

UNIVERSITY OF CALIFORNIA

Santa Barbara

Extracting the Truth: How Coexisting with the Black Gold Reshapes Lives and Livelihoods
in 21st Century Colombia

A Thesis submitted in partial satisfaction of the
requirements for the degree Master of Arts
in Global and International Studies

by

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August 2015

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ACKNOWLEDGEMENTS

While I spent many hours writing and researching for this project, it would have been impossible to accomplish without the unwavering support of so many people. First and foremost, my dear friend and translator from Colombia - Leonardo Rodriguez – without whom this field research could not have taken place. Here’s to many more *Aguadientes* in the future when our paths cross again!

And of course, I would like to acknowledge the pivotal role of my thesis committee, Dr. Jan Nederveen Pieterse, Dr. Raymond Clemencon, Dr. Paul Amar, and Dr. Nadege Clitandre. Despite their contrasting perspectives and preferences, the collaborative support they showed me during my time at UC Santa Barbara, their willingness to actively engage with my work, and very honest critical feedback not only allowed this project to come to its full fruition, but also helped guide my own personal and professional development to new levels. Thank you for your patience and support.

Then, on a personal level, this thesis would not have been possible without the dedicated friendship and support of my dearest friends: Hannah Krentler Brown, Erica Hong, and Leah Petrusich. My brief two year time at UC Santa Barbara heralded many personal changes, all of which would not have been possible without the unconditional love from these three incredible women who managed to pull me through even the darkest of hours. And thank you to my MAGIS cohort - Esperanza, Daniel, Sergey, Sara, Kimberly, Juliet, Andrew, Florian, and Gervin – each of who managed to bring their own passion and expertise to our classes and make the graduate school experience a truly memorable one.

A special thanks additionally, to the Rick Brown, the man who raised such an incredible woman and friend. Though you are not longer with us, your impact on us remains forever. Thank you for all you have done, and all you have taught us.

And to my new husband Vikas Malhotra, I could not have asked for a more loving and beautiful person to undertake the rest of my life with, and I cannot wait to begin raising our baby girl Asha – who I’m sure will bring us both untold amounts of joy. I have learned many things from you and am ecstatic to continue our educational journey together.

And lastly, to my family. My mother aunt Elizabeth Augustin, my cousins Hope and Justus, my grandma Ramona Pain, and my mother Ramona Graham: Thank you for your love and support throughout the years that allowed me to continue on my journey in my own way. Words cannot begin to express my gratitude to you all. You are all always in my heart and I love you.

This thesis is dedicated to the aforementioned group of people who have allowed me to accomplish so much in such a short time on this planet. Thank you.

ABSTRACT

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There have been many pitfalls resultant from our current civilization's dependence on oil and gas, though none has been more ignored than the impacts of hydrocarbon production on our fellow human beings. This thesis has three primary aims: (1) to make clear the theoretical frameworks that have led these human impacts to be ignored, including Resource Curse Theory, and to propose Political Ecology as a new framework for understanding the challenges that resource extraction levies on individuals and communities; (2) to detail, document, and highlight the widespread, complex, and generative impacts that resource extraction itself produces in order to begin seeking real solutions; and (3) to bring to the fore the struggles of the Colombian people in relation to hydrocarbon production and resource extraction. As shall be seen, Colombia is a unique though entirely ignored case study of rapidly expanding hydrocarbon production. While thought to be a 'success' in the eyes of many, this thesis shows the true nature of oil and gas production by focusing in on the deep structural changes that the southern community of Puerto Gaitan has endured since the arrival of Canadian oil company Pacific Rubiales, and explaining how these deeper problems are reproduced in other extractive areas across Latin America and the world.

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I. Introduction: Balancing Peace & Development with the Continuities of Conflict

“Oil and gas is fueling and financing the economic development of the country. It is a success story and we want more exploration and more production”

- Former Vice Minister of Energy, Orlando Cabrales, 2013

1.0. ‘Colombia Entering Modernity’? A Tale of Two Developments

Throughout the 20th century Colombia’s overall development and relations with neighboring countries were strained and hampered by fifty years of internal conflict with the leftist FARC (*Fuerzas Armadas Revolucionarias de Colombia*), leaving Colombia closed for business both politically and economically. At the height of Colombia’s conflict in 2006-2008 violence was at one of the highest levels in the conflict’s history. A report released by the Geneva Declaration in 2011 found that between 2004-2009 Colombia had the fifth highest violent death¹ rate in the world, with some 43 deaths per 100,000 people – not a far behind El Salvador and Iraq each with 60 deaths per 100,000². The violence in Colombia was extensive and manifested in multiple aspects of social and political life. To further illustrate, around the same time the International labor Organization (ILO) reported that in the year 2002 approximately 184 trade unionists were assassinated in Colombia alone – or put otherwise, roughly 85% of the world’s total violence against labor leaders took place in

¹ Violent death: refers to intentional harm or death being done to another human being. These can include deaths related to direct conflict or intentional homicide.

² Boyd, Alice, “Colombia is 5th most dangerous country on earth: Study,” Colombia Reports, October 27, 2011, <http://colombiareports.co/colombia-is-5th-most-dangerous-place-on-earth-study>

Colombia³. These pieces of information serve to perpetuate and reinforce Colombia's legacy as a lawless and drug ridden frontier, which no traveller or diplomat dare touch. Yet in 2015, things look drastically different, as the country has seemingly undergone a sweeping metamorphosis.

2012 marked a true landmark in the country's history: an unprecedented invitation to join the Organization for Economic Development and Cooperation (OECD) – a traditional indication in international affairs of international acceptance and successful development. And with a reduction in overall violence since 2010, paired with remarkably high growth rates, the invitation seems warranted. After decades of violent conflict that slowed the economy to a frighteningly sluggish pace, Colombia finally appears to be surfacing and on the fast track to a long hoped-for development.

According to Colombia's Finance Minister Mauricio Cardenas, the OECD invitation signals acknowledgement of Colombia's progress by developed countries - and a survey of recent headlines shows consensus among the conventional choir praising Colombia's astonishing development: Forbes asks, 'Is Colombia the Indonesia of Latin America?'⁴; a special report by the Financial Times reads, 'The New Colombia: peace and prosperity in sight, the country comes of age'⁵; even U.S. Vice President Joe Biden praised Colombia's

³ Noam Chomsky, "On Colombia," *Introduction to America's Other War: Terrorizing Colombia*, December, 2004, <http://www.chomsky.info/articles/200412--.htm>.

⁴ Heather West, "Is Colombia the Indonesia of Latin America?," *Forbes Magazine*, June 3, 2013, <http://www.forbes.com/sites/mergermarket/2013/06/03/is-colombia-the-indonesia-of-latin-america/>.

⁵ "The New Colombia: peace and prosperity in sight, the country comes of age," *The Financial Times*, June 4, 2013, <http://im.ft-static.com/content/images/24a2ca0e-c74b-11e2-8a36-00144feab7de.pdf>.

“remarkable progress”⁶ – a view authenticated by the signing of a Free Trade Agreement with the U.S. in 2012⁷. But more importantly, the OECD invitation represents an unprecedented ‘entrance into modernity’ – as put by Minister Mauricio Cardenas⁸. An examination of the numbers adds fuel to the fervor.

In 2013 Colombia overtook Argentina to become the third largest economy in Latin America – worth \$369 billion – behind Brazil and Mexico. Business Insider reports that in 2013 Colombia saw another year of unprecedented FDI into the country – registering \$13.3 billion, more than nine times greater than FDI investment a decade prior (\$1.7 billion in 2003)⁹. Additionally, Colombia’s GDP has steadily grown at an average of 4 percent per annum, a glaring achievement in light of U.S. and Europe’s struggling economies¹⁰. The graphs below further illustrate this.

Figure 1. Foreign Direct Investment in Colombia 2004-1012 (U.S. BN)

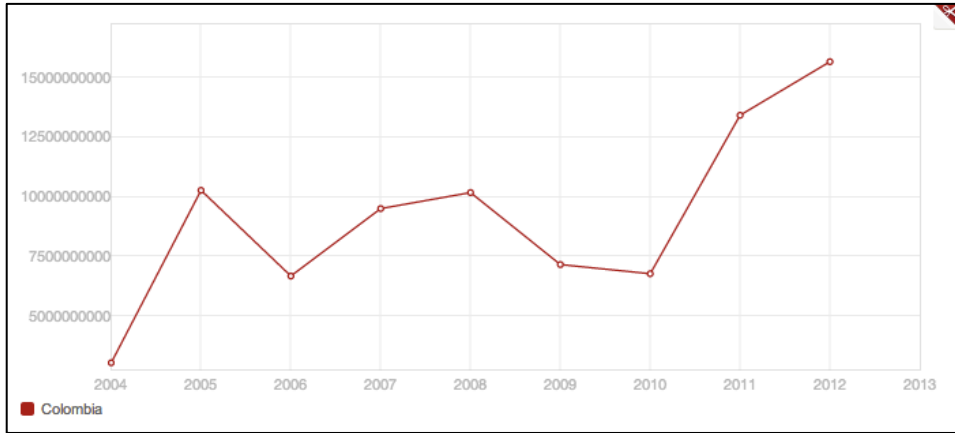
⁶ Tom Kludt, “Biden Praises Colombia’s ‘Remarkable Progress’,” *Talking Points Memo*, May 28, 2013, <http://talkingpointsmemo.com/livewire/biden-praises-colombia-s-remarkable-progress>.

⁷ “U.S. – Colombia Trade Agreement: Increasing American Competitiveness,” *Office of the United States Trade Representative*, 2013, <http://www.ustr.gov/uscolombiatpa>.

⁸ Johnny Crisp, “OECD invitation “shows Colombia entering modernity,” *Colombia Reports*, May 30, 2013, <http://colombiareports.co/oecd-invitation-shows-colombia-is-entering-modernity-colombia-govt/>.

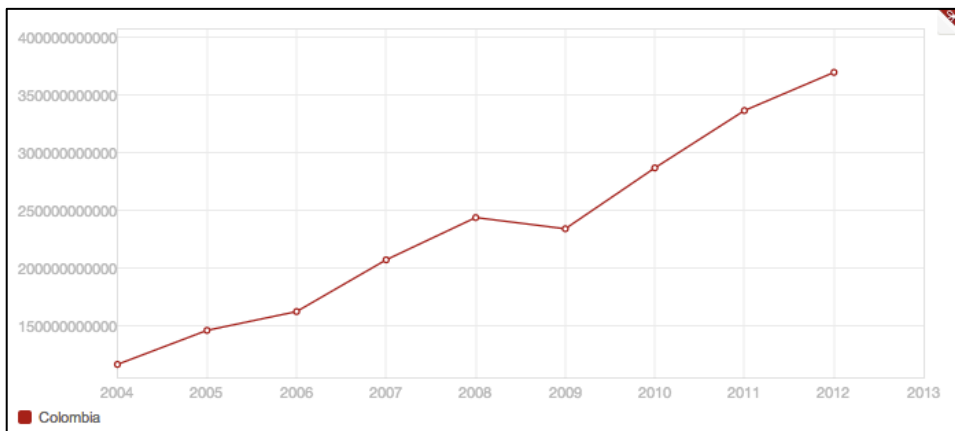
⁹ Jens Erick Gould, “Colombia has Become Latin America’s Unexpected Economic Star,” *Business Insider*, March 26, 2014, <http://www.businessinsider.com/colombia-latams-economic-surprise-2014-3#!CbdE1>.

¹⁰ *ibid.*



Source: The World Bank

Figure 2. Colombia Gross Domestic Product (U.S. BN)



Source. The World Bank

The steady and positive economic growth indicators have not only brought Colombia renewed prestige as a ‘modern’ country with successful development initiatives, but earned the country praise for its ‘sound economic policy’ leading it to be viewed by many as a

model for the region¹¹. Thus, the Colombian state and economy are now viewed as a “resilient, market-based, mixed economy where manufacturing, mineral extraction, agriculture, and services combine to create a healthy, growth-oriented system”¹². As Jens Erick Gould of Business Insider explains, “It’s quite a turnaround for a country that was so violent just a few decades ago that investors wouldn’t touch it”¹³. Yet, while Colombia’s success is obviously the result of a multiplicity of factors, the centrality of the oil and gas sector is of unparalleled importance.

