to resign over differences with the Executive office over policy. Together with former YPFB President Enrique Mariaca and journalist Mirko Orgá, they formed the Committee for the Defence of National Patrimony (CODEPANAL), an outspoken group of journalists and former government hydrocarbon officials that advocate for the complete nationalisation and industrialisation of the hydrocarbon sector (see www.patriagrande.org.bo for more from the resource nationalist perspective).

119 Bolivia is not considered an important global producer of natural gas (or oil), however, the country’s strategic geographical location, specifically its proximity to large urban centres
into a whirlwind of hydrocarbon superlatives - of trillion cubic foot reserves (TCFs), of regional energy centres, and of pipelines stretching for thousands of kilometres - the backward remote image of the Chaco Tarijeño was transformed overnight into an apparition of abundance and of riches in the desert. Miguel Castro (2006) calls this “the myth of abundance”. The Chaco was poised to become a Kuwait, a Potosí, and a source of clean, low-cost fuel in an energy-constrained Southern Cone region with ambitions of integration and economic growth.

3.4.2 Pacific LNG and the “Gas Question”

The national gas boom created enormous excitement (and anxiety) over how national, regional, and sub-regional governments were to share in the bonanza. In 2000, literally overnight, Bolivians awoke to discover that their gas reserves had jumped from 5TCF to 48TCF and Bolivia occupied second place in gas reserves in South America after Venezuela. These reserves were said to be worth roughly US$70 billion at the time. Animated public debates ensued over how these non-renewable resources might best be used to create wealth and overcome poverty (PULSO 2004). The country’s proven and probable natural gas reserves, considered to be the second most valuable in the region after Venezuela, far exceeded domestic demand. This presented an enticing opportunity for investors to produce not only gas but also to invest in a series of related infrastructural developments in order to process and transport gas and condensates for export.

For Departmental authorities in Tarija, the gas boom meant a guaranteed financial bonanza via the 11 percent royalty paid to gas producing Departments and a percentage of hydrocarbon taxes for the rest. It was the possibility of significantly increasing departmental revenues that mobilised the support of Tarija elites, in particular the Tarija Civic Committee, in backing a scheme to requiring sources of clean energy, is seen as an important economic opportunity to sector analysts. The opportunity includes not only the production of gas but the large-scale physical infrastructure investments required for its transportation and distribution. See Centre for Energy Economics (n.d.).

120 In Spanish the term Potosí refers to something that produces wealth.
121 See Guzman (2001) interview with Carlos Miranda, one of Bolivia’s most respected hydrocarbons experts.
develop the mega Campo Margarita gas field located in the Province of O’Connor. However the project, known as Pacific LNG, produced a storm of criticism as a coalition of actors, among them social movement organisations based in El Alto and supported by a group of intellectuals with strong nationalist-socialist inclinations, argued that Bolivian gas must be both nationalised and industrialised in order to capture greater value and to ensure benefits to the nation.

These renewed sentiments of resource nationalism, revived with grand designs of exporting natural gas to the United States, also revealed the deep historical ties between villages in the altiplano and the hydrocarbons fields of the Chaco. Many of those who fought and died in the Chaco War, and who continue to be recognised for their sacrifices in nation-wide celebrations held every October, were seen as having saved the country’s resources from pillage by greedy foreign interests. In the eyes of the coalition, then, the possibility that Bolivian gas might be shipped via Chile and perhaps be made available to Chile, a country that was seen as illegitimately having taken away their access to the Pacific Ocean in the War of the Pacific a century earlier and considered the root cause of Bolivia’s landlocked predicament, was unimaginable. *It could never be.*

At the national level the ensuing widespread social and political opposition to the proposed project led to full blown conflict and the *Guerra del Gas* (Assies, 2004; Perreault 2008; 2006). At the sub national level, political elites in Tarija and the Chaco remained supportive of the ill-fated project arguing that politicizing the gas scheme was unhelpful and “stupid,” and that industrialisation could only commence once Bolivia became a significant and reliable supplier of gas (Roberto Ruíz cited in Lora, 2003).

While it is not possible here to recount the complex and often confusing series of events of the mass mobilisations leading up to the *Guerra del Gas*, the defeat 

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122 The term mega is used to denote a major gas field. The Margarita gas field is said to hold some 3.7TCF of natural gas (El Diario, November 30, 2009).

123 While *chaqueño* elites with links to the city of Tarija supported the project, there was significant opposition among indigenous-campesino, landless and urban migrant sectors.
of the Pacific LNG project, and the series of transformative political events that came in its wake, the point here is that this image of gas abundance and wealth persists. This image sits uneasily alongside both unresolved questions about how gas is to be produced, who is to benefit and who is to bear the costs of its production. It also jars with the empirical realities of dispossession and environmental contamination that have accompanied prior periods of hydrocarbon extraction. More than a dozen years after the boom first began, Bolivia continues to experience gas-fuelled anxieties, incongruities, mobilisations and conflicts that threaten to spill over and destabilise the social order.

3.4.3 Pacific LNG, Campo Margarita and the Guaraníes of Itika Guasu

Intertwined with the demise of the Pacific LNG project is the TCO Itika Guasu, and the Guaraní communities impacted by hydrocarbons operations of the Campo Margarita gas field. For a number of reasons which are discussed more thoroughly in the methodological section I did not conduct in depth field work with the APG Itika Guasu. Nonetheless their experience and the continuous state-indigenous tensions emerging from the development of gas reserves within the TCO is an important part of the larger story analysed in this thesis. In this section I therefore offer a brief description of the APG Itika Guasu (The Guaraní Assembly of Itika Guasu), the representative organisation of the 35 Guaraní communities located in the Provinces of O'Connor and Gran Chaco in the Department of Tarija. I then proceed to an abbreviated discussion of their longstanding conflict with REPSOL, an international oil and gas firm and operator of the Campo Margarita field, and government authorities over the expansion of the hydrocarbon frontier in the subsoil of their ancestral lands. The discussion will reveal and characterise the complex and increasingly difficult position that Guarani leaders found themselves in after the discovery of enormous gas reserves in the Campo Margarita field and their efforts to

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124 Pulso Ediciones (2004) produced a compilation of selected articles, editorials, commentaries and investigative reports from PULSO Seminario (a weekly publication) on Bolivia’s gas question and the run up to the Guerra del Gas. The (then) Director of PULSO Semanario, Fernando Molina, writes extensively about Bolivian attitudes towards natural resources.

125 The TCO Itika Guasu is also to be impacted by other proposed hydrocarbon projects by Petrobras, Pluspetrol and Petroandina.
negotiate with oil and gas firms, the central state, and departmental and municipal authorities as well as to navigate the politics of a highly mobilised social movement seeking to (re) nationalize the hydrocarbons sector. The present day situation of the TCO Itika Guasu parallels developments and rising tensions in the TCO Yaku Igua (also Guarani) and the TCO Weenhayek which are presented in Chapter 5 and 6 and suggests that despite the presence of a more sympathetic, self proclaimed post neoliberal state, if an indigenous people lives on top of strategic resources, promises made in the heat of social mobilisation may be impossible to keep.
Map 3.1 Hydrocarbon contracts and the TCO Itika Guasu, Province of O’Connor, Tarija

Source: CEADESC, permission granted to reproduce map here.
The APG Itika Guasu was created in 1989 after a delegation of Guaraní representatives, attending a national Congress of the CSTUCB in Tarija revealed the plight of dozens of indigenous Guaraní families living under conditions of *empatronamiento* on a hacienda in the Chaco. Leaders had heard on the radio about the congress and hoped to find other social organisations that could help them gain their freedom from the patrón.

According to Alipio Valdez, who was present that day, the encounter was transformational for CER-DET, then a recently created NGO, based in the city of Tarija whose focus was initially on larger issues of regional development. From then on, noted Valdez:

> We stopped being a research NGO and began to dedicate our work to the defence of human rights among indigenous populations and began working only with indigenous groups and no other sectors. The Guaraní leaders told us: free us from the haciendas, we want to recover our ancestral territory, our own territory. They didn’t talk about land, they spoke only of territory.

Over the past twenty years, the Guaraníes of Itika Guasu and elsewhere in the Chaco have freed themselves from discriminatory labour practices and have organised themselves into communities reviving traditional practices and combining them with more modern forms of organisation and representation. Each community constitutes a *Capitanía* (Captaincy, the traditional authority in Guaraní culture) which is articulated spatially at the level of the TCO (Guaraní Council of Itika Guasu), the departmental level (Council of Guaraní Captains of Tarija) and at the national level (The National Guaraní Assembly). The

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126 Empatronamiento refers to an egregious labour practice involving landless Guaraní families living within haciendas of the Bolivian Chaco. The owner or patron of the hacienda sustains a financial relationship (debt bondage) with his workers on the basis of loans and financial debts that are never cancelled thus tying the workers to the hacienda. In some cases, debts have accumulated for generations.

127 Interview with Alipio Valdez, CER-DET, June 19, 2008.

128 While important progress has been made, there continues to be a significant number of Guaraní families living in exploitative labour arrangements. See ICHR (2009) and CCGT et al. (2009).
territorial demand of the TCO Itika Guasu consists of some 293,584 hectares. Though the state has acknowledged this demand, only about 95,000 hectares have been successfully titled with the remaining territory pending title by the Land Reform Office (INRA) in Tarija. In this period of organisational and territorial consolidation, during the 1990s, the TCO Itika Guasu faced two major challenges to its territorial project: the first one was the proposed Caipipendi Hydroelectric complex (1995) to be constructed on the Pilcomayo River and cutting through the heart of the TCO, and the second was the discovery of important hydrocarbon reserves. In the first instance, the hydroelectric scheme proposed flooding 13 of the 36 Guarani communities and relocating them to other parts of the TCO with the bulk of project benefits accruing to commercial farmers in the Province of Salta in Argentina. In response, CER-DET mobilised a south-south network and with support from campaigners in Paraguay and Argentina was able to launch a successful international campaign to defeat the proposed scheme. However in the second instance, with the entrance of oil and gas companies and their subsequent discoveries of sizeable gas reserves, over time local actors came to the view that complete resistance to their presence was not a sustainable position.

For Miguel Castro, founder and former Director of CER-DET, and who has accompanied the organisational consolidation of indigenous groups in the Chaco Tarijeño over two decades, the conflict with the oil and gas companies began the moment the Guarani perceived social and environmental impacts

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129 As the entire TCO falls within the area of potential hydrocarbon interest and overlaps with the three gas wells that form part of the Margarita gas field, there are indications that any further consolidation of TCO lands will be necessarily linked to Guarani acceptance of hydrocarbon operations, a point that is developed further in later chapters.

130 The network included organisations belonging to the Friends of the Earth – International network with experience in grassroots organizing around and opposing dam-building and hydroelectric schemes financed by multi-lateral institutions.

131 There is an interesting degree of self censorship among social actors and campaigns based upon their perception of what is possible, what can be resisted and what must be negotiated. In this case part of the reasoning to change strategy (and not completely oppose the exploratory drilling in Campo Margarita) was that natural gas did not appear to cause the same level of environmental harm as oil production. An exchange organized between CER-DET and Guarani leaders and an environmental organisation and indigenous groups in the Ecuadorian Amazon led the Bolivians to conclude that the degree of environmental disruption and contamination from natural gas was significantly less than contamination caused by oil operations, making environmental arguments less convincing in the face of overwhelming public support for exploiting the country’s natural gas reserves.
of hydrocarbon activity in their territory. Initially, the Guaraníes were opposed to any drilling within their TCO and initiated negotiations with sub departmental and municipal authorities with a view to requesting both greater information about existing gas concessions as well as details about the proposed extractive projects of gas firms within the TCO. The Guaraníes also insisted that an evaluation of environmental impacts caused by exploratory activities be carried out.\textsuperscript{132} The (initial) strategy of the APG Itika Guasu was to express their complete opposition to exploratory activity as they considered it incompatible with traditional ways of life, in particular their use of territory and natural resources. In the words of one Guarani leader: “it was as if some stranger came and entered our house without permission” (cited in Castro, 2005:121)

A Texas-based based oil and gas company, MAXUS Energy Corporation, initiated exploratory activities in the TCO in 1997. Maxus,\textsuperscript{133} then a subsidiary of REPSOL YPF (itself the result of a merger between REPSOL [Spain] and YPF [Argentina]), had not conducted a consultation with the APG Itika Guasu despite the fact that Bolivia was a signatory to the ILO Convention No. 169 on Indigenous and Tribal Peoples and passed a law (Ley 1257) requiring consultation with affected communities. While the Bolivian government had failed to enact enabling legislation to operationalise both the ILO Convention 169 and its own law regarding consultation, many international mining and hydrocarbon companies operating in Bolivia and elsewhere in the Andean region had already begun to carry out public consultation processes in order to avoid conflicts with local populations with the encouragement of the multi-lateral

\textsuperscript{132} They later conducted their own evaluations see Asamblea del Pueblo Guaraní Itika Guasu (2006).
\textsuperscript{133} MAXUS Energy Corporation (U.S.A.) was acquired by Yacimientos Petrolíferos Fiscales (Argentina) in 1996. REPSOL (Spain) later merged with YPF to form REPSOL YPF and thus came to acquire all of MAXUS’ concessions in Bolivia. The newly merged company created REPSOL YPF E&P de Bolivia, S.A. to conduct its operations in Bolivia (including concessions overlapping with 17 TCOs in the Bolivian Amazon and Chaco). This constant round of mergers and acquisitions created a situation of general confusion and misunderstanding. This was the case for the APG Itika Guasu who constantly complained that they were unsure who they were negotiating with and if the company representatives had real decision-making authority. REPSOL YPF, together with BG Bolivia (UK) and Pan Andean Corporation (majority owned by UK British Petroleum) form the consortium of investors working the Margarita gas field. My interviews with Guarani leaders and with NGO staff revealed that they were unaware of the involvement of the BG Group and Pan Andean Energy in the project.
banks and sectoral organisations such as the International Council on Mining and Metals (ICMM). However, as this was the beginning of Bolivia’s “gas rush” and because MAXUS was a junior company it appears that little effort was made to undertake consultative mechanisms with indigenous leaders and provide additional environmental and social safeguards. Instead MAXUS operated with a more common approach adopted by many oil and gas firms, offering an ad hoc array of small projects and in kind donations (see Chapter 6 on the TCO Weenhayek for a similar experience) in order to gain community acceptance.

The APG Itika Guasu soon found themselves with few allies within Bolivia. Because of the potential wealth of the Campo Margarita gas field, estimated at 3TCF of natural gas worth billions of bolivianos to a cash-strapped government, it was labelled a project of “national public interest.” This notion of “national interest” is often invoked by governments who consider a project to be of strategic importance and thus want to proceed with extractive activity despite the existence of legal obstacles (such as when the project falls within a protected area, is close to an international border or, as in this instance, overlaps with a recognised indigenous territory).\(^\text{135}\)

In this case, the Bolivian government projected its future income on the basis of financial resource flows stemming from gas to be extracted in and around the TCO Itika Guasu. By 2001, the Guaraní faced increasing criticism from the local and regional press and from departmental government authorities in Tarija. This led Guaraní leaders to drop their opposition to the project and agree to enter into negotiations for compensation with REPSOL YPF, now the operator of the Margarita gas field and partner of the Pacific LNG consortium. A number of factors played into this decision, among them: the enormous importance of the reserves and the level of public support for extracting gas; the perceived inevitability of the Pacific LNG project; the success of other TCOs in

\(^{134}\) The concession -now contract- (known as the Capipendi Block) encompasses 87,400 hectares and overlaps nearly entirely with the TCO Itika Guasu (CEADESC, 2008)  
\(^{135}\) See Bebbington et. al. (2007) and the discussion of the Rio Blanco mining project in Piura, Peru.
negotiating compensation and right of way payments, particularly around the construction of the GASYRG pipeline by TRANSIERRA (see Chapters 5 and 6); and the emergence of younger leaders who were keen to access employment opportunities and who had skills and experience in non-indigenous society.

The efforts of the APG Itika Guasu leadership to negotiate a resolution to their demands for territory and compensation were eventually overrun by, and became subservient to, the agenda of the larger national social movement that opposed sending Bolivian gas to Chile and that questioned the foreign ownership of the country’s natural resources.\(^\text{136}\) This movement opposed the project on the grounds that it was transnationalising Bolivian territory and natural resources, specifically its vast gas reserves, and that it represented yet another act of dispossession by a coalition of foreign and domestic neo-liberal interests. At the time, both the media coverage of the Pacific LNG conflict and the social movements against the project were more focused on questions of which port would be chosen for exploring the gas, and who would ultimately utilise the gas, rather than questions of where the gas might be extracted and the implications of such extraction for those who would be directly impacted.

For over a decade the APG Itika Guasu has had little success as it has sought the resolution of territorial issues and compensation for the social and environmental damages incurred during the exploration and extraction of gas. Despite receiving signals from the Morales/MAS government that it would enter into discussions with REPSOL YPF to resolve Itika Guasu’s outstanding claims, there has been little progress in resolving the conflict. Indeed the MAS government has maintained a position similar to that of its predecessors, arguing that the project is of strategic national interest and thus must proceed.\(^\text{137}\) In response to one Guaraní blockade of a local bridge during 2006, the Morales government went so far as to call in the military to ensure that gas

\(^{136}\) This movement was coordinated by the Coordinadora Nacional de la Defensa y Recuperación del Gas (National Coordinator to Defend and Recover Gas) and was heavily dominated by the coca grower and agrarian federations of Cochabamba and urban-based movements in La Paz and Cochabamba, many of which had also been active in the Guerra del Agua.

field operations were not interrupted. Frustrated with their lack of progress in engaging the MAS government directly, the APG leadership opted to use the boomerang strategy\(^\text{138}\) (Keck and Sikkink, 1998) by working with European NGOs and transnational networks to pursue a legal case in Spain against REPSOL. This strategy, which the Guaraní leadership have pursued up to the present with little result, was roundly denounced by Vice President Garcia Linera who questioned the intromission of foreign interests in internal affairs (La Razón, December 2, 2009). Meanwhile the Itika Guasu leadership responded by indicating that they would not allow further hydrocarbon activity within the TCO until the government intervened in the conflict and contributed to a resolution of pending demands.\(^\text{139}\)

### 3.4 Conclusions

Any attempt to summarise such a complex and divergent history and set of actors will almost certainly overlook an event or protagonist considered to be an important part of the story. My aim in this chapter has not been to include all those critical points of Bolivia’s long history that might be implicated in present struggles over hydrocarbon expansion but rather give the reader a sense of the historical continuities that link fragments of older mobilisations, uprisings and conflicts with today’s struggles and how they come to shape the boundaries of those struggles.

The periods of colonial and early Republican rule - Bolivia’s “long history” - were characterised by a succession of Spanish administrators and later elected

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\(^{138}\) The boomerang strategy refers to a pattern in which a state blocks efforts of local organisations which in turn activates transnational advocacy networks that pressure their own governments or relevant international organisations who then pressure the offending state to respect the human rights of the impacted community or population (see Keck and Sikkink 1998:12-13)

\(^{139}\) Personal communication with CER-DET staff, April 2010. At the time of writing there are indications that the government will negotiate a resolution with APG Itika Guasu leaders. Previously the REPSOL-BG Bolivia-Pan Andean consortium had baulked at government demands for further investment in the Margarita gas field without first securing a market. Earlier in 2010, the Bolivian government was able to finalise negotiations with Argentina to ship increasing amounts of natural gas over a ten year period thus ensuring a market for the gas produced from the Margarita field. The remaining obstacles are the construction of a gas pipeline and separation plant that are said to be under construction. Finally, the Bolivian government continues to negotiate with Chilean officials leaving the door open to a possible resuscitation of the Pacific LNG project.
governments who organised economic life around the extraction and export of a series of commodities but predominately around mineral extraction. Extraction was directly implicated in the subjugation of the Indian majority in the Andean highlands and the rise of new institutions designed to ensure sufficient supplies of labour and materials to the mines. This period is also marked by the loss of territory and access to the sea, a loss which truncated the possibility for capitalist expansion in the altiplano based on the development of maritime and coastal economic opportunity. At the same time, a weak and divided elite attempted to maintain a “harmony of inequalities” through a range of circumstantial alliances with mestizo and Indian groups in order to sustain its power. Bolivian independence, rather than bringing liberation and the promise of citizenship to the indigenous majority, imposed a regime of neo-colonial rule based on dispossession, racism and exclusion that was only dismantled (and then only in part) with the National Revolution of 1952.

It is in this post-revolutionary period that the new territorializing projects of the Bolivian State take shape. The government looked eastward to the Amazonian lowlands for its economic future, promoting a combination of commercial agriculture, hydrocarbons development, large-scale infrastructure and integration with its large neighbours Brazil and Argentina - an economic development model that remains largely intact today. While the 1952 Revolution introduced a series of important reforms, among them land reform, these were implemented unevenly and failed to induce broader and more profound social and political change. The Revolution, and its intent to mould a modern, mestizo citizen by burying ethnic identity, induced a backlash that would only be fully appreciated many decades later after a long process of ethnic political organising. The failure of the Bolivian state to deliver meaningful reform to the indigenous majority and to renovate the country’s democratic institutions led to widespread disillusionment with democratic rule. By 2000, the emergence of new political actors and movements in a context of acute social convulsion, economic crisis and political decay led to a series of unanticipated events, including the ouster of two Presidents and the election of Bolivia’s first President of indigenous origin and first social movement leader in 2005.

Historian Brooke Larson maintains that the events of post 2000 are tantamount
to a rupture with the past marking “a turning point in Bolivia’s socio-political history of nation making” (2008:8).

Caught up in the highly charged politics of the late 1990s-early 2000s, Bolivia’s emerging gas industry became the centre of acrimonious debates among elites over how to best exploit this economic opportunity. These debates were later taken up and expanded on by social movement actors, who, sensing the country was vulnerable to another round of dispossession by international interests, argued for a recovery of Bolivia’s natural gas and for the State to retake control of the hydrocarbons sector. Although not initially part of the MAS agenda, nationalisation of the hydrocarbons sector quickly became a central pillar in its programme as anti-global and anti neoliberal currents linked to the larger social movement mobilised to block the proposed Pacific LNG project and the shipment of gas, via Chile, to Mexico and the United States. The failure of government elites to fully comprehend popular will regarding the proposed Pacific LNG project ultimately led to their downfall and to the election of Evo Morales and MAS.

This chapter has also begun to open up the theme that is dealt with in detail in the following three chapters - the ways in which the Morales-MAS government has handled the hydrocarbon question. I have drawn attention to the early emergence of MAS as a Quechua and Aymara political instrument in whose crafting lowland indigenous groups played no significant role. This intra-indigenous distinction will become important in the following chapters. Second, I have noted early evidence of authoritarian tendencies within the MAS’s mode of operation, even prior to its emergence as a national political power. Third, the chapter has elaborated on the significance of the Chaco War, a motif and memory on which the MAS’s governance of hydrocarbons has drawn. Finally, in its discussion of Itika Guasu, the chapter has suggested that for the MAS, exploiting the economic value of gas appears to be far more important than securing the territorial viability of lowland indigenous peoples. These are all issues that take on great significance in the following chapters. Indeed, in Chapter 7 I will argue that they must be central to how the post-neoliberal governance of gas is conceptualized, both on its own terms as well as in relation to longer political economic histories.
Map 3.2 Hydrocarbon Contracts and Indigenous Lands (TCOs)

Source: CEADESC, permission granted to reproduce map here.
Chapter 4
Gas-infused Sub-national Conflicts: Tarija and Resource Grievances

The crisis, out of necessity, must end at some moment: no society can live permanently in mobilisation (as the anarchists hold) or permanently in stability (as Christians believe). There may be instability, struggles, but at some point an orderly structure must be consolidated, which will continue to experience internal conflicts of course, but later it will be possible to say: From this moment on, we have a reconstituted neoliberalism or we have a national, indigenous, popular, revolutionary state. Álvaro García Linera, El Empate Catastrófico y el Punto de Bifurcación, December 17, 2007.

Having laid out the long-history within which contemporary state-social movement interactions over natural gas must be understood, this and the following two chapters analyse three such domains of interaction. Each domain has been defined by on-going contentious politics of the type discussed in Chapter 2, at times giving the sense alluded to in the quotation from García Linera that Bolivia has been living in a state of permanent mobilisation. In Chapters 5 and 6 I focus specifically on contentious relationships with indigenous populations, while in the current Chapter I consider the complex and multidimensional forms of contention that have occurred at the scale of the Department of Tarija.

By 2008, the country edged perilously close to civil war after the central government, Tarija and the three other rebellious departments comprising the


\[141\] The date of García Linera’s speech delivered to La Comuna in La Paz in 2007. The speech was later published in Crítica y Emancipación in June 2008.
media luna\textsuperscript{142} became embroiled in conflict over the adoption of regional autonomy statutes in a series of extra-legally organised referenda. These conflicts have been interpreted as self-interested acts of conservatism orchestrated by Civic Committees and Departmental political leaders in order to undermine the government of Evo Morales and derail the process of social change (Weisbrot and Sandoval 2008). Such interpretations are consistent with the argument that the demand for regional autonomy is a strategy of lowland elites who can no longer legitimately call on authoritarian interventions in the face of social processes that challenge their privilege and power (Eaton 2007). For the case of Tarija they are also consistent with the argument that the cultivation of Tarijeño identity and interests is an elite strategy to foster regional affiliations and so prevent conflicts from falling out along class lines (Vacaflores and Lizárraga 2005). Yet useful as they are, these interpretations do not capture all that was going on in these mobilisations. Departmental and sub departmental conflict dynamics had their own histories and geographies, making it a mistake to interpret them only in terms of the current moment or to view them as manifestations across four departments of a single general phenomenon. Likewise, these conflicts had their own sets of motivations and grievances. While these appear to have manifested themselves as a moment of broader collective protest, they also indicate complex and at times divergent internal forces.

Compared to Santa Cruz, the supposed political axis of the media luna, Tarija has been little studied even though it is the most critical to the viability of the MAS government’s resource extraction-based path towards “post neo-liberal” patterns of social and infrastructural spending (Weisbrot and Sandoval 2008; Farthing 2009; Bebbington 2009). Much media coverage of the 2008 events portrayed the Department of Tarija as being solidly in the camp of the media luna.

\textsuperscript{142} The media luna, or half moon, refers to a dissident political block which includes the eastern departments of Santa Cruz, Beni, Pando, Tarija and on occasion Chuquisaca. Promoted by political elites from Santa Cruz, the movement seeks greater political and financial autonomy from central government. Its strength and visibility increased in the aftermath of the election of Evo Morales and MAS in 2005 but faltered after Morales’ re-election and the passage of the new constitution in 2009.
luna, casting an image of a relatively well-off and mostly criollo-mestizo\textsuperscript{143} citizenry that fiercely opposed the indigenous-populist administration of President Evo Morales (\textit{Economist}, 2008a). This abbreviated version of Departmental politics provides little insight into the intradepartmental sensitivities, identities, and power struggles within Tarija or its variant of the complex, ever-shifting landscape of social movements, actors, and political alliances in the Bolivia of Evo Morales.

“Autonomist” and protest agendas vary across the \textit{media luna}. What was distinctive to Tarija was the dispute with central government that focused on access to and continued control over hydrocarbon rents (cf. Vacaflores and Lizárraga 2005) and the struggle to balance internal relationships within Tarija—in particular between the gas-producing province of Gran Chaco and the city of Tarija. Understanding what is going on inside Tarija therefore requires a look back into the Department’s history and the role of hydrocarbons in that history.

The Chapter is composed of four parts. The first lays out theoretical points of departure. The second explains elements of the Tarijeño context, examines the trajectory of hydrocarbon extraction, and discusses how it has become the main axis of conflicts among different interests within Tarija as well as between them and the central government. While these interests have a class component, they have equally important geographical and ethnic dimensions. I will argue that grievances had accumulated around gas for a number of years and were part of much more sedimented regionalist grievances. The section discusses how conscious elite strategy and government decisions alike transformed these grievances into protest. The third section focuses on the protest of September 2008, emphasizing the different actors involved and the convergences and divergences among the concerns that motivated them. The final section interprets these protests as deriving their motive force from grievances that are as much specifically Tarijeño as they are part of a wider set of concerns in the

\textsuperscript{143}Criollo refers to persons of white, European descent, while mestizo refers to persons of mixed race.
media luna and that at the same time reflect growing tensions and fissures within the MAS.

4.1 Identity, protest and resource economies

As noted in Chapter 2, recent debates on social movements in Latin America emphasize the role of culture, arguing that mobilization and protest occur around identities that go beyond those of class and that it is more the norm than the exception that actors in protest have multiple identities. While the theme of a protest may privilege interests linked to one of these identities, the others remain relevant. Rather than reflecting an essence, these identities are produced through the positions of actors within networks of social relationships and discourses. Identities may also be consciously cultivated as “strategic essentialisms” (Rubin 1998) or as part of the “invention of tradition” in order to strengthen claim making, recruit adherents, and/or obfuscate other interests. However, such strategizing and invention do not occur in a historical vacuum and material political economies set frames within which identities can be strategized and influence which sets of identities are more and less likely to be viable in a given geographical and historical context (Escobar 2008).

The emergence and construction of identities has been an important theme in efforts to explain the changing political landscapes of lowland Bolivia. Some writers (Eaton 2007; Vacaflores and Lizárraga 2005) draw attention to elite efforts to construct regional identities around regional grievances. They suggest, however, that this is a self-interested strategy. On the one hand, if regional identities dominate, then others that are based on class and ethnicity and threaten elite power will not prosper. Regional identities are viewed as being fundamental to elite efforts to control resources and continue to dominate regional political economy and society.

Other writers have emphasized the emergence and cultivation of indigenous identities in the lowlands and the rise of movements and organisation around these identities (Albó 2008; Postero 2007; Gustafson 2009; 2010). Such processes are as much endogenous as strategically cultivated and can also involve an association of identity and grievances rooted in regional political economy. In particular, grievances related to the adverse effects of resource extraction have been part of this emergence of identities. A variant of this
process in Bolivia has been the emergence of a so-called Chaqueño culture both in the broader Chaco (of Bolivia, Paraguay, and Argentina) and more specifically in the Chaco of Tarija. This identity has also been cultivated throughout the twentieth century as one grounded in shared productive practices (ranching), shared culture (music, dance), and shared grievances (the suffering of the Chaco War and the marginalisation of the Chaco within Tarija and Bolivia).

The emergence of such identities has several implications. First, the coexistence of distinct (strategically essentialised) and multiple identities suggest that the hegemony of any one of them is never stable. Second, identities are scaled, being simultaneously created and contested at the level of province, territory, department, and nation. Third, grievances play a central role in the construction of lowland identities, and they are always mobilized in relation to political economic history. It is important to recognize the coexistence of these scaled, multiple, aggrieved and historical political-economy-informed identities in order to understand the protests of 2008. What at first might appear to have been a political act motivated by identities of a particular nature and scale was in fact a form of political action motivated by a range of identities and constituted by a momentary convergence of interests among these multiple identities. As I will argue, gas was central to this process.

4.2 The Sedimentation of Grievances and the Rise of Resource Regionalism

From its earliest days as an outpost of the expanding Spanish empire’s efforts to forge a trade route between the Audiencia of Charcas and the Port of Buenos Aires and as supplier of livestock and agricultural products to the Potosí mines, Tarija was frontier territory. Today, bordering Argentina and Paraguay, the Department is Bolivia’s smallest and among the least populated, with a land area of 37,623 km² (cf. Bolivia’s 1.1 million km²) and a population of 509,708 as of 2009 (less than 5 percent of Bolivia’s approximately 10 million inhabitants). Poverty rates have been falling steadily over the past 30 years, from 87 percent in 1976 (above national rates) to 50.6 percent in 2001 (below the national rate of 58.6 percent), and departmental figures for life expectancy, literacy, and infant mortality rates all compare favourably with the national average (INE 2001; 2009). This has attracted in-migration, with the result that Tarija’s
population is now largely urban, young (50 percent under 23 years of age), and
ever more ethnically and culturally diverse. Nearly one in four residents was
born in another department (INE 2009).
Tarija’s geographical diversity, covering altiplano, valley, sub-Andean yungas, and Chaco, coupled with a very limited road network and a frontier history, has contributed to strong sub departmental identities. In particular, residents of the Chaco (where hydrocarbons deposits are concentrated) tend to identify themselves as Chaqueños rather than as Tarijeños, a historical division that has become even more acute as debates about the distribution of gas rents have grown tenser. It has long been an ambition of Chaqueño elites to seek autonomy from Tarija and exercise greater control over their political and economic affairs.¹⁴⁴

The Tarijeño/Chaqueño divide exists alongside other identities of ethnicity, class, and origin that form part of a more socially complex and culturally diverse Department than is generally conveyed by either the identities that its elites

¹⁴⁴The creation of a tenth department (Chaco) was proposed at the Constituent Assembly but abandoned when deemed unviable. In April 2010, the Province of Gran Chaco was the first (and only) regional autonomy to be recognised by central government though the details of how regional autonomy operates remain to be worked out.
project or the identities that the rest of Bolivia confers on it. In particular, Guarani, Weenhayek and Tapiete indigenous identities have become increasingly visible since the 1990s as part of a process of progressive organisation and liberation from various forms of subjugation including semi-slavery (Castro 2004). These identities have become increasingly spatialized as each of these peoples has made territorial claims under the terms of legislation passed in the 1990s and more recently entertained the pursuit of the indigenous autonomies created by the Morales government. Urban migrant and migrant landless identities have also emerged as other groups have asserted their legitimacy and made claims (PNUD 2003). This UNDP study, led by sociologist Fernando Calderón, argues that in Tarija identities are increasingly reflective of relationships to natural resources, livelihood and occupation, and, most important, place of origin.

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145 Of the three, the Guaraní are the principal indigenous group in Tarija (850 families), followed by the Weenhayek (350 families) and the Tapiete (13 families).
4.2.1 Hydrocarbons in Tarija, Grievances in Bolivia

Oil and gas have long played a role in Tarija and through them Tarija has played an important role in the national economy. As noted in the previous chapter, Tarija’s oil deposits were first exploited by Standard Oil of New Jersey in 1924 and nationalized after the Chaco War (1932–1935). Since then Bolivia’s hydrocarbons have been nationalized on three occasions, the rationale each time being that Bolivia was not benefiting sufficiently from its natural resources (Miranda 2008). Yet, whether its hydrocarbon sector was under state control or in the hands of private operators, Bolivia has a history of negotiating unfavourable deals for its oil and gas (Morales, J. 1999:86; Ribera 2008).

The most recent privatisation occurred during the first administration of Gonzalo Sánchez de Lozada (1993–1997) as part of a broad initiative to consolidate neoliberal economic policies (Perreault 2008). The state withdrew from its operational role and created a series of mixed-capital corporations between the state hydrocarbons agency, YPFB (Yacimientos Petrolíferos Fiscales Bolivianos), and private transnational firms for oil and gas exploration, transportation, and refining. Transnational firms were to make a 50 percent capital investment, the other 50 percent of the company being owned by YPFB employees and pension funds (Kohl 2002; Kohl 2004; Kohl and Farthing 2006). The tremendously favourable legal framework, low taxes, and generous investment terms for foreign capital led to a rapid increase in private investment, new discoveries, and a substantial increase in Bolivia’s certified reserves. A number of major international and Latin American firms invested in Bolivia

146 Although this chapter focuses on Tarija, I deal with certain national dimensions of hydrocarbons governance here rather than in Chapter 3, because they lead directly to the question of how gas royalties and revenues are distributed within Bolivia, an issue that was at the centre of the 2008 conflicts in Tarija.

147 An example of the limited bargaining position of the Bolivian government over gas is the infamous borrón y cuenta nueva (literally, to wipe the slate clean) agreement signed between Argentina in 1990 by the Paz Zamora government. During the 1980s, Bolivia had run up significant debts with Argentina. At the same time Argentina’s growing internal debt led to an arrangement whereby Bolivia accepted payment in kind: equipment for natural gas. After both governments “lost track” of the value of these improvised and complicated arrangements, it was agreed that each government would forgive any outstanding debts of the other and start anew (L. Lema interview, June 19, 2008). Quiroga Santa Cruz (1977) provides a critical assessment of hydrocarbons negotiations with Brazil in the 1970s.
during this period. Investment also poured into related infrastructural works: gas and oil pipelines and processing and storage facilities were constructed to connect new fields to new markets. Private investors keen on supplying the burgeoning energy market in Brazil were transforming the Bolivian gas and oil industry in the process (Centre for Energy Economics n.d.).

