

Evolution of the Neoliberal Crusade in the Amazon

By Jamie Way

[Jamie Way is Research Coordinator at the Alliance for Global Justice.]

Despite the repeal of Peruvian President Alan Garcia's controversial executive decrees, it appears as though the Amazon is still very much for sale. Earlier this year, violent demonstrations erupted over Garcia's decrees that attempted to open Peru to foreign (read: extractive) investment in accordance with its free trade agreement with the U.S. In Bagua, located in the Northern Peruvian Amazon, the official death toll is said to have reached 33, (10 civilians and 23 police officers). Other accounts, however, claim that up to 40 indigenous civilians were killed.

Although the violence has receded, at least for the time being, the larger underlying issues are far from resolved. Moreover, the neoliberal move to take advantage of indigenous resources is evolving into more complex, and at times even seemingly benevolent, forms.



Indigenous people struggle to preserve their Amazon ancestral homeland from foreign exploitation. Photo: Village Earth

Neoliberalism in the Amazon

Outside of Pucallpa, south of where the violent demonstrations erupted, Shipibo indigenous leaders are finding themselves pressed by the same issues as their Northern counterparts. PeruPetro, the country's hydrocarbon licensing agency, is pursuing an aggressive policy in the region by directly contacting community leaders in hopes that they will provide written permission to explore, and later exploit, the oil-yielding potential of their land. I became aware of this when working on a development project in the Amazon with a U.S.-based NGO, Village Earth, from Aug. 18 – Sept. 10, 2009.

This land, which is located within an oil block with rights belonging to PetroVietnam, could also become the focus of a number of other extractive industries. Although it has not yet become a pressing matter for the Shipibo, many of Garcia's decrees were not only aimed at encouraging oil development in the Amazon, but also pertained to a diverse variety of natural resource development, including forestry, water, irrigation and mining.

And it seems as though Garcia's wish, and that of many of his predecessors, is becoming a reality. Big Oil is currently big business in the Amazon. "Whereas in 2004, only 13% was slated for oil and gas development, in 2006, approximately 73% of the Peruvian Amazon was under contract for either exploration or production purposes. Today it is near 80%. Significantly, 58 of the 64 blocks that have been leased to oil companies are located on lands that are legally titled to indigenous peoples and 14 blocks overlap natural reserves that are inhabited by indigenous peoples living in voluntary isolation," wrote George Stetson in an as yet unpublished paper.

Proponents of neo-liberal "market" policies, which appear to be on a constant rampage to commodify every last inch of the planet, have happily encouraged the "opening" of the Amazon to foreign investment. Peruvian proponents of such policies, including President Garcia, have argued that such investment is the way to "modernize" the Amazon and make it productive. Anyone who impedes such noble "progress" is seen as selfish and a traitor. In fact, as if Garcia's disdain and disrespect for the Native people of his country were not obvious enough through his classification of them as "second class citizens," Garcia proceeded to compare them to a gardener's dog. Depicting the population as irrational and selfish, he claimed that, like a gardener's dog, they do not eat from the garden, but they will also prevent others from eating. Thus, according to Garcia and his allies, indigenous people must stop impeding "progress".

Evolution of the Discourse

Beyond Garcia's blatantly racist application of neoliberal policies, a much more clever and well-articulated argument in favor of the crusade for neoliberalism is becoming paramount in national

discussions. While Garcia's lack of sophistication has made his argument easy to pick apart, leading Peruvian economist, Hernando De Soto, has framed his push toward neoliberalism in a much more favorable light.



Peruvian economist Hernando De Soto pushes for individual land ownership which has dire consequences for indigenous groups.

Instead of blatantly embedding his argument in Garcia's racist discourse, De Soto has cleverly co-opted the language of leftist intellectuals. Instead of focusing on the "backwards" culture of indigenous groups, like Garcia has, De Soto argues that in order to fully allow the native population to participate in the capitalist economy, laws must be applied uniformly to them. While on the surface this argument seems like a logical move toward equality, it is important to note that in the context of many Amazonian tribes, it is perhaps even more dangerous than Garcia's decrees.