1.1. Oil and Gas Driving Modernity

Though FDI into Colombia as a whole continues to reach new heights – \$16.8 billion USD in 2013¹⁴ - hydrocarbons (particularly oil and gas, but also coal) have become a consciously embraced cornerstone of the Colombian economy, with FDI into oil and gas multiplying exponentially since 2010 and financing almost all of the country’s recent progress¹⁵. In 2012 FDI into Colombia totaled \$5.3; one year later in 2013 this number

¹¹ Jens Erick Gould, “Colombia has Become Latin America’s Unexpected Economic Star,” *Business Insider*, March 26, 2014, <http://www.businessinsider.com/colombia-latams-economic-surprise-2014-3#!CbdE1>.

¹² Michael Mejía and Germán LaRosa, *Colombia: A Concise Contemporary History* (Lanham: Rowman and Littlefield, 2013).

¹³ Jens Erick Gould, “Colombia has Become Latin America’s Unexpected Economic Star,” *Business Insider*, March 26, 2014, <http://www.businessinsider.com/colombia-latams-economic-surprise-2014-3#!CbdE1>.

¹⁴ “U.S.-Colombia Economics and Trade,” Embassy of the United States, Bogota, 2014, http://bogota.usembassy.gov/topics_of_interest/economicstrade.html.

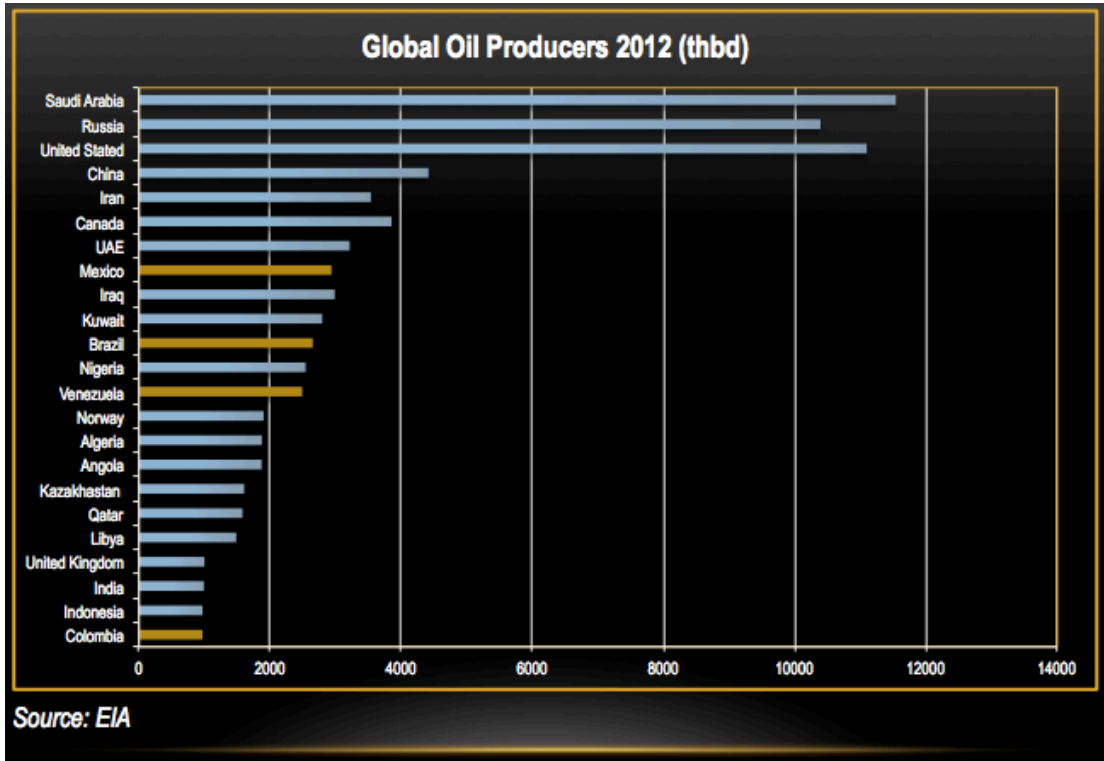
¹⁵ See FDI flows in Annex I, image 2 and 3

doubled to \$13.3 billion – accounting for a record 81.6 percent of total FDI invested for 2013¹⁶.

Investors continue to flock into the country due in particular to its success in meeting oil production targets. In 2013 – a record year not only in FDI inflow, but crude production as well – Colombia reached its production target of one million barrels per day (mbd). Although 1 mbd may seem arbitrary, when viewed within a global perspective it becomes significant. Taking into consideration Figure 3 below, in comparison to the world’s top oil producers of 2012, Colombia is far down on the list – clocking in at number 23, far below Saudi Arabia’s 11.5 mbd, or even war-torn Iraq’s 2.9 mbd. In fact, Colombia produces just under Indonesia. But looking at the production amount in comparison to other countries in this range, at Colombia’s current rate it could be producing at relatively significant levels comparable to Qatar, Kazakhstan, Norway, or even eventually Venezuela within five, ten, or fifteen years.

Figure 3. Global Oil Producers 2012 (thbd)

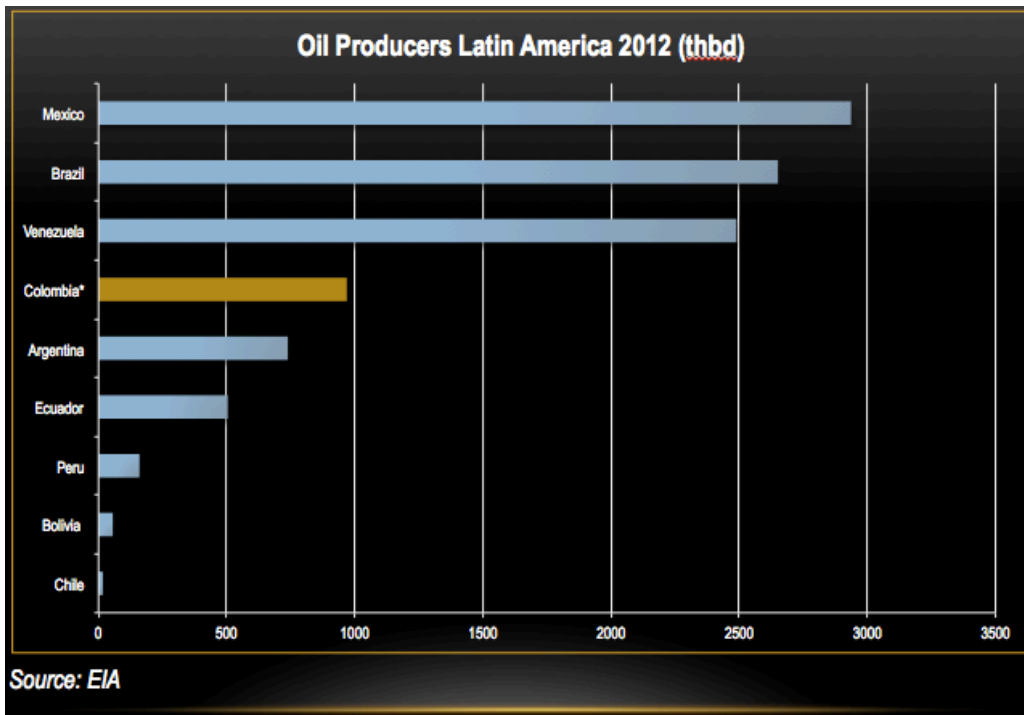
¹⁶ *ibid.*



Source: EIA, graph compiled by author

Then, in comparison to regional producers within Latin America, illustrated in Figure 4 below, Colombia’s increase in oil production places it fourth behind Mexico, Brazil, and Venezuela – and far ahead of Argentina, Ecuador, and Peru. Regionally, then Colombia stands out as a glaring success story, also leading the country to be touted as a model for producing neighbors, and a powerhouse for regional integration.

Figure 4. Top Oil Producers Latin America 2012 (thbd)



Source: EIA, graph compiled by author

The marker of the million barrels is generally regarded as Colombia’s move to preeminence as an important geopolitical actor on the regional and global stage. The increase of its production capacity in combination with international recognition means more global awareness, more demand, more investment, more development, and – as Colombia’s Finance Minister Mauricio Cardenas emphasizes – the country’s ‘entrance into modernity’. Thus, for Colombia the expansion of hydrocarbons translates into economic growth; economic growth translates to economic success in the eyes of the international community; which translates back into more investment, more growth, etc. – a positive feedback loop of sorts. Because of this, Colombia has tremendous incentive to invest and develop its oil and gas industry, with no end in sight: “We want more,” former Vice Minister of Energy, Orlando Cabrales explained at a 2013 conference; oil and gas is “fueling and financing the economic

development of the country. It is a success story and we want more exploration and more production”¹⁷.

1.2. Reinforcing the Rhetoric of Success

This confluence of meeting ever-increasing production targets, the chimes of international acclaim, and the mushrooming of increased FDI flows, equips Colombia’s political leaders with the evidence they need to continue extractive development projects within the hydrocarbons industry, and allows the country on a macro-level to further embrace the petro-development paradigm. This, in combination with a reduction in violence and poverty reinforces the belief in the efficacy of ‘trickle-down’ economics – ie. when the country economically prospers (pointing to indicators like FDI), it is assumed that populous automatically benefits as well – a residual assumption leftover from the neoliberal development projects of the 90’s and early 2000’s.

In 2015 many in the development field know better than to take single economic indicators as anything more than just that – a snap shot of the *economy* that needs to be supplemented with other snap shots such as the human development index or gross national happiness, which creates a more accurate portrait and measure of the ‘success’ of development initiatives.

The political and economic rhetoric associated with Colombia’s politics and extractive industries, both from within Colombia and from abroad, however, continue to give

¹⁷ Orlando Cabrales. “Keynote Address,” Proc. Of La Jolla Energy Conference. The Hilton at Torrey Pines, La Jolla, California, May 2013.

the impression of ‘success’ by pointing to narrow economic indicators such as FDI flows and meeting hydrocarbon production targets, among other things. However, this success narrative is subverted with concurrent reports of continued violence, displacement, and human rights abuses in congruence with the conflict from previous decades; congruent in the sense that the same disadvantaged populations seem to be experiencing compounded abuses, but different in that this time the causes seem to be more linked with the state’s extractive projects than solely guerilla and paramilitary violence. Therefore, those of us in the development field are left questioning which narrative is reflective of the reality for the majority of Colombians – is Colombia’s extractive-led development trajectory successfully improving both the country as a whole and local populations, or do extractive projects contribute to experiences of violence, displacement, and further human rights abuses?

Colombia’s political voices, at least those behind the extractive industry, routinely emphasize a correlation between extractive industries and an improved quality of life, arguing that extractive projects not only bring much needed jobs to market, but improve living conditions for families in the process. For example, during the inaugural address at the Naturgas XVIII Conference in Medellin during April of 2015, President Santos himself illustrated this connection with the following anecdote:

“Recuerdo que alguna vez, durante la inauguración de unas instalaciones de gas natural en unas casas rurales, una señora se me acercó y me dijo que yo le había salvado el matrimonio. Me contó que su marido se levantaba todos los días a las 4:30 de la mañana para ir a cortar leña y que regresaba muy cansado y no le prestaba atención. Según ella, con la instalación de gas en su casa, su marido no tendría la necesidad de salir a cortar leña y estarían más tiempo junto” [I remember one time, during the inauguration of natural gas

facilities in a rural residential area, a lady approached me and said I had saved her marriage. She told me that her husband got up every day at 4:30 in the morning to cut wood and returning very tired and was not paying attention to her. According to her, with the installation of gas at home, her husband would not need to go out and chop wood and they had more time together"¹⁸.

This quote from Santos illustrates quite clearly the connection that is made between the extractive industry, in this case natural gas, and the well-being of the people: “The president said that this everyday story represents the importance of natural gas for the welfare of its citizens and praised the work done by the industry to improve the quality of life of the inhabitants”¹⁹. And in many cases this is true, especially when one considers the phenomena of energy-poverty and the limitations it imposes on simple daily living functions²⁰. However, given the dual existence of a ‘successful’ extractive industry alongside narratives of violence and poverty that persist, it is prudent to question the extent to which the extractive industry, specifically hydrocarbons, is helping or hindering the plight of the Colombian population, already recovering from decades of violence and entrenched poverty. Indeed there is a multitude of evidence that paints a portrait contradicting Santos’ remarks, and the ‘success’ narrative.