While these transformations passed largely under the political radar (Kohl 2002), this was not the case during Sánchez de Lozada’s second term (2002–2003), when continued social-movement pressure to nationalize hydrocarbons and the gas war over plans to export gas through Chile led to the President’s departure (Perreault 2006). In July 2004 a national referendum was held, and voters decided overwhelmingly for greater state control over the gas industry and an increased share of gas revenues. The subsequent passage of Hydrocarbons Law 3058 (and its final implementation in 2005 during the interim Rodríguez Veltze administration) enshrined the right of all Bolivians to benefit from gas rents through the establishment of a Direct Hydrocarbons Tax (IDH), a mechanism for increasing both producing and nonproducing regional governments’ share of hydrocarbons revenue. However, because the agreement to introduce and distribute the tax was crafted “in a climate of profound social and political crisis and in the midst of a series of conflicts, [the assignment of benefits] corresponded more to the pressure, struggle, and protest to capture rents than to any planning and analysis about what to do with these rents” (Fundación Jubileo 2008:11). Some analysts argue that the result has been a confusing system that sustains highly unequal tax-revenue transfers (ranging from US$751.3 per capita in Pando to US$27 per capita in La Paz)

148 These included Amoco (USA), Repsol (Spain), ExxonMobil (USA), British Gas (UK), British Petroleum (UK), Total-ELF (France), Pluspetrol (Argentina), Petrobras (Brazil) and Perez Companc (Argentina).

149 This tax called for the transfer of 32 percent of oil and gas profits to departments, municipal governments, the national treasury, universities, and the Indigenous Fund. In 2008, the pensioner’s stipend was added to this list. Initially the departments received 33.2 percent, the national treasury 28.6 percent, municipal governments 26.5 percent, the universities 6.6 percent and the Indigenous Fund 5 percent. Under Morales’ reformulated distribution, the pensioner’s stipend receives 26.1 percent, the departments 9.9 percent, the municipal governments 33.7 percent, the national treasury 20.2 percent, the universities 6.6 percent and the Indigenous Fund 3.5 percent. See Fundación Jubileo (2008) for a discussion of how these changes impact central government, departmental and municipal budgets.
(Weisbrodt and Sandoval 2008:7) and fuels increasingly intense confrontations between the central government and the regions (Hodges 2007).

In this context Evo Morales and the MAS campaigned, among other things, on the recovery of Bolivia’s natural resources with a promise to nationalize hydrocarbons, a commitment that he fulfilled by supreme decree four months into his term. The national grievance over forgone and dispossessed hydrocarbons revenue had once again been recognized as law, but this time as part of a conscious policy platform that would translate hydrocarbons wealth into national social policy. Gas grievances came to be bundled with the identity of citizenship. Furthermore, that the nationalisation was entitled “Heroes del Chaco” was meant as a reminder that those who had died in the Chaco War to protect Bolivia’s gas had been predominantly highland Indians, not Tarijeños or Chaqueños (see also Perreault 2010).

4.2.1.1 Hydrocarbons and Grievance in Tarija

After the Chaco War (see Chapter 3) the Bolivian government modified the Royalties Law to provide an 11 percent royalty payment for hydrocarbons-producing departments (at that time Santa Cruz and Tarija). Since then (between 1941 and 2007), Tarija has received over US$774 million in royalties, with nearly 80 percent of those funds generated in the past decade (1996–2007) and the greatest increase in revenues coming after 2005 (Table 4.1, below).

The Department has, then, long received revenues from hydrocarbons and has invested those revenues in a series of productive and infrastructure projects and service enterprises. However, central government disbursements were often erratic and inaccurate, creating tension between the two parties. A former superintendent of hydrocarbons in Tarija comments, for instance, that royalties were not always transferred on a regular basis and that Tarijeños had to turn to

150 Critics in CODEPANAL (Comité de Defensa del Patrimonio Nacional) accuse Morales of nationalising gas rents but leaving transnational firms in charge of hydrocarbons operations as well as failing to fulfil a pledge to industrialise Bolivian hydrocarbons. See www.cedib.org for more on debates over the nationalisation of hydrocarbons.

151 A royalty is a payment in recognition that the resource being extracted is not renewable and therefore has a finite life.
demonstrations and protests to force their release by the central government (L. Lema, pers. comm., June 2008).

**TABLE 4.1 Hydrocarbons Income (Bs millions), Department of Tarija, 1996–2007**

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<th>Source</th>
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<th>'97</th>
<th>'98</th>
<th>'99</th>
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<td>113</td>
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<td>61</td>
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</table>

Source: CEDLA, 2009

The sense of grievance has intensified over the past decade as elites in Tarija have increasingly coupled the Department’s future economic development with large-scale, export-oriented extractive industry activity. In the late 1990s, the increased presence of transnational firms and exploratory projects was accompanied by large infusions of capital and technology that revitalized a moribund hydrocarbons sector in the eastern provinces of Gran Chaco and O’Connor. This generated excitement about the possibility of massive infrastructure projects related to the transport and export of these gas reserves (Hindery 2004). It is this view of development that leads political leaders in Tarija, as well as much of the population (even some who are in other respects supporters of the MAS), to view the struggle over Departmental revenue from

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152 Bolivia is divided into municipalities, provinces and departments. Municipal governments are governed by elected mayors and councils. Departments are governed by elected prefects (now governors). Provincial authorities are appointed by the prefects. In Tarija, there are nine provinces, of which three are gas-producing areas: Gran Chaco, O’Connor, and to a lesser extent, Arce. In April 2010, the Province of Gran Chaco voted to form the country’s first regional autonomous unit.
gas as fundamental to the Department’s ambitions for regional economic development and effective autonomy.

Since 2005, with the implementation of Hydrocarbons Law 3058, the Department’s revenues have soared from approximately Bs534 million in 2004 to over Bs1.67 million in 2007 with hydrocarbons revenues accounting for about 89 percent of the Department’s income (CEDLA 2008).\footnote{Royalties are generally paid directly to the departmental government. The Direct Hydrocarbons Tax (IDH), however, is distributed among the 9 departments, 311 municipal governments, and public universities, the Indigenous Fund, the military and the national treasury.} This revenue bonanza, which is also in part attributable to higher prices for fossil fuels, has sparked a flurry of infrastructure works promoted and paid for by the Department.\footnote{This bonanza ended in April 2009 when Bolivia renegotiated gas prices with Brazil and Argentina with prices dropping some 33 percent from their highs in 2008. Gas prices have regained ground in 2010 but have not reached 2008 levels.} The regional government is especially keen to complete a network of highways that form part of the southern Inter-oceanic Corridor to spur Tarija’s integration with national and international markets. The Departmental government also uses gas revenue to fund free health care insurance, programmes for small farm development, and the development of several priority commodity chains. Any central government effort to reduce transfers to Tarija challenges this model of Departmental development.

\subsection*{4.2.1.2 Triggers of Protest: The Hydrocarbons Tax, Autonomy, and the Recall Referendum}

Arguments that tie regional development to natural-resource endowments and to the claim that these resources and the revenue flowing from them should be controlled and used by regional actors are a key part of what is referred to as “resource regionalism.” Grievances frequently become bundled with this regionalism, with claims that after years of disadvantage and marginalisation it is now time for regions to be able to take full advantage of their endowments. While such resource regionalism has a long history in Tarija, it has intensified with the gas boom and the significant increase in the resources at stake since the introduction of the Direct Hydrocarbons Tax (IDH). Tarija produces over 60 percent of Bolivia’s natural gas and receives fully 30 percent of all royalties and

\[------------------------\]
Direct Hydrocarbons Tax revenue generated in Bolivia. Indeed, the Direct Hydrocarbons Tax has further consolidated resource regionalism by providing a clear mechanism on which to peg demands for greater fiscal decentralisation in the extractive sector.

In the face of a situation in which a Department with 5 percent of the population receives 30 percent of gas royalties and tax revenues, the argument for a change in the distribution of gas revenues gained momentum. Commentators and leaders from disadvantaged highland Departments called for a more equitable formula based on population and poverty indicators (Barragán 2008; Weisbrot and Sandoval 2008) and for a distribution that would contribute to a diversification of the economic base (Wanderley 2008; PNUD 2005). The MAS government argued the same and throughout 2008 tussled with the media luna over the assignment of tax revenues. Tensions came to a head in early 2008 when Morales promulgated a decree to pay the pensioners’ stipend (renta dignidad) with IDH revenues and thus reduce the amount of those revenues going to the coffers of the Departmental government. This shift in funding was required as a result of the nationalisation of YPFB, which left state pension liabilities unfunded. The media luna, for its part, refused to accept the government’s attempts to claw back these resources for national social programmes, arguing that by law the money belonged to the regions and that what was actually at stake was, according to a senior figure in Tarija’s prefecture, a “government . . . seeking to consolidate absolute power and reconstitute a state that does everything . . . interrupting the process of decentralisation and strangling the Departmental governments” (interview with M. Lea Plaza, January 16, 2009). The irony in this claim is that leaders in the Gran Chaco Province had much the same view of the Departmental government in Tarija.

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4.2.1.3 The referendum on autonomy

In this context, the political leaders of the *media luna* effectively deployed the recovery of hydrocarbons tax revenues as a rallying point for the campaign for regional autonomy. In doing so they captured a popular historical demand for political-administrative decentralisation (Suso 2008) but reduced it to a simple call for “autonomy,” an expression that was embraced uncritically by large parts of the population. While debates about regional autonomy date back to the nineteenth century, in this more recent guise they can be traced back to civic-movement activism for a more direct democracy, in particular to demands for greater decentralisation under the Popular Participation Law (LPP) during the first Sánchez de Lozada administration (1993-1997).

At the insistence of *media luna* leaders, the July 2006 election to select participants in the Constituent Assembly was held in conjunction with a binding referendum on autonomy. The four rebel Departments voted overwhelmingly in favour of establishing autonomous Departments, though it was clear that there was little more than a vague notion of what “autonomy” might mean in practice. The results in Tarija revealed extensive support for autonomy, with more than 60 percent in favour. But, as Bazoberry (2006) notes, the autonomy votes are likely to have disguised more than they revealed, and the multiple desires and expectations encapsulated in Yes and No votes cannot be easily understood.

In December 2007, immediately following the passage of the draft constitution in the absence of opposition Assembly members, the rebel Departments declared autonomy from the central government. In an immediate association of autonomy with hydrocarbons and in direct defiance of the proposed new constitution, the Santa Cruz declaration of autonomy established that two-thirds of the taxes from the oil and gas industry generated in the Department would stay in the Department.

Tensions between the executive and the Departments increased as opposition leaders pushed forward with a series of Departmental referenda on autonomy. As Gray Molina (2008) notes, Civic Committees also became strategic actors in
these initiatives for regional autonomy.\textsuperscript{157} The first referendum for regional autonomy was held in Santa Cruz in early May and was followed by votes in Beni, Pando, and, on June 22, 2008 in Tarija - though none of these were recognized as legitimate internationally (Gray Molina 2008).

Prior to the Tarija vote, however, political leaders in the Province of Gran Chaco held a sub regional vote to select a sub prefect and Departmental councillor. The election anticipated the Departmental referendum and challenged Tarija’s Prefect Mario Cossio to follow through with earlier promises for further intradepartmental decentralisation. Cossio responded to the challenge by refusing to recognize the legitimacy of the election and calling for Departmental unity not separatism, ironically doing to the province what the central government was doing to the Department.

The run-up to the Tarija autonomy referendum took on a carnival-like atmosphere. Large banners swathed the balconies of Departmental and Municipal buildings in the main plaza while Chaqueño music blared from loudspeakers. Critics of the referendum pointed to the improvised and vague nature of Tarija’s autonomous bylaws, which, they said, would only deepen structures sustaining elite power and privilege fed by Tarija’s newfound gas wealth (interview with A. Valdez, May 30, 2008). The rural peasant leader Luis Álfaro dismissed the bylaws as a document prepared by and for the right and its logías, (lodges, see Footnote 25) and argued that autonomy must be pursued within the framework of the new constitution. The Guaraní and Weenhayek leadership criticized the bylaws as discriminatory for failing to recognize indigenous autonomy, while regional political leaders in the Provinces of Gran Chaco and Arce expressed disagreement with the process, which they saw as marginalizing provincial calls for greater decentralisation within the Department. Nevertheless, of the nearly 62 percent of Tarijeados who voted, over 78 percent favoured the proposed autonomy bylaws.

\begin{footnotesize}
\textsuperscript{157} He comments: “...they [the Civic Committees] have taken on a political aura similar to social and indigenous movements of five years ago, however like the social and indigenous movements...they suffer a chronic democratic deficit on issues of representation” (Gray Molina 2008:5).
\end{footnotesize}
The elite-dominated local press immediately reported this as a resounding victory for the advocates of autonomy (*Sur*, June 23, 2008). Viewed more closely, however, the results of the referendum reveal a Tarija that was much more divided along rural-urban and ethnic lines. While in recent elections absenteeism in Tarija has typically ranged between 10 and 15 percent across all provinces, this time rates were far higher, particularly in the more rural provinces beyond the urban core (Table 4.2). In the Province of Arce, where the MAS has established a strong base among rural workers and urban migrants, less than half of the eligible voters participated in the referendum, and with a Department-wide rate of absenteeism of 38 percent, it was clear that many eligible voters decided to sit out the election.

**TABLE 4.2 Participation in Referendum on Autonomy by Province, Department of Tarija, June 25, 2008**

<table>
<thead>
<tr>
<th>Province</th>
<th>% Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arce</td>
<td>42.73</td>
</tr>
<tr>
<td>Cercado (the urban core)</td>
<td>71.48</td>
</tr>
<tr>
<td>Gran Chaco</td>
<td>53.77</td>
</tr>
<tr>
<td>Aviles</td>
<td>55.42</td>
</tr>
<tr>
<td>Mendez</td>
<td>57.31</td>
</tr>
<tr>
<td>O’Connor</td>
<td>52.62</td>
</tr>
<tr>
<td>Total Department</td>
<td>61.76</td>
</tr>
</tbody>
</table>


**4.2.1.4 The recall referendum**

The idea of holding a referendum on whether to recall the president and vice president emerged as a means of overcoming the political impasse provoked by
the passage in November 2007 of the new constitution without the presence of the full Constituent Assembly.\textsuperscript{158} As the idea gained momentum in the \textit{media luna}, Morales proposed a referendum in which the population would decide whether he and the nine prefects should continue in their posts or be replaced. His move deepened existing power struggles within the right among \textit{media luna} prefects and PODemos, (Social and Democratic Power) the rightist opposition party whose candidate had campaigned bitterly against Morales in the 2005 elections. While the prefects argued that autonomy was the only way to prevent the new constitution from going forward, PODemos thought that a recall was the way to derail it. To Morales’s good fortune, PODemos senators agreed to his proposal, and the MAS quickly set the referendum date for August 10, 2008.

Jubilant over the results of the autonomy referenda and angry over this decision of the PODemos leadership, Departmental leaders hinted that they might boycott the recall referendum and instead push on with the immediate implementation of autonomy in their Departments. However, after an initial period of triumphalism, cleavages appeared within the coalition as prefects bickered over whether to participate in the recall referendum. Unable to agree on strategy, they made little coordinated or sustained effort to mount an anti-Morales campaign. There were, however, many high-profile and increasingly violent protests (such as the public humiliation of MAS campesino supporters in Chuquisaca and the takeover of the airport in Tarija) that kept Morales from attending official public events as well as campaigning in the \textit{media luna}.

When the recall votes had been counted, both sides claimed victory. Morales and García Linera were ratified in their positions by over 67 percent of voters and carried 99 of 112 provinces, though the mainstream media preferred to use maps showing the entire \textit{media luna} as having supported opposition figures (\textit{Economist}, 2008b). Three of the \textit{media luna} prefects were also ratified.

\textsuperscript{158}In the speech that opens this chapter, Vice President Álvaro García Linera discusses the crisis facing the Bolivian state and what he refers to as “the stages of hegemonic construction”. He proposes a democratic resolution of the conflict through a process of successive approximation, “the idea that through various democratic actions the tensions between contending forces will be resolved”. For García Linera, the referendum was the instrument to resolve the impasse and reach a point of bifurcation and the consolidation of the indigenous, popular revolutionary state. See García Linera (2008).
Tarija, Prefect Mario Cossio was supported by 58 percent of voters while Morales was confirmed by slightly less than 50 percent of voters (Table 4.3). While Morales failed to carry Tarija city, he enjoyed widespread support in Tarija’s five rural provinces where support ranged from 57 to 69 percent. Conversely, Cossio won the city of Tarija handily but was rejected in three of the rural provinces.

**TABLE 4.3 Results of Recall Referendum, Department of Tarija, August 10, 2008**

<table>
<thead>
<tr>
<th>Province</th>
<th>To Retain Cossio (%)</th>
<th>To Retain Morales and García Linera (%)</th>
<th>% Participation^a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arce</td>
<td>43.59</td>
<td>68.72</td>
<td>82</td>
</tr>
<tr>
<td>Cercado (the urban core)</td>
<td>64.43</td>
<td>38.35</td>
<td>82</td>
</tr>
<tr>
<td>Gran Chaco</td>
<td>54.83</td>
<td>57.19</td>
<td>74</td>
</tr>
<tr>
<td>Aviles</td>
<td>48.93</td>
<td>68.34</td>
<td>83</td>
</tr>
<tr>
<td>Mendez</td>
<td>54.64</td>
<td>60.55</td>
<td>82</td>
</tr>
<tr>
<td>O’Connor</td>
<td>48.03</td>
<td>66.15</td>
<td>78</td>
</tr>
<tr>
<td>Total Department</td>
<td>58.06</td>
<td>49.83</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: Corte Nacional Electoral, Tarija (2008), www.tarija.cne.org.bo

^a. Calculated on the basis of total number of valid ballots cast.

Once again, however, just as in the July 2006 elections and the 2008 referendum on autonomy, voting patterns are not as easy to read as might first appear. While the strong rural support for Morales seems consistent with the high rural absenteeism in the 2008 autonomy vote, the results of the referendum in Tarija also suggest that for an important segment of rural voters it was quite possible to both support Evo/MAS and favour increased regional autonomy. Even if it is not possible to know precisely what these voters took
“autonomy” to mean, at a minimum it can be assumed that their support for it reflected a regional/place-based identity alongside any class or ethnic identity that informed their support for Morales. In all of the rural provinces more people voted in favour of Cossio than voted against Evo by differences ranging from about 12 to 17 percent. If it can be assumed that support for Cossio was an indication of being in favour of autonomy, then a healthy share of voters supported autonomy at the same time as supporting Morales and his platform, which included the nationalisation of natural resources. Seen this way, neither Cossio nor Morales received a clear mandate in Tarija. Instead, the voting reaffirmed the complex and ambiguous identities and grievances that are deeply embedded in debates over autonomy, hydrocarbons governance and how rents from hydrocarbons should be distributed.

Following the election, Morales adopted a more conciliatory tone. In his victory speech he called on the prefects to set aside their differences and carry on the work of recovering the country’s natural resources and building a more unified Bolivia (Morales 2008a). However, the rebel prefects, joined by the recently elected and pro-autonomy prefect of Chuquisaca, moved to reactivate CONALDE\textsuperscript{159} and initiated a vigorous effort to undercut Morales’s authority. Abandoning efforts to negotiate a solution to the impasse, the prefects called on their bases to prepare a civic strike for mid-August—a precursor to the impending storm.

4.2.1.5 Mobilising Grievances

So far in this chapter I have suggested that three factors—the Direct Hydrocarbons Tax (IDH), autonomy and the recall referendum—merged and had the effect of intensifying conflicts between the media luna (including Tarija) and the central government at the same time as deepening certain ambiguities among voters. All this was tinder for the conflict that broke out in Tarija in the

\footnote{\textsuperscript{159}CONALDE (Consejo Nacional Democrático/Nacional Democratic Council) was a coordinating group formed among the civic committee presidents of Santa Cruz, Beni, Chuquisaca, and Tarija that had unravelled in previous months.}
wake of the recall referendum as Cossio and other leaders called for a strike to protect hydrocarbons revenues and demand autonomy.\textsuperscript{160}

The strike began in the city of Villa Montes in the Chaco. In one sense this seemed an unlikely origin, given its remoteness and its history of relatively weak social mobilisation. It was, however, a symbolically significant place to start because of its role in the Chaco War as the headquarters of the Bolivian army and a key line of defence toward the end of the war. The parallel drawn by the opposition was that Chaqueños were mobilizing once again to protect the country’s hydrocarbon resources.\textsuperscript{161} Also, Reynaldo Bayard, president of Tarija’s civic committee, came from Villa Montes and was there throughout the strike.\textsuperscript{162}

Shortly after the strike was called in Villa Montes, Yacuiba, the largest city in the Province of Gran Chaco and situated along the border with Argentina (See Map 4.1), announced that it was also joining the strike. With the border crossing closed, all transport between eastern Bolivia and Argentina shut down. The participation of Yacuiba was significant because while MAS has a core of urban and rural migrant supporters there, on the autonomy issue Cossio and the civic committee were able to recruit significant local support for the strike.

After ten days of fruitless protest, Chaqueño leaders argued that the only ones who seemed to be suffering from the strike were the Chaqueños themselves and demanded that the urban areas of the \textit{media luna} join the strike. Local leaders then demanded that both Tarija and Santa Cruz strengthen their protest or face having their domestic gas supplies cut off. The threat was clear: “If you don’t all turn out as Tarijeños, we will act against you as Chaqueños”

\textsuperscript{160}The Comité Cívico of Tarija began organising a general strike immediately after the recall referendum in mid August 2008 though it was not until several weeks later that strike activity spread and deepened.

\textsuperscript{161}Many have argued that the Bolivia-Paraguay Chaco War was a war over hydrocarbons engineered by Standard Oil and Royal Dutch Shell. In April 2009, the two countries reached an agreement over the definition of the border, and Morales once again referred to this historic claim (BBC 2009).

\textsuperscript{162}I was told by one informant that Bayard, supported by the Tarija Civic Committee, had unseated another Chaqueño, whose sentiments were more focused on the Chaco and less aligned with those of urban Tarijeños.
In Tarija, the mobilisation of the middle and upper classes took place via the civic committee and other social organisations but this was not enough.\textsuperscript{163} While the Department's public employees were also mobilized en masse, the campaign was in desperate need of warm bodies. Bringing members of the much feared Unión Juvenil Cruceñista (a sort of youth militia based in the Department of Santa Cruz) was decided against because of the sensitivities it raised. Instead, university students in Tarija, who had participated in the campaign for autonomy, were mobilized to occupy the blockades—particularly in the Chaco—but also to participate in the takeover and occupation of public buildings and to attend political rallies (interviews, September 2008).

4.3 Mobilisation and Violence in Tarija, 2008: An Anatomy of Protest

Tarija's civic committee officially declared a Department-wide strike on the afternoon of Friday, September 5, 2008. However, in a move that reflected the laid-back approach toward social protest of political elites in Tarija, the strike was not actually implemented until the following Monday morning, giving residents time to stock up on supplies. Warnings were sent out across town: close your business, close your office, or risk the consequences.

As the strike unfolded, pro-autonomy groups conducted a series of occupations of central government offices. One of the offices targeted was the Institute for Land Reform. Leading the confrontation were some 40 young men with sticks, rocks, slingshots, and metal shields in their hands ready to fight with the 10–15 policemen assigned to guard the building. Behind this "shock troop" were a few young women and older adults—including parents and other relatives—who supported the young men with bottles of water, vinegar (to counteract the effects of the tear gas), and shouts of encouragement. The encounter was intense but brief and without casualties (despite the tossing of sticks of dynamite at the police). Shortly after the building was taken over, a 4 × 4

\textsuperscript{163} Among these the Masonic lodges (logías) appear to have played an important role. The vice president of Tarija's civic committee accused the government and MAS sympathizers of being behind attacks on a Masonic lodge in Tarija at the height of the strike (El Diario, September 11, 2008).
appeared, and out of it came a contingent of Tarija’s civic committee members to claim victory. Not everyone was feeling victorious, however. Some neighbourhood residents (also in favour of autonomy) expressed dismay at the disorder and violence unfolding before them. Tarija had never, they said, even in the worst of times, descended to this level of violence.

That evening the vice rector of Tarija’s Juan Misrael Saracho University was interviewed on television and expressed his full support for the student occupation of government buildings, indicating that Tarija must protect its hydrocarbons tax revenues, royalties, and university: “The government needs to listen”. As did other public figures, he cultivated the logic of grievance, conveying an image of Tarija as the forgotten Department that, having found natural gas, must now find its own development path. Not only an instrument of development, this gas was also an instrument of protest, he implied, supporting the suggestion that closing off the valves to gas lines in the Chaco might be a good way to get the (central) government’s attention.

On the third full day, the general strike turned violent. Responding to rumours that members of the Federation of Peasant Communities of Tarija, supporters of Morales and the MAS, intended to march on the city’s main square, pro autonomy Tarijeños mobilized to prevent the march. Civic leaders called upon residents to maintain a permanent vigil and to defend their city. When MAS sympathizers failed to appear, a mob of pro-autonomy supporters headed to the Mercado Campesino (Peasant Marketplace), a MAS stronghold, for a showdown. An angry and violent confrontation pitted students and other urban youth against market vendors and peasants. Over 80 people were injured, including a young construction worker who lost his hand when he mishandled a stick of dynamite (El Diario, September 11, 2008).

164 In 2007, Tarija’s public university, Juan Misrael Saracho (UAJMS) received US$3.3 million in tax revenues.
165 This was an eclectic group that included urban elites, students, Departmental and Municipal workers, transport workers and other urban-based groups linked to Cossio’s party Camino al Cambio.
In the Chaco, local residents were pressured to shut their businesses and offices or risk retaliation. The civic committee of Villa Montes controlled all activity in the city and had all major routes effectively blocked. At the height of the strike, the government reported that a section of the major pipeline transporting natural gas to Brazil and operated by Transierra S.A.\footnote{PETROBRAS hold a major equity position in TRANSIERRA S.A. which operates the 432km GASYRG pipeline running from Yacuiba (Tarija) to Rio Grande (Santa Cruz). The incident took place in El Palmar outside of the city of Villa Montes. In the months following the attack the government conducted a series of investigations to identify those who collaborated in the sabotage of the pipeline. Three individuals from Villa Montes were arrested and jailed (El Diario, October 7, 2008)} was damaged when protesters attempted to shut one of the valves. There was also damage reported to the CHLB liquid gas plant (a firm that had been recently nationalized) in Villa Montes.

Saul Ávalos, then Minister of Hydrocarbons and Energy, denounced the disruption of gas supplies as a right-wing effort to sabotage Bolivia’s economy and jeopardize the delivery of gas supplies to neighbouring countries.\footnote{Months later, in an interview with the President of Bolivia’s Chamber of Hydrocarbons, I was told that the transnational firms had provided YPFB with technical support and emergency crews to address the sabotage and to keep the gas flowing. The hydrocarbon sector, based in Santa Cruz, was also accused of sympathising with pro autonomy groups.} According to Ávalos, the country stood to lose some US$8 million per day in lost gas sales to Brazil. For their part, representatives of Brazilian energy interests assured the Bolivian public that the affected gas fields and pipelines were under their control and that production had been only temporarily interrupted.

Tarija, with its three daily papers and its own television stations, provided a steady stream of pro-autonomy, pro-strike analysis. Throughout the strike period, Morales accused the press of an antigovernment bias and of being an instrument of oppositional forces. Indeed, as elsewhere in Latin America, the Bolivian press is controlled by elite interests, and in Tarija it played an important role in cultivating grievances and celebrating regional identity prior to and during this strike. And yet the press also, if inadvertently, contributed to a loss of motivation among some supporters of the strike. The images of racist confrontations and acts of vandalism in the city of Santa Cruz and above all the news from Pando of armed confrontation and dozens of deaths and
disappearances traumatized many Tarijeños who otherwise identified with many of the grievances underlying the strike. The triumphalist rhetoric that had characterized public discourse in Tarija for so many months gave way to appeals for peace, dialogue, and mutual understanding.

Of course, these calls for peace may also have been hastened by the realisation that the protest had garnered little support beyond the media luna. The abrupt and unexpected expulsion of U.S. Ambassador Philip Goldberg, together with pronouncements of solidarity and support for Morales from the governments of Brazil, Argentina, Chile and international bodies such as the Organisation of American States and the recently created Union of South American Nations, made it clear that any effort to create a parallel government would fail.

As quickly as the protest began, it subsided. Tarijeños returned to their daily routines but now with a social fabric considerably more frayed and with the realisation that few concessions had been gained. As one resident poignantly remarked, “The confrontation between the students and vendors in the Mercado Campesino was absolute madness: one day we go to buy our tomatoes and potatoes from the vendor, the next day we are throwing rocks at each other, and tomorrow we will go back and buy our tomatoes and potatoes again” (interview with G. Torrez, November 20, 2008).

4.4 Interpreting Protest: Conflicts within and between Resource Nationalism and Resource Regionalism

In the face of generalized and generalizing interpretations of events in contemporary Bolivia and particularly of the motivations deemed to have underlain the events of 2008, I have attempted to describe processes that

168 I am drawing on my personal interviews and conversations here. The violence experienced in Tarija paled in comparison with that experienced in the departments of Santa Cruz and Pando where the number of casualties and loss of property sparked international concern. In Santa Cruz, local news stations filmed attacks by mestizos on persons of indigenous/campesino descent. In Pando, supporters of Prefect Leopoldo Fernandez engaged in direct confrontations with peasant supports of the MAS in which at least eleven people were killed and more than 50 wounded. For more on the Pando massacre see www.bolivianinfoforum.org.uk/news-detail.asp?id=63.
appear less unitary and more embedded in longer historical geographies, than media and other renditions have suggested.

First, the conflicts in Tarija cannot be understood independently of natural gas. The history of hydrocarbons and the failure to derive either great national or significant regional benefit from their extraction inspires latent regionalist and nationalistic grievances for many actors. Meanwhile, in the contemporary context, gas has become central to the way in which the key actors think about development. As one leading figure in Tarija put it, people in Tarija began to wake up in the morning thinking about gas. Gas became the source of rents that, if accessed and controlled, could be used to sustain other projects. For the Departmental government, gas rents became the essential ingredient for regional investment projects and patronage. For Tarija’s civic committee, control of gas rents became the means of staking out effective autonomy from La Paz. For business, gas rents offered the possibility of new entrepreneurial opportunities through subcontracts. For the university, gas rents offered an unprecedented revenue stream. Meanwhile, for the Province of Gran Chaco, gas was a political instrument, a vehicle for gaining more independence in its own relationships with Tarija and the country. And for the different indigenous organisations in the Chaco, what happened with gas would determine the future of their territorial claims (as I discuss in depth in Chapters 5 and 6).

Gas became equally central to the way the national government saw its project. Morales and the MAS needed gas revenue to fund social and industrialisation programs and to compensate for an otherwise very narrow tax base. At the same time, they needed gas to sustain their political project: gas and its nationalisation have been symbolically central to the MAS agenda. Thus, while the central government resisted autonomy for nationalist and constitutional reasons, it also did so for reasons of simple political and fiscal strategy.21

Second, gas has become a resource that divides Tarija. It does so along boundaries that (rather than being simply regional/national) are defined by differences of view as to the political scale at which gas and the revenues it generates should be governed. While a MAS view (bolstered by the constitution) privileges the central management of revenue, an autonomist view (bolstered by arguments for decentralisation) privileges departmental
government, and an ethnicist view (bolstered by international conventions such as International Labour Organisation Convention 169, and the UN Declaration on Indigenous Peoples Rights) privileges the authority of indigenous collectivities. As the voting patterns discussed here suggest, these views do not map simply onto different actors—a reflection of the multiple identities that have informed political positioning around gas and autonomy. Thus in practice one encounters persons and organisations who can identify with and act politically on the basis of all three views—while voting for Evo Morales they also vote for Mario Cossio, turn out in the strike in Villa Montes, and have sympathy for free, prior informed consent for indigenous peoples under whose lands the gas lies. In interviews I often encountered Guaraní and Weenhayek leaders who were electorally and ideologically committed to a MAS government but also insisted that local indigenous organisations must have more say in the control of gas and its revenues, as well as MAS activists and officials who in some contexts espoused indigenous rights while in others had told Guaraní and Weenhayek leaders not to criticize gas expansion in their territories and to defend the nationalist argument against regionalist positions. I also interviewed regionalists associated with opposition parties who openly identified with certain MAS positions on the constitution (interview with R. Ruiz, January 2009).

Motivations at the moment of protest are therefore complex, and people standing side by side in Tarija were not necessarily moved by the same grievances or the same level of commitment to nationalist or regionalist discourses (see also Perreault, 2010). Nor did they agree on how gas revenues should be managed and redistributed (though their particular grievances over gas were central to their reasons for protesting). Moreover, regionalism itself is scaled, and protesters in Villa Montes were as much aggrieved by what they perceived as the centralizing tendencies of the city of Tarija as they were by those of La Paz. All of this greatly complicates the terrain on which leaders such as Morales and Cossio have to manoeuvre and enlist support for their political projects.

Third, resource regionalism is and will continue to be a significant factor in hydrocarbons and decentralisation politics in Bolivia. This is so first because it is a motivation and identity that cannot simply be explained as a product of elite strategies to build regional identities and thus block conflict around class or
ethnic cleavage. Supporters of the MAS also have regional (and ethnic territorial) identities that have every likelihood of influencing the way they will respond to government policy on hydrocarbons. (This has been clear in recent conflicts between indigenous organisations and the government over oil exploration in the north of La Paz.)

Resource regionalism will be important because the MAS has apparently embraced it at the same time as rejecting some of its manifestations. Morales himself has spoken of the need to correct the imbalances and inequalities caused by spatial unevenness in the distribution of the hydrocarbons tax revenues. Part of the MAS’ response has been to promote extraction in other Departments so that they too might have revenue from royalties. In short, it appears that it is ready to foster a whole set of resource regionalisms in order “to establish an economic and political equilibrium between Departments and regions of the country” (Morales, 2008b).

Furthermore, in response to its struggles with Tarija’s Departmental government, the MAS has also encouraged competitor resource regionalisms within Tarija. In this sense its political strategy evidently assumes that place-based identities are as important to socio political mobilisation as are class and ethnic identities. In February 2007 Morales signed Supreme Decree 29042, assigning the Province of Gran Chaco 45 percent of all royalties earned from hydrocarbons produced in the Department. Subsequently the MAS responded to Departmental authorities who argued that the province should only receive 45 percent of royalties from production generated in the province (La Razón, March 2, 2007) with an announcement by Morales in October 2009 that the Province of Gran Chaco would receive these royalties directly from the central government. Furthermore, dressed as a Chaqueño, Morales announced that Chaqueños would be given the right to vote on regional autonomy in the December 2009 elections. When the results in those elections subsequently showed 81 percent of Chaqueños were in favour of autonomy, it was clear that the MAS had captured a provincial resource regionalism in order to disarm a departmental variant. The incongruous image of Chaco elites applauding Morales in October 2009 and celebrating in December suggests that elite blocs are nowhere near as stable as some of the readings of the elite politics underlying autonomist tendencies would imply. At the same time, however, it
suggests that the MAS is willing to build alliances that might also have the effect of aggravating divides within its own bases, especially among its lowland indigenous base.