Under a worldview that orders the world in terms of a "developed-undeveloped" dichotomy, Hernando De Soto has made it his goal to discover why the capitalist system has worked so well in the Western world (an interesting assertion in and of itself), and so poorly in the rest of the world. His work concludes that capital is successfully generated through legally recognized individual land ownership and consequently one's ability to leverage his or her resources for credit. While his recommendation of legally allotting individual land may be desirable in squatter villages without land titles, it could have dire consequences for native populations, many of which already hold titles to their land.

Contrary to De Soto's vision, however, most indigenous groups hold their land under common title and many even choose to hold and work the land in a communal format. For De Soto, this communal land is unproductive, because

individuals are unable to use it to produce more capital without the permission of the entire community. What he so often fails to discuss, however, is that in risking your land for credit, you can potentially lose it. Thus, it becomes evident that with private interests salivating at the chance of getting their hands on a piece of the Amazon, it is likely that communities would be greatly disturbed by one or two individuals being forced to default on their loans.

By individualizing and privatizing indigenous land, extractive industry would be able to apply a new version of their divide-and-conquer tactics, as indigenous groups would have little legal ground to stand on when opposing the sale of the neighbor's land to an oil company. If even very few individuals in desperate situations could be bought off, the entire community could be at risk of being destroyed through the impacts of the extractive industries.

Ironically, one of De Soto's predominant arguments is that the norms of the wealthy and the poor must be melded and incorporated into law. However, his policy makes no exception or variation in the case of indigenous groups with long histories of engrained societal norms and very distinct cultures. Instead, his one-size-fits-all policy has become a cornerstone for moving the Amazon toward the wonders of the capitalist world.

Cleverly framing his suggestions as a move toward affording the indigenous population the rights that the rest of the country already has, he acts as though he is supporting equality. In reality, while his work claims to incorporate indigenous culture, it only does so to the extent that they are able to be successful capitalists. It is vital, then, that the indigenous population moves away from its communal use of land, and instead adopts the rules of the West. This, he argues, will allow them to follow in the foot steps of first world progress.

He fails to discuss the effect leveraging a house for credit has had on the U.S. market, and additionally takes no note of the historical implications of individualization and privatization of U.S. Native American lands had on their culture. By omitting the horrific historical implications that land privatization and individualization has had on Native Americans, De Soto creates a policy that is unable (or unwilling) to foresee a number of problematic outcomes of his work.

The Academic-Political Connection

All of De Soto's arguments would be well and fine if they remained sequestered in the academic world. Unfortunately for indigenous groups in the Amazon, this is not the case. De Soto and his organization, the Institute for Liberty and Democracy, have the ear of many a world leader. Garcia is amongst those with whom De Soto has developed a relationship. This is only logical. While Garcia and De Soto verbalize a differential amount of respect for indigenous culture, their policies are like opposite sides of the same coin.

Garcia's decrees work to open the Amazon to foreign investment and promote free trade. In Garcia's mind, this would appear to eliminate the greedy native people of his country. De Soto, on the other hand, shows a bit more compassion (and may in fact be acting with good intentions, be they misdirected). He does not want to eliminate indigenous people; he merely wants to eliminate any aspect of their culture that does not allow them to be successful capitalists.

Thus, De Soto's suggested policies will allow indigenous land to become the tool for deciding the success of each individual indigenous person. If they are successful capitalists, they will be able to maintain their land. If not, they will lose it to the external interests that Garcia supports. It is evident then that their seemingly distinct policies blend nicely together to form (what, upon enacting a similar policy with Native Americans, Theodore Roosevelt called) "a great pulverizing engine to break up the tribal mass."

So while Shipibo communities and their counterparts sit under a tenuous calm in the Amazon, it is important to note the lurking danger of not just Garcia, but his academic equivalent. Currently, De Soto is sending his researchers into Shipibo communities to extract information about their titling system. He has released effective propaganda videos and is clearly positioning himself as central to the Peruvian Amazon debate.

Therefore, while his work may appear more benevolent at first glance, it is essential that activist and the indigenous population be cognizant of the fact that his arguments are potentially even more dangerous than the words of Garcia. If unnecessary bloodshed is to be avoided and the fight to protect the Amazon is to be won, it appears that it must be fought on both the academic and political front.

For more information about community based development training, fair trade, and programs in Peru, Guatemala, South Dakota and other areas, please visit Village Earth's webpage at www.villageearth.org.