1.3. Alternate Experiences: Contradictions to the Success Narrative & Tenuous Peace

¹⁸ “Santos: Colombia necesita un sector energético fuerte,” *Cámara Boliviana de Hidrocarburos y Energía*, April 29, 2015, <http://www.cbhe.org.bo/noticias/2272-santos-colombia-necesita-un-sector-energetico-fuerte>.

¹⁹ Ibid.

²⁰ Antoine Halff et al., *Energy Poverty: Global Challenges and Local Solutions*. Oxford University Press. 2015.

The ‘success’ narrative bolstered by increased production, increased FDI, and other economic indicators continues to provide Colombia’s political leaders with the tools to continue large-scale extractive projects, particularly in oil, gas, and coal. But this narrative is anything but invariable or representative of a certain future, though many had hoped that the peace talks would bring an end to the familiar cycle of violence. But this most recent spat highlights the tenuous nature of Colombia’s peace, and how hydrocarbons (specifically) oil is used as a tool within the ongoing conflict. At the time of this writing, peace talks between the Santos administration and the FARC had been ongoing since 2012, but in May 2015 the FARC announced an end to the unilateral ceasefire²¹, followed by several large attacks on oil facilities throughout the country²², prompting retaliatory air raids from the Santos administration²³. Yet regardless of this major hiccup in peace talks, when taken together social discontent and the continuities of violence have continued to pervade the country in various forms throughout the entirety of the peace talks, dispelling the successful development narrative propagated by the government and international financiers. The most common of these include the continuation of organized criminal groups, the persistence of poverty, and social discontent – many of which identify grievances clearly related to the *apertura economica* and the expansion of the hydrocarbons industry, what amounts to a perceived as a lack of concern for the wellbeing of the people.

²¹ Sibylla Brodzinsky, “Farc ends ceasefire after air raid kills 26 leftist rebels in Colombia attack,” *The Guardian*, May 22, 2015, <http://www.theguardian.com/world/2015/may/22/colombia-farc-suspends-cease-fire-air-raid-kills-leftist-rebels>.

²² Sibylla Brodzinsky, “Farc rebels bomb new section of Colombian oil pipeline,” *The Guardian*, June 29, 2015, <http://www.theguardian.com/world/2015/jun/29/colombia-farc-rebels-bomb-oil-pipeline>.

²³ John Vizcaino, “Colombia’s Santos orders halt to air raids on FARC rebels,” *Reuters*, July 26, 2015, <http://uk.reuters.com/article/2015/07/26/uk-colombia-rebels-idUKKCN0Q001520150726>.

1.3.1 From Paramilitaries to Bandas Criminales

Former paramilitary members, for example, without the employment provided by the government's offensive against the FARC have turned to other venues of operation independent of any formal organization – referred to now as *bandas criminales* [criminal bands, or gangs], nicknamed BACRIM for short²⁴. In September of 2012 a Colombian think tank, *Indepaz*, released a report outlining the emergence of the BACRIM, highlighting a dozen new narco-paramilitary groups made up of some 3,550 members, specifically from the former paramilitary *Autodefensas Unidas de Colombia* [United Self-Defense Forces of Colombia], or AUC²⁵. The report also declared its findings that the BACRIM are now responsible for more violence than the FARC²⁶. In line with these findings, the Colombian government under President Manuel Santos has stated that it now regards the BACRIM as Colombia's largest security threat²⁷. Thus while the oil-for-development narrative paints a portrait of success, the realities of a post-conflict Colombia contradict this portrayal.

1.3.2. The Persistence of Poverty

Additional considerations that contradict the successful development narrative include the continued prevalence of poverty throughout the country, which is proving

²⁴ June S. Beittel, "Colombia: Background and U.S. Relations," *Congressional Research Service*, December 8, 2014.

²⁵ "Informe Sobre Grupos Narcoparamilitares," *Instituto de estudios para el desarrollo y la paz*, August 27, 2013.

²⁶ *Ibid.*

²⁷ Anastasia Moloney, "War-scarred Colombia bets on land reform to foster peace," *Thomas Reuters Foundation*, June 9, 2014, <http://www.trust.org/item/20140609133023-mzy2n/>.

resilient in the face of the economic awakening in 2011. At the height of Colombia's conflict in 2008 those living below the international poverty line hovered between 40-50%²⁸. In 2015 that number has been reduced to 30% - undoubtedly a significant decrease in only six years, but still very high leaving Colombia with the 48th highest poverty rate in the world behind Benin and the Gaza Strip²⁹. Thus, while Colombia has taken in huge revenues from the oil industry, it is safe to say that the benefits of the oil boom have not necessarily gone to those most in need.

1.3.3. Social Discontent: A New Urban Coalition

And finally, a true marker of social discontent, protests in Colombia pop up remarkably frequently without the constraint of violence. Since the peace process began in 2011 Colombia has been rocked by massive protests on a yearly basis. Beginning in October of that year, some 20-30,000 student demonstrators took to the streets of Bogota to protest the privatization of Colombia's public university system, then linked to the pending Free Trade Agreement (FTA) with the U.S., with tens of thousands more marching in other major cities³⁰. While Colombia does have a tradition of student activism the protest was one of the largest the country had seen in years, and because of its connection to the FTA, it marked the beginning of a wider coalition of those dissatisfied with the realities of Colombia's social and economic development. These common concerns materialized in October of 2012 when

²⁸ "Poverty headcount ratio at national poverty lines (% of population)," *The World Bank*, 2015, <http://data.worldbank.org/indicator/SI.POV.NAHC/countries/CO?display=graph>.

²⁹ "Country Comparison: Population Below Poverty Line," *Index Mundi*, 2014.

³⁰ "Bogota clashes amid Colombian student protests," *British Broadcasting Corporation*, October 13, 2011, <http://www.bbc.com/news/world-latin-america-15288505>.

30,000 student demonstrators, in conjunction with farmers and indigenous activists, descended for a week of protest across major cities to bring attention to social inequality and demand an end to government corruption³¹. Aptly entitled the “Week of Indignation,” the protests - which were resumed in December 2012, August 2013, and May 2014 - indicate a new era of cooperation between dissatisfied segments of Colombian society. While student demonstrations characterized the 2011 and 2012 protests, the 2013 and 2014 protests were led by disgruntled farmers, but included wide swaths of different groups including farmers, truckers, miners, indigenous activists, students, and teachers, and were some of the largest demonstrations in the country’s history³².

1.3.4. Indigenous and Rural Discontentment

Even outside of the main cities, regular protests by indigenous communities and activists are substantial and frequent. A month of protest in 2011 in the department of Meta – home to the country’s highest producing fields, nearly a quarter of total output – effectively halted oil production by blocking transit routes³³. 2014 saw similar protests in the Northeastern department of Norte de Santander following the FARC’s bombing of the Caño Limon Pipeline, which accounts for roughly one fifth of Colombia’s total production³⁴. After

³¹ “Colombian police disperse ‘indignant’ protesters with tear gas,” *Russia Today*, October 13, 2012, <http://www.rt.com/news/protest-clash-police-colombia-335/>.

³² Sibylla Brodzinsky, “Colombia braced for nationwide protests,” *The Guardian*, August 29, 2013, <http://www.theguardian.com/world/2013/aug/29/colombia-major-national-protests-farmers>.

³³ John Otis, “Violent Protests Threaten Colombia’s Oil Boom,” *Time Magazine*, September 24, 2011, <http://content.time.com/time/world/article/0,8599,2094758,00.html>.

³⁴ Dan Molinski, “Colombian Rebels’ Attacks Set Back Nation,” *The Wall Street Journal*, November 7, 2014, <http://www.wsj.com/articles/colombian-rebel-attacks-set-back-nation-1415399080>.

the pipeline was shut down U'Wa indigenous community activists surrounded the pipeline for one month preventing repairs and costing the government more than \$130 million, bringing international attention to what they identified as repeated environmental degradation through oil spills and a lack of accountability on behalf of the operating company – Canada based Occidental Petroleum³⁵. While these two indigenous movements successfully surpassed the confines of local and national media, smaller scale protests and demonstrations occur on a regular basis in areas immediately adjacent to oil production activities, though they fail to generate the same level of attention. Taken together, these strings of protests illustrate very clearly how widespread dissatisfaction with Colombia's social and economic development is felt throughout the country – not only students & teachers, but also many strands of agricultural workers, miners, truckers, and of course indigenous communities – and not just in a moment, but continuously and until the present time.

What, then, do these discussions – the emergence of the BACRIM, the persistence of poverty, and emergence of vocally disgruntled public - indicate about Colombia's success narrative? Cumulatively, these factors demonstrate the tenuous nature of Colombia's peace, and the apparent failure of oil-led development and economic growth to effectively address the plethora of post-conflict challenges that define the reality for large swaths of the Colombian populous. Yet, as discussed before, the success narrative has led international investors and free-market advocates to declare Colombia a success story, and the justification to continue developing large-scale extractive projects based on free-market, trickle-down economic growth rationale. Given the continued challenges outlined above, however, one should exercise a degree of suspicion in accepting the success narrative, and as previously

³⁵ Ibid.

mentioned – it is prudent to question to what extent the extractive industry, specifically hydrocarbons, is helping or hindering the plight of the Colombian population. Additionally, not only does this discussion serve to briefly illustrate the superficial nature of the ‘success’ narrative, but more importantly it more accurately places this research within the social-political context of present day Colombia – one characterized by monumental economic transitions and budding social movements. As we continue the discussion below it should be remembered that the expansion of the hydrocarbons industry and its impacts on local populations takes place simultaneously and with full awareness of the social-political issues discussed above. Collectively, there is much ado about Colombia’s development trajectory.

II. Chapter Two: Thesis Overview & Methods

2.1. Thesis Focus and Outline

In order to deconstruct the contradictions inherent in Colombia's development saga, this thesis first endeavors to situate Colombia's extractive-led development of hydrocarbons within the relevant academic discourse. By doing this, the thesis brings to light the world-views, frameworks, and anachronistic paradigms operating in the shadows of Colombia's development.

Indeed the contradictions outlined in the previous chapter is not without warrant, and has been called into question regularly within various academic discourses, including primarily development theory and to a slightly lesser degree political economy. Now, while this thesis does draw on these bodies of literature, it is appropriate to note at this junction that it is outside the scope and purpose of this thesis to assess the entire body of development theory and political economy in relation to the Colombian context and the 'success' of its growing hydrocarbons industry. Instead, this thesis is situated within a related branch of research concerning development and energy politics – what is referred to as Resource Curse Theory (RCT).

Chapter 3 is concerned primarily with assessing these academic discourses, and how they play out in the Colombian context. The chapter argues that RCT is a potentially useful tool for understanding both the practicality of resource extraction as a development mechanism and the pitfalls of resource extraction. Resource Curse Theory is an ideal point to assess here given that it is one of the most commonly pointed to arguments against ambitious and large-scale extractive development projects, as its main tenet posits that countries with

abundant natural resources actually suffer as a result of their wealth, as opposed to flourish. I argue, however, that while useful for understanding the drawbacks of resource extraction on a macro-economic scale, Resource Curse Theory's roots in the Eurocentric conception of Modernity and its linkages with neoliberal development theory continue to inhibit a comprehensive understanding of the full scope of impacts that extractive industries exert on local communities.

While operating solely from the perspective of Resource Curse Theory various questions remain unanswered - chief among them: what is it about Resource Curse theory that has failed to allow for an effective solution to the myriad of problems, such as corruption and transparency, that plague resource-rich developing countries like Colombia? As shall be demonstrated, corruption and transparency, particularly in post-conflict states often are generative of other more immediate and pressing problems, such as the ones listed previously including violence, poverty, and human rights abuses, all of which are manifest in the Colombian context.