The conflicts in Tarija and their fallout demonstrate that there is a range of grievances and that many of these grievances are tied to geographical identities that have some basis in historical experiences. More importantly, readings of these conflicts that presume more or less unitary MAS post-neoliberal positions pitted against equally unitary conservative regionalist positions are not only incorrect but do little to help understand the historical trajectories and complex and often contradictory positions of local actors. The conflicts of 2008 are a reflection of how dependent the MAS has made itself on gas and how this can quickly generate serious conflicts with a range of social actors who have other views on how gas should be governed. Furthermore, these conflicts appear to presage just how fraught the MAS’ position might become if its dependence on gas leads it into conflict with groups (such as indigenous people) who are part of MAS’ own political base. In this vein, the following Chapters turn to the experiences of two indigenous groups, the Guaraní of Yaku Igua (Yacuiba) and the Weenhayek (of Villa Montes and Yacuiba) whose claimed ancestral lands coincide with important gas deposits. While these groups remained largely outside of the September 2008 conflict between Departmental authorities and central government (a decision of their own organisations), they soon found themselves immersed in unanticipated conflicts with central government over proposed hydrocarbon expansion in their territories.
Excerpt from an interview with Vice President Alvaro Garcia Linera, published in the Bolivian edition of Le Monde Diplomatique, August 2009 with the title: “The point of bifurcation is a moment when the armies gauge their respective forces”.

Interviewer: Listening to Evo Morales, we notice a discrepancy between his speeches in defence of the Pachamama, land and territory, directed more toward the outside world and his more developmentalist discourse within the country, including denunciations of the NGOs that promote an “Oil free Amazon”. How do you explain this? … And who will ensure that the state will not be as destructive as the transnational companies?

Alvaro Garcia Linera (Vice-President of Bolivia): …. Of course there will be a tension between social-state logic and a sustainable use of nature, and the social-state needs to generate economic surpluses that are the state’s responsibility. It involves some tension, just as this “state (composed) of social movements” generates tensions between the democratisation of power (to social movements) and the monopoly of decisions (by the state). We have to live with that contradiction of history. There are no recipes. Is it mandatory to extract gas and oil from the Amazon of North La Paz? Yes. Why? Because we have to balance the economic structures of Bolivian society, because the rapid development of Tarija with 90 percent of the gas is going to generate long-run imbalances. It is thus necessary to find a long-term balance between the different territorialities of the state. Likewise, we need economic surpluses in order to strengthen community structures, to expand them, to find means of modernisation that offer distinct alternatives to the destruction of the communal structures that has been happening up to now. And at the same time it is necessary to promote, in agreement with the communities, a form of hydrocarbon production that is not destructive of the environment.

Interviewer: If the communities say no, is the state still going to enter?

Garcia Linera: …. The indigenous-popular government has strengthened the long struggle of the people for land and territory. In

\[169^\text{Parts of this chapter are to appear in an article co-authored with Anthony Bebbington, “An Andean Avatar: Post-neoliberal and neoliberal strategies for securing the unobtainable,” New Political Economy, (forthcoming).} \]
the case of the minority indigenous peoples in the lowlands, the state has consolidated millions of hectares as historic territoriality of many peoples with a low population density. But combined with the right of a people to the land is the right of the state, of the state led by the indigenous-popular and campesino movement, to superimpose the greater collective interest of all the people. And that is how we are going to go forward.

Excerpt from an interview with Never Barrientos, President of the Asamblea del Pueblo Guaraní Itika Guasu, May 2009

The underlying fear that continues to persist is that…. if they give us the TCOs (originary communal lands) which contain natural resource wealth, we are not going to grant permission to exploit those natural resources. That is a lie … if the project guarantees, respects indigenous rights then the people are always going to say, go ahead, work, because it’s for the development of the country.

Chapter 4 discussed how hydrocarbons have become increasingly caught up in and constitutive of long-standing tensions between the central government and regional interests in Tarija. These interests have, ultimately, defined their claims and territorializing projects in terms of geographically defined administrative units – the demands of the “Department of Tarija,” the “Province of Gran Chaco” etc. In many instances they have also defined these projects in opposition to the MAS. This has meant that the MAS has been able to frame these conflicts as being between a progressive “government of social movements” and conservative forces of the political right. The Chapter argued that, with the election and progressive consolidation of the MAS government, hydrocarbons have become the instrument through which these conflicts have been increasingly resolved in favour of centralizing agendas and to the disadvantage of regionalist agendas.

The purpose of this Chapter, and Chapter 6, is to explore the relationships between hydrocarbons and another type of longstanding tension – that between central government and lowland indigenous groups. In this case, these groups’ interests are not defined in terms of pre-existing geographical units but rather in terms of ethnic identities. Indeed, at the core of the territorializing projects of

170 While Chapter 4 showed that this is hardly an accurate depiction, it is one that is relatively easy for the MAS to construct.
these groups is the very construction of the geographical bodies that might offer some hope of sustaining these ethnically defined interests into the future. These conflicts also differ from those described in Chapter 4 because they are between the MAS and some of its own social bases, making it far harder for the MAS to cast such interests as conservative and reactionary (though as we will see, some within the MAS have tried to do this).

The two Chapters deal with the Guaraní and Weenhayek peoples respectively. In each case, the Chapters first locate the contemporary conflict in the long history of the two indigenous groups – or, perhaps more accurately, in their particular parts of the long Bolivian history recounted in Chapter 3. These long histories are essential for understanding contemporary Guaraní and Weenhayek objectives in relation to land, territory and gas, and for appreciating some of the symbols that are mobilized and strategies that are used in these struggles. They are also important because they reveal that, just as nationalist discourses around gas are deeply influenced by historical experiences of war and violence (especially the Chaco War), so also are Guaraní and Weenhayek grievances viewed through their own suffering in the War of the Chaco and different episodes of violence inflicted on their ancestors.

The two experiences are valuable because they reveal differences among the ways that different lowland groups interact with the MAS around gas. Furthermore I have narrated the chapters so that they can show different dimensions of these interactions. Chapter 6 focuses on the detailed process of negotiation between the Weenhayek, the government and a range of hydrocarbons companies, exploring the micro-politics and dilemmas of representation involved, and the ultimate effects of social responsibility and compensation payments on the viability of the Weenhayek’s organisations and territorial projects. This Chapter focuses instead on the great difficulty faced by the Guaraní in even constituting a territorial project on lands with hydrocarbon reserves beneath the soil, even in a context in which government legislation ostensibly seeks to promote increased indigenous autonomy. Together the Chapters allow conclusions regarding the ways in which the convergence in time of a MAS government and hydrocarbon expansion has influenced the ability of these indigenous groups to advance on their long-standing concerns to recover ancestral lands, to exert increasing levels of self-governance and
autonomy within these lands, and to gain access to central state resources that would help make these systems of self-governance viable. I will argue that, against all expectations, the election of a MAS government has ultimately worked against these political projects, instead strengthening the position of the central state vis-à-vis indigenous nationalities.

As I discussed in the methodology section in Chapter 2, the proposed expansion of hydrocarbon development in areas occupied by the Guaraní was unfolding during the course of my field work in Tarija. The Chapter explores how the tensions surrounding this expansion are exacerbated by parallel struggles for land, autonomy and financial resource flows. I will argue that government initiatives to provide the Guaraní with land, territory, autonomy and financial resources, and afford these groups greater protection under Bolivian law, will necessarily be linked, and ultimately subordinate, to state-sanctioned hydrocarbon expansion. Put another way, the state will be offering these (and other) indigenous groups a sort of Faustian pact involving a trading of rights and territory for extraction. However by allowing such extractive activity and infrastructural development to take place within their territories, indigenous groups are exposed to greater (and riskier) social and environmental impacts which ultimately jeopardize efforts to pursue more sustainable development options within the lands they claim as territory.

The Chapter is divided into four sections. The first section lays out elements of the historical situation of the Guaraní under Colonial and Republican rule. The purpose is to document the long history of dispossession of land and territory to which the Guaraní have been subject. It is these lands and territories the contemporary Guaraní organisations now seek to recover. In the light of this history of dispossession, the second section analyses the MAS government’s efforts and commitments to address land issues for lowland indigenous groups, provide greater protection to indigenous groups affected by extractive activities and grant them a greater portion of economic benefits through four key mechanisms: 1) the recognition of Tierras Comunitarias de Origen (TCOs), or *originary communal lands*; 2) the offer of autonomy and greater self governance; 3) the introduction of new protocols and social and environmental safeguards, such as prior, free and informed consultation process and social-environmental monitoring; and 4) increased flows of financial resources linked
to hydrocarbon extraction. These initiatives take place against a backdrop in which the State is facing a number of important economic and political challenges.

In this context, the third section analyses recent negotiations between the representative organisation of the Guaraní in Tarija, the Council of Guaraní Captains of Tarija (CCGT), the National Service for Protected Areas (SERNAP), the State hydrocarbons agency (YPFB) and the Ministry of Hydrocarbons and Energy (MHE) over the proposed expansion of hydrocarbon extraction in the Serranía de Aguara Güe National Park and Area of Integrated Management (PN Serranía de Aguara Güe). On the basis of this experience, the chapter draws preliminary conclusions about the limits to indigenous aspirations to land, territory, autonomy and sustainable development under conditions of state-sponsored extraction. The implication is that the potential gains to mobilisation under post-neoliberalism are not as great as they might first appear, and certainly less significant than some commentators have wanted to suggest.

5.1 A History of dispossession

From Pre-Columbian times to what today constitutes the Bolivian Chaco, the region has been a site of intense movement and encounter for different indigenous peoples, among them the Tobas, Weenhayek, Guaraní, and Tapiete. Historically described as nomadic and semi nomadic populations the Chaco peoples were portrayed as hunter-gatherers who wandered the vast expanse of this semi-arid region with no fixed route. Given the often negative connotations of the label “nomadic”, anthropologists and indigenous Amazonian-Chaco groups have in recent years argued that these groups are not nomads but rather “mobile” peoples who move within defined trajectories (Ramos 1997). For centuries, these groups successfully repelled incursions by

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171 The Chaco Boliviano is an area that lies between the Rio Grande River (Department of Santa Cruz) and the Rio Bermejo River (Department of Tarija) along the border with Argentina. It covers three Departments (Santa Cruz, Chuquisaca and Tarija), five Provinces and sixteen Municipalities. The population of the Bolivian Chaco is approximately 300,000 inhabitants of which nearly 82,000 are indigenous Guaraníes, Weenhayek and Tapiete (the Tobas fled to Northern Argentina). In Tarija, the focus in this paper, there are 74 identified Guaraní communities.
highland groups linked to the Incan empire (Calzavarini, 2004) and efforts by Spanish explorers to colonize and pacify the region. Indeed the chronicles left behind by Spanish military and missionary explorers detailed both the extensive natural beauty as well as the inhospitable and bellicose environment of the Chaco. The histories of these peoples are marked by cycles of attempted forced settlement, subjugation, indigenous revolt, and brutal repression, followed by periods of relative peace.

The Guaraní, themselves an example of biological and cultural mestizaje among indigenous groups who came to Bolivia looking for kandiré, initially assisted Spanish explorers, as they sought to establish an expeditious route between the settlement of Asunción (Paraguay) and the Audiencia of Charcas (Sucre, Bolivia), but later turned on the Spanish after their unwelcome attempts to invade Guarani land. From Lima, Viceroy Francisco de Toledo, declared outright war on the Guaraní for their failure to recognise and embrace the Christian faith and submit to Spanish rule. Historian Tzvetan Todorov’s (1999) fascinating analysis of the use of violence and war at the time of the Conquest reflects on the use of the Requerimiento (The Demand) as a means to justify the murder and enslavement of such non compliant indigenous peoples:

...But, if you do not do this, and maliciously make delay in it, I certify to you that, with the help of God, we shall powerfully enter into your country, and shall make war against you in all ways and manners that we can, and shall subject you to the yoke and obedience of the Church and of their Highnesses; we shall take you and your wives and your children, and shall make slaves of them, and as such shall sell and dispose of

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172 Ethnohistorian Thierry Saignes describes the Guaraní (he uses the name Chiriguano to differentiate the Bolivian Guaraní from other groups in Brazil and Paraguay) as an exceptional group among Amerindians: a “society not only without a State, but against the State.” Saignes argues that their mixed origins as a band of Tupí-Guaraní who originated in Paraguay and then took wives of Arawak origin (the Guana and Chané) have allowed them to construct their identity against the backdrop of power exercised by white Europeans and mestizos. He goes on to note that they were not only engaged in direct conflict with the Spanish but also existed in a state of constant inter-group warfare and slave-raiding with neighbouring groups (Saignes and Combès 2007:32).

173 The tierra sin mal, the place of abundance of maize and harmony (CCGT et al. 2009)

174 Todorov notes that the Requerimiento was an instrument used to regulate conquests that up to then had been chaotic. The document had to be read to the Indians in the presence of an officer of the King.
them as their Highnesses may command; and we shall take away your goods, and shall do you all the mischief and damage that we can, as to vassals who do not obey, and refuse to receive their lord, and resist and contradict him; and we protest that the deaths and losses which shall accrue from this are your fault, and not that of their Highnesses, or ours, nor of these cavaliers who come with us. And that we have said this to you and made this Requisition, we request the notary here present to give us his testimony in writing, and we ask the rest who are present that they should be witnesses of this Requisition. (1999:147)

The Spanish soon found the Guaraníes to be formidable warriors and Colonial authorities were forced to change tack and instead focus on settling the still uncharted territories east of Tarija. They permitted Jesuit priests - later followed by Franciscan missionaries - to establish a series of missions in order to pacify and Christianize Indian populations in the Chaco. This had the purpose of accelerating the civilising process of Indians and allowed authorities to exert greater control over the territory east of Tarija. Scholars suggest that these efforts had been only partially successful by the mid seventeenth century (Saignes 1990). The new missions eventually gave rise to increased economic activity: the establishment of frontier settlements and the granting of large landholdings to Spanish and criollo175 subjects, known as the encomienda. As these new landlords sought to establish extensive cattle estates the encomienda in turn gave rise to a new institution, the hacienda.176 The proximity of converted and pacified Guaranies meant that they came to be absorbed into the hacienda and indeed sustained the hacienda system well into the twentieth century. The indigenous scholar Felix Patzi (1999) tells us that colonial rule in lowland Bolivia meant not only the disciplining of territory but also the disappearance of entire ethnic groups with others being reduced to very small numbers.

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175 The term criollo refers to an individual of Spanish ancestry born in the New World.
176 Haciendas were large-scale semi-feudal landholdings in which indigenous labourers and their families lived and produced subsistence crops for themselves while providing labour for the owner’s production of crops and/or livestock. In Bolivia, the haciendas of the Chaco were closely tied to the mines in Potosi, sending meat and hides. In the Republican period the haciendas continued to supply the mines and later the Bolivian military. It has proved to be an enduring institution in the Chaco only falling into crisis in the last twenty years.
After independence, the speed with which indigenous populations were expelled and dispossessed from their ancestral lands was hastened. In the eyes of new the Republic, lowland Indians were seen as *salvajes* (savages) - as wards of the State. The *hacienda* system expanded and consolidated as soldiers received large land grants in recognition for military service (Saignes 1990). Meanwhile the commercial boom in beef production drew ranchers from other parts of Bolivia (including Sucre and Santa Cruz) to establish cattle estates. As an economic group, these ranchers came to consolidate political power and gain status within Tarija and the larger Bolivian society. Thus the colonisation of the Chaco under Republican rule used cattle as the means to lay claim to vast amounts of territory and to establish new forms of subjugation of dispersed, nomadic Indian populations. The secularisation of the missions at the end of the eighteenth century further strengthened the now firmly entrenched *hacienda* system and the power of the *patron* over his workers. With no institutional presence to counteract the power of ranching elites the unfettered abuse of Indian labour became widespread as did the missionaries’ fear of a society divided into one of, “rich and poor... of the advantaged and of the unfortunate enslaved who must serve them” (Anagasti 1992 cited in Mendoza et al. 2003).

Under the Republican period, the state redoubled its efforts to pacify and colonize its eastern frontier through the use of systematic violence. In 1839 the Bolivian army launched an attack on Guaraní communities in the area of Chimeo (Entre Ríos) with a view to securing land for colonist families. With much of the Indian population killed by disease, dispossessed of their territory and under constant attack by soldiers, those who survived either entered the haciendas or migrated to Argentina. Meanwhile the army was able to establish a number of military outposts and the beginning of a permanent presence in the region. In a story reminiscent of the tragic native-military conflicts on the North American frontier, the decades-long skirmishes between the Guaraníes and the Bolivian army ultimately reduced their number and territory, and enslaved those unlucky enough to be captured. By the time of the Massacre of Kuruyuki in 1892, seen as the defining battle between the Guaraníes and the Bolivian army and one in which thousands of Guaraníes perished, more than 350 years had passed since the Viceroy of Lima first declared war on them. The defeat
initiated an extended period of subjugation, suffering and invisibility at the hands of the *karai*.\(^{177}\) That said, not all Guaraní communities experienced subjugation to the same degree as some were able to live *iyambae*, as free communities, by paying tribute to local landlords (Barrientos et al. 2004:3).

By withdrawing deep into the Chaco forest, some groups were able to escape subjugation and enslavement. The advent of the Chaco War (1932-1935), however, effectively ended the mobile livelihoods of all ethnic groups in the Chaco.\(^{178}\) The social revolution of 1952 and the subsequent Agrarian and Mining Reforms implemented by the Revolutionary National Movement (MNR) in 1953, encouraged the formation of a universal rural *campesino* identity within a modern, integrating vision of Bolivian society while at the same time discouraging indigenous or ethnic identity.\(^{179}\) Indigenous scholar Xavier Albó (Fundación Tierra 2009) contends that the MNR’s efforts to forge such an identity were nothing more than a mask - a fictitious image of equality among all Bolivians. Furthermore this revolution produced differentiated impacts on highland and lowland populations in terms of identity, citizenship and access to land (Perreault 2008). In contrast to the breaking up of the *hacienda* system in the highlands, in the Chaco, agrarian reform produced a series of perverse impacts, among which was the further consolidation of the *hacienda* system and egregious practices of forced labour. The Guaraníes became invisible as they were denied access to basic rights to land and citizenship, much less the opportunity to restore ownership of their ancestral lands.

It was much later in the 1970s, with support from researchers and church-based, non-governmental organisations that the scale of unfair labour practices and the extreme exploitation and deprivation of rural Guaraní families was made visible. By some accounts entire Guaraní communities were

\(^{177}\) Refers to a person of European or mixed ancestry (non-Guaraní) who is considered to be an abusive exploiter of Indians.

\(^{178}\) One important exception is the community Tentayapi (or, place of the last house), located on the Tarija-Chuquisaca border, a community of Simba Guaraníes who are said to have never been subjugated by the *karai*.

\(^{179}\) The social revolution proclaimed by the MNR set out to define a new nation based upon the creation of a “national bourgeoisie” characterized by mestizo culture a, middle class political values and a broad class alliance. (Gray Molina 2005:12)
empatronados, living within a single hacienda and bound to the landlord through never ending debt in a system known as empatronamiento (CCGT 2009). It would take another three decades, however, for the government to act definitively to end these unlawful practices (Defensor del Pueblo 2007), and even now the practice has not been eradicated entirely.

These, then, are the historical experiences and memories in whose context the Guaraní engage with the MAS government as it seeks to secure the conditions that will allow extraction of the Chaco’s deep hydrocarbon wealth. This is also the history that informs the MAS’ own efforts to offer greater protection and oversight during exploration and exploitation while making good on promises of land and autonomy to the Guaraní and attempting to reconcile competing visions of territory, governance and development along the way.

5.2 Struggles for Land, Self Governance, and Resource flows in the Presence of Hydrocarbons

Indigenous territorial management is a process in which indigenous organisations, owners of a territory, such as a TCO (originary communal lands) administer this territory in a participatory way, and in consensus among their diverse communities, making decisions with a view towards improving quality of life in harmony with our cultural values and vision of the future. (Confederation of Indigenous Peoples of Bolivia – CIDOB, 2009)

5.2.1 Struggles for Land
A key element of the MAS campaign that brought Evo Morales to power in 2005 was the promise to conclude Bolivia’s unfinished land reform. This promise included a specific commitment to push forward the titling of lowland indigenous land claims - a process that had stalled during the Sánchez de Lozada

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180 The term empatronado refers to the condition of landless Guaraní families and communities, engaged in agricultural and domestic labour under conditions of extreme subordination and dependence. Debts linked to empatronamiento are generated in one of two ways: when the patron pays his worker in kind with items brought from town and also by means of loans which are to be paid off through work. The items offered to workers are generally at significantly higher prices than their value and are recorded by the patron in greater quantities such that it becomes invariably impossible for the worker to pay off his debts. These debts were often carried over to family members making it impossible for them to leave the exploitative conditions of the hacienda. Also see Chapter 3.
administration (1993-1997). The 1996 Land Reform Law (known as the Ley INRA) was put forward by the government to address the longstanding territorial claims of lowland groups which became increasingly visible following the 1990 March for Land and Dignity (Albó 1996). In the period following the March, lowland indigenous leaders and their advisors extended the boundaries of a concept of territory beyond an earlier, more narrow focus on access to land to encompass a notion of palpable cultural, social and economic space: a place of one’s own to live in, not just a parcel of land to cultivate (Asamblea del Pueblo Guaraní 2006). The presumption had been that a MAS government would respond to these aspirations and help indigenous peoples reconsolidate their land and gain recognition for it as TCOs. However, a recent effort to document the land that has been titled so far in the MAS administration (Urioste 2009) indicates that progress has been disappointing despite MAS pledges and significant Danish bilateral funding for land titling. MAS’ revolución agraria (agrarian revolution) has had little impact on the large landed estates in the east and in the Chaco which appear to remain nearly intact though there has been redistribution of public lands in favour of the TCOs (Fundación Tierra 2009).

Likewise in Tarija, there has been only limited progress in titling land, especially indigenous lands. The Department of Tarija encompasses approximately 3.6 million hectares yet only 272,000 hectares are cleared and titled - less than 10 percent. The regional INRA office in Tarija pointed to the lack of a coherent department-wide strategy on the part of the national government as the reason for poor results (CCGT 2009). In the Chaco Tarijeño, there are four indigenous TCOs: two Guaraní, one Weenhayek TCO and one Tapiete TCO. Together they have secured title to less than 30 percent of the total claimed area over a 12 year period with the smallest ethnic group, the Tapiete (some 85 families), being the most successful (of 51,366 hectares pending titling, nearly half, or

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181 Initially, in debates of the 1980s and early 1990s, TCOs were envisaged as an economic option for indigenous communities that were struggling with invasions by loggers, miners, ranchers, etc. The concept of a TCO, according to indigenous leaders, was to lay legal claim to what was being taken by others for their own use. This changed to a more political vision after 1996 and the new INRA Law - especially after work began in earnest to title TCO lands and it became clear that in some cases there were so many third parties present in the area claimed by the TCO that attempting to manage the territory as a unit was unviable.
24,840 hectares has been titled to the TCO). The Guaraní TCO Itika Guasu in the Province of O’Connor (and which overlaps with the Margarita gas field) has title to approximately 95,000 hectares of the 293,584 hectares which the state has determined is needed by Guaraní communities within the TCO. The TCO Weenhayek, which also has long time substantial hydrocarbons operations within its territory, petitioned for 195,639 hectares and has received approximately 37,000 hectares to date (INRA 2010; CER-DET 2010). Finally, the Guaraní TCO Yaku Iguá has only managed to title some 18,000 hectares of an already modest petition for 70,000 hectares. Despite the gains made since 2006, perceptions by indigenous leaders and NGOs are that the lands titled to the TCOs are generally of poor quality, often unsuitable for agricultural production and not contiguous.182 Evidently these conditions limit prospects for economic opportunity and effective management and oversight of activity within the TCO. Indeed, worse than being merely ineffective, the titling programme has spawned a number of perverse consequences that reveal how local elites have effectively captured the programme to their benefit. Some reports note that the programme has done little to alter the situation of Guaraní families still living within the haciendas. In other instances, the excessive fragmentation of property means that Guaraní families must cross the land of non-indigenous landlords in order to access their own fields.183 Finally, some indigenous leaders feel that the titling programme has actually enabled non-indigenous third parties to consolidate their property rights within TCO lands.184 Moreover initial research into patterns of land ownership and occupation in and around the TCO Weenhayek and the Guaraní TCO Itika Guasu suggests that it is precisely those lands in which potential hydrocarbon exploratory/exploitation activities occur that are in the hands of so-called terceros (literally third parties,

182 From interviews with Guaraní leader Teofilo Murillo of the APG Itika Guasu, and with CER-DET coordinator Angel Lozano and lawyer Franco Durán.
183 A process known as recortes where INRA recovers generally small portions of non-contiguous land to form part of the TCO.
184 Interview with Never Barrientos, June 2009.
i.e. non-indigenous occupants of land within the area of an indigenous territorial claim). We will return to this point later.

Given that a large number of projects to develop hydrocarbons are clustered in the Chaco Tarijeño, an area considered to hold nearly 80 percent of the country’s known gas reserves, there are significant overlaps between these reserves and TCOs as well as indigenous and campesino communities lying outside the TCOs. The projects also overlap with conservation areas, and significantly in Bolivia, protected area status does not necessarily preclude the state from extracting hydrocarbons or minerals. Map 3.2 provides an image of Indigenous TCOs and the overlap of hydrocarbons operations with these TCOs especially in the Chaco. Because hydrocarbon operations in the Chaco preceded the establishment of TCOs and the formation of representative organisations of indigenous groups, the reconstitution of indigenous identity and territory has been significantly shaped and limited by the presence of these operations.

185 My thanks to Penny Anthias (then a volunteer with CER-DET) for looking into this and sharing her findings.
186 The amount of land designated for TCOs is determined by the State based upon studies of the population and their livelihoods. During the first Sánchez de Lozada administration the Vice Ministry of Indigenous and orginary peoples (VAIPO) conducted studies related to the spatial needs of lowland peoples (Estudio de identificaciones de necesidades espaciales, EINE) which were then used to calculate the amount of territory requested by each TCO.
### Table 5.1: Hydrocarbons exploration and exploitation in the Department of Tarija 2009¹

<table>
<thead>
<tr>
<th>Name of Hydrocarbon Company²</th>
<th>Municipality/ Province</th>
<th>Name of oil/gas field</th>
<th>Area (in hectares)</th>
<th>Status</th>
<th>Affected TCOs and/or Indigenous communities</th>
<th>Affected Protected Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>BG Bolivia Corporation</td>
<td>Villa Montes/ Gran Chaco</td>
<td>Campos La Vertiente &amp; Campo Escondido</td>
<td>27500</td>
<td>Exploitation</td>
<td>TCO Weenhayek</td>
<td></td>
</tr>
<tr>
<td>BG Bolivia Corporation</td>
<td>Villa Montes/ Gran Chaco</td>
<td>Campo Taiguati</td>
<td>10000</td>
<td>Exploitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BG Bolivia Corporation</td>
<td>Villa Montes/ Gran Chaco</td>
<td>Campo Los Suris</td>
<td>5000</td>
<td>Exploitation</td>
<td>TCO Weenhayek</td>
<td></td>
</tr>
<tr>
<td>BG Bolivia Corporation</td>
<td>Yacuiba/ Gran Chaco</td>
<td>Campo Palo Marcado</td>
<td>6250</td>
<td>Exploitation</td>
<td>TCO Weenhayek</td>
<td></td>
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| Total | 317,218 |

**Source:** Elaborated by author on the basis of the Atlas de Contratos Petroleros en Tierras Comunitarias de Origen y Municipios de Bolivia, CEADESC 2008.

**Map 5.1 The TCO Yaku Igua, Provinces of Yacuiba and Villa Montes, Tarija**

Source: Consejo de Capitanes Guaraníes de Tarija, August 2009
Map 5.2 Plano Yaku - Igua

Source: Equipo Tecnico APG-VT
In Bolivia, as in other countries of Latin America, the state is the owner of the subsoil and controls all non renewable (and some renewable) natural resources. The New Political Constitution approved by voters in January 2009 ratified this state control over the nation’s non renewable resources despite efforts by some groups to redefine forms of ownership and control over natural resources within TCOs. Most analysts concur that while enshrining important gains, the new constitution does not address some important and longstanding issues affecting indigenous-campesino populations. A key question is: how will the indigenous populations directly affected by hydrocarbon extraction benefit from the rents produced by such extraction and link these rents with their own larger development plans and objectives?

5.2.2 Autonomy and Self Governance

The (debates over different forms of) autonomy, need to be read as the result of contradictions and unresolved structural tensions in the nation’s history that make evident not only the failure of the Social Revolution of 1952 and the insufficient nature of reform undertaken by the state in the 1990s but also question the very foundation of the Republic. They contain the struggles of distinct social subjects against state centralism and the generalized incapacity of the state to recognise not only the multi-ethnic and pluri-cultural character of Bolivia as a nation but its pluri-national condition as well. (PIEB 2008)

In the years since Evo Morales and the MAS came to power few words have evoked stronger passions and reactions among Bolivians than the word “autonomy”. As discussed in the preceding chapter, during much of 2006 the country was deeply absorbed in debates over autonomy and the forms it should take. The preceding chapter also served to show that different groups within Tarija have quite different understandings of the meaning of the term “autonomy.” Indeed, much of the conflict around autonomy seems to stem from its lack of precision (Autonomy from whom? Autonomy from what?) The very word autonomy suggests the existence of a relationship, a relationship in which one of the parties proposes a redefinition of its boundaries or scope, of the terms governing its relationships with others, in order that it might act with greater discretion and independence. This lack of precision is recognised by proponents of autonomy who argue that autonomy must be seen as a work in progress, with no single, uniting vision or understanding of the term but rather
diverse meanings and multiple interpretations contained within it (ibid). Those more sceptical of autonomy suggest that it could lead the country down a dangerous path in which one of the parties seeks to establish a separate or independent territory and where sentiments of exclusion and intolerance are bound up with greater freedom from the other (Urenda cited in PIEB 2008). To Guaraní leaders autonomy signifies nothing less than the re-organisation of the political-administrative structures of the Bolivian state, beginning with the recognition of indigenous autonomy and the satisfaction of longstanding calls for self-determination (Asamblea del Pueblo Guaraní 2006).

Notwithstanding these multiple and diffuse definitions, “autonomy” is nonetheless recognized in the new Constitution as a principle of social and spatial organisation within Bolivia. Among the various types of autonomy recognized – departmental, provincial, municipal – there is also a category of indigenous autonomy (autonomías indígenas). This gives indigenous governments – should they be created – powers over surface natural resources, the administration of justice, participatory government and rural development planning. Two routes are open to indigenous populations to gain such autonomies. The first – and by far the hardest – is to convert an entire municipality into an indigenous autonomy.187 The second – one which is only available to pre-existing TCOs – is to move from being a TCO to an indigenous autonomy (or TIOC – Originary Indigenous Peasant Territory). In both cases, this can only be achieved through a formal electoral process. In today’s post-Constitutional dynamic, with the sweeping re-election of Morales and a parliament in which the MAS firmly control both chambers, the government has begun to implement such autonomy through the electoral process. However, this is still in a much reduced form. This reduced roll out of autonomy – both in the sense that the powers being delegated are still limited and that only a very few localities could satisfy the criteria for making the transition - risks dashing the hopes and expectations of indigenous leaders and could lead to more

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187 Though to speak of “an autonomy” is syntactically awkward here, I use this language to remain faithful to the ways in which the debate is conducted in Bolivia.
generalized frustration (Bazoberry, pers. comm. Oct 22, 2009).\textsuperscript{188} This is particularly the case for those territories that were unable to meet the criteria for seeking autonomy in the most recent set of elections. In this way, I want to suggest that autonomy has become a source of tension between the MAS and indigenous leaders of lowland groups, including the Guaraní of the Chaco Tarijeño, who for the most part have not been able to summon the conditions for pursuing autonomy (and who will probably never be able to do so) and whose territories and communities happen to be located on top of valuable natural gas reserves.\textsuperscript{189}

While the existence of these reserves has complicated the possibilities for indigenous autonomy and self rule for many indigenous groups, it has presented particular challenges for the Guaraní of the Province of Gran Chaco in Tarija. On the one hand the MAS has been reticent to respond to Guaraní efforts to consolidate and extend TCOs in those areas where the claimed land lies above hydrocarbon deposits. On the other hand, in order to further weaken the movement for departmental autonomy discussed in the preceding Chapter, the MAS has sought to forge an alliance with an eclectic mix of rural and urban-based groups in the Chaco as a way of driving a wedge between them and pro-autonomy groups based in other parts of Tarija. The mechanism for doing this was to build upon long held chaqueño grievances about being governed from urban Tarija, and to offer these groups a (sub) regional autonomy for the Province of the Gran Chaco which would give them particular powers of autonomy from the Departmental government of Tarija (see Chapter 4).

While clearly functional to the MAS’ interests (because it weakens regional power blocs), this strategy is doubly disadvantageous to any Guaraní hopes for autonomy or even just TCOs. First, the chaqueño groups with which the MAS cut this deal include interests that are completely antithetical to those of the

\textsuperscript{188} Indigenous hopes for greater representation in the new parliament were already dashed when MAS negotiated with the other parties to reduce the number of indigenous representatives from 36 to 17 and finally to 8.

\textsuperscript{189} For more on this issue, see the later section discussing the TCO Yaku Iguá. It merits note that, though in general progress in claiming TCOs has not been rapid, they have been given in areas without proven or presumed gas reserves.
Guaraní and who have, at certain times, explicitly sought lands within claimed Guaraní ancestral territory. Second, by offering this sub-regional autonomy, the MAS has put the issue of indigenous autonomy and the consolidation of the TCO Yaku Igua in a subordinate position to this sub-regional autonomy – a position that the Guaraníes have refused to accept up to now\(^{190}\).

At the same time as entering into agreements with Tarijeño groups opposed to Guaraní claims for TCOs and autonomies, there are also elements within the social movement that co-governs with the MAS that insist upon a more profound nationalisation and industrialisation of the hydrocarbon sector and who therefore see indigenous autonomy as a potential threat to the consolidation of the national hydrocarbon project (here again we see the continued existence of “old” social movement ideas alongside, and in tension with, those of “new” movements).\(^{191}\) Indeed, Morales’ first Minister of Hydrocarbons, Andrés Soliz Rada (2007) openly criticised the government’s project of indigenous autonomy for encouraging multiple nations and identities, and for introducing a regime of governance based on ethnicity, one that he believes will lead to the further fragmentation of Bolivia and weakening of the unitary state.\(^{192}\)

If the 20\(^{th}\) century was one in which the Guaraní became invisible, first behind the walls of the missions and later labouring for the patron on the hacienda or in the sugar cane fields of northern Argentina, the new century offers an opportunity, albeit one with significant limitations, to reconstitute Guarani culture and livelihoods through the consolidation of territory (TCOs) and the promise of autonomy. To the Guaraní, autonomy and self determination does not mean a withdrawal or a desire to keep others out. Rather it is seen as an opportunity to

\(^{190}\) During the departmental referendum on autonomy in June 2008, both Guaraní and Weenhayek leaders refused to support the proposed bylaws for autonomy indicating that indigenous autonomy would not be subordinate to Departmental autonomy.

\(^{191}\) CODEPANAL, the Committee for the Defence of National Patrimony and FEJUVE, the Federation of Neighbourhood Associations of El Alto are two social movement organisations, closely allied to MAS that have raised questions about the impact of indigenous autonomy on the management of natural resources.

\(^{192}\) There are also increasing tensions between lowland indigenous groups and campesino groups that form MAS over the granting of collective lands (TCOs). MAS leader Filemón Aruni argued that “latifundismo by whites is being replaced by indigenous latifundismo,” Bolpress, “Los campesinos del MAS rechazan la propiedad colectiva de la tierra,” October 8, 2009.
govern one’s own territory under a system of rules based upon traditional consensus-based decision making and that may or may not include non indigenous inhabitants.\textsuperscript{193} This is part of the historical trajectory of Guaraní communities to free themselves from subjugation and live \textit{lyambae} (by their own free will) in the land without evil (\textit{la tierra sin mal}). At the time of writing only one of the three Guaraní TCOs of the Chaco Tarijeño, the TCO Itika Guasu, appears to fulfil the conditions for pursuing municipal autonomy.\textsuperscript{194} However, even for this more unified and consolidated TCO the process will be complicated because the TCO leadership must negotiate with campesino families (living within the TCO) to create a new indigenous-intercultural municipality, separate from the Municipality of Entre Ríos (Province of O’Connor). A further complication derives from the fact that the future economic options of Guaraní TCOs are extremely limited and insufficient to meet the needs of a younger Guaraní generation that increasingly looks beyond agriculture for employment and opportunity. In that context, gaining access to and control over resource flows, in particular from the hydrocarbons operations taking place within TCOs, must necessarily form part of a long term vision and strategy of territorial governance.