I argue that in order to address the unique nexus of social, political, economic, and environmental problems that are generated and/or reinforced by resource extraction, what is required is an entirely new framework for understanding and interpreting the depth and scope of impacts that resource extraction yield – not only on a macro level, but more importantly on a local level. To do this I draw on the framework of Political Ecology to show that by understanding resource extractive problems as interrelated, dependent, and generative of one another more practical and effective solutions are made evident. Furthermore, the importance and centrality of *locally* focused, bottom-up development efforts is made clear, as opposed to strictly top-down initiatives.

Thus, in order to evaluate the true nature of Colombia's oil-led development track; to give credence to the contradictions inherent in Colombia's 'successful' development narrative; and to determine the true impacts that the oil industry's expansion has had on local populations, this thesis aims to use a Political Ecology framework to deconstruct the ways in which development post-2011 has manifested on the ground in one of Colombia's most successful oil production frontiers – *Los Llanos*, and in doing so clarify the contradiction discussed above and extract the truth of Colombian oil saga.

To achieve this, Chapter 4 continues by exploring the history of political and social conflict in Colombia – specifically the 50-year conflict with the FARC and its connection to both territorial conquest, and what is referred to as the *apertura economica*, or economic opening – a desire open the country to foreign investment and link with the globalizing economy. In Colombia, these two histories are intimately interrelated and play out as one in the extraction of hydrocarbon resources due to the physicality of hydrocarbon extraction – ie. territorial control is an essential prerequisite for the exploration and production of oil, gas, and coal. In this way, the history of Colombia's conflict with the FARC cannot be separated from the present day narrative of success based on expansion of the hydrocarbons industry, and the problems it produces. This portion of the thesis also emphasizes the continuities and legacies of this history, its dynamics, and how Colombia's unique history of territorial conquest has become embedded in the ideological rhetoric of neoliberalism and plays out through the management and structure of the hydrocarbons industry.

While Chapter 4 serves as historical and institutional background, Chapter 5 delves into the case study of *Los Llanos*, and illustrates how Colombia's history intersects with the present day expansion of the hydrocarbons industry in a localized context. This discussion is

crucial to the primary aim of the thesis: to deconstruct Colombia's 'success' narrative and make clear the ways in which the expansion and development of the hydrocarbons industry (what was previously referred to as the extractive-led development track) actually produces and reproduces social, political, economic, and ecological problems. This section, thus, highlights the impacts of oil exploration and production on local families, detailing the ways in which expansion of the industry affects different social groups in various ways, often times negatively, though occasionally positively. This portion of the thesis also uses the case study of *Los Llanos* to return to the theoretical argument for Political Ecology, as the testimonies and experiences illustrated here bolster the utilization of Political Ecology as a framework for understanding and addressing the challenges that arise in local communities.

From here the thesis concludes by tying together Colombia's historical and institutional background with the evidence from the localized context to support the initial proposition that

Political Ecology offers a more comprehensive and effective framework for understanding the pitfalls of extractive-led development, specifically with hydrocarbons, as opposed to macro and distinctly economic interpretations like Resource Curse Theory. By better understanding the deeply embedded and often hidden problems that result from resource extraction, we presumably can better address these problems, both in the immediate and long term. Thus, not only does the conclusion highlight the theoretical implications, but it also the implications for *Los Llanos* in Colombia, and other communities confronted with similar extractive projects across the world.

2.2. Research Questions

Given the various components of this thesis outlined above, this study aims to answer address two levels of specific research questions, both theoretical and particular.

On a theoretical level, this thesis asks: what is it about Resource Curse theory that has failed to allow for an effective solution to the myriad of problems, such as corruption and transparency, that plague resource-rich developing countries like Colombia? What are the limitations of RCT, and how can more interdisciplinary frameworks such as Political Ecology offer insight into the complex social, political, economic, and ecological set of problems that arise in extractive contexts?

Then, in the case of Colombia in particular this thesis asks: What is the true nature of Colombia's oil-led development given the discrepancy between the 'successful' development narrative of the hydrocarbons industry and the political figures in support of it, and those who continue to experience violence, poverty, displacement, and human rights abuses in relation to extractive project? What does developmental "success" actually look like on the ground in an area greatly impacted by the physicalities and economics of the oil industry? Furthermore, beyond the economic impacts of resource extraction, what are the different ways in which the expansion of the oil industry in the Colombian South has impacted local populations and environments, and how are these impacts interpreted and viewed by local residents? And lastly, how can negative impacts be mitigated and positive impacts be enhanced and replicated, both in the specific context of *Los Llanos*, in other parts of Colombia, and potentially communities in other extractive countries?

2.3. Research Methods

In answering these questions and collecting data I used a multi-method strategy involving, extensive secondary research, case study, observation and participant observation, and formal and informal interviews. While research was conducted primarily in Puerto Gaitan, Colombia, formal interviews were also carried out in Bogota, Colombia, while secondary research was conducted during time spent at the University of California, Santa Barbara and across California.

2.3.1. Secondary Research

The basis for this research project has a long history, and specific interest in Colombia's oil development was born out of my regular attendance at the annual La Jolla Energy Conference in San Diego. Throughout several years beginning in 2010 Colombia occupied a point of great attention and interest at the conferences, and some of the fundamental views and arguments present in this research were made through formal interviews that I conducted at these conferences. During my time at the University of California, Santa Barbara, most if not all of my courses and research papers were thus devoted to further researching the unique developmental case of Colombia and its rapidly expanding hydrocarbons industry. The University is where the vast majority of secondary research took place, with guidance from various professors with previous experience with and knowledge of development theory and practice.

2.3.2. Case Study

A case study research method was utilized during this research. This method is particularly useful in explicating the impacts associated with oil production in Colombia. While there are many areas in Colombia that are undergoing oil exploration or related activities – including, but not limited to La Guajira in the North; Norte de Santander, Arauca, and Casanare in the East; and Cauca, Nariño in the South West – the department of Meta and the town of Puerto Gaitan provides a optimal case study for a multiplicity of reasons.

First of all, between 2006-2008 the department of Meta received the largest amount of royalties generated from the oil industry – increasing 270 percent in just two years. Because of this, the department of Meta is a prime example of how effective, or not, oil revenue injected into local development initiatives can be.

Secondly, in 1999 the Colombian government passed a law mandating that all extractive industries seeking to establish operations in Colombia must undergo a consultation processes with indigenous and local communities in affected areas, referred to as *Consulta Previa* [Previous Consultation]³⁶. While there are about thirty-three *Consulta Previa* cases being undertaken at present (2013-14), the vast majority of consultation processes across the country are stalled as a result of indigenous opposition to extractive projects³⁷. Contrarily, the consultation process in Meta – specifically Puerto Gaitan – was concluded relatively quickly and without much opposition from local and indigenous communities. While this is widely pointed to as yet another success for the region and the industry in the wider narrative, for the same reason it also provides a unique case study in a country where opposition to extractive industries is frequent.

³⁶ Roque Roldan et al., *Mineria en Territorios Indigenas de Colombia, Peru, Y Venezuela*. (Bogota: Disloque Editores, 1999), 37.

³⁷ Confidential interview by author, Bogota Colombia, November 2013.

And lastly, while Colombia's civil war touched upon all facets and geographies of the country, the southern departments, including Meta, were notable for the exceptionally heavy presence of FARC. Because of this, during the government's offensive against the FARC via both paramilitaries and national troops, the southern departments also saw a disproportionate amount of violence during the height of the conflict in 2006-2008. How this recent traumatic history has played out in the lives of local residents during what can essentially be considered an oil-funded period of reconstruction also provides for a unique insight into the effectiveness of government outreach and development, in particular in assisting those adversely impacted by both the war *and* oil production activities.

Furthermore, Meta is a unique case that has not been explored in the academic literature, while other communities and areas, such as the Wayuu in La Guajira and the Bari in Norte de Santander, have been highlighted in both local Colombian and American studies. Yet the newness of oil development in the south has escaped the international eye of scrutiny. It is for this reason, in addition to the reasons outlined above, that Puerto Gaitan, Meta was selected as an exemplar case study.

2.3.3. Observation & Participation Observation

Because the nature of the inquiries of this study may be considered by local residents to be of a sensitive or politically inflammatory nature, the methods of observation and participant observation were employed to a great extent. During my time spent in Puerto Gaitan I went through great efforts to explore every facet of local life. This included, but by no means was limited to: local development projects, local transit areas, local slums, indigenous reserves, community spaces, political spaces, and oil extraction sites. Casual

conversations, people watching, and local events also factor into this method of study. As such observation and participant observation research plays a key role in the findings of this study and serves to piece together a unique portrait in time of tremendous transformation.

2.3.4. Formal & Informal Interviews

Formal and informal interviews also make up a substantial portion of this study. The primary formal interviews that were conducted during time spent in Bogota included extensive conversations with high-level representatives and officials from both the Colombian and American government, as well as leadership of the national oil company – EcoPetrol. Private industry consultants specializing in everything from security, to *Consulta Previa*, and international investment, were also interviewed on a number of occasions. These interviews provide an important industry and governmental perspective, which counterbalances the observation and participant observation research conducted later.

Additionally, on the streets and in the cafes of Bogota, and throughout a month long Spanish course in Bogota, a great number of informal interviews were had in which the general attitude towards Colombia's oil development was discussed. These perspectives also provide an uniquely urban vantage and important counterbalance to the observational research conducted in the more rural areas.

However, formal and informal interviews were also conducted during time spent in Puerto Gaitan. Here, extensive interviews were undertaken with local government representatives, oil industry representatives, community leaders, community service providers and healthcare workers, and indigenous community members and leaders. Informal interviews were used to a lesser extent, but together the formal and informal interviews

conducted in Bogota and Puerto Gaitan paint a more complete image that compliment both each other, and other research methods.

2.3.5. Data Analysis

Formal and informal interviews, both written and audio recorded, and observational and participant observation notes collected in both Bogota and Puerto Gaitan were generated, transcribed, collected, and then coded into various groups depending on subject matter and industry, or social role. All interviews while initially hand written were transcribed and input onto a computer in both Word and Excel documents to allow for easy cross comparison and analysis. These documents and files were saved on an encrypted file on the researcher's personal external hard drive to allow for maximum security.

The following work is the result of nearly three years of research conducted by the author. While the introduction prior to this section introduces the contradictory nature of Colombia's recent 'entrance into modernity', the remainder of this project aims to deconstruct and analyze this 'success' narrative and its implications in the more specific context of Puerto Gaitan, Colombia. The following section begins this by offering a thorough and critical assessment of Colombia's ongoing development trajectory by amalgamating critiques of both modernity and resource extraction from scholars the world over.

III. Chapter 3: Modernity as Development Objective and Resource Extraction as Development Mechanism

3.1 Critique: Eurocentrism, Coloniality, and Economy

Chapter One clearly highlights the rhetoric and narrative that casts Colombia as a successfully modernizing state, most notably in Cabrales' speech pointing out how hydrocarbons are fueling and funding Colombias 'entrance into modernity'³⁸. It is a difficult thing to pin, as it isn't something that's stated plainly, but Colombia's embracement of the petro-development paradigm, illustrated by the notably privatized structure of the industry which is designed to prioritize rapid exploration, production, and financial gains, are not only emblematic of the residual of a neoliberal development trajectory, but also deeply representative of the country's larger objective: the attainment of modernity. Thus it is this wider objective that this first portion of the literature review seeks to shed light upon.

Modernity as a concept has evolved substantially in the post WWII era, contending with discrepancies between classical modernization theory and the variety of realities actually produced. Classical modernization theory is premised on the assumption of convergence, which posits that, "the cultural program of modernity as it developed in modern Europe and the basic institutional constellations that emerged there would ultimately take over in all modernizing and modern societies"³⁹. The produced reality demonstrated much

³⁸ Orlando Cabrales. "Keynote Address," Proc. Of La Jolla Energy Conference. The Hilton at Torrey Pines, La Jolla, California, May 2013.

³⁹ S.N. Eisenstadt, "Multiple Modernities," *Daedalus*, Volume 129, No. 1, Winter 2000, 3.

more divergence, however, as modern societies “refuted the homogenizing and hegemonic assumptions of this Western program of modernity,” and “structural differentiation developed across a wide range of institutions in most of these societies”⁴⁰. Classical modernization theory was thus discredited and the theory of multiple modernities, or variety of modernities came to the fore⁴¹. This was an important turn with huge implications in development thinking. But what is important to note here, regarding Colombia, is that the idealization and manifestation of Eurocentric or Western modernity that initially made up classical modernization theory still persists, not least through the neoliberal development model, but through other manifestations as well. Thus, in critiquing Colombia’s ‘entrance into modernity’ - led by industrial hydrocarbon production – it is necessary to bring into the conversation critiques of Western or Eurocentric modernity since that is very much the path Colombia has embarked on.

To begin with, Sociologist Anthony Giddens offers a general interpretation of modernity as “modes of social life or organization which emerged in Europe from about the 17th century onwards and which subsequently became more or less worldwide in their influence”⁴². Thus, Modernity is notably a Eurocentric construct in that the very concept is based upon a uniquely European experience with European models, understandings, knowledges, values, etc.. These experiences, achievements, and lessons from Europe’s own development were and continue to be replicated the world over, resting on the assumption that the European experience epitomizes the highest level of human social achievement, “as

⁴⁰ Ibid.

⁴¹ S.N. Eisenstadt, “Multiple Modernities,” *Daedalus*, Volume 129, No. 1, Winter 2000, 1.

⁴² Anthony Giddens, *The Consequences of Modernity*, Stanford: Stanford UP, 1990, 1.

if development and democracy are virtues that the West chanced upon first and only”⁴³.

Vivian Schelling expands on the history and definition of modernity, particularly 20th century modernity, as follows:

“In the form of academic ‘modernization theory’ a narrow, evolutionary understanding of the ‘transition to modernity’ in Europe was exported as a model to be followed by the ‘developing world’ in order to overcome poverty and reach comparable standards of living... [advocating] the transfer of Western technology and the dissemination of an ‘entrepreneurial spirit’ and a scientific-instrumental rationality in order to unleash the forces promoting ‘development’”⁴⁴.

The concept of modernity, then, brings the world into a hierarchical and linear progressive order in terms of development – there are those that are modern and those that are not, and a clear value judgment is assigned to each. Jan Nederveen Pieterse expands on this explaining how “centrism means that, consciously or unconsciously, we measure modernity and capitalism in relation to European and western standards and models”⁴⁵.

When this modernity yardstick is applied to Latin American or other developing countries an image emerges of what Pieterse describes as ‘truncated modernity’ - “a term used to describe social conditions in Latin America, [meaning] truncated in size and scope by comparison, to modernity in Europe,” highlighting how “other cultures [lack] the European commitment to

⁴³ Jan N. Pieterse, “Rethinking Modernity and Capitalism: add context and stir,” Sociopedia Colloquium, 2014, 2.

⁴⁴ Vivian Schelling, *Through the Kaleidoscope: The Experience of Modernity in Latin America*, Verso: UK, 2000, 6.

⁴⁵ Jan N. Pieterse, “Rethinking Modernity and Capitalism: add context and stir,” Sociopedia Colloquium, 2014, 2.

enterprise and accumulation”, two of the most central characteristics of European modernity⁴⁶.

The elements that Shelling and Pieterse highlight above makeup some of the key constituents of a ‘modern’ country – Western technology, the entrepreneurial spirit, rationality, enterprise, and accumulation. In the process of ‘entering modernity’ via expansion of the hydrocarbons industry, such as in Colombia, these characteristics are reflected in institutional structures and laws, though in the process other cultural values tend to be pushed aside. In Colombia, modern Western or Eurocentric values and local values are in constant tension. This was illustrated in Chapter One’s discussion of the contradictions to the ‘success’ narrative highlighting social unrest, and will be further elaborated on in subsequent chapters. Suffice to say here, however, in Colombia there is a very tangible culture that has developed that does seem to idealize the modern and the Western, reflected most evidently in flourishing high-rise cities like Bogota and Medellin where Western dress, cafes, and shops are embraced and flaunted; and reflected most subversively in the power structures of the hydrocarbons industry and its development projects.

But Eurocentrism is just one of the many dynamics intrinsic to modernity. Not only is modernity Eurocentric in that it acts as a measurement of development by arbitrary European standards, but because modernity as a concept came out of Europe it carries with it other aspects of the European experience too, such as colonialism. Indeed, when this dynamic plays out in actuality this is the point where Eurocentrism takes an ugly turn as alternative

⁴⁶ Jan N. Pieterse, “Rethinking Modernity and Capitalism: add context and stir,” *Sociopedia Colloquium*, 2014, 2.

values, knowledges, and systems transition from coexisting with the Western, to being subjected, disenfranchised, and actively discouraged or mocked.

Anibal Quijano, Walter Mignolo, and Arturo Escobar constitute some of the most articulate critics of modernity, particularly within the Latin American context. Quijano was the first to radically critique the classical conception of modernity by positioning it within the larger framework of what he calls coloniality, or the legacy of colonial power dynamics. For Quijano, modernity does not exist on its own, it is very much a product of and embedded within the hierarchical colonial power dynamics that persist into the 21st century institutions, politics, and social dynamics of Latin America: “Western modernity is inseparable from the logic of coloniality; Coloniality is constitutive of modernity – there is no modernity without coloniality”⁴⁷.

In order to explain how coloniality asserts itself through modernity Quijano conceived of the colonial matrix of power, which he describes as “four interrelated domains: control of the economy, of authority, of gender and sexuality, and of knowledge and subjectivity,” with nature as a potential fifth domain⁴⁸. These four “interrelated spheres of management” are supported by the “two ‘legs’ that is the racial and patriarchal foundation”⁴⁹.

⁴⁷ Walter Mignolo, *The Darker Side of Western Modernity*, Duke University Press: London, 2011, 24.

⁴⁸ Ibid.

⁴⁹ Ibid.

Figure 5. *Patron Colonial de Poder* / Colonial Matrix of Power

	Race	Patriarchy	Economy	Authority	Sexuality	Knowledge	(Nature)
EMPOWER-ED NORM	White/ Light/ European	Male/ Masculine	Mercantile/ Industrial Capitalism	Spanish Crown/Europe The State	Heterosexuality /Monogamy	European rationality, science, logic	Commodity to be controlled
SUBJECTED OTHER	Brown/ Dark/ Indigenous	Female/ Feminine	Trade/Barter Communal	Traditional tribal systems, chiefs, elders, Spirits/ cosmic order (nature)	Homosexuality, queer/ Polygamy	Indigenous, religious, spiritual, traditional	Symbiotic relationship

Source. Based on Quijano & Mignolo, table constructed by author

The table above serves as a visual representation of the Colonial Matrix of Power, and illustrates the venues in which colonial power dynamics play out in terms of binaries within developing societies. When the qualities listed in the first row gain preeminence and a dominant role within a state or society the collective is then considered modern by conventional standards. In other words, for a society to consider itself modern and to be considered modern it takes on unconsciously prescribed characteristics: those with social power are male Caucasians or fairer skinned; the market is efficiently capitalist, which in the 21st century also requires an intimate linking with the global economy and adherence to neoliberal principles; authority is controlled and sanctioned solely by the state; heterosexuality is the norm; businesses, government, and society generally follow rational logic bolstered by scientific fact, not religious values; and nature is placed within the

hierarchy of evolutionary life below and subjected to the will and priorities of mankind.

Thus, the Colonial Matrix of Power represents what is modern, but more importantly it brings to light what is not, and it is these precise tensions that are exacerbated during processes of modernization. Arturo Escobar explains that, “it is impossible to understand modernity without taking into account the ‘colonial difference’ or the ‘coloniality of power’ that has been its inevitable underside. These concepts point at the double project of cultural and economic control of subaltern groups and subaltern knowledge that accompanied the implantation of modernity in Latin America from independence until today”⁵⁰. Thus, the power dynamics and binaries outlined above by Quijano allows us to gain a better understanding of the tensions that arise in seeking a modern development end, where the “picture that emerges then is of a modernity characterized by heterogeneity and tension between a vast array of disparate forces”⁵¹.

In addition to modernity’s Eurocentric and colonial nature, however, there is third fundamental characteristic: modernity also implies a strong and efficient economy that demonstrates its progress through sustained growth. This perception emerged at the end of the Cold War, and solidified the hierarchical classification of economic organization in which capitalism came to epitomize modernity, as opposed to Socialism or other forms of economic organization which are viewed as backwards, primitive, and un-modern. Pieterse alludes to this when he explains how “we measure modernity and capitalism in relation to

⁵⁰ Arturo Escobar, “Displacement, development, and modernity in the Colombian Pacific,” *Social Science Journal*, Volume 55, Issue 175, March 2003, 164.

⁵¹ Vivian Schelling, *Through the Kaleidoscope: The Experience of Modernity in Latin America*, Verso: UK, 2000, 2.

European and western standards and models”⁵². Thus modernity has not only become a cultural project, but an economic project as well⁵³. If an economy is inefficient and does not demonstrate growth, it is considered less modern. The preeminence of the economy as a central component of modernity comes from the idealization of Western experiences with “three industrial revolutions that have led to the modern economies of the developed world”⁵⁴ – a phenomena that Samuel Huntington described as the Great Divergence and Eric Jones referred to as the European Miracle⁵⁵.

It is in this sense that Colombia’s ‘success’ narrative bolstered by expansion of the hydrocarbons industry can be viewed as in compliance with modernity as understood by Mignolo and Quijano. Embracement of the petro-paradigm has one distinct end: to produce financial gains and fund the development (broadly understood) of the economy and the country. If we recall, it is the growth of the economy that sparked the choir of international praise for Colombia in 2012, and what prompted its invitation to join the OECD – considered to be by conventional standards a real feather in the cap. What can be additionally emphasized in the discussion here, is that throughout Colombia – in both urban Bogota and the rural *Llanos* instead modernity manifesting a ‘cultural project’ separate from an ‘economic project’, in the 21st century’s modernity economic prosperity has become the wide-spread cultural project – ie. knowledge of, employment and success in the economy has become the dominant or preferred culture, much as in the United States and Europe, further

⁵² Jan N. Pieterse, “Rethinking Modernity and Capitalism: add context and stir,” *Sociopedia Colloquium*, 2014, 2.

⁵⁴ Darryl Reed, “Resource Extraction Industries in Developing Countries,” *Journal of Business Ethics*, Volume 39, 2002, 1.

⁵⁵ Kenneth Pomeran, *The Great Divergence*, Princeton University Press, 2000.; Eric Jones, *The European Miracle*, Cambridge University Press, 2003.

illustrating the Eurocentricity of Colombia's 'entrance into modernity'. This is especially true in communities directly impacted by resource extraction where individuals or social groups who can work with and benefit from the industry tend to gain more social and political power.

Moving on, now - there are endless reasons why robust free market Capitalism is an, at best, misleading and, at worst, disastrous prescription for attaining modernity and development, which has been criticized extensively. But for our purposes suffice to say that in seeking to replicate the 'modern economies of the developed world' is where developing countries get sucked into the allure of economic growth and modernity as the be all and end all of development, and end up neglecting other aspects of development, such as quality of growth, human capital, and social cohesion. The idea that economic growth will 'trickle down' and benefit all segments of society relegates social and human development to the market, but is ineffective in alleviating inequality, poverty, and general human suffering. What is important to note from this discussion is that this same logic, reasoning, and rhetoric is universally applied to the hydrocarbons industry, which in Colombia is evidenced by President Santos' description of hydrocarbons as the *locomotora minero energética*, or 'engine of growth'.

And herein lies the significance of hydrocarbons. For developing countries seeking to expand resource extractive industries, hydrocarbons represent the nexus of economic growth, development, and modernity in that hydrocarbons are viewed as one of the most powerful tools in fostering economic growth, which in turn spurs development of the country, for the attainment of a modern development end. But this recipe (hydrocarbons = economic growth = development = modernity) is fraught with pitfalls at every turn. We have already alluded to

some of these dangers - as Pieterse writes, “there is something deceptive about Eurocentric-as-policy,” which maintains that “Western economic development logic is the route to attain the elusive modern state”⁵⁶. But here we are not so much concerned with focusing on the Eurocentricity of development logics, though it is important. Rather, the rest of this paper is devoted to bringing to light the profound consequences that oil and gas production carries, which are frequently underestimated or overlooked altogether, both in mainstream discussions and in academic discourse.