5.2.3 Social and Environmental Safeguards

The development and adoption of social and environmental protections related to hydrocarbons operations in indigenous territory has been a central objective of lowland indigenous organisations such as the Confederation of Indigenous of Eastern Bolivia (CIDOB) and the National Guarani Assembly (APG Nacional) who view it as part of a larger strategy of exerting greater control over territory. Bolivia is signatory to a number of conventions recognising the rights of indigenous groups and the protection of their ancestral lands. Among these the most significant are the ILO 169 Convention on Indigenous Peoples (1991) and the UN Declaration on Indigenous Peoples’ Rights (2007) which indigenous groups have relied upon to both assert and defend a broad range of economic,

\begin{footnotesize}
\begin{itemize}
    \item \textsuperscript{193} Interview with Alipio Valdez, CER-DET, May 2008
    \item \textsuperscript{194} The Autonomy Law providing the overall framework for indigenous groups and communities to pursue different options to achieve autonomy is under elaboration in the Ministry of Autonomies.
\end{itemize}
\end{footnotesize}
social and cultural rights. Following the adoption of ILO 169, the Constitution was modified to recognise the pluri-cultural and multi-ethnic nature of Bolivian society during the first Sánchez de Lozada government. These modifications were accompanied by a series of new laws, among them Popular Participation (1994), Agrarian Reform (1996) and the Hydrocarbons Law (1996), that created new mechanisms for recognising indigenous ancestral lands and practices, as well as creating mechanisms for greater consultation and participation, including environmental and social safeguards related to extractive industry. However each of these new laws required the passage of both legal and administrative reglamentos, (enabling laws) in order to make them operational.

In the wake of the Guerra del Agua (2000) and Guerra del Gas (2003), lowland indigenous groups in conflict with mining and natural gas exploratory activity and gas line construction projects began organizing to advocate for additional socio-environmental safeguards. Their strategies combined informational workshops, resolutions, marches and even the occupation of gas wells by APG members to drive home their point to a recalcitrant government and public. In parallel, the lowland indigenous groups also pursued a strategic alliance with highland indigenous groups culminating in the historic signing of the Pacto Unidad (Pact of Unity) in August 2004. This created a broad based indigenous-campesino front whose objective was to incorporate a series of títulos or sections into the New Hydrocarbons Law which was under preparation. Indigenous leaders held consultative meetings with national leaders and continued to advocate for the changes at the Executive and parliamentary levels as well as with the Ombudsman’s Office and then returned to mobilise their bases in demonstration of their resolve. The result was the incorporation of a series of articles (114-128) in the New Hydrocarbons Law 3058 which was later passed by parliament in May 2005. The new Hydrocarbons code offered indigenous groups:

- The right to prior and informed consultation;
- Participation in the benefits of the projects;
- Fair and equitable compensation and indemnification (when such compensation and indemnification is required because of damage);
- Indigenous monitoring and oversight of projects and works;
- Protection of religious sites, and areas of natural and cultural importance;
- Expropriations and rights of ways;

In addition, three enabling laws (reglamentos) were passed that included: 1) the assignation of 5% of revenues generated from the Direct Hydrocarbons Tax (IDH) to form the Fondo Indígena (Fund for Indigenous-Campesino-Originario Development-FONDIOC created by Supreme Decree No. 28571); 2) the creation of a Consultation and Participation mechanism (Presidential Decree No. 29033, Consulta y Participación); and 3) the creation of a multi-scale mechanism for socio environmental monitoring and oversight (Presidential Decree No. 29103, Monitoreo socio-ambiental). Moreover each of the 44 hydrocarbon contracts (renegotiated with hydrocarbon firms in 2006) included a special clause that makes specific reference to the language contained in the ILO Convention 169. For indigenous groups, this was a landmark achievement in terms of the state recognising and assuming its obligation to consult with indigenous peoples while respecting their traditional forms of organisation, decision-making, priorities and development vision. Sharing in the triumph, the MAS pointed to the new law as an example of what Bolivia’s State of social movements could achieve and as a process of universal significance (Barrios 2008).

The reality of implementation, however, has diverged from the script of these legal texts. From the beginning, efforts to establish a participatory consultative process and a mechanism for social environmental monitoring of hydrocarbon projects faced considerable obstacles to their timely implementation. In the case of the Consultation and Participation process, there were delays in its application to specific proposals related to hydrocarbon projects. For example, in the case of a gas line extension in the Guaraní TCO Itika Guasu, the consultation process was not applied as the government preferred an abbreviated, off-stage negotiation with leaders to avoid delays (Ruben Cuba,
The effort to establish the multi-scale mechanism for the social and environmental monitoring of hydrocarbons operations in both TCOs and indigenous-campesino lands suffered a worse fate. Indigenous groups held difficult negotiations over who would be the indigenous representative to the national level body – a dispute that was finally overcome with the election of a Guaraní representative from the TCO Itika Guasu. However the process advanced no further. The committee has failed to meet to develop the structure, roles and functions of the lower level socio environmental committees in a context in which increasing tensions over unresolved disputes with hydrocarbons firms have strained state-indigenous dialogue.

5.2.4 Access to financial resource flows

The initiative to establish an Indigenous Fund with five percent of hydrocarbon tax revenues – an effort to address the rights of indigenous-campesino populations affected by hydrocarbons and allow them to share in the benefits produced from extraction - quickly became bogged down in struggles over resource allocation and administration. The dominant role of highland groups in the Fund’s Directorate meant that lowland groups had to negotiate a set of conditions related to the Fund’s use that are distinct from their initial priorities.

For Guaraní leaders - who had been responsible for the initial proposal to create the Direct Hydrocarbons Tax (IDH) to provide compensation to Guaraní territories directly impacted by hydrocarbons operations - the fact that other indigenous groups from different parts of the country have been able to access the resources that the Guaraní had initially advocated for has provoked deep disappointment. However, more recently there appears to be an opening of minds in terms of innovative uses of the fund in support of indigenous TCOs.

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195 The Consultation and Participation Process was eventually applied in the TCO Weenhayek, however. The case of the TCO Weenhayek’s negotiations with a transnational hydrocarbons firm is analyzed in the following chapter.

196 Some have suggested that the fate of the socio environmental monitoring scheme became ensnared in the ongoing dispute between the TCO Itika Guasu and the government over REPSOL’s failure to negotiate compensation as discussed in Chapter 3.

197 This dominance of highland groups simply reflected their overall greater power within the MAS and the MAS’ movement base. One controversy generated in the negotiations was related to the Fund’s purpose. It was proposed that the Fund support productive projects, a focus that was challenged by lowland groups that claimed that they would be at a distinct disadvantage in terms of presenting competitive projects for funding.
titling, the creation of indigenous universities and towards the consolidation of autonomies (Fundación Tierra 2009).

Indigenous leaders from the Guaraní and Weenhayek TCOs in the Chaco Tarijeno have frequently repeated that they are not *a priori* opposed to hydrocarbons. However they continue to be deeply concerned about the conditions under which extraction occurs, the negative social and environmental impacts that past extraction has produced and which remain unresolved by the state, and the unequal distribution of financial resources generated by extraction. Much of that concern and anxiety is further exacerbated by lingering unresolved land claims - for indigenous leaders believe (understandably so) that when they have legally recognized territory, they will possess more effective instruments for influencing how extraction will take place. With the recently negotiated regional autonomy for the Province of Gran Chaco, a process that effectively excluded the Guaraní TCO Yaku Igua and the CCGT leadership, the opportunity for indigenous autonomy is severely limited if not indefinitely postponed. Finally, the government's inability to deliver on its promise –and legal obligation - to give greater voice and protection to indigenous populations affected by hydrocarbons operations, and its insistence on moving ahead with plans to expand such operations in spite of strong local opposition reveals not only the contradictory nature of many of its important policy initiatives but also its misreading of the very real material conditions imposed by a regime of extraction that retains a fundamentally neo liberal orientation.

5.3 Hydrocarbons, TCOs and Protected Areas: The case of the TCO Yaku Igua

The preceding section argued that recent Guarani history in Tarija has been characterized by an effort to recover lands of which they were dispossessed during the colonial, republican and modern periods, attempts to convert this land into a form of territory over which they can exercise powers of governance, and advocacy seeking to shift the regulation of hydrocarbon activity in two

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senses: first to secure more stringent social and environmental controls over hydrocarbons projects on indigenous lands, and second to secure for the Guaraní at least some share of the revenue generated by hydrocarbon extraction. The section also considered how in these initiatives they have been both aided and hindered by national legislation. It also concludes that Guaraní leaders believe (and that there is at least some evidence to support this belief) that the scope for securing land and territory is much more limited in areas where hydrocarbon deposits exist.

In this section, I ground some of these patterns and claims in an analysis of the experience of one Guaraní TCO of the Chaco Tarijeño, the TCO Yaku Igua, and the higher level federated organisation of which it is a part, the Council of Guaraní and Tapiete Captains of Tarija (CCGT) and their engagement with the state over proposed hydrocarbon projects. The TCO Yaku Igua, represented by the APG Yaku Igua, is comprised of a combination of dispersed Guaraní rural communities and more urbanized settlements in the Province of Gran Chaco. Founded in 2000, and based in the city of Yacuiba, the APG Yaku Igua represents both rural Guaraní communities as well as more urbanized settlements in the Province of Gran Chaco. The organisation has faced significant obstacles to obtaining legal title to the territory it claims. Efforts to secure land date back to an initial petition made to the Land Reform Agency (INRA) in 1996 by an indigenous leader (prior to the creation of the APG Yaku Igua), a petition that was later withdrawn. A second petition was presented in 2001 after a violent confrontation between ranchers, indigenous Guaraní and landless migrant farmers resulted in the death of six farmers, all members of the Landless Movement (Movimiento Sin Tierra, MST) in the community of Pananti (Mendoza et. al. 2003). In response to the outbreak of violence, the government moved quickly. However rather than carry out a TCO legal titling process (known as SAN-TCO), it conducted a simple (non TCO) titling process. The total amount of land titled at the time was very small, no more than 300 hectares, and focused on resolving the immediate conflict.

Later that year, the APG Yaku Igua returned with another petition, this time requesting 300,000 hectares. Part of this far larger area overlay the boundaries of the National Park and Area of Integrated Management Serranía de Aguaragüe (PN Serranía Aguaragüe). The APG Yaku Igua also petitioned for a
change of procedure to affect the land titled in 2001 from that of simple title to a SAN TCO title\(^{199}\). This third petition to establish the TCO generated enormous opposition from local authorities who together with peasant families, landless families and ranchers formed an alliance against the APG Yaku Igua. In the face of such opposition, and concerned to restore increasingly frayed relationships, especially with campesino and landless families, APG Yaku Igua leaders reduced the request to 70,000 hectares and in 2004 presented INRA with a new, modified petition. This time an alliance of peasants and ranchers responded by staging a series of road blockades in the outskirts of Yacuiba which threatened to turn violent. A government negotiator sent to mediate the conflict abandoned the talks and fled under the cover of dark after being threatened. Since 2004 the territorial demands of the APG Yaku Igua have faltered. INRA cites a lack of funds to carry out the preparatory work but informants suggest that the TCO demand is simply not viable because of the extremely volatile social reactions that any reordering of territory might trigger.

In response, the leadership of the APG Yaku Igua has promoted a series of spontaneous settlements on lands declared by INRA as public lands.

In December 2008, the CCGT and the National Service for Protected Areas (SERNAP) signed an agreement to jointly administer the PN Serranía de Aguaragüe. This agreement was made easier both because there were Guaraní park guards working for SERNAP and active in the APG Yacuiba and because the APG Yaku Igua considers the PN Serranía de Aguaragüe to form part of its ancestral lands. Both parties agreed a plan to promote and support the conservation of the national park and protected area and to defend it from a number of growing threats which include creeping slash and burn agriculture in the buffer zone, illegal logging, and hydrocarbons development. However the PN Serranía de Aguaragüe’s own problematic birth presents a series of challenges for both co-administrators of the protected area. Central to these challenges is that fact that, as noted by Coello (2008) in his analysis of environmental contamination linked to hydrocarbons, the government had

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\(^{199}\) SAN TCO refers to recognition of originary communal lands, or indigenous lands, while that of a simple title does not recognize the lands as belonging to a TCO.
already categorized the Serranía de Aguaragüe as a “traditional hydrocarbons area” in 1996 (Supreme Decree 24336), four years prior to creating the protected area in 2000. In contrast to other situations where hydrocarbon concessions are often superimposed on established protected areas, in this case the National Park was superimposed on an area set aside for potential hydrocarbon development without any attempts to clarify which rights were to be prioritized.

The PN Serranía de Aguaragüe is a long narrow belt running the length of the Department of Tarija from its northern border with Chuquisaca south to the border with Argentina. It contains a total area of 118,307 hectares and is made up of two parts. The first of these is the national park. This includes the highest parts of the protected area. These reach an altitude of over 900 meters and receive significant rainfall. The other part of the protected area contains the buffer zone which allows human settlements and productive activities to be carried out as long as they do not degrade the environment (Fundación Yunchan 2001). The Serranía de Aguaragüe is an important source of water for the Chaco supplying the Province’s three municipalities and the urban settlements of Carapari, Villa Montes and Yacuiba (Mamani, Suárez and García 2003). The dense vegetation of its slopes produces a “sponge effect” that absorbs humidity and then channels the water through a series of streams and culverts toward the Chaco plain and the Rio Pilcomayo. There are some 33 Guaraní and Weenhayek communities in and around the buffer zone (15 within the buffer zone and 18 in the immediate area adjacent to the protected area) with a total population of approximately 5,500 inhabitants.

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200 The National Park and Buffer Zone Serranía de Aguaragüe (Parque Nacional y Área Natural de Manejo Integral Serranía de Aguaragüe) was created in 2000 under Law No. 2083, promoted by a group of environmentalists in Tarija linked to the NGO Prometa.
Prior to the signing of the agreement between SERNAP and the CCGT in late 2008, leaders of the APG Yaku Igua were informed by fax that the firm Eastern Petrogas Ltd. would be conducting exploratory activities in and around the abandoned Sanandita oil field. The Sanandita field lies within the area claimed by the TCO Yaku Igua as well as within the buffer zone of the PN Serranía de Aguaragüe. Sanandita was one of the earliest producing oil fields in the country, first operated by Standard Oil and later by YPFB until the 1970s when production declined and operations ceased. Eastern Petrogas Ltd is a small, unknown firm of Chinese capital, with limited experience in the sector, but which signed an agreement with YPFB to conduct exploratory activities. The faxed letter from Eastern Petrogas Ltd. surprised leaders of the APG Yaku Igua, the CCGT and SERNAP officials equally. It was clear that the company had already made visits to the area – though it had failed to request prior authorisation to enter the area as required by law. APG Yaku Igua leaders
were especially concerned about the status of a significant number of abandoned, leaky wells that had been contaminating streams and community water supplies for decades. 201 According to one SERNAP official I interviewed, some 35 sites of known environmental contamination lie within or directly adjacent to the Campo Sanandita field (and about 150 in the department of Tarija).

The Eastern Petrogas fax turned out to be a portent of things to come. After signing the co-management agreement with SERNAP, the CCGT and the APG Yaku Igua then discovered two more proposed hydrocarbon projects affecting the PN Serranía de Aguaragüé. The first involved a proposal to expand the existing San Antonio field, which is one of three mega gas fields in the country and is operated by Petrobras. According to Guachalla (2010), Petrobras is Bolivia’s largest gas producer. In 2008 Petrobras accounted for 61.8% of Bolivia’s production of natural gas. The proposal presented by Petrobras was to conduct 3D seismic testing over an area of approximately 936km² in which 5 base camps, 500 helicopter pads and 1,700 drop points would be constructed. In addition some 226 trenches would be opened, of 1.5 meters in width, to lay a total of 4,000 kilometres of seismic lines (Proyecto Sismica 3D, Bloque San Antonio, Petrobras Bolivia S. A. December 2008). The proposal noted that strict environmental measures would be adopted to ensure minimal disturbance to flora and fauna though there was no mention of any settlements or human livelihoods that might be impacted by the project. In an earlier project, Petrobras had built a tunnel in the heart of the Aguaragüé in order to lay a gas line. The construction of the tunnel was seen by local inhabitants to have contributed to the diversion of subterranean water sources and Petrobras was roundly criticised by local environmental and civic groups. The second proposal, another petition for exploratory work in the Aguaragüé Block, involved the newly formed Petroandina SAM. According to its proposed Minimal Exploration Plan 2008-2012 (Petroandina 2008), Petroandina would conduct 3D seismic testing in the 7 blocks of the Southern Sub Andean belt (an area of

201 Interviews with Jorge Mendoza, of the CCGT and Esteban, Flores and Quintín Valeroso, of the APG Yaku Igua and SERNAP representatives based in the Chaco.
approximately 300km² per block) and drill 14 exploratory wells for a total investment of US$646 million dollars. The significance of this contract being held by Petroandina is that this is a joint risk project between YPFB and state owned Petroleos de Venezuela (PDVSA). As noted in earlier chapters, the reconstitution of YPFB is a key element of the government’s overall strategy to exert greater control over the hydrocarbons production chain and its active participation in exploratory work provides evidence that the country is reasserting its sovereignty over the nation’s natural resources. The corollary implication is that PN Serranía de Aguaragüe is one space in which this sovereignty is going to be exercised.

The CCGT and APG Yaku Igua were in a difficult position. Given the strategic importance of these two projects, the direct involvement of YPFB, the country’s urgent need to increase hydrocarbon production, and the public’s limited receptiveness to social and environmental arguments, to resist these projects could generate an unwanted backlash. On the other hand, taken as a whole, the three proposals constituted a serious threat to protecting the park and possibly the region’s water resources. After reviewing the two proposals one CCGT advisor commented, “If these two proposals (Petroandina and Petrobras) go forward there won’t be anything left to protect in the Serranía de Aguaragüe”. The proposals also undermined the CCGT’s objectives of controlling an area it considered to be its territory and developing more socially and environmentally sustainable alternatives such as eco-cultural tourism and payment for ecological services agreements as a means of making that territory economically viable. In a twist of irony, neither the CCGT nor the APG Yaku Igua had been informed

202 Created in September 2007 as an empresa mixta (mixed enterprise) for 40 years, YPFB owns 60 percent of Petroandina with PDVSA owning 40 percent. Supreme Decree 29226 awarded 12 hydrocarbon blocks to conduct exploratory activities, 7 blocks are located in the Southern Sub Andean belt - of that number 5 are located in the Department of Tarija and all overlap with the PN Serranía de Aguaragüe. The other 5 blocks are in the Northern Sub Andean belt. Currently the MAS government and Petroandina are locked in conflict with the TCO Moseten, their representative organisation the Central of Indigenous Peoples of La Paz (CPILAP) and environmental groups over exploratory drilling in the northern area of the Department of La Paz. See FOBOMADE (2009) Amazon without Oil, www.fobomade.org.bo

203 That said, it is also the case that there has been much criticism of YPFB coming from within the social movements, and an increasing polemic about whether or not there has been a real nationalisation of the hydrocarbon sector. Critics led by CODEPANAL point to the continued weakness of YPFB and the continued privileges enjoyed by private firms operating in the sector.
directly of the pending Petrobras and Petroandina exploratory projects by the MAS government. Rather it was their relationship with SERNAP that had provided the Guaraní leadership with their first information about the proposed hydrocarbon projects. The newly established state protocols guiding the Ministry of Hydrocarbons and YPFB to provide information and consultative processes for indigenous peoples went unheeded, an indication of the lack of a joined up strategy within government to manage delicate negotiations with indigenous-campesino groups and TCOs over hydrocarbon development. In Peru, where such development has also sparked intense conflict with lowland indigenous groups, Alza and Ipenza (2007) refer to this excessive fragmentation/lack of coordination among state agencies around environmental issues -and the dominance of certain ministries (hydrocarbons, mining, public works) in the Peruvian bureaucracy- as giving rise to a range of “bureaucratic-pathologies”.

In response to these developments, and in light of the lack of a consultative process initiated by state authorities, the CCGT requested an urgent meeting with officials from the Ministry of Hydrocarbons and Energy and YPFB. Issues on the agenda also included the presence of Eastern Petrogas Ltd., and the still unresolved sites of environmental contamination in the area of the Sanandita field. An earlier inspection (October 2008) conducted by the Division of Environment of the Ministry of Hydrocarbons and Energy (and including the participation of Guaraní representatives) found a series of improperly capped wells leaking hydrocarbons into nearby streams. The inspection report’s findings considered these sites as priorities for remediation and recommended a number of actions for their immediate resolution. In 2006, the Vice Ministry of Biodiversity demanded immediate action to seal off certain wells and in 2007 YPFB hired the consultancy group Quebracho to carry out a diagnostic study of

204 Alza and Ipenza link the limitations of the Peruvian government's ability to manage environmental challenges to the excessive fragmentation of the bureaucracy and the failure of the system to take in the whole picture. They argue that this situation was aggravated by neoliberal reforms implemented during the 1990s that resulted in the creation of a minimalist state in which nodes of competency are developed but do not interact with other parts of the bureaucracy.
environmental contamination of the area, though it appears no further remedial action was taken.

A date was set with high level government officials who agreed to travel to Tarija to meet with Guaraní leaders and review the situation. However to the leaders’ dismay, only technical staff from the Ministry of Hydrocarbons and YPFB was dispatched to the meeting. No senior political officials attended. The tone of the meeting was cordial with Guaraní leaders expressing their complete disagreement with the actions of the State in granting permission for exploratory activities to hydrocarbon companies (in the case of Eastern Petrogas) without consultation, as well as their fears about the proposed exploratory activities of Petrobras and Petroandina in the Serranía de Aguaragüe. At the meeting representatives of YPFB and the Ministry of Hydrocarbons and Energy replied that they were unaware that the CCGT and SERNAP were co-administering the PN Serranía de Aguaragüe. Nor did they seem aware of the TCO Yaku Igua pending territorial claim or the presence of indigenous-campesino communities in the area.

Even more revealing were the exchanges between government officials and Guaraní leaders over how Guaraní concerns were to be resolved. The Guaraní insisted that any remedial work to be carried would have to include the participation and authorisation of Guaraní representatives. This position represented the Guaraníes’ desire to exercise greater participation and oversight of actions that had been promised but not undertaken by YPFB in an area under their administration, as well as to establish their new role in decision-making and policy-making regarding hydrocarbon development more generally within their territory. The representative of YPFB, however, was more interested in a discursive interaction that would patch up the now frayed relationship between her organisation and the Guaraníes. “You can trust me,”

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205 In a brief strategy meeting between the CCGT and APG Captains from the Chaco, several leaders expressed their disappointment that more senior government officials would not be attending so that problems could be negotiated and resolved.

206 This was an astonishing admission that revealed either a complete lack of local knowledge or a complete disdain for local institutions.

207 I am drawing on my own observations and interviews in reconstructing this and other interactions recounted in this section.
she said, “YPFB is your company, it belongs to all Bolivians”. The effort to personalize YPFB, however, fell short as the leaders were determined to reposition their role more aggressively and insist on an informed and coordinated response to problems in the Sanandita field. The exchanges between leaders and government officials grew increasingly tense over the perception of leaders that YPFB and the Ministry of Hydrocarbons were on the side of the hydrocarbons firms. Indeed, the official from YPFB, a lawyer, noted that it was imperative to drill for hydrocarbons noting that the international companies could sue the Bolivian government for damages if they are not allowed to implement their projects. The Guaraní leaders insisted that the Ministry of Hydrocarbons and Energy and YPFB were not following the mechanisms offered by the government to protect indigenous-campesino peoples. On a more operational level, they also noted that the government’s technical staff failed to understand the social conflicts that hydrocarbon projects provoked when they were allowed to enter and negotiate directly with leaders of communities to be impacted.

If the discussion between Guaraní leaders and government officials over proposed exploratory projects revealed the disjointed and hurried strategy of the Bolivian government to move forward with hydrocarbons development, and the lack of coordination within the government, the discussion of how to remedy unresolved sites of contamination suggested that environment had become a non-issue. While the representative of YPFB apologised profusely over the lack of communication and for the lack of respect towards indigenous organisations, and admitted that errors had been made, she also explained that resolving environmental damage from previous periods of extraction would be more complicated. While YPFB could authorise that remedial activities be undertaken, there was no budget, or designated fund, within YPFB for such work to be carried out. She went on to note that YPFB, “only has money to

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208 These comments were made by Cinthia Ninoska Orellana, who works with YPFB’s Environmental Unit.
209 This claim, if true, also implied that the MAS government had misled the APG Yaku Igua when at the end of 2008 it had written to them to say that Eastern Petrogas would be entering
drill” and not to remediate past contamination.\textsuperscript{210} In spite of the impasse, the YPFB lawyer offered to seek funds for the immediate remediation of the worst sites in the Sanandita field within two weeks, promising to keep the CCGT informed at all stages of the process.

In May 2009, some four months after the meeting with government representatives in Tarija, a commission of Guaraní leaders, NGO staff and local reporters made a follow-up visit to the region and found that no remedial work had been carried out. A second visit conducted in September 2009 confirmed again that the site remained in the same deplorable state. Despite promises by YPFB to act decisively there had been no progress in conducting environmental remediation activities. Consumed by internal scandal and crisis and with mounting pressure to close new deals, YPFB has appeared either unable or unwilling to address its legacy of environmental contamination in the PN Serranía de Aguaragüé.\textsuperscript{211}

Mounting indigenous resistance to exploratory projects combined with declining hydrocarbon revenues has put the government in a squeeze and it has sought to respond with harsh criticisms of its own. Following a meeting of indigenous organisation leaders around natural resources, which called for a moratorium on exploratory activities related to hydrocarbons and mining in the highlands and lowlands, Morales lashed out at environmental NGOs, for “manipulating and confusing indigenous leaders”.\textsuperscript{212} The head of YPFB, Carlos Villegas, (himself once a member of a prominent progressive NGO) complained that the institutional framework giving preference to and protecting indigenous rights and the environment was becoming unmanageable and that the process of consultation and participation was an obstacle to the development of Bolivia’s

\textsuperscript{210} Cinthia Ninoska Orellana of YPFB’s Environmental Unit.

\textsuperscript{211} The former head of YPFB, Santos Ramirez, a MAS leader and one-time confidant of Evo Morales has been jailed on charges of corruption and involvement in the murder of a Tarijeño businessman linked to the construction of a proposed gas separation plant in the Chaco. Other former YPFB officials and employees have been accused of corruption and illegal trafficking of hydrocarbons, among other illicit activities.

\textsuperscript{212} “Morales denuncia estrategias para evitar exploración de hidrocarburos en Bolivia,” Agencia Boliviana de Información, July 10, 2009.
hydrocarbon resources. He further stirred the waters with indigenous leaders by suggesting that consideration should be given to eliminating the consultation and participation process from the new Hydrocarbons Law, a declaration to which indigenous groups responded with threats of protest. Even a prominent senator and former head of the Ombudsman’s office could not resist joining the fray exhorting indigenous groups to “seek the collective good, communities should not shut themselves off protecting their own interests and forgetting about the department (La Paz) and the rest of the country.”

By late 2009, the government announced its intention to modify Hydrocarbons Law 3058 and in particular the enabling legislation regarding processes of consultation and participation and provisions for social-environmental monitoring in the TCOs. LIDEMA analyst Marco Ribera (pers. comm. 2009) notes that the government is frustrated with the slow rate of progress in bringing new projects online. The head of YPFB has also complained about indigenous TCOs’ “excessive” requests for compensation and cited weaknesses with the consultation process which he noted, “had become a vehicle for indigenous groups to seek money based on environmental damage”. The head of the Hydrocarbons Chamber of Commerce in Bolivia (CBH), representing the interests of the private firms operating in the hydrocarbon sector, publicly concurred with the head of YPFB, suggesting that the requests for compensation by indigenous organisations constituted greed.

In December 2009, the government announced Dutch bilateral cooperation of approximately US$100 million dollars that would support a series of studies to review the environmental impacts of hydrocarbons development in the PN Serranía de Aguaragüe and in the protected areas of the departments of Beni and La Paz where exploratory activities are ongoing. Importantly, however, this is a study to review impacts, not to consider the possibility that hydrocarbon

214 “La Razón, “YPFB dice que indígenas traban las inversiones,” September 21, 2009. Minister Villegas is not the only person to suggest this. There is a general sense in non-impacted communities that indigenous groups use environmental damage to extract more financial resources from companies in the form of compensation (i.e. the more damage the better). These sentiments were expressed to me by a wide range of actors.
expansion might not go ahead in Aguaragüe. The Aguaragüe case appears, then, to confirm the claim that in those areas where hydrocarbons lie beneath the surface, there is very little possibility that the Guaraní might recover land, govern it as territory, and determine the contours of a viable economic development there – even under a “government of social movements.”

5.4 Conclusions

The Guaraní of the Bolivian Chaco have experienced a long history of violence, dispossession and marginalisation under Colonial and Republican rule, a trajectory of exclusion that continued even under the revolutionary government and reforms of the 1950s. Only in recent decades, with political openings growing wider, have the Guaraní been able to overcome their invisible status and successfully organise, mobilise and reclaim elements of their cultural identity and some of their ancestral lands. Nonetheless, these efforts to reconstitute identity and territory have taken place in a highly dynamic national context of contentious politics, social convulsion and an extraordinary (if for the purposes of the Guaraní, ill-timed) international boom in mineral and energy prices. As elsewhere in the Andes-Amazon-Chaco region, the overlapping geographies of ancestral territorial claims, significant hydrocarbon deposits and ancillary large-scale infrastructure projects pose enormous challenges to indigenous projects for territorial reconstitution and self governance (as well as for the MAS’ own need to promote a redistributive form of extractive industry-led development while also keeping its own lowland bases on board).

The MAS government’s initial proposition to move the country’s development path away from its heavy reliance upon the export of primary materials has proven to be much more difficult than anticipated, and now looks increasingly untenable. Since its election in 2006 the MAS has redoubled efforts to increase the strategic role of natural gas in the economy by deepening the nationalisation process, increasing the government take of hydrocarbon revenues and then channelling those revenues towards increased public investment at the municipal and departmental levels and towards a series of popular conditional and non-conditional cash transfer programmes for the poor. Initially this was a strategy through which the MAS sought to consolidate its political base in the face of increasingly rebellious regions. However, even though the MAS has
now achieved the upper hand in that particular political tussle (see Chapter 4), there is little sense that the place of natural gas in its political economic strategy will be any the less significant or challenging than it was before.

Indeed natural gas appears to be firmly embedded in the country’s development agenda as the government aggressively pursues plans to more than double the country’s production of natural gas and explores opportunities with foreign investors to industrialise this gas. This Chapter opened with a quotation taken from an interview with Vice President Alvaro Garcia Linera in 2009 in which he candidly admits to the need of the state to generate revenues from hydrocarbons in order to fund social programmes and to redistribute revenues. Paradoxically, much like the vision espoused by liberal adherents to the extract and export model, the MAS government sees natural gas as the commodity that provides the country with a window of opportunity and a way out of poverty.

Gas is also a commodity on which the country appears dependent. Post 2006, high energy and mineral prices produced a revenue bonanza that fortuitously coincided with the MAS’ first term in power permitting the continued channelling of financial resources for public investment. More recently, however, a number of conditions have changed to the extent that Bolivia, in order to maintain current levels of public investment, must produce and export more natural gas in the very near future. The government has launched ambitious plans to reactivate the sector and increase private investment in exploratory activities using a mixed approach of threatening existing contract holders with sanctions on the one hand while pursuing new joint ventures with the Venezuelan state oil firm PDVSA on the other. However the government’s efforts to reactivate the hydrocarbon sector have been stymied for a number of reasons. These are in large part due to its own inability to organise the complex deals required to market its gas, an important part of which involves providing sufficient assurances to foreign investors who operate Bolivia’s most important gas fields that it is safe to increase their investments in Bolivia’s gas fields. Others, however, are linked to growing resistance among indigenous groups who constitute an important part of the MAS base and whose territories are directly impacted by hydrocarbons operations.
The case of the APG Yaku Igua, and their ally the CCGT, captures the emerging tensions between state and indigenous lowland groups arising from this context. Here, debates over hydrocarbons development are inextricably entwined with long historical grievances and aspirations to recover land and self governance, with more recent efforts to take advantage of legislation that is supposed to favour indigenous access to collective land titles and autonomous self-government, and with the overriding need to secure access to the financial resources that could ensure the sustainability of Guaraní communities. Yet because of political dynamics in the Gran Chaco, and the presence of hydrocarbons under lands they claim were long ago taken from them, the Guaraní of Yaku Igua have made little progress in securing even a small portion of the lands under the regime of a TCO. Meanwhile the government’s offer that the Guaraní co-administer a protected area and buffer zone - which the Guaraní see as part of their ancestral lands - provided an attractive alternative in which the Guaraní could de facto treat the area as a TCO and develop proposals that would provide rural Guaraní communities with economic opportunities. No sooner was the offer extended, however, than it was compromised by the government’s plans to develop several large scale hydrocarbon projects in the very same area, with potentially significant impacts in the buffer zone as well as the watersheds supplying fresh water to rural and urban Chaco communities. Relations between the Yaku Igua and the MAS government were then further stretched when it became apparent that the state had neither the ability nor the inclination to resolve a series of longstanding sites of environmental contamination, the result of previous decades of state-controlled hydrocarbon exploitation on their ancestral lands. Government authorities reluctantly conceded that there was no plan, much less funding for environmental remediation.

The increasingly visible socio-environmental conflict over proposed hydrocarbon exploration has been further aggravated by a series of parallel developments of a political nature that have left the Guaraní feeling increasingly vulnerable and marginalized. First, their aspirations for indigenous autonomy
suffered a blow when government officials brokered a political deal with Chaqueño elites to establish the country’s first regional autonomy.\textsuperscript{216} These same Chaqueño elites have long been openly and violently opposed to the formal recognition of any TCO lands. Second, the government, increasingly frustrated with the slow progress in advancing its hydrocarbon projects, and attributing these delays to excessive indigenous demands for compensation and protracted consultation processes, announced that a new Hydrocarbons Law (presently under consideration) would streamline mechanisms to ensure that they would no longer constitute an obstacle to hydrocarbon operations. The Guaraní, via their national representative organisation the APG Nacional, were further offended when they were told by the Executive office that they would not be allowed to stage a march to protest the government’s actions. Meanwhile, the government has not invited lowland indigenous group representatives to participate in discussions related to the drafting of the new Hydrocarbons Law although other social movement organisations have been consulted (La Prensa, March 25, 2009).\textsuperscript{217} Third, there is a growing sense of disparity in the ways in which financial resources generated by hydrocarbons production are distributed. The Guaraní proposal (first made in 2005) that they should receive a hydrocarbons tax of five percent to benefit those indigenous territories directly impacted by extraction was hijacked by MAS activists who converted it into a rather different instrument that channelled most of this money away from the Guaraní from whose ancestral lands the gas was being extracted. While the APG Yaku Igua does receive a yearly payment linked to the Transierra gas pipeline that traverses its territory and communities, these resources are insufficient to promote economic and educational opportunities for the thousands of Guaraníes living in poverty, and whose livelihoods are directly impacted by gas operations.