As will be seen as we continue the discussion, because of the nature of industrial scaled resource extraction, expansion of the hydrocarbons industry further amplifies the tensions between dominant systems, groups, and knowledges, and those that are placed into subordinate roles – as illustrated in the Colonial Power Matrix. Arturo Escobar explains to us that the coloniality inherent within modernity entails “the control not only of resources and labour, but of the very cultures and knowledge of the subaltern. Modernity, then, should always be understood as a double process of modernity/coloniality... of the simultaneous control of labour and culture,” which is exacerbated with resource extraction and hydrocarbon production. In fact, gathering from the evidence it is reasonable to say that ‘modernizing’ societies, in the sense that we have discussed here, that embrace hydrocarbons as a means to development and modernity experience intensified social impacts as a result.

Activists the world over, who like Quijano, Escobar, and Mignolo, identify extractive projects as not only dangerously foreign (ie. Western) and malevolent, are bringing attention to the ways in which these power dynamics – specifically the ones outlined in the Colonial

⁵⁶ Jan N. Pieterse, “Oriental Globalization: Past and Present,” *Theory Culture and Society*, Volume 23, No. 2-3, 2006, 411.

Power Matrix – are causing horrific violence, suffering, and injustice in contexts of resource extraction. In April of 2015 Latin American Historian Greg Grandin brought attention to the increased violence against peasant and environmental activists working against extractive projects – “In 2010 the number was 96. In 2011 106. Last year [2014], 116 were murdered defending their farms, community, or livelihood in land, logging, dam, or mining disputes according to a new report out just in time for Earth Day by Global Witness”⁵⁷. According to the report Brazil and Colombia maintained the highest numbers of people killed – 29 and 25 respectively - in what is identified as ‘resource wars’⁵⁸. As such, the discussions surrounding modernity and eurocentricity cannot be taken lightly, nor can they remain in the shadows of academia. Particularly in the 21st century there are very real consequences to the power dynamics outlined in these theories, and as shall be seen, they are frighteningly frequently in the Colombian context.

These tensions and impacts have been acknowledged, spoken of, and churned over in various arenas at various levels and with a multitude of focal points. Sorting out the impacts of hydrocarbon production in ‘modernizing’ societies like Colombia is what this paper now turns to, and in doing illustrates the multi level and multi dimension challenges confronting resource rich developing countries.

3.2. Critique: Resource Extraction as Development Mechanism, Or Not?

⁵⁷ Greg Grandin, “Happy Bloody Earth Day,” *The Nation*, April 22, 2015, <http://www.thenation.com/article/happy-bloody-earth-day/>.

⁵⁸ Ibid.

Working against Western neo-imperial or neo-colonial international relations after WWII a string of countries radically nationalized their extractive industries, particularly major oil and gas producing countries, such as Iraq, Iran, Saudi Arabia, Libya, Nigeria, Venezuela, Mexico, Argentina, and Russia. The idea was to harness the wealth of natural resources from the international market and direct those funds to support development. But by the 1990s scholars and researchers began to notice a mostly uniform phenomena: despite the vast wealth brought by natural resources “resource-poor economies often vastly outperform resource-rich economies in economic growth”⁵⁹. Put otherwise, countries without any natural resources such as Switzerland, and more recently East Asian countries like Singapore, Taiwan and Japan, economically eclipse flailing Venezuela, Mexico, Nigeria, and the like. Then in 1993 British economist Richard Auty put forth an idea explaining the paradox of resource-rich countries, which he described as a Resource Curse – an idea which became the principle theory critiquing resource extraction, and remains so to this day.

3.2.1 *Resource Curse Theory*

Auty’s book *Sustaining Development in Mineral Economies: The Resource Curse Thesis* (1993) draws on evidence from six developing countries suggesting that, “not only may countries fail to benefit from a favorable [resource] endowment, they may actually perform worse than less-well endowed countries”⁶⁰. He argues simply that, “unless resource rich countries can diversify their economies, they are doomed to suffer boom-bust cycles that

⁵⁹ Jeffery D. Sachs and Andrew Warner, “Natural Resource Abundance and Economic Growth,” *The National Bureau of Economic Research*, December 1995, 1.

⁶⁰ Richard Auty, *Sustaining Development in Mineral Economies: The Resource Curse Thesis*, London and New York: Routledge, 1993, 2.

are extremely destructive”⁶¹. Auty’s work, which examines *mineral* producers and exporters served to supplement a similar study by Gelb (1988), which showed similar results for hydrocarbon producers and exporters. But Auty was the first to amalgamate the two and his book lays the foundations for Resource Curse Theory further, as he points out the various dynamics internal to hydrocarbon and mineral producers that generate stagnant economic growth and development.

One of the primary factors Auty identifies is the entrenchment of rent-seeking behaviors, where “powerful vested interests that benefited from the rents (return in excess of normal profits)... were created by the protection of more and more industrial sectors from international competition”⁶². Rent-seeking in relation to hydrocarbon or mineral industries involves a specific interest group trying to appropriate more wealth from the industry using political or social manipulation - legally via lobbying, or illegally via bribery, corruption, or smuggling – without increasing actual productivity or generating more wealth⁶³. This is where the argument that resource-rich developing countries are more prone to corruption, especially in the face of weak regulatory institutions, comes from. In other words, along with

⁶¹ Ellie Perkins, “Book Review: Sustaining Development in Mineral Economies: The Resource Curse Thesis,” *Critical Sociology*, Volume 21, No. 1, 1995.

⁶² Ibid.

⁶³ “Economics A-Z term beginning with R: rent-seeking,” *The Economist*, 2014, <http://www.economist.com/economics-a-to-z/r#node-21529810>.; David Marotta, “What is Rent-Seeking Behavior?,” *Forbes*, February 4, 2013, <http://www.forbes.com/sites/davidmarotta/2013/02/24/what-is-rent-seeking-behavior/>.; Anne O. Krueger, “The Political Economy of the Rent-Seeking Society,” *The American Economic Review*, Volume 64, No. 3, June 1974.

significant wealth generation those with social or political clout may attempt to increase their ‘share of the pie without making the pie bigger’⁶⁴.

A second important factor Auty points to in the Resource Curse Theory he describes as “the imprudent domestic absorption of mining sector rents,” which renders “agricultural and manufacturing activity internationally uncompetitive”⁶⁵. This idea, referred to as the Dutch Disease, emerged in the 1960s and was further developed by Corden and Neary in the 1980s. The phenomena occurs when an influx of foreign currency, usually from a large discovery of natural resources, triggers currency appreciation and makes other sectors like agriculture or manufacturing less competitive on the international market. A crisis ensues when international prices for primary commodities drops with the dual impacts of 1) decreasing government revenue from mining or energy, leaving the country bankrupt or in financial crises as other sectors are too weak to carry the country, and 2) impacting agricultural or manufacturing workers who may lose their jobs as industries shrink, and consumers who are forced to pay more for imported products as opposed to cheaper domestically produced products.

A third component of Resource Curse Theory has to do with the mining sector’s “production function... domestic linkages, and deployment of mineral rents”⁶⁶. Put simply, the very nature of extractive industries limits their generative impacts, and thus precludes

⁶⁴ David Marotta, “What is Rent-Seeking Behavior?,” *Forbes*, February 4, 2013, <http://www.forbes.com/sites/davidmarotta/2013/02/24/what-is-rent-seeking-behavior/>.

⁶⁵ Richard Auty, *Sustaining Development in Mineral Economies: The Resource Curse Thesis*, London and New York: Routledge, 1993, 4.

⁶⁶ Richard Auty, *Sustaining Development in Mineral Economies: The Resource Curse Thesis*, London and New York: Routledge, 1993, 5.

their ability to spur comprehensive economic growth. In terms of ‘production function’ Auty explains that most extractive industries are highly capital intensive and rely on a very select group of technically trained professionals, and as such is not an effective mechanism for strengthening the national workforce: “mineral production is strongly capital intensive and employs a very small fraction of the total national workforce with large inputs of capital from foreign sources”⁶⁷. A related point, domestic or local linkages refers to the fact that extractive industries require few local factories to process hydrocarbons prior to export – thus further limiting the benefits the industry brings to local communities. The third point regarding the deployment of mineral rents pertains to the fact that more often than not extractive industries display “low revenue retention since a large portion of export earnings flow immediately overseas to service the foreign capital investment”⁶⁸. As such, extractive industries are also detrimental as countries and communities may serve as more of a conduit for capital than an actual destination.

The Resource Curse Theory can be summarized by explaining that extractive industries tend to promote corruption or an opaque political-financial environment, weaken or push out other sectors such as agriculture and manufacturing, and do not contribute to the development of local economies. Cumulatively the Resource Curse Theory is offered as an explanation of why resource-rich countries typically perform worse than resource-poor countries.

Auty’s Resource Curse Theory spurred a slew of studies that sought to mostly to confirm the existence of a Resource Curse, and resulted in a host of new policy prescriptions

⁶⁷ Ibid.

⁶⁸ Ibid.

for fledgling extractive economies. Renowned economist Jeffery Sachs became one of the leading voices supporting Resource Curse Theory, who in subsequent years released a series of studies developing the idea of a Resource Curse, and was contracted by development institutions to address the myriad of problems wrought by resource endowment.

In 1997 Sachs and Warner released the results of a cross-country study involving 97 developing countries that empirically proved Resource Curse Theory by showing “an inverse association between natural resource intensity and per-capita growth between 1970 and 1990” where per capita GDP actually uniformly decreased in extractive economies compared to other non-producing developing countries⁶⁹. It was the most expansive and empirically comprehensive study of its kind at the time. With the Resource Curse Theory articulated, Sachs’ subsequent work sought to further unbundle how the Resource Curse works and how it could be overcome: “What the studies based on the post-war experience have argued is that the curse of natural resources is a demonstrable empirical fact... Since so many poorer countries still have abundant natural resources, it is important to better understand the roots of failure in natural resource-led development”⁷⁰.

One of Sachs’ attempts to do this draws on Big Push Theory, which “stresses that poor economies need some sort of large demand expansion, to increase the size of the market, so that entrepreneurs will find it profitable to incur the fixed costs of industrialization. In the big-push logic, “anything that stimulates demand will do, whether a large public spending program, foreign aid, discovery of minerals, or a rise in the world price

⁶⁹ Jeffery D. Sachs and Andrew Warner, “Natural Resource Abundance and Economic Growth,” *The Center for International Development*, 1997, 11.

⁷⁰ Jeffery D. Sachs and Andrew Warner, “The curse of natural resources,” *European Economic Review*, Volume 45, Issue 4-6, 2001, 828.

of a natural resource”⁷¹. Under this scenario Sachs posits that, “natural resource booms can be potentially important catalysts for growth and development”⁷². He does this by showing that some countries experienced positive long-lasting growth rates in terms of GDP per capita even after resource booms end, although by and large the opposite occurs: “We show that in this setting, natural resource booms can stimulate industrialization, as in the big push story”⁷³.

This proposition reemerged during and after the 2003-2009 commodities super cycle – one of the longest in history. The super cycle witnessed oil prices reach record price levels, from roughly \$25 per barrel in 2000 to \$147 in 2008⁷⁴. Since then, commodities prices have decreased again, with oil leveling out at roughly \$100 between 2010-2014, though still at least double the 2000 price averaging \$50 in 2015. The high cost of oil led some in the development field to reconsider the validity of Resource Curse Theory in the 21st century. Raphael Kaplinsky, for example, contends in a 2011 working paper for the United Nations Industrial Development Organization (UNIDO), that sustained higher commodities prices may enable low-income resource-dependent countries to overcome the traditional pitfalls outlined in the Resource Curse Theory. For example, he notes that, traditionally high resource rents during commodity upcycles depresses other industries causing what he refers to as a ‘delinking’ of sectors. He argues, however, that if higher prices are sustained, it could

⁷¹ Jeffery D. Sachs and Andrew Warner, “The big push, natural resource booms and growth,” *Journal of Development Economics*, Volume 59, 1999, 43.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ “Short-Term Energy Outlook: Real Prices Viewer,” *U.S. Energy Information Association*, July 7, 2015, <http://www.eia.gov/forecasts/steo/realprices/>.

theoretically allow for states to ‘re-link’ extractive industries to support other sectors such as agricultural and service sectors – which can also flourish given globalization and the heightened desire for outsourcing. Kaplinsky writes, “commodity sectors require unique inputs and many of these can be used to promote distinct local industrial (and agricultural and service) capabilities”⁷⁵.