\textsuperscript{216} The Guaraníes have always held the position that departmental and/or regional autonomies should not supersede indigenous autonomies. A further setback was suffered when the National Electoral Court failed to recognize the status of the CCGT as a vehicle through which indigenous candidates could participate in the December 2009 elections outside of the party system.\textsuperscript{217} MAS officials have also gone to great lengths to organise consultations with representatives of the hydrocarbon industry (El Diario, Elaboran proyectos de ley y política de hidrocarburos, October 16, 2009) which was not lost on CIDOB and APG National leaders (Reporte Energía, Guaraníes pidan ser incluidos en debate sobre nueva ley de hidrocarburos, February 24, 2010)
Despite the government’s insistence that hydrocarbons represent the way forward for the Bolivian economy and the government’s social change agenda, for Guaraní organisations, debates over hydrocarbons channel a growing number of long historical grievances and unresolved tensions with the state over land, self governance and access to financial resources. They also channel a growing discontent with the MAS government which appears – to the Guaraní of Yaku Igua – to be unable or unwilling to act on its own legislative and constitutional commitments to increase indigenous autonomy, to redistribute land, and to guarantee environmental and social safeguards to indigenous peoples. Worse still – in their eyes – that same government now appears set to change the rules of the game and retract from these earlier promises and commitments in order to drill for the national good. In summary, the experience in Aguaragüe and Yaku Igua suggests that the indigenous movement has so far failed to secure its interests under the MAS government, while the MAS government has failed to reconcile its own challenge of combining extraction, redistributing surplus, implementing an agenda of Pachamama, responding to the historical grievances of indigenous people and securing its own political base among those same indigenous people. I now move to consider the experience of another lowland indigenous group in Tarija, the Weenhayek, and analyze the extent to which they have been able to achieve their goal of consolidating the TCO Weenhayek in the context of the MAS government.
The Consultation and Participation has led all indigenous groups and campesino organisations to present requests for indemnification and compensation. In many cases, these demands far exceed what companies are prepared to pay; in fact (what is requested) is out of proportion to the investments (made by companies). …We are not against the rights of indigenous peoples, they have our complete support, but their requests have to be within a framework of certain equanimity and avoid excessive claims.\textsuperscript{218} (Carlos Villegas, Interim Director, State Hydrocarbons Agency, YPFB)

For more than 100 years we have never received (financial compensation). But now, thank God, with the change of laws in the country, there is a consultation and participation (process) …. We do not consider our requests to be excessive at all, not at all, they are consistent and in accord with the impacts (from the exploitation of gas).\textsuperscript{219} (Moises Sapiranda, Capitan Grande of the Organisation of Weenhayek Captains, ORCAWETA)

Mr. Villegas cannot imply that the indigenous and campesino communities are the ones delaying the development of the country. The least he could do, as President of YPFB, is meet with CIDOB. We have never said that there should not be a project, what we are looking for is to coordinate (with the government).\textsuperscript{220} (Adolfo Chavez, Executive Secretary of the Confederation of Indigenous Peoples of Eastern Bolivia, CIDOB)

The environmental licence and consultation and participation (of indigenous-campesino organisations) have come to constitute an obstacle (to hydrocarbon investment).\textsuperscript{221} (Carlos Villegas, YPFB)

The above exchange, between indigenous leaders and the head of the state hydrocarbons agency over allegedly excessive claims for compensation made by indigenous groups and their insistence that the state respect the rights of

\textsuperscript{218} La Razón, “YPFB dice que indígenas traban las inversiones,” September 21, 2009
\textsuperscript{220} La Patria,”Las exigencias de los pueblos indígenas frenan las inversiones de las petroleras,” September 22, 2009.
\textsuperscript{221} La Razón,”La Licencia y la consulta son un obstáculo,” January 11, 2010)
indigenous people to be consulted in a free and informed manner regarding the use natural resources in their territories, reveals a number of emerging fault-lines in indigenous-state relations in a context in which the government is seeking to facilitate conditions for investment in -and to fast-track- exploratory projects. It also presents a central state that sees itself as fully supportive of indigenous-campesino rights while at the same time scolding indigenous groups for having transgressed “certain parameters of equanimity” (though we do not know what those parameters are). We see a state increasingly wary of the many and excessive demands made by indigenous-campesino organisations, a criticism that was previously launched by transnational firms – in some cases firms that are now partners of the state in the reactivation of the hydrocarbon sector. Finally, it suggests that the state is seeking to escape from norms it itself has created, in that the environmental and social safeguards proposed by social movements and initially projected as a universal model for a more responsible extraction are now considered to be an obstacle that must be flexibilised in order for the state to move fully forward with an ambitious plan of exploratory activity. This Chapter will argue that these tensions and fault-lines are linked to two important if relatively unexplored themes: first, the scale bias of offsetting desequilibrios or imbalances: how attempts to address inter-regional imbalances may aggravate imbalances in the localities where extraction happens; and second, the struggles over the governance of territory: specifically how and where extractive activity will take place, who will decide, and whose vision will prevail in determining the use of territory.

In Chapter Four, which focused on the tensions between the central state and regional (Tarija) visions of hydrocarbon extraction, I argued that the pattern of hydrocarbon extraction worked to deepen divisions, mobilize grievance and cultivate resource regionalism within Tarija. The Tarija case also revealed that

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223 Evo’s term “desequilibrios” refers to differences or imbalances in financial resources due to natural resources, capital and economic activity being largely located in the Eastern half of the country which forms the rebel provinces of the Media Luna.
place and regional identities (alongside class and ethnicity) are important to understanding social mobilisation and contestation in resource extraction peripheries. Chapter Five focused more narrowly on experiences of hydrocarbon expansion at the local scale, specifically how proposed expansion has become part of, and is constitutive of, longstanding tensions between the Guaraní and the Bolivian state. That Chapter also showed how these tensions are exacerbated by parallel struggles for land, autonomy and financial resource flows. In this Chapter the focus remains at the local level, examining another case of emerging indigenous-state tensions over hydrocarbon expansion but this time in the TCO Weenhayek, also located in the Chaco but with a different historical trajectory around, and response to, extraction. The Chapter examines how the government’s reactivation of the hydrocarbon sector, its introduction of substantial environmental and social safeguards, and the growing importance of gas production in the Chaco Tarijeño have together shaped the possibilities for the Weenhayek to: a) recover ancestral lands; b) consolidate greater levels of self governance and autonomy; and c) and access flows of gas rents in order to sustain traditional ways of living. As in the case of the Guaraní of the TCO Yaku Igua, I will argue here that the policies of the MAS government have trumped the sub-national political projects of these indigenous groups and in the process weakened their position and capacity while strengthening the hand of the central state and its transnational partners. As argued in the case of the Guaraní, the initiatives that provide additional land, territory, autonomy and financial resources to the Weenhayek, and afford them greater protection under the law, will necessarily be linked and ultimately subordinated to state-sanctioned hydrocarbon expansion within their territory.

6.1 History and settlement

Known as *matacos* in the ethnographic literature on Amerindian peoples, the Weenhayek refer to themselves as the *other or different people,*224 of the

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224 Alvarsson (2006) describes the Weenhayek’s decision to reject the term *mataco* (which had come to be used pejoratively by whites and mestizos) and refer to themselves as *Weenhayek wiky’i* as part of a long and ongoing process of ethno regeneration – in which a group attempts to define or recover an identity that has been submerged. Cortez says the term distinguishes
Bolivian Chaco. They live in a string of more than 20 settlements that run along the left bank of the Rio Pilcomayo in the Chaco Tarijeno from the city of Villa Montes in the North to the border with Argentina in the South. Another two communities are located further inland, at the base of the Serranía de Aguaraquē, co-existing with Guaraní and campesino communities. Together the 22 settlements account for a population of some 3,500 persons grouped into 700 families (Cortez 2006). While the Weenhayek continue to fish and collect fruits and honey from the forests for their subsistence, they are increasingly reliant on financial resources that are external to their territory. According to several anthropological accounts and informants who have worked closely with the Weenhayek (Alvarsson 1988; Combès 2002; Cortez pers. com.), they are an egalitarian people who value the collective over the individual, the practice of redistribution among members of its group, and freedom of action and movement while rejecting hierarchic structures of authority. Combès emphasizes that “the sine qua non of the group’s survival – distribution - is also a social value in which no one should stand out, no one should eat if the neighbour has nothing to eat, and no one should stand above the rest” (Combès, 2002: 14). The Weenhayek have remained firmly apart from other segments of society, maintaining their language, preferring to live among themselves and demonstrating a cultural reluctance to overtures of integration and change - though there is an increasing sense that the younger generation is more open to change through further education and employment outside of the TCO. One advisor to indigenous groups in the Chaco described the Weenhayek as the “anti-systemics of the Chaco,” noting their steadfast refusal

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225 At the beginning of my field research in May 2008 there were 22 Weenhayek communities. Recently however the number of settlements has swelled to 36 after disputes arose among clans linked to a negotiated agreement between ORCAWETA and BG Bolivia in 2009-2010. The forming of new settlements reflects the strategy of clan members to (gain additional) access financial resources from negotiated agreements around gas.

226 The Weenhayek engage in some limited horticulture but soil and water constraints seriously limit the expansion of these activities. There is also some small animal husbandry, mostly pigs, goats and chickens, but interestingly no cattle or horses.
to conform to the rules and expectations of a larger society that has slowly but surely deprived them of their territory and means of subsistence.

As with other indigenous groups of the Chaco, the Weenhayek have experienced a long history of dispossession and persistent discrimination that has extended up to present times (Castro 2004). As a highly mobile group, scholars suggest that the Weenhayek were able to avoid much contact with the Spanish until well into the 18th century - though their territory certainly was of interest to authorities of the Spanish Crown as they sought to establish expeditious routes through the Chaco to settlements in Paraguay. Historian Erick Langer notes that some mataco were likely taken in by Franciscan missionaries who established a mission in San Antonio near present day Villa Pilcomayo.

Map 6.1 Weenhayek settlements in the TCO Weenhayek
Source: M. Perez, CER-DET, Tarija, 2008

227 Interview with Erik Araoz. 24 June 2009.
Montes from 1860-1905 until it was secularized by the Bolivian state. Other scholars (Alvarsson 1988; A. Lema 2003), however, suggest that the Catholic Church was never successful at indoctrinating the *mataco*. Despite the growing presence of soldiers and mestizo settlers (and the diversity of lowland indigenous groups in the Chaco that often led to warfare and the domination of some groups over others), Alvarsson (2006) maintains that the *mataco* were able to maintain their independence and cultural sovereignty within their traditional lands until the twentieth century when actions by the Bolivian military produced increasingly violent confrontations such as the one described below.

In 1915 an important event took place in Algodonal, on the Rio Pilcomayo. In the oral history of the Weenhayek they refer to this as the Massacre of Algodonal. On this occasion, Bolivian soldiers invited a number of Weenhayek men to a supposed celebration of reconciliation at the fort in Algodonal. Although it raised some suspicion, most of the Weenhayek warriors were caught off guard. During the celebration a group of soldiers appeared. Encircling the unarmed warriors they shot them point blank, killing all but a few (Alvarsson 1993:53-55).

It was the Chaco War (1932-1935), however, that was the catastrophic event that forever changed Weenhayek ways of living. Bolivian troops came to occupy nearly all of the territory considered to be Weenhayek. Because the Weenhayek and the Tapiete were related to indigenous groups residing within Paraguayan territory they were branded enemies of the state. The army forced the Indians to settle into camps where they could be controlled and there are accounts that Weenhayek men were forced to serve as guides through the dry Chaco forest and as *chalaneros* (transporting soldiers and goods in small boats) across the Pilcomayo River, while Weenhayek women were pressed into work as domestic servants.

"...Our Grandfathers supported the army during the Chaco War as guides and chalaneros but they are not (considered) ex-combatants. In order to eat they have worked every day until the day of their death because they were never recognized for having defended oil." (Lucas Cortez, former Capitán Grande of ORCAWETA cited in Castro 2004)

After the Chaco war the Weenhayek found themselves utterly dispossessed of their ancestral lands when soldiers-turned-ranchers occupied their lands and introduced extensive cattle ranching, forcing the Weenhayek to settle on the
banks of the Pilcomayo River on ever smaller and more unviable strips of land. The forests and fruits and wild animals that were once the basis of their subsistence were progressively destroyed by uncontrolled grazing and hunting, and as ranchers increasingly reduced their access to the forests, the Weenhayek were forced to collect fruits and honey from more distant spaces. Thus the Weenhayek increasingly turned to fishing, part time wage labour and begging in town (Combès 2002). It was during this period that a group of Pentecostal Swedish missionaries settled in Villa Montes and established the Free Swedish Mission in Bolivia (Misión Sueca Libre en Bolivia, or MSLB), an organisation that was the single most important institution among the Weenhayek for nearly five decades. Concerned with the worsening situation of the Weenhayek, the MSLB established a mission in Tuntey, (then) on the outskirts of Villa Montes near one of the Weenhayek encampments. Through slow, patient work the missionaries were able to gain the confidence of the Weenhayek but also applied strict rules in their quest to civilize and bolivianize them. The MSLB’s development arm established a series of bi-lingual schools in Weenhayek communities that eventually came to be recognized by national authorities, in addition to providing health care services and supporting handicraft production, though Alvarsson (1988) notes that much of the Weenhayek’s acceptance of these rules was superficial.

With the loss of ancestral territories and destruction of forests, fishing became central to the Weenhayek economy. The artisanal techniques used by Weenhayek men allowed them to catch sufficient fish for the consumption of the family group - it did not, however, allow for commercial sale of any significance. Concerned to integrate the Weenhayek into the larger economy while maintaining their independence, Swedish missionaries introduced seine

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228 Including migration to Northern Argentina to work cutting cane.
229 Despite its withdrawal from Villa Montes in 2002, the MSLB continues to exert significant influence in local affairs via the local Weenhayek pastor and the Fundación Indígena Weenhayek.
230 The MSLB went so far as to prohibit its followers from engaging in wage labour in an attempt to protect them from abuses by mestizos. This position led the MSLB to engage in assistentialist practices such as the provision of free medicines, clothing and other goods to the Weenhayek and in the process consolidate the Mission’s role as provider. While there is both criticism and recognition of the MSLB’s actions there is no debate about the enormity of their
fishing nets in the early 1960s. According to Alvarsson (1988:46) “they quickly adopted the idea of seine fishing and started manufacturing their own nets.” This important innovation enabled the Weenhayek (and later mestizos) to dramatically increase their catch for commercial sale, a change that would transform their economy in profound ways. Beginning in the 1950s, the subregional government introduced a system of concessions to regulate fishing in the upper Pilcomayo River which allowed holders of concessions to organize and contract individuals to engage in commercial fishing activities during the months between April and September. Combès (2002) study of the Weenhayek fishing economy and describes the system of fishing concessions introduced by the state as inducing three important socio-economic transformations among the Weenhayek: first, the concession has come to be seen by those Weenhayek who hold one as property and not merely the extension of a right of use. Secondly, the concession has given rise to a notion of inheritance among some Weenhayek, that is, as owners of the concession, the right to fish a given area can be retained by the extended family group and passed on from the older generation to the younger. This is a significant change as historically the Weenhayek had no such practice of inheritance - indeed when a person dies they and their belongings are usually burned (Cortez pers. comm.). Thirdly, the concession has allowed concession holders and their extended families to consolidate and control an important flow of financial resources with members of the extended family owning other elements of the operation such as the nets, the boats and other equipment required for the operation. The result, says Combès (2002:38), is the rise of an “economic elite among the egalitarian Weenhayek” which in turn has
consolidated its status and political power within the emerging Weenhayek political organisations of the 1990s.  

In stark contrast, those living and fishing down river (where there are no concessions and limited oversight by local governmental authorities) continue to use traditional fishing techniques and thus receive much less income during the fishing season. Despite the more reduced opportunity to make money, Alvarsson (1988) describes the annual fishing season as producing a sort of “fish fever” in which nearly all able-bodied Weenhayek men literally disappear for days or weeks, at times relocating to fishing camps, in order to participate in the bonanza. The income that individuals generate from traditional fishing (including those who are contracted by concessionaires to help pull in the nets) varies widely, but it is almost always used immediately either to buy food items (sugar, rice, noodles) or is converted into goods that can distributed among family members or later be resold or bartered to purchase food. Cortez describes the strong *inmediatista* (“short-termist”) instinct of the Weenhayek below:

Leaders would pawn their televisions and later their bicycles in order to travel to CIDOB meetings (lowland indigenous federation based in the city of Santa Cruz), and upon their return, they were unable to recuperate their goods because the small amount of money they returned with was insufficient and because during their absence their wives and family members had purchased items on credit in order to survive while they were away. This led to their sometimes desperate search for any type of income, at times relatively aggressive, in that anyone who crossed their path could be asked for money, more money, and even more money. (Cortez, cited in Combès 2002:44).

One of the consequences of the Weenhayek’s dependence upon the fishing economy, however, is that outside of the fishing season, there are few other economic opportunities that can provide sufficient resources to sustain families. This often leads to a food crisis in many of the communities, in particular those

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235 Which means that leadership positions in ORCAWETA are also geographically skewed toward those living in San Antonio, Capirendita and Kilometro 1 where most concession-holders and their family groups live.
more remote from the town of Villa Montes. Attempts to calculate the composition of Weenhayek household income expenditure suggest that fishing may constitute as much as 50 percent of family resources, though intra and intercommunity differences make any attempt to calculate average income very difficult (Cortez pers. comm.).

6.2 Weenhayek Structure and Organisation

The Weenhayek settlements located in the Bolivian Chaco are part of a much larger area of mataco ancestral territory within the Gran Chaco of South America. The Weenhayek constitute one of three sub groups of which the majority - a population of nearly 50,000 - live in the Chaco of Argentina. As noted by Braunstein (2006) there is nothing, however, that suggests the mataco of Argentina and Bolivia constitute a single nation or people. Moreover he argues that the traditional forms of mataco organisation never included today’s federated forms of representation but rather the creation of regional alliances among local groups based on familial or political ties.

In the Bolivian Chaco, the Weenhayek Wikyi’ is the historical term for the social unit composed of families and related persons who together formed a band or clan that was recognized as such by other Wikyi’ and which moved about within a fixed territory, hunting, harvesting and fishing according to the seasons (Alvarsson 2006:2-3). The traditional head of the Wikyi’, the niyat, is a term that has enjoyed a revival among the Weenhayek, though most niyat still prefer to use the term Capitán (ironically a term that dates back to the colonial period when Spanish authorities would designate individuals as intermediaries within

236 Artesania, or handicrafts, constitute an important activity among Weenhayek women, especially during the off season for fishing, however the income received is far less (see Combès, 2002) than fishing income.
237 The mataco noctenes(Weenhayek), inhabit the Bolivian Chaco, though a small group of communities is located just on the other side of the border with Argentina. The mataco vejoz live near the Rio Bermejo in Argentina and the mataco guisanay live in the mountains and along the banks of the Pilcomayo also in Argentina. In Argentina they are known as Wichi (Cortez 2006:164). Like the Weenhayek of Bolivia, they share a common history of legal and material dispossession and abuse. The aggressive advance of the agro-industrial frontier in Northern Argentina has triggered a number of violent socio environmental conflicts, pitting Wichi communities against powerful capitalist interests and provincial authorities (Palmer 2006). More recently, Wichi populations have been involved in disputes with hydrocarbon firms (Techpetrol) over exploratory drilling in their ancestral lands (von Bremen, pers. comm.)
Indian communities largely on the basis of their bilingual skills). While a *niyat* might be seen by an outsider to be the leader of the clan or group Combès warns us that he is the "typical powerless Amerindian chief" described by a long line of anthropologists (2002:19). Alvarsson’s (1988) description of the *niyat* as spokesperson for the group and the one who moderates for or intercedes on behalf of the group helps us to understand the nature of this role. The *niyat*, then, does not make decisions but rather ratifies the decisions of the members of his group. He (a *niyat* is almost always male) is expected to a good collector – be it from hunting, fishing, or obtaining donations from third parties - and a generous distributor of that which is collected.

The impulse to create a second level political organisation of Wikyi’ appears to have been largely external and a direct result of the organizing activity carried out by the national level organisation, the Confederation of Indigenous Peoples of Bolivia (CIDOB) during the 1980s – a period of heightened organisation and mobilisation among lowland indigenous groups in Bolivia. CIDOB’s own creation can be traced to a confluence of factors that includes political openings, the creation of organisational and political capacity and the existence of transnational ties that permitted a steady flow of resources toward the fledgling organisation (Yashar 2005). The rise of such single entity lowland organisations (AIDESEP in Peru, and CONFENIAE in Ecuador) can be understood as part of a strategy which permits otherwise unarticulated lowland groups to sustain relationships with the larger white/mestizo world and to satisfy the government’s need to have a single representative entity or organisation with which to engage and negotiate. As noted by Braunstein (2006) previously, there is a dissonance however between this form of modern representation and more traditional forms of group representation and this has often resulted in debilitating intra and inter-groups struggles.

The creation of ORCAWETA, the organisation of Weenhayek Captains, or *Capitanes*, then, was part of a longer, externally induced process that began in the 1980s but did not take hold until 1993 (after two previous iterations failed). The structure of ORCAWETA, which consists of a *Capitán Grande*, a *segundo* (or second) *Capitán*, a directorate with secretariats based on specific issues or themes (for example, health, land, gender) and the community *Capitanes*, has
been borrowed from the Guarani whose forms of consensual decision-making are significantly different from the Weenhayek.

Both written accounts as well as my own interviews with leaders and NGO advisors reflect an agonizingly difficult first decade for both ORCAWETA and the communities – one characterized by prolonged conflict and crisis. Much of this conflict appears to be the product of opaque negotiations conducted with outsiders (from development projects such as the PROVISA irrigation scheme,\textsuperscript{238} to negotiating with transnational gas companies, to interference by political parties and local authorities), a dynamic that was only overcome beginning in the late 1990s but seems to have returned with a vengeance in recent years. Much of the internal discord centres on perceptions that ORCAWETA leaders are acting independently and secretively, withholding information and perhaps enriching themselves and their clans in the process. They are seen as abrogating Weenhayek values, violating the ways in which decisions are taken by communities, and failing to distribute in a generous and fair manner - ultimately provoking internal conflict and division.\textsuperscript{239}

Despite more than 15 years of existence and concerted efforts to build organisational and political capacity and to institutionalize internal processes, ORCAWETA remains a highly fragile and unstable organisation. In 2007, a disputed election for the leadership of ORCAWETA led the losing side to an act of vengeance including the sacking of the ORCAWETA’s office of its contents and the loss of computer equipment, files and related materials. As a result ORCAWETA has lost much of its archival information, in addition to the loss of its own office, and this has had serious repercussions on the organisation’s ability to conduct its affairs.\textsuperscript{240}

\textsuperscript{238} The PROVISA, Proyecto Villa Montes-Sachapera, is a large-scale irrigation scheme aimed at expanding the agricultural frontier in the semi arid Chaco however part of the area (10,000 hectares) to be irrigated lies within the TCO Weenhayek.

\textsuperscript{239} Here I draw on interviews with Saul Fernandez, Federico Salazar, Guido Cortez and Emeterio Torrez.

\textsuperscript{240} This includes the many agreements negotiated with hydrocarbon companies. ORCAWETA relies heavily on the CER-DET Villa Montes office for logistical support.
While the process of gradual settlement occurring over the past decades has resulted in a shift of the locus of power from the social group or clan to the (now geographically fixed) community, the increasing dependence upon ORCAWETA to represent and negotiate on behalf of the communities engaging with a complex array of external actors has given rise to an ongoing crisis of internal governance in which community members grow ever more annoyed and restless with the lack of consultation, the lack of significant quantifiable products, the violation of the principle of distribution and the slow but sure destruction of their territory. The crisis usually comes to a head once the fishing season (and the period of financial abundance) is over, when different groups turn their attention to controlling ORCAWETA which is seen as an alternative source of resources as well as (by some at least) a vehicle that might defend more effectively the interests of Weenhayek communities and the larger TCO against outsiders who should not be trusted. If one group is unable to unseat the group in power, it simply announces that it is now the representative leadership giving rise to confusion (for outsiders) and a further undermining of ORCAWETA’s credibility.241

In this section I have deliberately detailed the history and importance of the rise of the fishing economy and its impacts among the Weenhayek in order to suggest a number of points. First, the Weenhayek are a highly flexible and adaptable group that seeks out new opportunities to gather and collect in order to maintain independence and ways of living. Second, the Weenhayek are highly resourceful, continually seeking out and consolidating access to flows of resources – however, with the introduction of fishing concessions this process has produced uneven results, leading to a rupture of egalitarian principles and practices of reciprocity. Third, while the Weenhayek have been incorporated into the market economy through fishing and occasional wage labour, they have

241 This was the case in 2009 when a second rebel band led by Pablo Rivera unsuccessfully attempted to unseat ORCAWETA leaders and portrayed himself in the press as the new Capitán Grande, with the support of departmental authorities (El Diario “Sobre corrupción en YPFB,” March 27, 2009). In March 2010 a new leadership challenge emerged led by Gilberto Marquez, a young lawyer who had served as legal advisor to Moises Sapiranda during negotiations with BG Bolivia. He purportedly represents a group increasingly dissatisfied with the state of affairs and challenged the current leadership - setting off the most recent crisis of leadership (Cortez pers. comm.).
not responded to these economic opportunities by adopting practices and behaviours (such as savings or investment, for example) expected by society – instead, a logic of collecting continues to dominate economic behaviour. This section has also considered the history and evolution of Weenhayek organisation and the increasing crisis of governance experienced by Weenhayek communities despite long term efforts to build organisational and political capacity. I want to suggest that while internal conflict among the Weenhayek is not new, the conflict dynamic has grown more complex and chronic and is in large part fuelled by efforts to consolidate access to the flows of hydrocarbon rents which have become increasingly important over the past ten years and which are part of this longer, continuous history of struggle to identify and secure sufficient resources to ensure Weenhayek reproduction. Before turning to a discussion of how the expansion of gas is negotiated, however, I will examine the rise of oil and natural gas activity in Weenhayek territory.

6.3 Hydrocarbon development in twentieth century

It is not entirely clear when hydrocarbons first impinged upon Weenhayek lands and livelihoods: Swedish missionary accounts make only passing reference to their operations and my own interviews with Weenhayek leaders produced conflicting accounts about when and where operations began. Still, various reports and studies (Centeno 1999; Combès 2002; Ribera 2008; Gutiérrez and Rodriguez 1999; Mamani et al 2003) suggest that Weenhayek territory has been the site of exploration and exploitation of oil and gas as well as the construction of a rail line, and a major north-south highway. Oil and gas development has meant the opening of the Chaco forest through access roads, the drilling of dozens of wells, laying of pipelines and construction of processing plants. The intensity of this colonisation of Weenhayek territory, however, has been sporadic, waxing and waning with the fortunes of the hydrocarbon

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242 Some observers suggest that the Weenhayek have not learnt how to use money. Though it is beyond the scope of my work to explore Weenhayek attitudes towards money, I suggest that they have been both strategic and successful in mobilizing resources from a wide variety of local and regional authorities, NGOs, international aid organisations, hydrocarbon companies and the central government.
industry, with periods of intense activity followed by prolonged spells of neglect and abandonment. Almost certainly the state hydrocarbons agency, YPFB, would have been the first to conduct exploratory activity and this most likely occurred sometime after the Chaco War and certainly by 1960 to be joined – and later replaced - by foreign hydrocarbon firms. Together with the extensive ranching activity taking place, Weenhayek territory was, then, hardly an indomitable, uninhabited, free space but rather one that was rapidly being shaped, transformed and constrained by the expanding hydrocarbon frontier. The cumulative impacts of these multiple extractive and infrastructure projects have not only left TCO Weenhayek lands fragmented, but also open to all manner of outsiders, facilitating the penetration of loggers, hunters and small and medium cattle ranches alongside the erection of hydrocarbon platforms, and the steady degradation of its cultural and natural resources.

That said, the natural gas boom that began in the mid 1990s has developed in a significantly different way than in previous decades. First, rather than engaging with a single company, the Weenhayek have had to negotiate and manage a bewildering number of projects and relationships with transnational companies (see Table 6.1 below for a list of transnational firms, projects and areas). These projects include exploratory drilling and the reactivation of wells held in reserve in addition to the construction of access roads, pumping stations, and a network of pipelines. Of course, this does not include the long list of consultancy firms undertaking environmental impact assessments (EIAs) and socio diagnostic studies, nor the contractors operating work camps, opening roads and providing an array of other services. Thus during the late 1990s-early 2000s, the heart of the boom period, Weenhayek leaders were engaged in negotiations with BG Bolivia (1999) over expanded operations in the Block XX-Tarija Este, with the privatized Chaco (1997 and 2001) over exploratory drilling in the Timboy-

\[243\] Chaco was previously part of YPFB and was capitalized in 1996 resulting in 50% of the company being owned by the Bolivian people (through pension funds and by workers of YPFB) and 50% being owned by British Petroleum-Amoco. BP Amoco was the operator of the contract and thus in control of Chaco.
Palmar Grande area, with Transierra (2001) over the construction of a major north-south pipeline (GASYRG) and with Transredes (2002), another gas transport firm. In each case, in addition to the transnational company, there was also a long list of consultants and contractors in tow who also required attention. Each of these projects affected the TCO Weenhayek in significant ways. Today there are some fifteen wells operating within the TCO Weenhayek in addition to the two major pipelines, a separation plant for liquids, a series of pumping stations and an extensive network of feeder (collector) lines and access roads in order to provide maintenance services to the wells, plants and gas lines. Indeed, one could easily see how Weenhayek leaders were completely absorbed in ongoing rounds of negotiations with the various public relations officers of these tenacious energy giants so keen to be part of Bolivia’s emergence as energy supply centre for the Southern Cone.

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244 A small portion of the TCO Weenhayek is located further inland, at the foot of the Serranía de Aguaraquê, and is thus affected by the hydrocarbons Aguaraquê Block, at the time operated by Chaco, an area covering nearly 64,000 hectares.

245 Transierra is a consortium (Petrobras, Andina and Total E&P Bolivie), created in 2000, to transport gas from producing areas in Tarija to the compression plant in Rio Grande (Santa Cruz). The gas line operated by Transierra is known as GASYRG.
<table>
<thead>
<tr>
<th>Period of Activity</th>
<th>Company</th>
<th>Block/Activity</th>
<th>Field/Area Affected</th>
</tr>
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<tbody>
<tr>
<td>1960-61</td>
<td>YPFB</td>
<td>Exploration</td>
<td>La Vertiente</td>
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<tr>
<td>1960</td>
<td>Chaco Petroleum</td>
<td>Exploration</td>
<td>Palo Marcado</td>
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<td>Los Monos</td>
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<tr>
<td>1970s-1998</td>
<td>Andina</td>
<td>Exploration of Capirenda Block</td>
<td>Crevaux</td>
</tr>
<tr>
<td>1972-1999</td>
<td>Tesoro Bolivia Petroleum Company</td>
<td>Exploration/Exploitation XX Tarija Este Block 161,000 hectares</td>
<td>Los Suris</td>
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<td>Escondido</td>
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<td></td>
<td></td>
<td></td>
<td>Palo Marcado</td>
</tr>
<tr>
<td>1999 to present</td>
<td>British Gas – BG Bolivia</td>
<td>Exploration/Exploitation of XX Tarija Este Block (161,000 hectares) Construction/amplification of gas line under Pilcomayo river</td>
<td>Los Suris</td>
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<td>Escondido</td>
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<td></td>
<td>Palo Marcado</td>
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<td></td>
<td>Ibibobo (retention)</td>
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<tr>
<td>1997-2006</td>
<td>Chaco(BP-Amoco)</td>
<td>Exploration/Exploitation of Aguarağüe Block 2,500 hectares</td>
<td>Los Monos</td>
</tr>
<tr>
<td>2001-present</td>
<td>Transierra</td>
<td>Construction/operation of 24km pipeline and compression station</td>
<td>Affecting communities of Timboy, Palmar Grande, Kilometro 1, Capirendita, San Antonio &amp; Quebrachal</td>
</tr>
<tr>
<td>2002</td>
<td>Petrobras</td>
<td>Construction of 5km feeder line to Transierra pipeline</td>
<td>Timboy</td>
</tr>
<tr>
<td>2002-present</td>
<td>Transredes</td>
<td>Construction of replacement pipeline under Pilcomayo/operation of pipelines</td>
<td>Affecting fishing concessions</td>
</tr>
<tr>
<td>2010</td>
<td>Petroandina</td>
<td>Exploration/Exploitation of Aguarağüe Centro and Aguarağüe Sur Blocks (pending)</td>
<td>Affecting communities of Timboy, San Antonio, Capirendita &amp; Kilometro 1</td>
</tr>
<tr>
<td>2010</td>
<td>YPFB</td>
<td>Amplification/Construction of gas line (23kms) linking Margarita Field and Yacuiba (proposed)</td>
<td>Not available</td>
</tr>
</tbody>
</table>

Source: Elaborated by author based on information from YPFB, BG Bolivia, Transierra, Transredes and Petroandina.
Second, the larger social and legal context in which this boom developed had also changed considerably: indigenous groups were now organized with recognized legal claims to ancestral lands (as described in Chapter 5) and the government of Bolivia was signatory to international conventions protecting indigenous rights and habitats. Multi-lateral agencies providing financial backing to extractive projects - such as the Inter-American Development Bank (IDB), the Overseas Private Investment Corporation (OPIC) and the World Bank Group - were now obliged to require social and environmental policies and practices that included public consultations, and the granting of environmental licences while ensuring that the rights of indigenous peoples would be respected. This context was in large part shaped by persistent socio-environmental conflict involving transnational companies and local communities and high profile cases of human rights abuse linked to extractive activity in indigenous territory elsewhere in the Amazon (Fontaine 2007; Sawyer 2004) in the 1970s and 1980s. Importantly, transnational alliances of civil society actors played key roles in bringing public attention to bear on the unfolding drama involving transnational firms and vulnerable indigenous groups in the Americas.246

Third, in response to rising criticism, from both domestic and international corners, transnational firms sought to blunt such criticism by introducing seemingly progressive policies of corporate social responsibility and corporate citizenship in an effort to reframe the role of transnational firms as contributors to processes of national development and wealth creation (O’Faircheallaigh and Ali 2008). Corporations moved to create internal departments dedicated to corporate citizenship and community relations, and the leading transnational firms promoted new business-civic partnerships or created industry groups and proposed new frameworks which would promote and guide heightened practices of social and environmental awareness – often with a particular focus on engaging with indigenous and traditional populations.247 While industry

246 Among these groups are: Acción Ecológica; Amazon Watch; Cultural Survival; Friends of the Earth; Oilwatch Rainforest Action Network; and Survival International.
247 Examples include: Business for Social Responsibility (BSR), International Council on Mining and Metals (ICMM), and the Equator Principles.
actors often applied these principles and practices rather unevenly (and
generally only when pressured by third parties to do so) it was clear that the oil
and gas sector (and their financial backers) were under significant pressure by
transnational civil society, and by increasingly political networks of activist
shareholders, to change the way they conducted business. ²⁴⁸ As will be seen in
the case of the Weenhayek, the oil and gas industry has encountered a more
challenging if not vexing operational environment - one that has required
significantly more corporate time and resources to obtain both “environmental”
and “social” licences and secure the necessary conditions for extraction to go
forward. ²⁴⁹

6.3.1 Socio environmental impacts

Not unsurprisingly then, the gas rush of the late 1990s produced an immediate
reaction among the Weenhayek (and other lowland groups) and their
transnational-linked NGO allies who were critical of the environmental and
social impacts caused by the activities of transnational oil and gas firms.
Indeed the Chaco’s long history of hydrocarbon exploration and environmental
damage caused by decades of drilling carried out by both the state
hydrocarbons agency and by foreign firms (discussed in Chapter 5) combined
with a series of notorious accidents induced a period of heightened socio-
environmental conflict that eventually formed part of a larger, national agenda
against the transnationalisation of Bolivia’s natural resources.

At least initially, much of the concern centred on what were perceived to be
environmental consequences of a series of highly publicized accidents that
came to form points of conflict between communities, authorities and
companies. From interviews with Weenhayek leaders and NGO staff ²⁵⁰ it

²⁴⁸ Interview with Hugh Atwater, Social Performance Manager BG Group PLC, 10 November
2008;
²⁴⁹ Interview with Jose Magela Bernardes, General Manager BG Bolivia, 22 January 2009.
²⁵⁰ CER-DET, Ambio Chaco, LIDEMA.
appears that three incidents provoked significant response and boosted fears about environmental damage.\textsuperscript{251}

1) A pipeline rupture and explosion sometime in the period 1979-1980 affecting a peri-urban settlement on the outskirts of Villa Montes provoked a fire resulting in the death of five families and the complete destruction of their homes. During this period, YPFB was operating the YABOG pipeline transporting gas to Argentina;\textsuperscript{252}

2) An oil spill in the Los Monos Block (1999), involving a well (X-8) and pipeline, operated by Chaco S.A. (at the time controlled by U.S. Amoco Corporation) which resulted in the contamination of streams feeding into the Los Monos and Pilcomayo rivers which in turn contaminated local drinking water and provoked a large scale fish kill;

3) The collapse of an access road in the Aguaragüe Block (2003-2004), associated with the exploratory drilling of well Timboy X-1, operated by Chaco S.A. (BP-Amoco). This provoked serious erosion of the banks of a major stream (Quebrada Timboy) supplying the community of Timboy with drinking water. The company caused further problems when it attempted to divert the impassable road – without an environmental permit or government authorisation.

There have also been a continuing number of incidents involving Petrobras, Transierra and Transredes (the pipelines seemed particularly susceptible to repeat accidents) and subsequent reports of environmental contamination. However, indigenous leaders and NGO staff have found that deploying environmental arguments as a way to prevent or limit extractive activity has become an increasingly ineffective tactic. Such claims of environmental damage have been either simply dismissed or diminished by company

\textsuperscript{251} A fourth accident, outside of the city of Yacuiba, sparked outrage throughout the Chaco. An explosion and fire at Pluspetrol’s Madrejones plant (1999) involving well X-1001 resulted in the displacement of a number of campesino families. The military cordoned off the area and no one was allowed entry. The well burned for over three months before it could be controlled. A number of civic and environmental groups denounced the accident and local campesinos demanded compensation for environmental damage, including the loss of water resource used to control the initial fire.

\textsuperscript{252} Juan Carlos Llanes, Director Ambio Chaco, (pers. comm.) noted that the accident was never reported.
technicians (citing lack of evidence) or were resolved with off-stage offers of financial compensation. This latter preference for resolving environmental contamination disputes has given rise to what some researchers consider a perverse attitude in which “more damage meant more money.” Conversely, it does appear that companies have grown increasingly sensitive to claims of human rights abuses, especially with regard to the rights of vulnerable indigenous groups. (The case of the Guaraní TCO Tentayapi, documented by Gavaldá (1999) is one of the few instances in which a TCO was able to keep a transnational firm from entering its territory).

Efforts by the TCO Weenhayek to document long term environmental damage have been inhibited by a number of factors, among them, the fact that only 20 percent of TCO lands are actually under the control of the TCO Weenhayek with the remaining 80 percent being physically occupied by third parties (and a large number of cattle) making access for inspection and monitoring of these areas not always possible. Furthermore, despite commitments to support local environmental monitors and establish a system of socio-environmental monitoring, both monitors and ORCAWETA find it difficult to carry out their responsibilities. One monitor told me that the company gladly paid his salary so that he would not conduct monitoring activities. The situation is further aggravated by the fact that the Weenhayek have no comprehensive archive containing historical information on hydrocarbon operations in their territory (including the location and status of old wells, agreements negotiated with companies and the government, results from environmental testing, etc.). For the Weenhayek, deploying environmental rights arguments has not been successful in terms of addressing and remediating environmental damage. Nor has it led to the creation of a strong independent monitoring system.

Environmental contamination affecting water resources has become a particular issue of increasing concern among a growing coalition of indigenous-
campesino and civil society groups but it has yet to be given adequate attention by local and national authorities. Importantly there has been increased public awareness of contamination affecting the Pilcomayo River, in large part due to the work of local NGOs. However analysts suggest that it is contamination from mining wastes in the highlands, and not contamination from hydrocarbons operations, that is the likely source of the most grievous contamination.\footnote{Based on conversations with Walter Mamani, David Preston and Guido Cortez.} Still, local studies, such as those conducted by Mamani in 2005 which incorporates findings from previous independent studies on water contamination (Mamani et al 2003; Smoulders 2001) and water testing conducted by Petrobras, highlight a number of ongoing problems that include: the emptying of untreated processed waters from a series of gas processing installations directly into the Pilcomayo River; indications of poor water quality (including the presence of TPH\footnote{Total Petroleum Hydrocarbons} in community wells located near gas operations within the TCO; and persistent high levels of salinity in water samples. While hydrocarbon companies with operations in the area have attempted to increase the provision of water to communities nearest their operations, through the drilling of deep wells and installation of raised water tanks, concerns about water quality issues remain unresolved (Mamani, 2005).\footnote{Perhaps of more concern is the limited attention given to the issue of water quantity. Significant amounts of water are required to produce hydrocarbons. In the semi arid Chaco, fresh water is an increasing problem for all communities but especially for the Weenhayek. Hydrocarbon companies like BG Bolivia usually drill wells to access water, however they do not pay for or compensate for extracting water resources.} Given the very limited resources of communities and the lack of monitoring mechanisms by local and regional authorities, there is no systematic process for testing in place, nor is there information about the long term health impacts on Weenhayek (or other) communities.

### 6.3.2 Territory and Hydrocarbon Expansion

The creation of ORCAWETA as a representative organisation of Weenhayek interests coincided with a claim for TCO lands totalling 195,659 hectares. In 1993, the government formally recognised the TCO Weenhayek claim (Supreme Decree 23500) and indicated that it would move quickly to demarcate the lands and proceed with formal titling. Such enthusiasm, however, was
quickly tempered when the Weenhayek discovered the scale of third party presence (over 100 privately-owned parcels) within the TCO Weenhayek, the level of resistance from the ranching community, and the astonishing level of corruption within the Tarija office of the Land Reform Agency, INRA.\textsuperscript{258} In September 2008, after Capitán Grande Moises Sapiranda attended a private meeting of indigenous leaders with President Evo Morales, some 25,000 hectares were formally titled in favour of the TCO. Sapiranda later told me: “after waiting nearly 15 years for legal title one conversation with Don Evo and 25 days later the TCO had 25,000 hectares”.\textsuperscript{259} (This would be repeated again during the final stage of the consultation process in July 2009, when another 8,206 hectares were titled).

Land and territorial consolidation has been the single overarching objective of Weenhayek society. Initial efforts to secure land began with the MSLB’s purchase of 5,000 hectares in the 1970s and the establishment of a settlement adjacent to the mission and school. Decades later, in the 1990s, with support from the Swedish and Finnish governments, a more concerted project was launched to reclaim ancestral lands that culminated in state recognition of the TCO. The government resolution, Supreme Decree 23500 (1993), recognised Weenhayek sovereignty over the territory - however it also established a precedent as it allowed existing ranchers to maintain their presence and activity within the TCO. This disappointing result has effectively stifled the consolidation of the TCO – though in partial recompense the state recognises the right of the Weenhayek to collect and hunt and gather wood in these areas.

As highlighted in the case of the Guaraní of Itika Guasu in Chapter 3 and discussed more fully in the case of Yaku Igua in Chapter 4 the relationship between the presence of hydrocarbons in TCOs, the coincidental (or not) overlap of third party interests in these very same hydrocarbon spaces and the agonizingly slow progress in titling TCO lands, suggests that where there are

\textsuperscript{258} The lack of progress in titling lowland TCOs post 1996, linked to the occupation of departmental INRA offices by elites, has been the subject of much analysis and criticism (Aróstegui 2008; Fundación Tierra 2009)

\textsuperscript{259} Interview with Moises Sapiranda, December 16, 2008.
known hydrocarbon reserves, TCO efforts to claim those lands systematically fail to advance. The Weenhayek case is perhaps a more extreme example of this source of territorial fragmentation in that 100 percent of its territory lies within an area classified as hydrocarbon potential, where more than 50,000 hectares are under contract for hydrocarbon exploration and exploitation, where the territory has been penetrated and crisscrossed by pipelines and access roads, and where more than 80 percent of the TCO Weenhayek is effectively controlled by non indigenous ranchers and farmers.

Under these circumstances it is impossible to imagine an effective consolidation of territory and control of resources that might form the basis of livelihoods for future generations. The high degree of intervention in the TCO Weenhayek coupled with increasing pressures on land, water resources and fishing stocks indicates that future generations will be forced to seek employment and livelihoods beyond the TCO. In the following section, I will discuss the evolving presence and impacts of one transnational gas firm, British Gas Bolivia (BG Bolivia), in the TCO Weenhayek. BG Bolivia, like other gas production and transport firms in the country, faced an increasingly uncertain and complex operating environment which required direct negotiation with indigenous leaders in order to gain permission to drill wells and lay pipelines.

6.3.3 BG Bolivia in the TCO Weenhayek

It was during the gas rush of the late 1990s that energy giant BG Group plc, based in the United Kingdom, became active in the Bolivian gas market, successfully obtaining licences for six exploration/exploitation blocks, as well as securing participating interest in two of the country’s most important gas fields:

260 Interviews with Erick Araoz and Nolberto Gallardo; also see Aróstegui (2008); Orduna (2004)
261 According to Cortez (pers. comm.) the ranching sector in the Chaco Tarijeno is in decline and suffering the combined effects of decades of extensive grazing, the degradation of natural vegetation, declining water resources and lack of capital. Furthermore many of these ranches are owned by absentee landlords. Compensation settlements with hydrocarbon companies then provide important resources that permit an otherwise unprofitable and unsustainable activity to continue. There is an interesting similarity here to arguments made above all in Brazil that ranching in the Amazon was often a strategy for gaining fiscal benefits rather than for producing cattle (Hecht, 1985; Binswanger, 1991).
262 BG Group is a leading international energy firm. Information about BG Group’s operations in Bolivia are from the BG website http://www.bg-group.com/OurBusiness/WhereWeOperate/Pages/Bolivia.aspx (accessed multiple times)
Itaú\textsuperscript{263} and Margarita.\textsuperscript{264} These interests are almost all located in the Chaco Tarijeño.\textsuperscript{265} BG Bolivia also secured long-term rights in the Bolivia-Brazil pipeline which allows it to participate in the supply of gas to the Sao Paulo region of Brazil.

In late 1999, at the height of gas fever, BG Bolivia acquired the Tesoro Bolivia Petroleum Company, a firm that had carried out exploration and exploitation of gas on Weenhayek lands since the early 1970s\textsuperscript{266} and that also held the rights to explore and exploit the Palo Marcado gas field within the XX Tarija East block (see Figure 6A).\textsuperscript{267} Indeed, it was Tesoro’s discovery of important natural gas reserves in this block that established natural gas as the new commodity to drive the Bolivian economy,\textsuperscript{268} and positioned the Department of Tarija to become the country’s most important producer of gas (Centeno 1999).

BG Bolivia, like other transnational oil and gas firms, found itself operating in a context of both increasing indigenous resistance and demands for compensation linked to its activities. And like other energy firms, BG Bolivia sought to smooth the negotiation of their projects by offering to support development projects and requests for support by ORCAWETA leaders. As part of its negotiations with ORCAWETA, BG Bolivia instituted a programme of support to the Weenhayek which included more short term concerns (the Programme of Community Relations and Support, or PRAC) and a mechanism to guide support for longer term initiatives (the Indigenous Development Plan or

\begin{footnotesize}
\footnotetext{263}{BG Group is a partner in the Itaú field.}\footnotetext{264}{BG Group holds a 37.5% interest in the Margarita field along with Repsol (operator) 37.5% and Pan Andean Energy 25% (a consortium of British Petroleum and Bridas-Argentina). Since 2003 and the demise of the Pacific LNG project, BG have been biding their time, lobbying the Bolivian Executive Office and waiting for a return to more business-friendly policies.}\footnotetext{265}{BG Bolivia also holds an interest in operations in the Charagua field of Santa Cruz.}\footnotetext{266}{Tesoro Bolivia Petroleum Company is a small Texas-based oil and gas company. Along with Occidental Petroleum it was one of the few transnational firms to sign a contract with the Bolivian government led by Dictator General Hugo Banzer in 1972. The entrance of Tesoro Bolivia preceded the establishment of the TCO Weenhayek.}\footnotetext{267}{The information presented here is from the company’s website: http://www.bg-group.com/OurBusiness/WhereWeOperate/Pages/Bolivia.aspx}\footnotetext{268}{An important factor in the rise of natural gas as the new commodity was the signing of a 20 year contract to sell gas to Argentina which was, according to one analyst (interview with Luis Lema 8 July 2008), “the most gasified economy in Latin America”.}
\end{footnotesize}
PDI) though in practice it is often difficult to distinguish between the two, and between these instruments and agreements over rights of way and compensation for damages.\textsuperscript{269} Both these instruments appear to have been first introduced by the Transierra consortium when it entered negotiations with the Guaraní and the Weenhayek over the construction of the gas line, GASYRG in 2001.

The PDI is a framework or open agreement between the company and the indigenous group in which financial contributions can be negotiated and channelled to support a series of activities and projects during the company’s operations (usually 20 to 30 years). Generally, a PDI is focused on supporting those communities and families most affected by the firm’s activity and not the TCO in its entirety. In the case of BG Bolivia, support is directed to communities most affected by its operations but also responds to activities proposed by the Capitán Grande and the ORCAWETA Directorate while retaining say over what will - and will not be funded - as well as administrative control over the funds.\textsuperscript{270} Both negotiations and administration of the PDI have tended to be closed, if not secretive, and the information is not socialized or made public (at the preference of ORCAWETA leaders). There is no system to monitor the results of the PDI\textsuperscript{271} or even to establish if both sides have complied with their responsibilities though in the case of the Weenhayek the amount might be as much as US$250,000 per year. Some activities supported by the PDI are portrayed as part of the company’s commitment to corporate social responsibility (CSR) though BG Bolivia does not consider the PDI to be a form of compensation for disruptions and damages caused by their operations.\textsuperscript{272}

\textsuperscript{269} This ambiguity serves a useful purpose in that companies can engage in short-term negotiations linked to specific problems or activities linked to projects without having to renegotiate the larger program of support. It is important to remember that ORCAWETA does not have a single register of agreements negotiated with BG Bolivia and other companies. Interviews with ORCAWETA leaders revealed significant confusion over the different categories of financial support and compensation.

\textsuperscript{270} In one agreement I viewed, a committee of the BG Bolivia representative and the Capitán Grande were designated as having control over decision-making for how PDI resources were to be used.

\textsuperscript{271} The Bolivian government does not have a mechanism in place to oversee fulfilment of these negotiated agreements.

\textsuperscript{272} This also causes confusion as all company expenses related to producing hydrocarbons are “reimbursable costs” from YPFB in which case Bolivians are paying for the PDI. My review of
the minds of ORCAWETA leaders, however, these payments are equated with compensation. A former Capitán Grande of ORCAWETA told me, “They are taking something from our land so it must be replaced”. 273

BG Bolivia-ORCAWETA documents revealed that at least in one case, BG Bolivia requested YPFB approval regarding one such agreement.

273 Interview with Federico Salazar, former Capitán Grande of ORCAWETA, October 2008
Map 6.2 The Campo Palo Marcado project (proposed) in the TCO Weenhayek

Source: BG Bolivia permission granted to reproduce map here.
The BG Group holds important natural gas reserves in Bolivia. However, much of this gas can be described as stranded in both a geological and social sense (Bridge 2004) in that since 2005, with the derailing of the Pacific LNG project and the adoption of a less favourable hydrocarbon legislative regime, private investment in and enthusiasm for new exploratory projects has dropped precipitously. BG Group’s operations within the TCO Weenhayek (in three fields: La Vertiente, Los Suris and Escondido) have been maintained but it is clear that the company is in stand-by mode. One nod to the Bolivian government’s insistence that BG Bolivia increase investment and production is the company’s proposal to bring into production the Palo Marcado gas field, lying for the most part within the TCO Weenhayek.

The Palo Marcado project, which is the focus of the case presented in the following section, proposes to bring into production three existing wells (held in retention since the 1990s) and allow for the drilling of a fourth well. It would also construct a pumping station and 23 kilometres of feeder gas lines. The project is not a particularly large endeavour (total investment of US$30 million) or a controversial one (exploratory drilling has taken place since the 1960s). However the project, in accord with recently passed governmental decrees to safeguard the rights of indigenous peoples, is required to carry out an additional process with the affected indigenous group prior to the elaboration of an Environmental Impact Assessment (EIA). Specifically, the project must include a Consultation and Participation process with the representative organisation of TCO Weenhayek in order to obtain an environmental licence – a process which I will return to discuss in more detail below.

Mario Sánchez, one of the Weenhayek leaders (and formerly an environmental monitor) whom I interviewed in the community of Algarrobal, recalled that when

274 As will all transnational oil and gas companies holding join risk agreements with the Bolivian government, BG was forced to renegotiate its contract and migrate to an operations contract in October 2006.
275 I draw on a series of interviews with BG staff and consultants.
the Tesoro Bolivia Petroleum Company began seismic testing, company workers simply entered the community and set to work.\footnote{Tesoro Bolivia was subsidiary of a small Texas-based firm Tesoro which held concessions in the TCO Weenhayek in the 1980s. Sánchez suggested that this testing occurred sometime in the early to mid 1980s.}

They spoke to the head of the community and said they would be conducting seismic testing. No one knew what that meant. The workers dug trenches that traversed the patios of several houses and then laid cables which they hooked up to a machine. It made terrible noises and vibrations and frightened everyone. They didn’t ask permission or offer compensation. They set up a video for the children to watch and passed out sweets.\footnote{Interview with Mario Sánchez, community of Algarrobal, October 13, 2008.}

Mario later trained as an environmental monitor with a capacity building programme for indigenous monitors in coordination with CIDOB – a programme that was sponsored by the World Bank during the 1990s. He has travelled to Canada and Ecuador to visit indigenous communities with oil and gas operations, and he says that these visits have made him more aware of the potential negative impacts of such activity. Saul, another environmental monitor who later joined the conversation, commented how the Weenhayek are now much more mature and savvy when they negotiate with the petrolero. He noted how they are now more organized, and that when the company does not want to talk to them, the inevitable bloqueo\footnote{The bloqueo (roadblock) is the tactic par excellence of Bolivian social movements. It usually involves the obstruction of roads, or in this case the entrance to gas installations.} is organised which usually brings them to the table. Mario reveals that was he was part of the technical unit within ORCAWETA that operated for awhile but like many initiatives has since fallen by the wayside.

Until now, BG Bolivia’s operations within the TCO have been concentrated in the upper third of the territory which also overlaps with the largest and most densely populated and most organized Weenhayek communities (San Antonio, Capirendita and Kilometro1). But BG Bolivia’s operations are not the only activities that impact this area. Transierra and Transredes also operate gas lines that bisect the territory and Transierra (Petrobras) operates a large

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compression plant in the midst of the community of San Antonio. This is, furthermore, a critical space in that the gas lines must cross the Pilcomayo River in areas which overlap with a number of important fishing concessions held by individuals who are residents of the above mentioned communities. This convergence of hydrocarbon activity and fishing concessions in a confined area has created a concentration of activity and given rise to a territorial imbalance within the TCO Weenhayek that has implications for how ORCAWETA distributes compensation, a point I return to later. What will change with the Palo Marcado project is that a new group of communities lying to the south will be “impacted” by BG Bolivia’s operations, including the construction of a 23km pipeline which will link the producing wells to a pumping station in another field to the north, Los Suris.280

The following section discusses the process through which this project has been negotiated with the Weenhayek. The announcement of a new project is often a stressful time for the TCO as the leadership attempts to respond to what it perceives as a new opportunity to negotiate agreements and collect rents from powerful petroleros. Likewise the negotiating process can trigger tensions and conflicts within organisations as well as between organisations, government and the company. As I describe the process of negotiation (in which I was a participant observer: see Chapter 2) I explore some of these points of contention, and the efforts of different actors involved to influence and control the process. The section begins with a description of a particularly contentious episode that helps capture the micro-politics that are at play in these processes of negotiation and reveals the relative weakness of the Weenhayek as they deal with state and company.

6.4 Negotiating Gas: Consultation and Participation in the TCO Weenhayek

The patio of Moises Sapiranda, Capirendita, TCO Weenhayek, 27 November 2008. The Consultation and Participation meeting has reconvened in the patio

280Importantly, the proposed points of intervention and the route of the pipeline lie within the properties of ten, non indigenous owners, in this case small ranches owned by mestizos.
of the house of Moises Sapiranda, Capitán Grande of ORCAWETA where a representative of the Ministry of Hydrocarbons and Energy, along with various government officials from other ministries and YPFB have come in an attempt to revive the lagging process. At the last meeting, Weenhayek leaders voted to suspend the Consultation and Participation process after confusion arose about the process itself and the completeness of informational documents that had been given to ORCAWETA by the Ministry of Hydrocarbons and Energy. Today, at this informal, informational meeting in Capirendita, government officials hope to jump start talks.

I am late in arriving after spending over an hour trying to find the exact location of the meeting. There are some 100 people gathered in the patio of Moises, among them the Capitanes of the 23 Weenhayek settlements, members of the ORCAWETA directorate, advisors and staff from the NGO CER-DET and from the lowland indigenous organisation, CIDOB, as well as former leaders now advisors of ORCAWETA. In one corner of the patio, near the house, is a group of women peeling and cutting vegetables for today’s lunch. They talk among themselves but do not interact with the larger group.

One of the Weenhayek promoters, Saul, tells me that there will be problems today. There are growing tensions between Moises and a rival leadership that has not been part of the Consultation and Participation process. Saul tells me they fear being left out of negotiations over compensation - believing that the presence of government officials signals that such a negotiation is about to take place.

The meeting begins with a presentation by a representative from the Ministry of Hydrocarbons and Energy who talks of the government’s good will in carrying out the Consultation and Participation process. The first Consultation and Participation meeting between the government and ORCAWETA ended rather abruptly after the Capitanes decided to suspend the meeting and the process for what they perceived to be duplicitous negotiations on the part of the Ministry

281 There are a number of Weenhayek promoters (promotores) working on different issues. Saul is an environmental promoter who receives his salary from CER-DET.
of Hydrocarbons. At that meeting ORCAWETA expressed concern that not all informational documents were made available to leaders and advisors and there was confusion about the actual process as well (indeed this was among the first Consultation and Participation processes underway in the country following the new regulations). The Capitanes are still cross with government officials from the last meeting and their comments reflect their impatience and frustration with the incompetency shown in the first meeting.

During the course of the morning, rival leader Pablo Rivera and his followers arrive uninvited to the meeting. They are immediately challenged by some of the Capitanes loyal to Moises and the rebel group is told to leave. They refuse and an argument ensues with pushing, shoving and kicking among the two groups. The rebel band shouts out that Moises and his Capitanes are cutting deals with the government and BG Bolivia behind their backs, that they are corrupt and will keep all the money for themselves. The pushing and shoving eventually stop, but the heated verbal exchange goes on as the rebel band adamantly refuses to leave. Moises is angry and overwhelmed and paces nervously as he makes phone calls on his mobile. He complains to a group of us standing nearby that Pablo Rivera and his followers have come to his home, his own patio, to confront him and embarrass him in front of government officials. Moises continues making phone calls (one of which I am told later is to Santos Ramirez,\textsuperscript{282} the then head of YPFB, who told him to alert the colonel at the local military base in Villa Montes).\textsuperscript{283} Sometime later a military transport vehicle arrives with 20 or so well armed soldiers in the back. The rival group stands to one side. The Colonel says he will accompany the Ministry representatives away from the meeting and warns that violence will not be tolerated. But violence is not necessary now. The rebel band has succeeded in preventing the meeting from going ahead. The ministry officials leave with the soldiers, with the representative from the Ministry of Hydrocarbons murmuring

\textsuperscript{282} Santos Ramirez, a one-time close confidante of the President, now disgraced, has been jailed and awaits formal charges for his involvement in a series of corruption scandals involving hydrocarbon contracts while head of YPFB.

\textsuperscript{283} Moises was told by Santo Ramirez to notify the colonel that a group had interrupted the meeting and would not allow officials from the Ministry of Hydrocarbons and Energy to leave. Interview with Moises Sapiranda, 16 December 2008.
that the situation requires a political solution. Pablo Rivera and his Capitanes satisfied that they have kept any negotiations from taking place talk among themselves and eventually leave. The women who have been preparing food throughout the morning, undeterred by the violence unfolding around them, pour the thick chicken and vegetable stew onto paper plates and the remaining leaders eagerly tuck into their dinner.

6.4.1 Early mis-steps

In early August 2008, in the days following the recall referendum but before the violent unrest of early September,²⁸⁴ the leadership of ORCAWETA received a fax from the Ministry of Hydrocarbons and Energy notifying them of the government’s intention to conduct a Consultation and Participation process in relation to a proposal to develop the Palo Marcado gas field affecting TCO Weenhayek lands. As part of the revised process to secure the environmental licence, BG Bolivia was obliged to submit the project to a Consultation and Participation following new government regulations adopted in 2007 and in accordance with the decision emitted by the Vice Ministry of Environment.²⁸⁵

There were rumours that the Ministry of Hydrocarbons and Energy was looking to hasten the Consultation and Participation process, and that the Capitán Grande, Moises Sapiranda, was ready to negotiate a deal with BG Bolivia and thus forgo the Consultation and Participation process altogether. (In the past, with a few important exceptions, ORCAWETA leaders had generally opted to engage in closed door negotiations with the public relations representative of BG Bolivia as well as with other hydrocarbon companies²⁸⁶). CER-DET staff in the Villa Montes office were uncertain as to whether the rumours were true but

²⁸⁴ See Chapter 4 for more information on the media luna revolt of September 2008.
²⁸⁵ The full name is Vice Ministry of Environment, Biodiversity and Climate Change which is under the Ministry for Rural Development and Environment.
²⁸⁶ In 1997, one Capitán Grande had engaged in secretive negotiations with Chaco Petroleum Company, unbeknownst to the Weenhayek, giving the company permission to conduct exploratory activity within the TCO (CER-DET staff pers. comm.).
the apparent disinterest of the Capitán Grande Moises during preparatory meetings, at least initially, gave some credence to these suspicions.\textsuperscript{287}

Despite the uncertainty, the advisory team of internal and external members was formed and began meeting to become familiar with the Consultation process and to divide up responsibilities and to discuss strategy. As a member of the team, I was asked to review and comment on a bulging bound file that contained preliminary informational documents about the project in advance of the preliminary meeting with government representatives. While the file was entitled, “Information about the Project, Development of the Palo Marcado Field,” it looked and read like an Environmental Impact Assessment. In addition, the team made a series of initial visits to the three communities to be affected by the project to meet with the community Capitanes and to explain how the consultation process might unfold. These conversations, held in a mix of Spanish and Weenhayek, revealed the suspicions and mistrust held by Capitanes toward ORCAWETA leaders. The Capitanes repeatedly insisted that the negotiations be held in the affected communities and not in Capirendita.\textsuperscript{288}

\textbf{6.4.2 Consolidating rights}

The Consultation and Participation Process was originally included in the new Hydrocarbons Law 3058 (2005) that grew out of the Gas War and the prolonged social conflict over how the country's hydrocarbons resources were to be exploited. However the enabling law – making the process operational – was not promulgated until February 2007. Morales emitted Supreme Decree 29033 thus fulfilling the MAS' commitment to consult with indigenous-campesino groups on all hydrocarbon projects and activities affecting their TCOs, community held lands, and/or ancestral lands. Together with Supreme Decree 29103, which regulates the law for carrying out participatory socio-environmental monitoring on indigenous-campesino territories, the two mechanisms represented the culmination of years of mobilising the base, and of

\textsuperscript{287} See Methodology section in Chapter 2 for discussion of my involvement in Consultation and Participation process.

\textsuperscript{288} The home community of Capitán Grande Moises Sapiranda and the largest and probably most important Weenhayek settlement.
lobbying and negotiating with executive and legislative officials, bringing indigenous lowland groups ever closer to their goal of effective control over their territories. These mechanisms were also of enormous symbolic importance to the Morales government which heralded them as being of universal importance to indigenous societies faced with extractive activity in their territory.

Both lowland and highland indigenous-campesino groups and their allies have invested significant time and energy - via constructive negotiation - for their rights to be recognized and implemented by the state. Yet, despite these important legislative gains there is a persistent tendency by the MAS government to disregard social and environmental safeguards and participatory procedures - what indigenous legal specialist Raquel Yrigoyen (2009) calls persistent bad practice by Latin American governments. Thus indigenous groups now find themselves immersed in increasingly acrimonious debates with government bureaucrats to ensure that the law is respected. As we shall see in the following section on the implementation of the Consultation and Participation process in the TCO Weenhayek, the way in which the state carries forward its programme of extraction clashes head-on with the discourse of a sympathetic state as well as with indigenous expectations for greater say in how extraction is to proceed.

### 6.4.3 Processes of negotiation and crises of representation

After some delays and false starts, including a much abbreviated version of the Consultation and Participation process in the Guaraní TCO Itika Guasu (related to the proposed construction of a pipeline between Villa Montes and Tarija), the government appeared ready to carry out a consultation in the TCO Weenhayek. However, despite significant good will on all sides we will see that rather quickly the process became bogged down in administrative misunderstandings and was soon derailed. While it was eventually revived and completed, the results were hardly satisfactory to any of the parties involved and raise important, substantive concerns about its use in the future.

As envisaged by its promoters, the consultation process would be administered by the Ministry of Hydrocarbons with support from YPFB and from the Ministry of Rural Development and Environment who would form a government team to provide information about the project and conduct negotiations with indigenous
groups. The process was to be relatively straightforward. However its logic of narrowly focusing on the proposed activity did not allow for a more general treatment of indigenous concerns regarding previous or unresolved interventions elsewhere in their territory - and in the case of the Weenhayek the way the state viewed Weenhayek territory became an important point of contention. For their part, Weenhayek leaders were concerned about a number of unresolved issues regarding hydrocarbon activity within their territory and they would use the opportunity of the consultation process to seek remedy for these broader issues. This situation was further aggravated by confusion about the documentation provided, complaints that the information was incomplete, and questions about the ownership of the lands affected by the proposed activity (as noted earlier the project overlaps with ten properties, all privately owned and allegedly with clear title, though ORCAWETA leaders and CER-DET staff challenged that information). The Consultation and Participation produced the opportunity for the Weenhayek to gain access to a range of technical information about the BG-Group’s operations within the TCO that had not been available previously but it also empowered ORCAWETA and the Capitanes by providing them with historical information and a broader understanding of the rules of the game around hydrocarbon operations. This in turn gave them the tools to strengthen their arguments. And this fuelled growing concern among leaders that there would be neither enough time nor sufficient resources to ensure respect for the Weenhayek way of consultation and decision-making, a process described as being slow but sure. Government representatives were concerned to emphasize time frames and the

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289 Originally YPFB was not involved in the process; the government modified the Consultation and Participation process in 2008 to include YPFB.

290 Some community Capitanes raised concerns over recent projects and activities in which no notification or consultation took place and questioned how environmental licences were obtained. These cases included a well drilled in the Escondido field and the amplification of two pipelines crossing the Pilcomayo River in a key fishing area to connect with the La Vertiente liquids separation plant.

291 One point of contention was about whether one of the documents constituted an Environmental Impact Assessment. While it was presented as an informational document to the Weenhayek, further into the document it clearly stated that it was an Environmental Impact Assessment. According to the consultation process, the EIA was to be prepared based upon the final results of the Consultation and Participation process. When questioned about the inconsistency, Ministry representatives replied that it was an unfortunate oversight.

292 I heard this on several occasions from both Weenhayek monitors and NGO staff.
need to make progress while Weenhayek leaders insisted that unresolved issues be included in negotiations and that the TCO be considered the unit of analysis, not just the lands impacted by the Palo Marcado development.

The second meeting revealed that, though there was no doubt about their sincere desire to be supportive, the government team had limited knowledge about the history of the TCO Weenhayek or the cumulative impacts of decades of hydrocarbon activity on their territory and culture. The absence of BG Bolivia in the negotiations, initially viewed as positive by ORCAWETA, came to be an obstacle when discussion about the specifics of the proposed project got underway. Indeed, rather than representing a state now legally in control of the hydrocarbons sector, the government team’s role in the process seemed to be that of an intermediary or interpreter, presenting a powerpoint of the proposed project prepared by BG Bolivia (but absent YPFB’s insignia) and providing documentation obviously prepared by BG Bolivia but without any accompanying analysis by Ministry of Hydrocarbon (or Vice Ministry of Environment) officials. Weenhayek leaders and advisors grew increasingly tense and aggressive with the government representatives, sensing that the TCO might be forced into accepting a project by a state that claimed to be defending their interests.

Gauging the sentiment of the Capitanes, Moises asked for various breaks during which he consulted with them in order to determine if the process should move forward. Finally, he and his Capitanes decided to suspend the second meeting after disagreements arose over how to proceed with complaints that BG-Bolivia had conducted other activities in the past year (the drilling of a well in the Escondido field, and the laying of larger pipelines under the Pilcomayo River) without consulting ORCAWETA.²⁹³ At this point ORCAWETA called for a suspension of the Consultation and Participation process.

In addition to creating tensions with the State, the consultation process was also aggravating tensions among the Weenhayek on a number of fronts. For

²⁹³ The controversy was over whether the works consisted of maintenance activities as claimed by BG Group or consisted of new works as argued by ORCAWETA. The Weenhayek monitor was unable to carry out his oversight due to lack of equipment (to be provided by BG Bolivia) enhancing ORCAWETA’s suspicions that the activities involved more than maintenance.
example, the Palo Marcado project introduced new spatial dynamics into the fray as the TCO straddles two municipalities: Villa Montes and Yacuiba. The two municipalities are historical rivals and keen to see hydrocarbons projects within their jurisdictions and also look to influence decision-making within the TCO by establishing (and funding) relationships with rival leaders. The rival leaderships were soon to manifest themselves (as described at the beginning of this section) and threats were leveled against both ORCAWETA and CER-DET. Rumours continued to circulate that Moises and his leaders would only negotiate compensation for themselves. As one internal CER-DET reports on the consultation process noted:

... of more concern are the tensions that exist between communities and the susceptibilities around the distribution of compensation. People are accustomed to the old method of negotiation: fast, without structure and without participating in the approval of the EIA. For these reasons many are liable to think that we are in the stage of negotiation of compensation while actually we are still in the discovery phase where we are learning about potential impacts. It’s important to clarify the process step by step to all.

Negotiations around hydrocarbons, as I was told by one informant, seemed to always induce the same sorry dynamic: a vicious circle of conflict in which standing leaders are accused of misbehavior leading to their ouster and the election of a new set of leaders who are then denounced by a rival group as being inefficient and unable to conduct negotiations. This leads to further internal struggles and the return of an older cadre of leadership that is considered corrupt and only interested in obtaining resources for the members of their clan. These crises of representation are most acute in the period

\[\text{Memoria de Reunión, Proceso de Consulta y Participación, October 18, 2008, CER-DET.}\]
outside the fishing season when money is short, personal goods have been sold and families begin to experience a food crisis.\(^{296}\)

Following the intervention of the rival band in the patio of Moises Sapiranda, rebel leader Pablo Rivera then pursued a campaign to further undermine Sapiranda’s leadership. Rivero faxed a letter to YPFB, BG Bolivia, and CIDOB, claiming he was the legitimate Capitán Grande of ORCAWETA and accused BG Bolivia of intending to “once again trick the Weenhayek people with false promises of social and economic development as a consequence of environmental damage caused by its hydrocarbons operations”.\(^{297}\) The letter specifically condemned ORCAWETA-BG Bolivia talks around compensation for the unauthorized well in the Escondido field and threatened to organize a roadblock if his leadership were not recognized within 72 hours. Unable to recruit a sufficient number of Capitanes to unseat Sapiranda, Rivero and his band could not make good on their threat. However they did return later to mount yet another challenge.

By early December 2008, ORCAWETA and BG Bolivia were able to resolve the impasse and agree on compensation for the unauthorized well in the Escondido field.\(^{298}\) This allowed for the next stage of the Consultation and Participation process to move forward though it too would suffer even more delays. ORCAWETA prepared a plan and budget and organised a technical team to conduct Consultation and Participation activities with the 22 communities of the TCO over a three month period which was later reduced to two months and a smaller budget by Ministry officials.\(^{299}\) After gaining state approval of the plan, ORCAWETA leaders and the team then traversed the TCO socializing the

\(^{296}\) Guido Cortez (pers. comm.) also explained that every March, at the end of the off season, it is common for disputes to arise over leadership of ORCAWETA.