In the case of Colombia, while the country did not benefit from this most recent super cycle, as during this period it was still mired in the height of the conflict with the FARC and had not yet begun exporting crude at the levels seen today, Colombia is still riding on the coat tails of higher oil prices, and even the 2014 price drop is doing little to deter the country from further pursuing expansion of the hydrocarbons industry. For example, Colombian Finance Minister Mauricio Cardenas in a 2015 interview with *The Financial Times* explains that, “We will have to plan for a low price scenario for a while... we are well prepared although that does not mean we are absolutely shielded”⁷⁶. And with growth again projected at a near 5% for 4 consecutive years – still twice the regional average - Sñr. Cardenas’ optimism may be warranted, pointing to financial boost from annual taxes to be paid out by the majority state-owned EcoPetrol, and ongoing peace talks with the FARC which, if a deal is reached, could bring the country another \$500 million by ending FARC attacks on pipeline

⁷⁵ Raphael Kaplinsky, “Commodities for Industrial Development: Making Linkages Work,” *United Nations Industrial Development Organization*, January 2011.

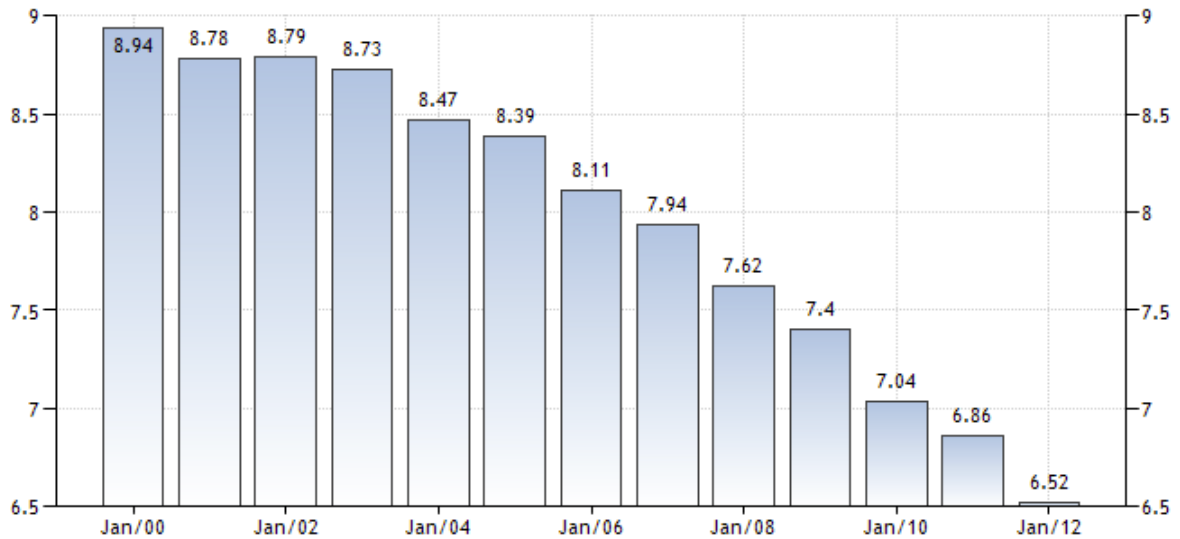
⁷⁶ Andres Schipani, “Colombia puts on a brave face as oil price plunges,” *The Financial Times*, December 21, 2014, <http://www.ft.com/cms/s/0/699ad7f2-85f2-11e4-b11b-00144feabdc0.html#axzz3h4WCjTy5>.

that “caused \$500m of lost output this year — almost as much as the \$550m the government estimates has been lost because of lower oil prices”⁷⁷

However, even as Colombia appears, at a national level, to be benefiting from the super cycle – perhaps validating Kaplinsky’s argument – there are other aspects of Resource Curse Theory that Colombia may not be able to overcome. For example, In May of 2012 the U.S.-Colombia Trade Promotion Agreement (CTPA) entered into force, aimed at expanding trade between the two countries. With the signing of the agreement 80 percent of duties on current U.S. exports to Colombia were eliminated immediately, previously in place to protect domestic producers, particularly in agriculture. Indeed evidence that the agricultural sector may be contracting is already emerging. As we can see from the graph below, the value-add (as a percentage of GDP) of Agriculture in Colombia, although always relatively small, has been steadily declining since 2000. In 2000 agriculture represented 8.94% value add of GDP, while in 2012 it reached a record low of 6.52%.

Figure 6. Value add (as % of GDP) of Agriculture Sector in Colombia

⁷⁷ Ibid.



Source. *The World Bank*

Conversely, if we juxtapose the above agricultural discussion with Colombia’s hydrocarbons exports, we can see that the agricultural sector has been progressively contracting whilst the hydrocarbons sector has been expanding. In 2006 crude petroleum made up only 18.34 percent of Colombia’s total exports. By 2011 that number reached 38 percent, and in 2013 reached roughly 50 percent of exports⁷⁸. Further investigation shows that the expansion of the hydrocarbons industry, at least in terms of overall exports, has coincided with the simultaneous and consistent decline of some of Colombia’s key agricultural exports including coffee and sugar between 2006 and 2011. Keeping in mind the data listed above, in 2006 coffee represented 5.82 percent of exports, while sugar represented 2.2 percent of exports. In 2011 coffee represented only 4.64 percent of exports and sugar

⁷⁸ “The Observatory for Economic Complexity: Trade in Colombia,” *Michigan Institute of Technology*, 2014, <https://atlas.media.mit.edu/en/profile/country/col/>.

represented on 1.47 percent⁷⁹. These data further clarify the central role and dominance of the hydrocarbons sector has achieved, and point to evidence of Colombia falling into the dreaded resource curse. Thus, even if, as Kaplinsky argues, Colombia is able to boost complimentary sectors such as services, the trend seems to be headed more in line with fulfillment of the Resource Curse Theory despite the 2003-2009 super cycle and price upswing.

The resource curse, as such, has proven remarkably difficult to overcome, and there would appear to be many more pitfalls than solutions. Since Auty proposed the Resource Curse Theory, in fact, there have been far more *additions* to the theory rather than solutions: “Alongside these growth failures are strong associations between resource wealth and the likelihood of weak democratic development... corruption... and civil war⁸⁰...” to name a few.

The question must be posed then, what is it about Resource Curse Theory (and to a lesser extent, resource wars/conflict arguments) that has failed to allow for an effective solution to the myriad of problems that plague resource-rich countries? Part of the problem is that the institutional challenges are structural and deep-seeded where there is often little incentive and zero enforcement to tackle things like corruption and violence, which are all too frequent characteristics of resource-rich countries, particularly in Africa⁸¹. These issues often have more to do with transparency and institutional muscle, but there is no magic recipe to address these deeply entrenched norms, practices, and structures, and improving

⁷⁹ Ibid.

⁸⁰ Macartan Humphreys, Jeffery D. Sachs, and Joseph E. Stiglitz, *Escaping the Resource Curse*, New York: Columbia University Press, 2007, 11.

⁸¹ Abiodun Alao, *Natural Resources and Conflict in Africa: The Tragedy of Endowment*, New York: University of Rochester Press, 2015.

regulatory mechanisms in the end is largely the responsibility of those who stand to gain the most from inaction. And in the case of Colombia, the financial rewards from the hydrocarbons industry provide more incentive for inaction than reform.

The few theories that do attempt to prescribe solutions to “‘escape’ the resource curse include: ‘Publish What You Pay’ (PWYP) and ‘Publish What You Lend’ (PWYL) demands to introduce corporate or national social responsibility”⁸². Then there are programs and processes like, “the Mining, Minerals and Sustainable Development”⁸³, or Extractive Industries Review⁸⁴, or the ongoing Extractive Industries Transparency Initiative (EITI)”⁸⁵. But these initiatives have been ineffective in eliminating the discrepancy between resource-rich countries that ‘underperform’ when compared to resource-poor countries because they “‘imagine an impracticable self regulation to improve the existing social mess” and thus have had “‘little impact on the operation style or corporate culture of individual mining companies”⁸⁶.

Now, to step back a moment. If we consider Kaplinsky’s theory of redirecting financial resources gained from the hydrocarbons industry to support job growth in sectors in-need, this can perhaps be done more or less at a strictly national level, and a government

⁸² Kuntala Lahiri-Dutt, “May God Give Us Chaos, So That We Can Plunder: A critique of resource curse and conflict theories,” *Development*, Volume 49, September 2006, 17.

⁸³ “Mining, Minerals, and Sustainable Development (MMSD),” *International Institute for Environment and Development*, 2014, <http://www.iied.org/mining-minerals-sustainable-development-mmsd>.

⁸⁴ “Extractive Industries Review,” *The World Bank*, 2015, http://www.ifc.org/wps/wcm/connect/Industry_EXT_Content/IFC_External_Corporate_Site/Industries/Oil,+Gas+and+Mining/Development_Impact/Development_Impact_Extractive_Industries_Review/.

⁸⁵ “Extractive Industries Transparency Initiative (EITI),” 2015, <https://eiti.org/>.

⁸⁶ Kuntala Lahiri-Dutt, “May God Give Us Chaos, So That We Can Plunder: A critique of resource curse and conflict theories,” *Development*, Volume 49, September 2006, 19.

presence wouldn't (presumably) be entirely necessary as market prices would in conjunction with directing financial resources to the appropriate areas could be done from afar. However, this proposition presupposes two important factors: the first being that volatile international oil prices remain higher than the historical average, and two transparency and good governance at a local level – both of which are generally unreliable, yet the second of which is most important in considering the initiatives listed in the paragraph above as well.

While Kaplinsky's theory to escape the resource curse requires transparency and good governance from the government, initiatives such as PWP and EITI require transparency, good governance, and presence not only from governments but from extraction companies as well. This challenge not only requires a degree 'self-regulation' on the part of both entities, but it also requires the physical presence and watchful eye of the government, which in Colombia are also both monumental challenges.

Colombia is one of the geographically larger countries on the South American continent and government presence is primarily limited to the larger cities, where as in rural areas the government is more or less absent. Colombia's geography further compounds this issue: the northern and western regions where most major cities are located are, for all intensive purposes, completely disconnected from the southern regions – cut off by three enormous offshoots from the Andes Mountain Range. Again, because of the physicality of the hydrocarbons industry, which is spread throughout the entirety of the country, these protective initiatives meant to guard against aspects of the Resource Curse prove difficult to execute, track and, enforce without governmental institutions more aptly spread throughout the country.

But there is another explanation as to why Resource Curse Theory hasn't successfully been able to address the problems that plague resource-rich countries. Much of the proposed solutions discussed above exemplify a characteristic of RTC that I argue fundamentally inhibits its ability to substantially address these issues. And that is because, at its core, Resource Curse Theory is inherently economically and institutionally focused at a national level, when many of the critical components also take place at a very local and individual level. For example, in enforcing PWP or EITI a crucial element is human relationships, without which leave the initiatives as substantive frameworks. Similarly, expanding the transparent regulatory eye of government to areas where extractive companies operate is just as essential. After exploring the hydrocarbons industry both at an institutional level and at a local level throughout Colombia, it is clear Resource Curse Theory's lack of emphasis on the practicalities and localized logistics of executing these plans substantially limits the theory because it overlooks the human element from the development conversation.

Now, the Resource Curse Theory is important because it identifies significant barriers to holistic development in extractive economies that, although difficult, *must* be addressed. But the institutional blockades are only half the story and it is equally important to note the deficiencies of the theory: chief among them that the Resource Curse Theory still tends to emphasize macroeconomic and national leveled institutional programs at the helm of development when time and again it has proven its inability to manage the localized nuances of industrial scaled resource extraction and development.

3.2.2. *Deficiencies of Resource Curse Theory*

In this way Resource Curse Theory can be considered a product of the modern development program discussed earlier. The evidence is in the language. As discussed earlier, Resource Curse Theory places great importance on economic management as a means of addressing problems like corruption, transparency, and other more complex problems that arise as a result of resource extraction, however it overlooks entire dimensions necessary to the development conversation. The Dutch Disease is an example of this – the concern that extractive industries diminish the strength and size of agricultural or manufacturing sectors. Now, of course there is a human element to this scenario, ie. if the agriculture industry shrinks farm workers lose their jobs and livelihoods. But under Resource Curse Theory the human concern remains in the background, and is a secondary consideration in comparison to economic concerns – the human element simply isn't discussed. Thus, at best, Resource Curse Theory is inadequate because of a benign mis-emphasis.