\(^{297}\) According to the faxed letter dated November 2009: “se busca lograr engañar nuevamente al pueblo weenhayek con sus falsas políticas de generar el desarrollo, social, económico del mismo a consecuencia de los impactos ambientales ocasionados por las operaciones hidrocarburíferas de BG Bolivia”.

\(^{298}\) Although talks over compensation spawned a new controversy when the BG Bolivia relacionista attempted to negotiate a financial compensation with a handful of ORCAWETA leaders at BG offices in Santa Cruz. Perhaps sensing his vulnerability, Sapiranda insisted on consulting with his Capitanes and insisted that any negotiation must be conducted inside the TCO.

\(^{299}\) The costs related to Consultation and Participation processes are covered by the company.
contents of the proposed Palo Marcado development, discussing its potential impacts and the nature of those impacts, and recording the responses of participants. The team was under enormous pressure to finish the work within the allotted time while travelling to communities, holding workshops and analyzing a large amount of data. A general assembly was then called to inform on the results of the workshops and to hone the inputs of the final proposal that would eventually be reviewed by the Vice Ministry of Environment and then signed off by ORCAWETA and the Vice Ministry in a Validation Agreement (Acta de Validación). In the end the team managed to finish the process within the time frame and present a proposal to the government by late April 2009.

300 I use the term socialising information in the literal sense of making the information social and legible to the Weenhayek.

301 By this time I had returned to the UK but kept in email contact with CER-DET staff that continued as part of the C&P team.
ORCAWETA is notified of project by MHE August 2008

Preliminary meeting between C&P team and Capitanes, San Antonio September 2008

Monitoring reveals unauthorised BG Group activity in other areas of TCO November 2008

First C&P meeting in Capirendita ends in disagreement, ORCAWETA suspends process November 2008

Rival leadership disrupts meeting, threatens blockade of BG operations December 2008

Negotiation w/ BG Group to increase PDI for Escondido December 2008

FESTIWETA December 2008

TCO Weenhayek receives title to 27,000 hectares

Consulta & Participation plan agreed - Consulta process begins 26 February 2009

Signing of Validation Agreement between Vice Minister of Environment and Orcaweta 28 May 2009

Blockade of Campo Palo Marcado organised by rebel leaderships July 2009

Consulta Process completed April 2009

First Negotiation meeting w/BG Bolivia regarding compensation June 2009

Additional 10,000 hectares titled to TCO Weenhayek (20 July 2009)

Consulta & Participation begins 26 February 2009

Signing of Validation Agreement between Vice Minister of Environment and Orcaweta 28 May 2009

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Additional 10,000 hectares titled to TCO Weenhayek (20 July 2009)
6.4.4 Managing impacts

In its proposal to the Vice Ministry of the Environment, ORCAWETA argued that the vision of the TCO Weenhayek from the perspective of the company - and the firm it contracted to conduct a socio-environmental baseline study - was a non-indigenous vision of Weenhayek territory. The study failed to comprehend the Weenhayek territorializing project and thus constituted an instrument for affirming BG’s own territorializing project. While the proposal did not suggest that this view was shared by the state, it could be argued that as the partner of BG Bolivia, the state shared the same territorializing project as the company. The TCO Weenhayek directly controls only 20 percent of the land formally claimed and recognized by the government with the remaining 80 percent in some stage of recognition as privately held land within the TCO. In the eyes of BG Bolivia, however, the land is occupied by third parties and thus does not constitute TCO land that is affected by hydrocarbons operations. As explained earlier in this Chapter, most third party land within the TCO Weenhayek has yet to be legally titled and while the government has agreed to allow these property holders to remain within the TCO, it has also recognized the right of the Weenhayek to access these lands to gather, hunt, collect wood and carry out subsistence-related activities. ORCAWETA argued that BG Bolivia’s vision of the TCO Weenhayek was a highly partial and fragmented one: that it did not take into consideration the combined impact of its operations (and that of others) on the TCO and livelihoods, or consider how population growth might impact the availability of resources for future generations.

The Weenhayek proposal also challenged the company’s identification of (only) three directly impacted communities. Using participatory mapping techniques with community members, the ORCAWETA Consultation and Participation team was able to produce an inventory of the TCO’s natural resources as well as sites of cultural and religious significance in order to present a more holistic picture of how communities make use of territorial resources based upon the availability of those resources.

Finally, the proposal included a table of impacts which attempted to group impacts into categories (cultural, social, psychological, economic and environmental [flora & fauna]) and sub categories (cultural-values, social-internal/external conflict, psychological-self esteem, etc) and then define
whether the impacts would be positive/negative, short/long term, direct/indirect, acute or cumulative. A set of activities were then recommended to avoid, mitigate or control impacts. The table would come to form the heart of the discussion over which impacts would be defined as ones that could be managed or moderated (mitigable) and which impacts would be considered as unmanageable (no mitigable) and whether they would be subject to compensation or not.

The conclusions of the Consultation and Participation process produced a broad range of perceptions regarding potential impacts of the Palo Marcado Project. Because the TCO has already experienced significant levels of intervention from other projects, the understanding of potential impacts was advanced. For example the category of psychological impacts, included in this exercise, has rarely been broached in the analysis of extraction-linked impacts on well-being, though it appears to be a growing field of concern and research on extractive activity involving vulnerable populations. In the end, however, these sorts of impacts are much harder to sustain without support from expert testimony which falls largely outside of the capacity of most indigenous groups.

After socialising the findings of the Consultation and Participation exercise and the contents of the proposal in a general assembly of the TCO Weenhayek, the document was then submitted to the Vice Ministry of Environment for review and comment. Meetings to conduct a joint review of the proposal were scheduled, cancelled and rescheduled. The months in which Weenhayek family incomes and resources fall short were now upon them and there was an increased urgency within ORCAWETA to get to the next stage: negotiations over compensation. According to one of the advisors present, the Ministry officials were almost entirely preoccupied with turning non mitigating impacts into mitigating impacts (which were reduced down to seven) and generally challenged how ORCAWETA categorized different impacts (Bossuyt pers. comm.). By late May the Validation Agreement (an agreement in which both

302 Beristain and Páez (2007) have studied the psycho-social impacts of oil extraction on communities in the Ecuadorian Amazon.
parties agree to a list of the project impacts) was finalized and the government now stepped aside to allow its partner BG Bolivia and ORCAWETA to negotiate the final compensation package.

With a focus on the negotiation of financial compensation, BG Bolivia returned to play a determining role in deciding how impacts would be addressed, which impacts would be compensated (and which impacts ignored), and the value assigned. For example, only non mitigating impacts would be subject to compensation with BG Bolivia offering interventions to address the mitigating impacts. Social and cultural impacts were generally ignored and BG Bolivia officials offered to alter the project so that impacts could be reduced, though ORCAWETA leaders were said to be distrustful of these offers because nothing was in writing.\footnote{While there is not space to delve into the politics of environmental impact assessments and the language of mitigating and non mitigating impacts, in this case the exercise of creating a list of impacts served to establish a basis for a negotiated financial agreement between the company and the Weenhayek leadership.}

6.4.5 Collecting compensation

The final negotiations were held in the community of Capirendita.\footnote{I returned to Tarija during this period but was unable to travel to Villa Montes for the final negotiation. Information in this section is drawn from written reports and telephone interviews with members of the C&P team.} In attendance were the Capitanes from communities directly impacted by the project but also members of the fishing syndicates based in Capirendita, as well as ORCAWETA leaders and advisors. A team of four representatives from BG Bolivia were present as was a representative of YPFB. When the BG Bolivia representative attempted to open the meeting with an explanation of the project he was stopped cold by the Capitanes who argued that they were quite familiar with the project. Calling for a break, the Capitanes agreed to refuse to allow BG Bolivia to engage in what they perceived as stalling tactics, and they insisted that the meeting proceed on the basis of the Validation Agreement signed with the Vice Ministry of Environment. The BG Bolivia representative attempted to continue with his explanation in order to highlight the company’s planned efforts to avoid damaging areas of natural and cultural importance to the TCO. The Capitanes insisted that the discussion focus on compensation. This prompted

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the BG Bolivia representative to present the company’s own proposal for compensation and indemnification amounting to a one off payment of US$185,000 and an increase of the PDI of US$50,000 (each year, over 20 years). BG Bolivia would only compensate for non mitigating impacts (which explains why the Ministry team was keen to turn non mitigating impacts into mitigating impacts) and the one off payment was to compensate for the loss of natural areas linked to subsistence activities (areas of gathering and collecting) and for the loss of cultural knowledge and practice related to the use of those natural resources. BG Bolivia also proposed to hire and pay (directly) the salaries of environmental monitors and offered salaries for three indigenous women to form part of an oversight committee.

ORCAWETA’s proposal was significantly higher calling for a compensation package of US$11 million (an additional US$550,000 per year over 20 years for the PDI). As this was considered excessive by the BG team the Capitanes called for a break to discuss next steps. BG then revised their offer but this too was unacceptable. The meeting ended without an agreement and BG threatened to turn over negotiations to YPFB – suggesting that ORCAWETA may get nothing at all.

Perhaps fearing that they would lose rights to compensation, a group of the Capitanes urged the Capitán Grande to accept a revised BG offer consisting of a one off payment of US$500,000 and an annual increase to the PDI of US$100,000 per year (US$2 million over 20 years). The negotiation was conducted behind closed doors without the knowledge or presence of all the Capitanes and without the knowledge of ORCAWETA advisors. Despite efforts to democratize and transform negotiations around hydrocarbon operations within the TCO, the final negotiation retreated to a well known pattern of secretive discussions and in the consolidation of asymmetries of power.

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305 It is important to remember that companies can claim compensation packages as recoverable costs to YPFB thus the Vice Ministry of Environment (representing the state’s interests) would likely share the desire to keep compensation costs as low as possible.
6.4.6 The aftermath

In the weeks and months following the final negotiation with BG Bolivia, there was an abundance of both cash and conflict within the TCO. Rival leaders and followers besieged the Capitán Grande and he responded to his tormentors with fresh offers of cash and motorcycles. Unable to pay them outright, he resorted to borrowing from local loan sharks at interest rates of 10 to 20% monthly and this led to a further crisis. The perception of imbalance, unfair treatment and anger with corrupt actions by leaders over the Palo Marcado project and the resolution of the Escondido well led to a new round of debilitating internal conflict including episodes of sporadic intra communal violence, challenges to ORCAWETA leadership, accusations of corruption and a general breakdown in the social order. The most immediate effect was the fragmentation of the 22 Weenhayek settlements as members broke away to create new communities, oftentimes only 500 metres away from the existing community, in order to access resources from the compensation agreement. According to one informant (Cortez pers. comm.) this was largely fuelled by the belief that creating a new community would entitle members to negotiate their own (enhanced) portion of the settlement with BG Bolivia.

6.5 Conclusions

By presenting this case I argue that the state-led negotiations with indigenous groups over natural gas have turned increasingly – and unexpectedly – contentious. The experience of the TCO Weenhayek, not to mention the recent conflicts involving lowland indigenous groups in Northern La Paz and elsewhere in the Chaco, suggest an increasingly anxious MAS government. It purports to act upon its commitments to further the rights of historically oppressed and marginalized groups while at the same time trying desperately to increase the production of hydrocarbons in order to keep resources flowing in order to finance popular cash transfer programmes for the poor majority.

While these goals are admirable Morales and the MAS are caught in an increasingly perilous balancing act that pitches the state against those it promised to defend and who constitute an important part of MAS’ base in the lowlands. The contradictory pulls in government position (being pro indigenous, pro environment and pro gas) has culminated in the head of YPFB calling for
the flexibilización of the Consultation and Participation and Participatory Socio-Environmental Monitoring processes on the grounds that under current arrangements, indigenous-campesino groups are asking for too much, impeding foreign investment and obstructing the path to social change. Paradoxically, after holding these social and environmental safeguards up as a model for others to follow, the Bolivian government is now in the uncomfortable situation of having to repeal its own socially progressive, plurinational-respecting policies and practices in order to guarantee conditions for expanded gas investment by foreign oil and gas companies.

The government’s poor handling of the proposals to expand hydrocarbon activity within TCOs (a problem also present in highland indigenous communities facing mining investments as well) suggests an inability to grasp what is really going on within - and to manage - these processes. The purpose of this Chapter, then, with its detailed discussion of a Consultation and Participation process in the Chaco, has been to present a fine-grained analysis of actual practice and to assert that this is not an isolated incident but illustrative of a larger phenomenon of indigenous-state negotiations over the expanding the extractive frontier, both in the Chaco and beyond.

I argue that in the case of the TCO Weenhayek, the failed process must be understood in light of the particular economic calculations, territorial experiences and organisational dynamics of the Weenhayek. These economic calculations are heavily marked by the logic of collection and the overriding importance of securing livelihoods – both in general but also from season to season. These imperatives and logics clearly affect what they negotiate for and also how the dynamic of negotiation will vary across the annual cycle.

Meanwhile Weenhayek territorial integrity has been historically compromised first by soldiers, then ranchers, and more recently by hydrocarbon actors. In the face of this the Weenhayek consistently seek to reconsolidate territory. This collective aspiration to restore territorial wholeness affects what is negotiated for and how, and means that the Weenhayek will never separate specific issues from the whole. It reflects a group who, because of this history, are quick to distrust government, even a MAS one and this means that as soon as a government team acts in ways suggesting duplicity then negotiation will become
harder to conduct. Finally, how Weenhayek negotiation is conducted reflects a group whose organisational structures have been induced from the outside, and which as a consequence of this and other factors (including recent experiences of negotiating with hydrocarbon companies), suffers recurring cycles of internal conflicts and tensions. Where the MAS government sees excessive demands for compensation, the Weenhayek leadership argues that they are merely asking for what is owed to them and what has been promised to them by MAS.

The Weenhayek have been called inmediatistas (short-termists), a reflection of the strong instinct to collect that characterises much of their interactions with outsiders. While this characterisation might be descriptively true (at least in part), it is analytically misleading because it suggests only opportunism and short-sightedness. Yet the short-termism and immediacy of Weenhayek terms reflects a clear understanding and awareness of the very limited and fragile nature of what is on offer, and the weak ties/relationships that the Weenhayek have with those who are making the offer (be it BG Bolivia, the MAS government or a Swedish Mission) as well as their own limited bargaining position. Thus it seems more appropriate to conclude that the Weenhayek are seeking to optimize their take, making the most out of what is being offered at that moment, under the given conditions. Because there are no certainties of receiving more in the future (the “other” here is not a person that can be relied upon for constant, reliable giving but rather a company that will leave), Weenhayek leaders are completely consistent in how they respond to what these state-company alliances offer them.

On the other hand, we clearly see inmediatismo on the part of the state and hydrocarbon companies as they look to the Consultation and Participation process as a means of gaining local agreement for a specific project through selective offerings of financial compensation (in the form of direct payment or through programmes for indigenous development). The time span for

306 Alvarsson has made similar comments in regard to Weenhayek relationships with the city and with missionaries. See also Stuart Kirsch (2006) on indigenous peoples relations with mines in Melanesia.

307 Indeed the Head of the Bolivian Hydrocarbons Chamber (also Head of operations of BG Bolivia), said: “we need to know there will be a negotiation and that it will end.”
conducting a Consultation and Participation process (something that the Weenhayek strongly resisted) is very condensed and this fosters both a sense of uncertainty and vulnerability. The climate of tension and distrust that characterises negotiations around extraction further weakens (already fragile) local organisations as well as efforts to build more participatory institutions (such as the Consultation and Participation process).

In this way, Consultation and Participation processes come to be constitutive of the society of the groups who participate in them. This happens in several ways. First, the hydrocarbon extraction that drives Consultation and Participation changes landscapes in ways that alter livelihood practices forever, albeit in ways that reflect historical continuities. Among the Weenhayek this combination of transformation and continuity is exemplified by the maintenance of the logic of collection but in a context in which the practices of collection and the nature of what is collected change fundamentally. Second, the Consultation and Participation process becomes part of the internal socio-political dynamics in ways that can strengthen or weaken the indigenous group. In the case of the Weenhayek we have seen how the process has caused great stress both to the supracommunal organisation ORCAWETA as well as to intra-communal relationships. Third, the extent to which the Weenhayek succeed or fail in negotiating their larger concerns around territory through Consultation and Participation will determine how far they are going to be able to fulfil their aspiration to consolidate their territory. In this regard, the Consultation and Participation constitutes a critical moment for the group and is much more than a simple negotiation at a point in time – rather its outcomes will determine, for the foreseeable future, the ability of the Weenhayek to fulfil, or not, their historical project of territorialisation.

Finally, for the MAS government the Consultation and Participation process is the means through which it addresses its own profound, structural problem (perhaps even contradiction). However in attempting to redress longstanding and deeply rooted inter-regional desequilibrios in Bolivian society, the government’s pursuit of extraction inadvertently amplifies imbalances in the places it extracts – where some of the most vulnerable indigenous groups live. The MAS government’s programme of social change financed through extraction also runs the risk of aggravating a long-standing cultural tension.
between highland and lowland indigenous groups which we see in debates over allocations of the Fondo Indigena, land reform and political representation. If this is what happens the effect will not only be to further damage the internal coherence of Weenhayek society in this case, but also to make yet more visible the contradictions that exist within the MAS policy as well as the MAS’ apparent inability to recognise or manage these same contradictions. The combined consequence of all this will be to complicate the ability of the MAS to govern Bolivia. In the following and final chapter I elaborate these observations as I draw out the wider themes raised by this study.
Chapter 7
Frictions in the Collectivities: Extraction and the Process of Social Change

The government fails to understand that the indigenous rebellion is not a simple manipulation schemed up by imperialism but the real manifestation of a much deeper problem that emerges from the economic contradictions of the country.\textsuperscript{308}

The idea of a future allows us to imagine: a re-encounter, prosperity and equity. The past cannot be changed but the future can. (Roberto Laserna)\textsuperscript{309}

7.1 The VII Indigenous March “For Territory, Autonomy and the Defense of Indigenous Rights”: An Answer to the Research Questions

As I write this final chapter, a small group of indigenous leaders from lowland groups affiliated with CIDOB march slowly towards La Paz\textsuperscript{310}. It is only a small group, not more than 300 hundred marchers in all. In size the march pales in significance when compared to the first Indigenous March for Land and Dignity (Marcha Indígena para el Territorio y Dignidad) of 1990. Then 800 lowland indigenous people, some having walked more than 500 kilometres over 34 days from the jungle of the Beni, dramatically entered the city of La Paz. They were joined by highland indigenous-campesinos supporters waving \textit{wiphala}s\textsuperscript{311} to demand that central government recognize indigenous territorial rights. But these are different times. A sympathetic government, led by Evo Morales, occupies the Palacio Quemado today, not some oligarchic elite representing a pacted democracy in steep decline. And yet, rather than embracing the

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\textsuperscript{308} Bolpress, “Avanza la marcha indígena y se abren mas grietas en el gobierno del MAS,” July 2, 2010.
\textsuperscript{309} Cited in Oporto (2010). Laserna is a UC-Berkley trained economist affiliated with the Fundación Mileno in La Paz, and author of a number of books on the political economy of extraction in Bolivia.
\textsuperscript{310} The VII Indigenous March “For Territory, Autonomy and the Defense of Indigenous Rights,” organized by CIDOB left from the Amazonian city of Trinidad (Beni) on June 23, 2010.
\textsuperscript{311} The \textit{wiphala} is a flag (that can take various forms) representing the indigenous peoples of the Andes.
marchers, as President Jaime Paz Zamora and his ministers did in 1990,\(^\text{312}\) this President and Cabinet, dismissed the CIDOB march as unimportant and unauthentic.\(^\text{313}\) When in June 2010 initial attempts to engage the marchers in dialogue failed, the MAS then moved on to a concerted effort to question the real purpose of the march and belittle its leadership.\(^\text{314}\) MAS leaders in the Chapare (Tropical Cochabamba) quickly threatened to disrupt the march. One cocalero leader, now a Senator, warned CIDOB leaders of the potential consequences should they continue with their plans: “Don’t annoy us, the six (cocalero) federations will stand up and turn on you”.\(^\text{315}\) In early July, an assembly of the six federations of the coca leaf producers of the Chapare met with their elected leader, President Evo Morales, to discuss why lowland indigenous groups had detoured from the planned proceso de cambio.\(^\text{316}\)

Elsewhere in the country, the MAS government has scrambled to respond to regional episodes of indigenous mobilisation reflecting festering disagreements over autonomy, political representation and hydrocarbons development. After months of prolonged negotiations over proposed hydrocarbon expansion which would impact the Aguaragüe National Park and Guaraní communities living adjacent to the park, the government issued its final word on the matter: there would be no suspension of any exploratory activity in the region. This despite repeated pleas by Guaraní leaders for an “environmental pause,” in order to undertake remedial work on existing environmental contamination left by past extractive activities and to carry out a more thorough study of the potential

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\(^{312}\)Then President Jaime Paz Zamora and a group of his ministers received the marchers outside of La Paz and later agreed to a series of proposals that resulted in Bolivia’s signing of the ILO Convention 169 on the Rights of Indigenous Peoples, the creation of TCOs, and to constitutional reforms recognizing the pluri-cultural nature of Bolivian society. (Healy, 2001)

\(^{313}\)The question of authentic demands is always latent. In previous commentaries, García Linera noted that the leadership of social movements tend to fall back into (partial) corporatist positions and a patrimonial logic. See Svampa and Stefanoni (2007). There were some attempts by MAS officials to suggest CIDOB was using the threat of mobilisation to seek greater representation within the state. CIDOB maintains its lengthy agenda was legitimate and representative of its base.

\(^{314}\)See Contreras, A. (June 29, 2010) “Indígenas contra Indígenas,” ALAI. Contreras was Morales’ spokesman during the first MAS government and accompanied indigenous marchers in 1990.

\(^{315}\)Original quotation: “Que no nos hagan renegar los indígenas, se puedan levantar las seis federaciones,” Los Tiempos, July 1, 2010.

environmental impacts of any new projects. The government’s reply was that the country’s outstanding contractual commitments to ship natural gas to Argentina take precedence over the social and environmental concerns of lowland indigenous groups.\(^{317}\) Further north in Tarija, in the TCO Itika Guasu, the Guaraní leadership took the unusual step of making public a letter it sent to President Evo Morales in which they expressed “our deep disappointment with the actions of members of your government and your own behaviour, and our sorrow at finding ourselves (as indigenous communities) abandoned and lacking support of any kind.”\(^{318}\)

For its part the government’s reply to the contentious political action of lowland groups has been swift and sure. Morales frontally attacked the CIDOB leadership as agents of right wing groups seeking to unravel the revolutionary process of change.\(^{319}\) Vice President Alvaro García Linera sought to lay the blame on the collaborators and sympathizers of lowland groups, suggesting that their real intent is to “undermine the autonomy and revolutionary consciousness of leaders and social organisations from within”.\(^{320}\) Meanwhile to the east in Santa Cruz, the home of the Bolivian hydrocarbons industry, the President of Bolivia’s Chamber of Hydrocarbons (CBH)\(^{321}\) applauded the government’s decided action in agreeing the deal to sell gas to Argentina and paving the way to expanded operations of the massive Campo Margarita gas field:

There have been two transcendental steps in these past three months… this means the government has advanced more in this short period than in the past

\(^{317}\)Minister of Autonomy Carlos Romero claimed that the indigenous requests were impossible to consider given that more than 70% of the country’s production of natural gas comes from wells in the Aguaragüe. See ABI, 21 Mayo 2010, http://www.abi.bo/nucleo/noticias.php?i=2&j=20100521182001.

\(^{318}\)Original text: “...que estamos profundamente decepcionados por la actuación de los funcionarios de su Gobierno y por su propio comportamiento, y que nos duele como comunidades indígenas el abandono y falta de auxilio de todo tipo en que nos encontramos”. Bolpress, “Carta de la APG IG al Presidente Evo Morales,” July 16, 2010.


\(^{321}\)He is also head of BG Bolivia, a member of the consortium of private gas firms that holds the contract for the Bloque Caipipendi which includes the Margarita gas field.
four years. That is, as we had been telling them to, they have removed the stones from the path, in order that future large-scale investment can move forward and with that investment a new horizon for Bolivia’s gas industry be fashioned.\(^{322}\)

The message would seem to be that, at least as regards gas, and at least in the Bolivian lowlands, four years of post-neoliberal indigenous government have finally succeeded in building bridges with national and transnational capital, while souring its relations with indigenous organisations. The foregoing chapters have suggested reasons why this counterintuitive realignment has occurred and what this implies for the governance of gas and the politics of post-neoliberalism.

These events of June and July 2010 provide an apt summary of the to and fro between government management of hydrcarbons, social movement demands and government responses that I have sought to describe, analyse and explain in Chapters 3 through 6. The events also provide a summary answer to the research questions addressed in this thesis, namely:

How does a post-neoliberal state combine commitments to indigenous people, the environment and the redistributive development of natural resource wealth and how do social movements (composed of indigenous and other social actors) respond?

And more specifically

- How is the state managing hydrocarbons as part of its broader development policy?
- How do different types of movement pursue their agendas?
- How does government respond to these movement agendas?

The evidence from this most recent march is consistent with the argument built up over the course of the thesis. The state is explicitly seeking to expand hydrocarbons to generate revenues that can be used for a redistributive social policy and, it hopes, industrial policy. The commitments to redistribution and

\(^{322}\)Comments of José Magela Bernardes, President of CBH, in Boletín CBH Informa, No. 40, June 2010.
economic diversification are real, while those to the environment are consistently secondary and more vague. Furthermore, as it pursues these agendas, the state has demonstrated recurrent tendencies towards the authoritarian imposition of its policy. These patterns of state behaviour are consistent with the literature that claims that resource dependent regimes tend towards authoritarianism. However, the social movement writing which suggests the continued existence of “old” movement tendencies (vertical decision making) and ideologies (state-led industrialisation) alongside newer concerns for identity is also helpful in explaining the depth of conviction and the political strategies of a government that came to power through the actions of (above all) highland and cocalero movements. Together, however, these literatures and the experience to date in Bolivia suggests that there are very real socio-political limits to the possibility of a state-led, sustainable and equitable mode of extraction.

For their part different social movements have responded to this government policy in various ways. Opposition movements (not reflected in this vignette, but see Chapter 4) have been more confrontational though also proactive in taking advantage of their privileged access to the subnational state as a means of negotiating with and challenging the central government. They have used marches, strikes, referenda, off-camera negotiation and many other strategies in pursuit of their particular territorial projects.

Indigenous movements have been less confrontational even though their agendas – hinging around land, territory and self-governance – have been born of long histories of dispossession and suffering. Unlike the regional “autonomist” movements, they have instead sought to pursue their agendas through within-system practices. They have invoked existing legislation, they have participated in processes of consultation and participation, and have generally sought to follow the rules of the game as established by (and with) the MAS government and the new Constitution that was ushered in under its watch. However, as these strategies have not met expectations (they have delivered some territory - but mostly compensation payments), indigenous movements have become progressively disenchanted, and they have become increasingly willing to speak of and to use direct action. As the lowland groups tend to be
politically weaker groups they tend to rely on the tactics of disruption (i.e. using unruliness to make yourself look bigger).

In the language of the social movement theory discussed in Chapter 2, it turns out that the MAS government has not in fact presented movements with a particularly favourable political opportunity structure. If anything, the presence of the MAS has reduced the discursive space open to both oppositional and indigenous movements. The MAS’ willingness to use threat and inuendo if necessary has also reduced the material space open to these movements. As a consequence both of this adverse opportunity structure as well as internal tensions deriving from the different sub-agendas within both indigenous and autonomist movements, none of the movements has achieved much and several of them have tended to unravel.

This, then anticipates the answer to the third sub-question. The government has responded to movement demands ultimately by ignoring them. Its tactics for ignoring them have varied – silence, inertia, followed by threats and defamation – but at core these are all tactics of dismissal. The government has not responded by changing policies or institutional arrangements in directions demanded by these movements. Where it has changed its policies, it has in fact been in the opposite direction, re-writing the hydrocarbons law while signalling that it is prepared to weaken provisions for consultation and participation and social environmental monitoring, and prioritise expansion over environmental remediation. Once again, the resource curse literature helps explain this pattern as an effect, at least in part (but see below), of path dependencies that derive from dependence on extraction but also the continuities of previous neoliberal policies (Kaup 2010).

These are, however, summary answers to the questions posed in this study. In the remainder of these conclusions I probe more deeply into the issues raised by the questions and illuminated by the material reported in Chapters 3 to 6. I organize these reflections around three themes. First is the centrality of gas to political and economic life in Bolivia and the deeply divisive nature of extraction. I will suggest that this centrality derives not only from the economy of gas, but from the ways in which ideas about gas, about subsoil wealth and about the Chaco are deeply embedded in Bolivian popular cultures. Based upon the
arguments developed in Chapters 4, 5 and 6, I will argue that in spite of central government’s sympathetic posture towards lowland indigenous groups, and its expressed commitments to extend greater recognition, voice and control over their ancestral lands, the MAS government’s reliance upon hydrocarbons is in contradiction to these positions. The MAS government’s process of social change hinges on the expansion of hydrocarbon extraction in the areas claimed by indigenous groups as ancestral lands.

Second, I reflect on the usefulness of a concept introduced in Chapter 3 and that I have returned to consistently in the empirical and historical discussions: the idea of “territorializing projects” to refer to the competing cultural, social and political visions of territories that different actors seek to secure and sustain (Wilson, 2004). I will suggest that the idea is immensely useful for understanding the agendas of both the MAS government and of different social movements, as well as for understanding the conflicts and differences among these actors. I will also suggest that the rubric of “territorializing project” helps understand the different ways in which these diverse actors engage with gas, as well as the ways in which historical experiences of territory and territorial loss figure into contemporary movement strategy.

Third, I discuss what these findings suggest for Bolivia’s ongoing attempts to secure the conditions necessary for the development of extractive and infrastructural projects, and what they suggest for other progressive left governments that claim to be post neoliberal and environmentally concerned while continuing to pursue extraction-led economic models.

7.2 The centrality of gas

In Chapter 1 I argued that the intense period of popular mobilisation and social convulsion of 2000-2005 reflected the rise of a new constellation of social actors in which indigenous-campesino organisations figured prominently. Together these actors constituted a formidable social movement with a radical political agenda that incorporated issues of land, ethnic identity, national resource sovereignty, anti globalisation and social justice. Mobilising anti-globalisation sentiments, the movement opposed what was perceived as the proposed transnational dispossession of water in Cochabamba (Guerra del Agua, 2000) and natural gas reserves in Tarija (Guerra del Gas, 2003). The latter conflict
effectively drove out a neoliberal regime and led to the election of the first indigenous and social movement leader President and the establishment of a (self-proclaimed) government by social movement.

The subsequent nationalisation of the hydrocarbon sector reaffirmed the centrality of natural gas to the government’s proposed national economic model but at the same time rekindled debates between central government and the regions over the role that gas should play in the country’s development and, in particular, over the relationships between central and sub-national authorities in the governance of this development. Chapter 4 showed just how conflict-ridden these debates are, and more generally in each of Chapters 4, 5 and 6, I have shown that the tendency of central government has repeatedly been to enforce central control over the hydrocarbon economy with a view to further expanding the extractive frontier. In seeking to explain this government behaviour, Kaup (2010) argues that there is much path dependence at play and that not even Evo Morales can undo the effects of more than two decades of neoliberal policies – hence, says Kaup, his government has little choice but to deepen the gas economy.

Indeed, and pace Kaup, path dependence may well explain the narrowness of government’s economic options in the short term. However, I want to suggest that path dependence is not the only factor at play. In particular, as Hylton and Thomson (2004) describe, the post 2000 period has also seen a further deepening of nationalist-populist sentiments around natural resources within the MAS constituency, above all in the western highlands. These sentiments have their roots in unresolved twentieth century struggles to implant a state-led extractive model from which the country might industrialise, as well as in memories of the Chaco War of the 1930s in which so many western highlanders died. As Perreault (forthcoming) and Perreault and Valdivia (2010) have argued, an attention to both cultural politics and political economy is necessary in order to understand such popular natural resources imaginaries and the resource struggles to which they give rise under Andean post-neoliberal, nationalist neo-extractivism (state-led extractivism with redistribution). However, I also insist that it is crucial to bring a historical reading to these resource struggles and discourses.
Some of this history is profoundly cultural, reflecting sedimented ideas long become taken for granted by many. In this regard, there is a deeply ingrained sense of abundant natural wealth in Bolivia. This sense is accompanied by the widespread belief that nature’s gifts should be harnessed and used to produce a virtuous circle of development (Bridge 2004b). In Bolivia wealth is not created, it is found. Often it lies deep in nature, waiting to be discovered like a treasure chest (García Linera 2008: see below). However, as suggested by Bolivian society’s long engagement with its subsoil, the search for treasure is always followed by conflict over who owns it and how it should be distributed (Laserna 2006; 2007). This sense of treasure reaches into the offices of the Executive, as captured by Vice- President García Linera’s literal reference to the fable of the Goose that Laid the Golden Eggs:

This is the money that sustains Bolivia, this is the goose that lays the golden eggs, Bolivia lives from this and the foreigners can take a piece, the minimum, in order to recover their investments and a bit more for their profits.

And as in the fairytale, García Linera too is caught up in the imaginary of great wealth:

now it’s different, now we can expand the nation, expand the State and we have more resources that can be utilised in favour of the Bolivian people.

However García Linera’s and the MAS’ vision of how to harness natural wealth goes beyond mere “extraction with redistribution.” It also embraces a more ambitious plan to create a strong national productive apparatus that can give

323 Fernando Coronil (1997) describes similar discourses employed by political leaders in Venezuela in the Magical State. Indeed the term “sowing petroleum” (sembrando petroleo) has travelled to Bolivia reappearing as “sowing gas” (sembrando gas).
324 The fable, The Goose that Laid the Golden Eggs, is attributed to Aesop. The fable however does not have a happy ending: “A man and his wife had the good fortune to possess a goose which laid a golden egg every day. Lucky though they were, they soon began to think they were not getting rich fast enough, and, imagining the bird must be made of gold inside, they decided to kill it. Then, they thought, they could obtain the whole store of precious metal at once; however, upon cutting the goose open, they found its innards to be like that of any other goose.”
325 Original quotation: “Esta plata es la que mantiene a Bolivia, aquí está la gallina de los huevos de oro, Bolivia vive de esto y los extranjeros se llevan un pedazo lo mínimo, para recuperar sus inversiones y algo para sus ganancias.....ahora es diferente, ahora agrandamos la nación, agrandando al Estado y tenemos más recursos para utilizarlos en favor de los bolivianos.” Interview with Álvaro García Linera, El Nuevo Modelo Económico Nacional Productivo, published in Revista de Análisis, June 8, 2008.
birth to a diversified industrial base without plundering nature: a post neoliberal economy.

The popular imaginary around natural wealth has a long and problematic history. Fernando Molina (2009) describes this as a national fetishism of natural resources, referring to the almost supernatural dimension they occupy in the national imaginary and how they become the subject of collective adoration. Far from being a new road to national wealth, equality and inclusion, Molina and other critics (Wanderley 2008; UNDP 2006: UNDP 2008) argue that Bolivia is stuck fast in a pattern of impoverishing growth that relies upon a handful of high value commodities but fails to deliver jobs and opportunity for the poor and will ultimately lead to new episodes of political instability and social conflict.

The point, then, is that Bolivia’s continuing dependence on gas – notwithstanding the divisiveness this can cause – reflects not only the path dependent effect of neoliberal institutions but also a deep national conviction that the subsoil is the nation’s principal source of wealth. While this conviction has found a new inflection in MAS’s vision of “gas for post-neoliberal redistribution and industrialisation” and in its determination to govern gas differently through a restructured and modern state agency in control of the sector, these ought be understood as post-neoliberal variants of much more deeply rooted (developmentalist) imaginaries.

In the same vein, the apparent inability of MAS to consummate this post-neoliberal model of gas governance is not best understood as a simple effect of the resource curse. It is better interpreted as a consequence of both material and political economic forces (Bakker and Bridge 2006). The material challenges of producing natural gas, coupled with the government’s internal weaknesses, have forced MAS into a far more pragmatic position. While publicly Morales may berate transnational gas firms for not investing in the sector and producing more gas, behind the scenes the government needs to collaborate with the technical expertise of these firms in order to keep the gas flowing, as was apparent in the crisis of 2008 (discussed in Chapter 4).
Furthermore, Bolivia’s once secure markets with its neighbours have been undermined by the arrival of a new gas technology, Liquified Natural Gas or LNG. As Bridge (2004b) notes, the introduction of LNG permits producers of natural gas to overcome distance and geographical barriers - and sidestep any unreliable producer country in the process. As a result, Bolivia’s once geographically privileged access to Brazilian and Argentine markets no longer gives the country the negotiating power it might once have had. Paradoxically, the social movement that played a large role in derailing the Pacific LNG project and the export of natural gas via Chile (Guerra del Gas, 2003), now in government, may be forced to look outside the regional market and towards the Pacific basin to improve Bolivia’s position vis-a-vis competitors in Latin America.

Despite the introduction of substantial reforms within the hydrocarbon sector, and concerted efforts to remedy past excesses, government led extraction has become increasingly consonant with the frame presented by the private hydrocarbon sector as represented by the Bolivian Chamber of Hydrocarbons (CBH). This position emphasises the importance of guaranteeing legal stability and maintaining a framework attractive to foreign investors while also conveying a sense of urgency alongside the promise of reaping great financial benefit. As discussed in Chapters 4 and 5, the MAS government has increasingly assumed a more pragmatic stance towards extraction. Laws and norms are being progressively re-interpreted (i.e. watered down) in order to secure conditions of extraction and facilitate external investment (despite protest by indigenous and socio environmental groups). This *flexibilización* of the rules is revealed in recent negotiations over a new hydrocarbons law (now under consideration) which will allow the government to push ahead with new projects by abbreviating processes related to social and environmental safeguards. The findings in chapters 5 and 6 reflect an increasing intolerance and dismissal of critical attitudes towards state-led extraction. Both Guaraní and Weenhayek

\[326\] LNG technology consists of the cryogenic freezing of natural gas to liquid form where it is then transported on specially equipped tankers to a point where it is then re-gasified and piped overland to consumer markets. South American industry analysts describe an emerging situation in which countries build re-gasification plants near coastal ports in order to receive shipments of natural gas, by sea, from distinct suppliers, based anywhere in the world. In this way purchasers of natural gas are no longer tied to a single supplier via pipelines.
leaders have found themselves the target of sharp criticisms for having questioned government policy and practice around gas. These findings in Tarija are consistent with research in other parts of Bolivia involving TCOs and exploratory activities for hydrocarbons (Gustafson 2010; Vargas, 2009).

Yet the socio-environmental conflicts emerging in the sites of extraction are not anti-extraction per se but rather contestations over the way the State extracts. On the one hand, the state imposes an alien space (the hydrocarbon block) over the territory claimed and inhabited by indigenous groups and who seek to exercise greater control over that territory. Notwithstanding its discursive commitments to Pachamama (Mother Earth), the state proceeds with a model of extraction that assigns a monetary value to the loss of nature and well-being, and the noise and intrusion that accompany extractive investment. Or put differently, what through the lens of Pachamama would be seen as violations become mere mitigable externalities. The result is a profound sense of frustration, anxiety and betrayal among indigenous groups, some of which I have tried to capture in Chapters 5 and 6. The state, having first promised to transform extraction practices by safeguarding indigenous rights, recognising outstanding territorial claims and addressing longstanding indigenous aspirations for autonomy, and be a government of social movements, has painted itself into a corner and become unable to deliver on its commitments to guarantee participation, rights and greater equity: the foundations for a new social contract for extraction. While the MAS leadership maintains that it has learnt the lessons from the rentier behaviours of the state capitalism of the period 1950-1970 and that its post-neoliberal nationalist model places well-being above material accumulation, the problem is, as I have argued throughout Chapters 3, 4, 5, and 6, that political economic, material and historical-cultural factors have frustrated the consummation of this model in a new form of hydrocarbon governance.

327 The State’s emphasis on financial compensation for damages exacerbates struggles within indigenous organisations over access to financial resources (a la Weenhayek) and privileges forms of clientalist attitudes and relationships within them. This also results in the silencing of voices which question or oppose further extraction.
7.3 Territorialising projects

Notwithstanding these incantations of harmony and collective well-being, gas is perceived as aggravating struggles among territorialising projects of the central government and the gas producing regions, of indigenous peoples, and also of municipal, provincial and departmental levels that fight over administrative boundaries and the alleged geographies of natural gas reserves. These disputes, explored in Chapter 4, revealed how windfall profits resulting from “abundance” and central government’s effort to recapture rents from gas producing departments triggered a series of violent conflicts in 2008. The most visible conflict was that between departmental authorities and the Comité Cívico of Tarija, and the central government. However there were equally fractious conflicts within the department of Tarija (between gas producing provinces).

These conflicts can be interpreted in terms of the territorializing projects of the different parties. On the one hand there is a direct confrontation between the project of the Morales government which seeks to consolidate Bolivia as a territory and to share resources more evenly (on a per capita basis) between the eastern producer regions and the western highlands, and that of Tarija’s elites whose project seeks to modernise and integrate Tarija into both Bolivian and South American markets. Both projects require control over gas resources, not only to strengthen their own project, but to weaken that of the other. Then on top of this there is a longstanding project of political leaders in the Province of Gran Chaco to seek greater autonomy from urban Tarija. This project also requires control over gas receipts in order to make autonomy viable. Thus the direct administration of rents has become the source of friction between the Chaco and urban elites in Tarija - exacerbated by the gas boom of the 1990s. Morales’ purposeful courting of political officials in the Province of Gran Chaco (and his subsequent promise to transfer royalty payments directly to provincial officials thus bypassing the departmental government) was seen as a grave provocation by Tarija officials who insisted that through such manoeuvres the central government was seeking to separate the key gas producing province.
from the rest of the Department. The Weenhayek, Guaraní and Tapiete who also pursue their own territorialising projects were not only excluded from negotiating this pact but also saw their own projects significantly weakened as a consequence, a point I will explore below.

In Chapters 5 and 6, I examined how the MAS’ deepening dependence upon receipts from natural gas extraction to finance the social change process has direct implications for the projects of Guarani, Weenhayek and Tapiete peoples. These projects all hinge around the consolidation (and in some cases expansion) and governance of their legally recognised and collectively owned ancestral lands (TCOs or originary communal lands). None of these groups are particularly strong or politically savvy, indeed they are well aware of their disadvantageous position in relation to the other local and regional political actors. Nonetheless they continue to believe that the MAS government offers an opportunity not only for greater inclusion but also to pursue their own projects. More recently, as shown in chapters 5 and 6, their relationships with central government have grown increasingly strained as proposed hydrocarbon development has crystallized. Indeed the state’s rush to bring new projects online has produced substantial friction in state-indigenous dialogues over extraction. I break this friction down into four dimensions or arenas of contention:

a) The rights of indigenous groups versus the prerogative of the central state to extract and redistribute;

b) The competing territorialising projects of central government and those of indigenous lowland groups whose territories overlap with reserves of natural gas;

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328 As of April 2010 the central government recognized the Province of Gran Chaco as an autonomous region, despite the protests of Tarija elites, and a new regional assembly has been formed – although in practice there is significant confusion over how autonomous regions are to be governed and their relationship with departmental governments.

c) The localised nature of the costs of extraction which are borne by communities and territories affected by extraction and the nationalisation of the benefits of that extraction;

d) The logic of a state of social movements and that of a central government poised to impose the greater collective interest on indigenous territories.

The existence of these different dimensions of friction reveal that more is at stake in these debates over gas than just ecological distribution conflicts understood as conflicts over access to, and control over, natural resources (Martinez Alier, 2002). In the following paragraphs, each of these dimensions of contention are discussed in turn.

The MAS government has made clear that its intention is to use the distribution of natural gas rents to build social cohesion and a more equitable society. Its project to use extraction and redistribution to reinforce the territorial integrity of Bolivia requires it—at least in the medium term—to govern space in such a way that rents produced from natural gas can be shifted from wealthier gas producing regions towards poorer highland departments and social programmes. Both Morales and García Linera have appealed to higher level nationalist and patriotic sentiments. For their part, the Guaraní and Weenhayek have resisted these tactics arguing that for decades they have been discriminated against and excluded from the benefits of national development, and that they are merely defending their rights to be consulted and to exercise decision-making over their territories and livelihoods. They further argue that these rights are enshrined in both the new Bolivian Constitution and international law, and express their willingness to mobilise in order to protect such rights. Notwithstanding indigenous resistance, the central state has made clear that it will not brook dissent, in the process revealing the creeping authoritarian nature of the extractive project.

Another source of tensions revolves around the Guaraní, Weenhayek and Tapiete TCO’s territorialising projects to consolidate these TCOs and exercise governance over their territories. For both the Weenhayek (where there is an existing TCO) and the Guaraní of Yaku Iguá (whose TCO claim for land is not formally recognised) attempts to expand and consolidate their TCOs have been limited by the presence of hydrocarbons. Far from rolling back the extractive
agenda in the face of such lowland indigenous struggles for rights and territory, the MAS government has largely continued the project of its predecessor: that of creating a modern energy supply zone for South America that has its hub in the Chaco. In addition to consolidating Bolivia’s position as energy supplier to Southern Cone countries, Morales also promises to implement a five year industrialisation plan in which the Chaco will again figure prominently. This promise reflects a long held aspiration of nationalists that harks back to the national revolution of 1952 and to the image of YPFB as a powerful, technically competent state company. To deliver on this vision, however, requires the fulfilment of a number of conditions. First and foremost, because Bolivia relies on hydrocarbon rents to finance its social change process, it must balance the need to invest in the hydrocarbons sector with the demands to redistribute rents. Second, the government must significantly increase its production of hydrocarbons in order to meet its commitment existing agreements to supply gas to Brazil and Argentina. Third, in order to make good on its promise to industrialise, Bolivia must further develop markets that will allow it to increase the volume of production in order to make industrialisation financially viable. In the face of such challenges, the territory that can most readily scale up its production to meet existing commitments with Argentina and Brazil - and eventually produce sufficient volume to support an industrialisation process - is the Chaco. Therefore to meet these different challenges, the Morales government must secure the conditions of extraction in order to attract private investment, advance exploratory projects and secure markets. The complex and sophisticated nature of producing and transporting natural gas requires long term agreements and significant amounts of investment. For all these reasons, the MAS government sees the Chaco through extractive eyes.

In contrast, the territorialising projects of Guaraní, Weenhayek and Tapiete TCOs seek the consolidation of territory, autonomy, access to financial resources and the governance of the physical spaces on which their livelihoods depend. Even if social mobilisation has raised the visibility of indigenous claims for territory and autonomy it has so far failed to meet expectations. On the one hand, the territorialising projects of lowland groups became trapped in polarised debates over extraction and rents between the central government and regional elites beginning in 2000. On the other, it has become increasingly clear that
where there are known reserves of hydrocarbons, in the traditional hydrocarbon producing areas such as the Chaco, indigenous efforts to claim title to those lands systematically fail. As discussed in Chapters 5 and 6, advances in the consolidation of territorial claims are only resolved with the intervention of MAS leaders at the highest levels and only when indigenous leaders are prepared to negotiate the presence of hydrocarbon activity on the lands that they are claiming. This is certainly the case for the TCOs of Tarija but recent events in the Chaco of Santa Cruz, involving the newly created TCO Alto Parapetí (Gustafson 2010) and the subsequent announcement of a major gas field, Incahuasi, suggests that a similar dynamic is unfolding there.

A third arena of dispute between the state and indigenous groups revolves around the costs of extraction borne locally and the distribution of benefits that are shared nationally. In Chapter 5, I discussed the situation of the Guaraní in the Aguaragüe, where there are over 100 sites of environmental contamination stemming from prior hydrocarbon operations. Despite efforts by Guaraní leaders to engage the MAS government and negotiate a resolution to existing contamination as a condition of further exploratory activity in the area, no remediation activities have been undertaken. Leaders argue that indigenous communities are forced to bear the brunt of extraction while the benefits they receive are ephemeral, insignificant and unfair given the situation of poverty and marginalisation of their people.

Under both neoliberal and post neoliberal regimes, governments have systematically failed to acknowledge the legitimacy of indigenous claims of significant environmental damage and loss, as well as the importance of addressing social environmental issues through concerted institutional reform. Neoliberal governments, business leaders and increasingly the MAS government, have portrayed indigenous claims about environmental damage as

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330 In June 2010, representatives of the APG Yaku Igua and CCGT met with the Minister of Hydrocarbons and other high level officials to avoid further acts of civil disobedience by the Guaraní in the Chaco Tarijeño. The government agreed to undertake a survey of environmental contamination in the Aguaragüe but insisted that it must be concurrent with proposed exploratory activities (H. Ruiz, personal communication July 2010). There is no comprehensive national level government study of environmental contamination linked to hydrocarbons operations.
a means by which selective local interests (i.e. corrupt local leaders) extract financial compensation from gas firms. As described in the case of the TCO Weenhayek and its negotiations with the BG Bolivia, the MAS government ultimately decried Weenhayek leaders for their extortion and greed in relation to their excessive requests for compensation from the state’s extractive partner, one of the world’s largest gas firms.

It is also significant that the MAS government has failed to reinterpret indigenous social environmental claims in terms of its own exaltation of the Pachamama. It has failed to put the socio-environmental question at the centre of a post-neoliberal model of extraction and development and to understand that these concerns necessarily constitute key elements of a new social contract for extraction. From Chapters 4 and 5 we see indigenous leaders not only seeking recognition and compensation for such damage but also greater control over the supervision of hydrocarbon operations in order to decolonise extraction and alter the historical asymmetries of information and power that have allowed environmental contamination and external incursion to be inflicted upon indigenous territories. With increasingly limited space to negotiate these concerns, indigenous mobilisations have grown more threatening as they seek to rework the terms of further hydrocarbon development. One tactic has been to threaten direct action, to disallow any further exploratory activity within TCOs – a position that leaders call “opción cero” (or no drilling). Central government has dismissed these threats as NGO manipulation and confusion of indigenous leaders while at the same time moving to modify existing legislation in order to remove what both the government and YPFB see as social and environmental obstacles to extraction. The “environmental imperative” (Bridge 2004b) has posed a serious challenge to the MAS state-led model of extraction but has yet to transform the relationships that underlie contemporary hydrocarbon extraction in Bolivia.

The distribution of benefits also constitutes an axis of contention between central government and indigenous groups in the Chaco, particularly the Guaraní, who originally proposed an additional tax in recognition of the negative impacts on indigenous territories. Not only was this proposal hijacked by other more powerful institutional interests (as discussed in Chapter 5), but also the Fondo Indígena, the fund that was established to distribute gas rents to
indigenous communities, was expanded to include both highland and lowland communities and TCOs and lowland indigenous groups feel they are in a disadvantaged position to access the Fund. Furthermore, the central government’s reworking of state-company-indigenous negotiations of environmental assessments and compensation packages may further reduce the financial resources flowing to the TCOs. The government has made clear its determination to limit compensation noting that these are state resources that belong to all Bolivians (a position revealed repeatedly in speeches and interviews that I have quoted throughout the text).

Finally, the disposition of the MAS government to impose hydrocarbon development for the greater good on indigenous territories without building greater consensus around the extractive project and addressing the obvious tensions between extraction and its own environmental discourses risks deepening an unintentional process of differentiation within the social movement that is MAS’ base, and between the social movement and the MAS political instrument that governs. The MAS’ use of confrontational tactics to contain and delegitimize dissent from within its own bases jars with its discourse of building a new economy based on solidarity, reciprocity and inclusion. Moreover, that it undertakes a national media campaign to discredit indigenous mobilisations suggests not only that the government risks alienating an important part of its base but also fails to appreciate the unstable nature of its coalition around the issue of extraction (an instability that involves not only lowland groups but some highland ones also). Paradoxically, the government appears poised to impose extraction upon weaker groups laying bare the inherent contradiction in its discourse and policy around extraction and also raising the spectre for a repeat of the violent incorporation of resource peripheries of previous decades. One does not need to look beyond neighbouring Andean countries to see that more authoritarian practices of extraction can produce highly volatile results (Bebbington and Humphreys Bebbington forthcoming).

331 Lowland indigenous leaders claim they have less organisational capacity and experience and thus cannot present projects which can compete for funding.
7.4 Beyond Bolivia

In this Chapter I have sought to reflect upon Bolivia’s experiment with forging a post-neoliberal model of extraction and how these efforts are conditioned by a series of elements including extractive histories and popular imaginaries as well as material and political economic forces. Drawing on Chapters 4, 5 and 6, I sought to interpret the emerging disputes over gas in terms of competing territorialising projects in which the project of the central state clashes with the territorialising projects of certain sub regional actors such as indigenous groups, while enabling others (such as those of Gran Chaco elites). I have argued that the increasing tensions between the MAS government and lowland indigenous groups in the Chaco are a reflection of the government’s failure to take seriously the issues and agendas of these groups but also its failure to forge a new social contract for extraction, one that genuinely decolonises the extractive project, protects the environment and transforms state-society relations in the process. This is not only a challenge for the MAS but for all progressive left governments in the region.

In this final section, I will return to engage with the literature on the resource curse and the literature on social movements with a view to reflecting upon how this research contributes to these debates, both pushing them forward and highlighting significant gaps in the literatures. I will then conclude with thoughts on the lessons that the Bolivian experience with state-led redistributive extraction model might offer for other progressive left governments.

In calling for a new alternative perspective to understanding the role (and limits) of resource extraction in socio economic development, Bridge (2008) argues that debates around the resource curse thesis have stagnated in recent years. This has led to a rather narrow focus on the state, institutional failure, and to prescriptive policies on good governance. Yet, I argue, my own research findings suggest there is ample scope to amplify these debates (and at the same time identify new questions for research). First, the literature on the resource curse should engage more fully with the emerging extraction-with-redistribution experiments currently being undertaken by post-neoliberal governments. These attempts to escape the resource curse under completely new scenarios (i.e. those of neostructuralism as discussed by Andolina, Laurie
and Radcliffe, 2009:240 and Gwynne and Kay, 2004) allow scholars to examine extraction under socialist and state-led forms of governance that differ substantially from prior experiences. A focus on these emerging experiences is likely to challenge some of the ways the literature handles questions of mineral governance.

Second, the complex nature of the conflicts presented in my research in the Chaco suggests that while the ways in which the resource curse literature typically handles conflict, as reflected in the work, for instance, of Michael Ross (2001; 2008) and Paul Collier (Collier and Hoeffler 2004; 2005), through aggregate data and reliance upon indicators, is useful and interesting it is ultimately insufficient. Addressing complexity within these conflicts not only makes for better story telling (i.e. analyses that capture nuances and variation); it also reinforces the importance of understanding how these conflicts work out in practice. The nuances in conflicts over extraction are important because they have determining effects on how mineral extraction is governed and on the possibility that it will be governed in ways that stabilise (or not) a democratic state, respect (or not) vulnerable groups and allow (or not) for more equitable and inclusive forms of human development. Put another way, the nuances of conflict are not merely a question of detail – they reach back up to macro-level questions of resource governance and development.

For scholars of social movements, Bolivia and its experiment with government by social movement in the context of a state-led extraction model offers an opportunity to understand what happens when social movements move into the state. Other than the work of a few scholars at the local level (Van Cott 2008) there is little analysis in the literature that seeks to analyse what happens and how things change when movements cross this boundary between state and society (though see Dagnino 2008). This gap in the literature is a counterintuitive one. Given that so much movement activity is oriented toward the state – seeking to engage it, change it, bring it down, or gain state power -

332 For a reflection on the experience of the ANC in South Africa see R. Peet’s (2002) discussion of the disciplining and displacement of an early socialist agenda for a more neoliberal one.

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one would expect far more attention to what happens when movements come to power. The Bolivian case provides a counterpoint to this gap, and suggests that when movements do enter the state, there are significant consequences for both state formation and movement dynamics (and coherence). The experience of the MAS points to a highly complex and contested process in which some social and indigenous movements are far closer to government than are others, the party structure of the MAS is more autonomous of movements than was initially intended, and in which some movement cultures are able to influence state practice far more than others. There is much here still to study in order to understand the details of how a government by social movements actually operates.

The Bolivia case also reinforces the importance of getting inside movements and being cautious before treating them as more or less integrated and unified phenomenon. Consider, for instance, the relationship between Guaraní organisations and the MAS. While Guaraní support for nationalisation of gas and redistribution (the October agenda of the Guerra del Gas) was genuine, it did not mean that they were also subordinating their specific territorial projects to consolidate territory and autonomy to the larger project of the MAS. Indeed, what has happened post 2006 shows the fractures and tensions within an ostensibly indigenous-campesino movement in Bolivia, fractures which have become progressively more pronounced since the MAS came to power. (A similar argument may be made for the case of Ecuador where increasing tensions between President Correa and indigenous organisations have produced similar results: Moore, May 13, 2009). Too often in the literature – academic and activist - the space between movement actors goes relatively unexplored while the image of a triumphant, unified movement is celebrated. In this sense the last five years in Bolivia suggest that the post-structural admonition (of considering the multiple identities deployed by social actors) should be taken more seriously in analyses of social movements. Thus while some post-structural authors might be predisposed to romanticise movements such as the MAS (see, for example, the recent exchanges between Arturo
Escobar and Pablo Stefanoni, the relationships between MAS and lowland indigenous groups, as well as within lowland groups, have shown that the stability of indigenous movements is called into question precisely because of the multiple identities of their constituent parts. These instabilities that can easily spill over and become difficult to manage. This thesis attempts to understand how extraction exacerbates these instabilities and how it may ultimately undermine the MAS project.

The failure of progressive left governments in South America to engage citizens in serious, substantive discussions about the implications of state-led extraction risks their programmes for expanding extraction, their ambitious programmes for social reform and perhaps even the viability of their governments. The tendency of progressive left governments to deny or diminish environmental concerns related to extraction suggests both a preference for economic issues, in particular economic growth, and an unwillingness to engage with the contradictions of extractive-led models. Vice President García Linera’s allusion to natural gas as the source of Bolivia’s wealth reinforces simple notions that Bolivia’s natural gas (and iron ore reserves, lithium reserves and possibly future hydroelectric plants that can sell energy to Brazilian consumers) can be harnessed for development with little or no negative impacts. Studiously avoided are any serious debates about the implications of accumulated social and environmental damage from the historic and future dependence on extraction.

The MAS government believes that it will overcome the resource curse through greater state involvement in and control over the Bolivian economy together with an equitable redistribution of economic rents generated from extraction (García Linera 2008). Other governments are following similar paths and in the process strengthening internal constituencies around the extractive project with the upshot that for those sectors that question or are impacted by extraction, voicing opposition becomes increasingly untenable. In this scenario, the welfare of the greater good is placed above that of the territories of extraction,

333 See http://www.rebelion.org/noticia.php?id=107493
which generally poor, isolated and indigenous, and embroiled in their own struggles for rights and autonomy. Finally, we see states ever more constituted through extraction, be this through their close partnerships with transnational capital and foreign state owned companies, or their direct involvement in extraction. In opting for this path the Bolivian state seems to be forcing itself to choose sides between its dual roles: that of promoter of extraction and protector of the rights of society’s most marginalized and vulnerable groups.

Bolivia, along with other progressive left governments in the region, “sit(s) at a crossroad of international governance and capitalist agendas, governmental anxieties about economic growth, popular demands for dignity and security, and civic action for change” (Andolina, Laurie, and Radcliffe 2009:245). Governments can continue to exalt the Pachamama and extract from her while sidestepping the growing evidence of the distance between their progressive discourses and practiced policies – a distance that erodes their credibility. Or they can begin to embark on a much more difficult and uncertain course, that of forging a new and inclusive model of natural resource governance.
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Appendix 1: Schedule of Interviews and meetings

Schedule of Interviews

<table>
<thead>
<tr>
<th>Name of person interviewed</th>
<th>Position/Organisation</th>
<th>Date(s) interviewed</th>
<th>Place of Interview</th>
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<tbody>
<tr>
<td>Miguel Arandia</td>
<td>Coordinator, CIPCA Cordillera</td>
<td>10 October 2010</td>
<td>Camiri</td>
</tr>
<tr>
<td>Erik Araoz</td>
<td>Advisor CCGT</td>
<td>24 June 2009</td>
<td>Tarija</td>
</tr>
<tr>
<td>Rudy Arteaga</td>
<td>Técnico, CERDET Yacuiba</td>
<td>11 December 2008</td>
<td>Yacuiba</td>
</tr>
<tr>
<td>Hugh Attwater</td>
<td>Corporate Social Responsibility Office, British Gas Group</td>
<td>10 November 2008</td>
<td>London (UK) By telephone</td>
</tr>
<tr>
<td>Aniceto Ayala</td>
<td>Secretary for Natural Resources CIDOB (Weenhayek leader)</td>
<td>13 October 2008; 18 December 2008</td>
<td>Capirendita (TCO Weenhayek) and Santa Cruz</td>
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<tr>
<td>Rodrigo Ayala</td>
<td>Director, PROMETA</td>
<td>9 September 2008</td>
<td>Tarija</td>
</tr>
<tr>
<td>Jamie Balanza</td>
<td>Ex Superintendent of Hydrocarbons, Tarija</td>
<td>19 January 2009; 24 June 2009</td>
<td>Tarija</td>
</tr>
<tr>
<td>Gabriel Baracatt</td>
<td>Representative AVINA Bolivia</td>
<td>17 May 2007</td>
<td>AVINA office, Tarija</td>
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<tr>
<td>Never Barrientos</td>
<td>Capitán Grande, APG Itika Guasu</td>
<td>26 June 2009</td>
<td>CER-DET office, Tarija</td>
</tr>
<tr>
<td>Oscar Bazoberry</td>
<td>Director, IDPRS and Fundación Albó</td>
<td>May 2007; 15 July 2009</td>
<td>La Paz</td>
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<tr>
<td>Milton Borda</td>
<td>Coordinator Network of Communities alon the Pilcomayo River Affected by Mining CER-DET</td>
<td>22 July 2008</td>
<td>Tarija</td>
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<tr>
<td>Eliza Bossuyt</td>
<td>Cooperante CER-DET</td>
<td>September 2008</td>
<td>Villa Montes</td>
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<td>Humberto</td>
<td>Researcher,</td>
<td>13 June 2007</td>
<td>Lima (Peru)</td>
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<td>Campodonico</td>
<td>Columnist and Independent Consultant</td>
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<td>Maria Elena Canedo</td>
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<td>16 May 2007; 2 July 2009</td>
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<td>Wilson Changaray</td>
<td>President, APG Nacional</td>
<td>10 October 2008</td>
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<td>Adolfo Chavéz</td>
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<td>14 November 2008</td>
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<td>Director, CEADESC</td>
<td>16 May 2007; 13 November 2008</td>
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<td>27 May 2008</td>
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<td>Ruben Cuba</td>
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<td>30 June 2008; 15 December 2008</td>
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<td>Lawyer, CER-DET Villa Montes</td>
<td>20 November 2008</td>
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<td>Pedro Elio</td>
<td>Hydrocarbon Engineer, Shell Mexico</td>
<td>14 May 2007</td>
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<td>Field Operations Manager, PETROBRAS San Antonio Field</td>
<td>9 January 2009</td>
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<td>Saul Fernandez</td>
<td>Environmental Promotor TCO Weenhayek</td>
<td>24 September 2008; 5 October 2008</td>
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<td>Gender Program TCO Weenhayek CER-DET, Villa Montes</td>
<td>6 October 2008, Villa Montes</td>
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<td>Nolberto Gallardo</td>
<td>Director INRA, Department of Tarija</td>
<td>27 June 2009, Tarija (by telephone)</td>
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<td>Director, CENDA</td>
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<td>Lewis Gordon</td>
<td>Environmental Defender Law Center (USA)</td>
<td>18 January 2009, By skype</td>
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<td>PPII Advisor, CEADESC</td>
<td>15 November 2008, Santa Cruz</td>
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<td>4 December 2008, Santa Cruz</td>
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<td>21 January 2009, Santa Cruz</td>
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<td>Mauricio Lea Plaza</td>
<td>Secretary General, Prefectura of Tarija</td>
<td>10 January 2009, Office of the Prefectura, Tarija</td>
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<td>19 June 2008, 28 June 2009, Tarija</td>
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<td>Raf Stassen</td>
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<td>27 August 2008</td>
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<tr>
<td>Henry Tito</td>
<td>YPFB</td>
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<td>Eufonio Toro</td>
<td>Director, CIPCA Cordillera</td>
<td>10 October 2008</td>
<td>Camiri</td>
</tr>
<tr>
<td>Omar Torrejon</td>
<td>Responsible for Consultation and Participación Ministry of Energy and Hydrocarbons</td>
<td>16 October 2008; 29 June 2009</td>
<td>Villa Montes La Paz</td>
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<tr>
<td>Gonzalo Torrez</td>
<td>Community activist, Tarija</td>
<td>6 June 2008; 20 November 2008</td>
<td>Tarija</td>
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<tr>
<td>Danir Vaca</td>
<td>Director SERNAP - Yacuiba</td>
<td>7 December 2008</td>
<td>Yacuiba (Pananti)</td>
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<tr>
<td>Miguel Valdez</td>
<td>CIPCA Cordillera</td>
<td>10 October 2008</td>
<td>Camiri</td>
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<tr>
<td>Quintin Valeroso</td>
<td>Capitán Grande, APG Yaku Igua</td>
<td>20 December 2008; 22 January 2009</td>
<td>APG office Yacuiba and CCGT office, Tarija</td>
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<tr>
<td>Miguel Vargas</td>
<td>Lawyer, CEJIS La Paz</td>
<td>2 July 2009</td>
<td>La Paz</td>
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<tr>
<td>Victor Hugo Vela</td>
<td>Secretary of CIDOB Working Group &quot;Forests and Climate Change&quot;</td>
<td>14 November 2008</td>
<td>CIDOB offices, Santa Cruz</td>
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<tr>
<td>Justino Zambrana</td>
<td>President, CCGT</td>
<td>22 July 2008; 20 January 2009</td>
<td>Tarija</td>
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<tr>
<td>Lucas Zamora</td>
<td>Technical advisor to CIDOB (Hydrocarbons)</td>
<td>7 December 2008</td>
<td>Villa Montes Santa Cruz</td>
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## Interviews conducted by Research Assistants Hernan Ruiz and Nolberto Gallardo

<table>
<thead>
<tr>
<th>Name of person interviewed</th>
<th>Position/Organisation</th>
<th>Date(s) interviewed</th>
<th>Place of Interview</th>
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<td><strong>Zona Guarani Itika Guasu</strong></td>
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<td>Fausto Barrios</td>
<td>Community member Palos Blancos (IG)</td>
<td>20 September 2008</td>
<td>Palos Blancos</td>
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<td>Erlinda Videz</td>
<td>Community member Palos Blancos (IG)</td>
<td>20 September 2008</td>
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<td>Capitán community Palos Blancos</td>
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<td>Fabián Cayo Canuto</td>
<td>Capitán Zona 3 Zapaterambia</td>
<td>22 September 2008</td>
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<td>Mbarandurí Kurinda</td>
<td>Capitán (originally from Tentayapi)</td>
<td>22 September 2008</td>
<td>Yuati</td>
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<td>Rubén Segundo</td>
<td>Ex Capitán Community of Yuati</td>
<td>21 September 2008</td>
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<td>Ventura Gutiérrez Ruiz</td>
<td>Ex leader and nurse Community of Yuati</td>
<td>21 September 2008</td>
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<td>Zoila Valdivieso</td>
<td>Ex Capitana Community Lagunitas</td>
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<td>Never Barrientos</td>
<td>Capitán Grande APG Itika Guasu</td>
<td>27 September 2008</td>
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<tr>
<td>Henry Guardía</td>
<td>Advisor to APG Itika Guasu</td>
<td>27 September 2008</td>
<td>Entre Rios, Tarija</td>
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<td>Justina Gutiérrez Ruiz</td>
<td>Capitana Comunidad Potrerillos</td>
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<td>Teófilo Murillo Bayara</td>
<td>Indigenous Municipal Council member</td>
<td>27 September 2008</td>
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<td><strong>Zona Guarani Villa Montes</strong></td>
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<tr>
<td>Francisco Yantirama</td>
<td>Leader</td>
<td>25 October 2008</td>
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<td>Calixto Guachama</td>
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<td>Enrique Terceros</td>
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<td>Yukimbia</td>
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<tr>
<td>Danir Vaca</td>
<td>SERNAP, Administrator PN Serranía de Aguarague</td>
<td>7 September 2009</td>
<td>Campo Grande</td>
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<td>Jorge Mendoza</td>
<td>CCGT Tarija</td>
<td>7 September 2009</td>
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<td>Luis Tejerina</td>
<td>Community of Campo Grande</td>
<td>7 September 2009</td>
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<td>Macedonio Panoso</td>
<td>Community of Sanandita Vieja</td>
<td>8 September 2009</td>
<td>Sanandita Vieja</td>
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<td>Capitán</td>
<td>Comunidad Guaraní Tucainti (Villa Montes)</td>
<td>10 September 2009</td>
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Schedule of Meetings

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<tr>
<th>Date</th>
<th>Title of Meeting/Description</th>
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<tr>
<td>25-27 August 2008</td>
<td>Workshop on Extractive Industries</td>
<td>Cochabamba</td>
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<td>22 September 2008</td>
<td>CER-DET &amp; ORCAWETA Captains</td>
<td>Villa Montes</td>
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<tr>
<td>22-23 September 2008</td>
<td>Community informational meetings</td>
<td>Resistencia, Viscacheral &amp; Bella Esperanza</td>
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<td>24 September 2008</td>
<td>Preliminary informational meeting Orcaweta, YPFB, Min of Hydrocarbons</td>
<td>La Misión</td>
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<td>27 September 2008</td>
<td>Extra-ordinary meeting APG Itika Guasu</td>
<td>Entre Rios</td>
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<tr>
<td>Date</td>
<td>Event Description</td>
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<td>Algarrobal Community informational meeting</td>
<td>C&amp;P process &amp; rights Escondido field</td>
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<tr>
<td>16 October 2008</td>
<td>Informational meeting ORCAWETA, YPFB, Min of Hydrocarbons</td>
<td>C&amp;P process &amp; inspection of BG works Escondido field</td>
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<td>16-18 December 2008</td>
<td>CIDOB Assembly</td>
<td>Working group on Socio Environmental Impacts</td>
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<td>19-20 January 2009</td>
<td>Departmental Assembly Indigenous Peoples of Tarija</td>
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<tr>
<td>21-22 January 2009</td>
<td>CCGT, YPFB, SERNAP, Ministry of Hydrocarbons and Vice Ministry of Biodiversity</td>
<td>Proposed hydrocarbon expansion in PN Aguarague and environmental contamination Sanandita field</td>
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<tr>
<td>June 2009</td>
<td>Departmental Assembly Indigenous Peoples Indigenous Peoples of Tarija</td>
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</table>
Appendix 2: Schedule of Publications and Presentations

Publications*


2009 Humphreys Bebbington, D and Catari, Umber. “Los hidrocarburos y los Pueblos Indígenas del Chaco Tarijeño,” in Cabildo Abierto, Puno, Peru: SER.


*Publications in Spanish 2007-2010

Presentations

Conference Flammable Societies/Sociedades Inflamables, CMI, La Paz/Coroico July 2009
“Industrias extractivas y inequidades en Bolivia”

Plataforma Tarija
27 June 2009
“Negociando la extracción del gas en el Chaco Tarijeño”
Latin American Studies Association (LASA), Rio de Janeiro
June 2009
Panel: The Resource Curse Revisted
“Anatomy of a Regional Conflict: Tarija and Resource Grievances in Morales’ Bolivia”

Fundación Prisma, San Salvador
May 2009
Dialogo Regional “Crisis global y dinámicas territoriales en Centroamérica: Implicaciones para la construcción de alternativas”
“Extracción, Crisis Global e Inversión Social” (video conference)

CER-DET, Tarija
16 January 2009
“La situación de los hidrocarburos y los PPII en el Departamento de Tarija”

CER-DET Tarija, Villa Montes y Yacuiba
September 2008
“Proyecto de investigación: Gas natural, movilización social y desarrollo rural en Tarija”