However, at worst, Resource Curse Theory could also be considered malevolently inadequate if one interprets this mis-emphasis as for the explicit benefit of financial and economic stability, and those who directly benefit from such – such as government officials, and extractive companies. Proponents of this perspective argue that it would be naïve to argue that the economic focus of the Resource Curse Theory has been for the betterment of the human population because economic development from resource extraction has clearly and consistently had profoundly negative impacts on populations throughout the world. According to this interpretation, Resource Curse Theory aligns itself with modernity's prioritization of and obsession with economic efficiency and growth, and as such produces the same deficiencies, shortcomings, and negative by products as neoliberalism.

Kuntala Lahiri-Dutt maintains this exact criticism, and much more⁸⁷, in her article ““May God Give Us Chaos, So That We Can Plunder,” when she writes that “Above all, the theories, based upon multiple regression techniques using macro-level data on a global or national scale, tend to be used in unqualified ways to [view or assess impacts in a] local context”⁸⁸. In other words, for Resource Curse theorists, it is institutional quality that determines the success of natural resource extraction - but “the inherent malevolent nature of resource extraction itself” is not discussed, and the authority or “legitimacy of the system of resource governance”⁸⁹ – which we can view as embodying aspects of Quijano’s Colonial Power Matrix - remains wholly unquestioned.

Instead, Lahiri-Dutt explains that:

“The predominant framework used to explain these conflicts over natural resources... propose further prescriptive measures that consolidate the unequal and unjust control of mineral resources by corporations and state. These measures fail to adjust the existing inequalities in the current ‘governance’ of resources. They do not change the transfer of wealth away from the communities and do not ameliorate the policy frameworks or reallocate decision-making power. They invite specialists from

⁸⁷ “These theories around natural resources indirectly perpetrate a picture of complete lack of control and disorder in the Third World, whose inhabitants, by some irrational logic of nature, have found themselves endowed with resources that they cannot or do not know how to deal with in an orderly manner. They envisage a paranoid fear about the unruly Third World, a landscape of apprehension, risk and insecurity where conflicts could only be resolved for one and all if either state-owned or multinational corporations take over the control and ownership of mineral resources, and manage them in a systematic manner, in the process putting their profits first and taking over the control of what should rightfully belong to the communities” (Ibid).

⁸⁸ Kuntala Lahiri-Dutt, “May God Give Us Chaos, So That We Can Plunder: A critique of resource curse and conflict theories,” *Development*, Volume 49, September 2006, 18.

⁸⁹ Kuntala Lahiri-Dutt, “May God Give Us Chaos, So That We Can Plunder: A critique of resource curse and conflict theories,” *Development*, Volume 49, September 2006.

outside to hand out conflict resolution policies, and propose Corporate Social Responsibilities that are rarely heeded”⁹⁰.

What Resource Curse Theory overlooks specifically is that while a well managed and balanced economy that fosters economic growth is important, it is for naught if the nuanced structural impacts of industrial scaled resource extraction are not critiqued and managed at a local level: “Resource Curse Theory’s sole focus on macroeconomic indicators limits the discourse to macroeconomic solutions” – completely disregarding the challenges that local populations are faced with⁹¹.

The problem here, which this thesis is in agreement with, is that Resource Curse Theory fundamentally views natural resource extraction from a modern Eurocentric development perspective – that is nature is to be used *efficiently* for the benefit of the human population in the form of economic growth and modern development. At its very core, Resource Curse Theory does not depart from or critique the means of modern development. Instead it retains its macro lens that rationally prioritizes the growth and development of the whole as opposed to incorporating the people and communities ‘on the edge of development’ who exist on the periphery of the modern, and who in the context of hydrocarbon expansion are swept up in a series of profound and deeply structural changes that Resource Curse Theory overlooks. These changes brought by hydrocarbons industries often embody the tensions found in the Colonial Power Matrix between dominant and subordinated groups, systems, and knowledges. If these fundamental challenges are not brought into the discussion

⁹⁰ Ibid.

⁹¹ Kuntala Lahiri-Dutt, “May God Give Us Chaos, So That We Can Plunder: A critique of resource curse and conflict theories,” *Development*, Volume 49, September 2006, 18.

and the modern development objective that accepts or enhances these tensions is not called into question, the negative consequences of resource extraction will continue to reek havoc on both national government and local communities alike.

Because of this, Resource Curse Theory has resulted in a profound lack of substantive research documenting the real, comprehensive, and often hidden impacts resource extraction levies on communities. Now, this is not to say that Resource Curse Theory should be thrown out altogether; on the contrary there are important structural problems that Resource Curse Theory brings to the fore, but it is only a fraction of the battle and thus requires the incorporation of additional frameworks for understanding the variety and depth of impacts that resource extraction imposes – and only then can compressive solutions be brought to light and implemented.

Here we have critiqued both traditional modernity and resource extraction as interpreted by Resource Curse Theory. These development prescriptions are problematic however, because they perpetuate a Eurocentric vision of the world as compartmental: nature is separate from man, is separate from politics etc, and there is a hierarchical order in which the aspects of life naturally fall into. In order to move past this world view, it is necessary to incorporate a new framework for understanding the impacts of resource extraction. By making evident the real impacts of resource extraction at a local level the true challenges the industry and modernity poses can be addressed.

3.3. Political Ecology: A New Framework for Understanding Resource Extraction

To begin thinking about a new framework for understanding the negative consequences of resource extraction we need to also rethink the nature and dynamics of resource extraction beyond the dominant economic paradigm inherent in Resource Curse Theory, that simply replicates the modern development prescription. And in doing so the real impacts of resource extraction can be illuminated and more accurate solutions to the social ills that plague resource extractive communities can be conceived and realized.

3.3.1. Rethinking the Dynamics of Hydrocarbon Production

First and foremost, it is important to recognize that the reality of resource extraction is one fundamentally “characterized by multiple actors with their multiple voices”⁹². It is not just the state that (typically) manages industrial scaled resource extraction, and it is not just the domestic and multinational oil and gas companies that come in to operate – there are also families that become employed by the companies, and those that do not; there are migrants who come seeking work who bring their entire families; there is the local government; there are local shop owners and entrepreneurs; there are historically disadvantaged groups, which in Colombia takes the form of indigenous and Afro-Caribbean communities; and there are armed actors as well, such as private security forces, paramilitaries, and guerillas.

At the local level all of these groups have important roles to play and are impacted in some way during the socio-structural reorganization that communities endure with the arrival of hydrocarbons industries. Thus, what is required in order to fully understand the dynamics

⁹² Kuntala Lahiri-Dutt, “May God Give Us Chaos, So That We Can Plunder: A critique of resource curse and conflict theories,” *Development*, Volume 49, September 2006, 14.

at play and how resource extractions impacts communities is a new framework that focuses on and recognizes these multiple actors, and actually listens to their voices, asking questions like “who benefits from... resource development and who pays what cost?”⁹³.

Secondly, and not unrelated, the ways in which the industry structurally shapes societies is a direct result of the physicality of natural resources and extraction: “the subsoil offers an interesting perspective on the notions of levels, boundaries, and the consequences for nature-society when materials cross these boundaries. To speak of the ‘subsoil’ or ‘subsurface’, by definition, invokes the existence of a boundary defined by the surface of the Earth”⁹⁴. Natural resources are absolutely physical and thus deeply intertwined “in the materiality of every day life”⁹⁵. It is thus critical to understand the venues and ways in which “these minerals and hydrocarbons couple with human practices”⁹⁶.

Our environments are defined by natural resources, and thus provide an economic foundation for communities; this in turn shapes familial and social relations – who works, and for how long, and in what capacity. And cumulatively these factors shape both collective and individual identities. As such, any physical change to the environment as a result of natural resource extraction necessarily and absolutely alters the entire fabric of communal life as well, culturally, socially, politically, economically, etc.

⁹³ Ibid.

⁹⁴ Anthony Bebbington and Jeffery Bury, *Subterranean Struggles: New Dynamics of Oil, Mining, and Gas in Latin America*, Austin: University of Texas Press, 2013, 8.

⁹⁵ Karen Bakker and Gavin Bridge, “Material worlds? Resource geographies and the ‘matter of nature’,” *Progress in Human Geography*, Volume 30, No. 1, February 2006, 1.

⁹⁶ Anthony Bebbington and Jeffery Bury, *Subterranean Struggles: New Dynamics of Oil, Mining, and Gas in Latin America*, Austin: University of Texas Press, 2013, 8.

This physicality of natural resources also immediately brings into question a very rigid authoritarian dynamic, especially when it comes to extraction or control of these resources. While Jacques Derrida did not frequently comment on natural resources, he does highlight the physical significance of and challenges posed by natural resources when he explains that:

“If oil reserves remain among the rare territories left, among the last non-virtualizable terrestrial places, one can simply secure the rights to lay down a pipeline... [because] the whole techno industrial structure of hegemonic countries depend on these resources, so that, however, complex and undetermined it may be, the possibility of everything... remains anchored, so to speak, in these non-replaceable places, these non-deterritorializable territories. These territories continue to belong, by law, in the still solid tradition of international law, to sovereign states”⁹⁷.

Because of the physicality of natural resources, and their inability to be ‘virtualizable’, their highly valued presence becomes easily intertwined with issues of authority and securitization. The state, thus, enters as an important actor of particular significance as subsoil rights are by and large maintained solely by state actors: “The coupling of subsoil resources and notions of sovereignty and nation also means that the state and extraction are

⁹⁷ Jaques Derrida, “Autoimmunity: Real and Symbolic Suicides – A Dialogue with Jaques Derrida.” *Philosophy in a Time of Terror*, Giovanna Borradori, Chicago: University of Chicago Press, 2003, 106.

intimately bundled together,” and it plays an “important role in determining patterns of access and control” by delineating spaces and places of enclosure and exclusion⁹⁸.

On the most basic level the physicality of natural resources and the state’s involvement in terms of authority puts it in place of “primary competitive logic in extractive industries,” that has the immediate effect of cordoning off “many surface resources that are of an equally elemental nature for preexisting livelihoods and sources of well-being among those people who lived in or from the same territories”⁹⁹. In more extreme cases the state’s authority over natural resources and extractive rights is translated via violent crackdowns against protestors, forced displacement, or assassinations of union activists.

Regardless, these characteristics of natural resources as involving multiple actors and defined by physicality, are critical to understand the layered, expansive, and generative impacts that resource extraction levies on local communities. To further understand how these characteristics play out in terms of impacts we now turn to the field of Political Ecology, in order to explore ‘how the subsoil enters the political economy,’ effects societies, and enters the social.

3.3.2. The Political Ecology of Resource Extraction

Given these characteristics of natural resources and extraction, outlined above as multi-faceted and constrained by physicality, the oft neglected and diverse field of Political Ecology provides an ideal framework to understand the complex impacts of resource

⁹⁸ Anthony Bebbington and Jeffery Bury, *Subterranean Struggles: New Dynamics of Oil, Mining, and Gas in Latin America*, Austin: University of Texas Press, 2013, 11.

⁹⁹ Ibid.

extraction, which moves well beyond the limits posed by Resource Curse Theory and ‘resource war’ arguments. It is to this point the discussion now turns.

In *Political Ecology: An Introduction* Paul Robbins condenses the field into an easily understood arena – explaining how Political Ecology at its core is a field “of critical research predicated on the assumption that any tug on the strands of the global web of human-environment linkages reverberates throughout the system as a whole”¹⁰⁰. Political Ecology thus seeks to “query the relationship between economics, politics, and nature” with a special emphasis on “the condition of the environment and the people who live or work within it” and the power relations between them – “with an understanding that there are better, less coercive, less exploitative, and more sustainable ways of doing things”¹⁰¹.

Furthermore, there are three foundational beliefs within Political Ecology that are widely accepted, which makes the field an ideal framework for understanding the intricacies of natural resource extraction. These foundational beliefs include the acceptance that:

“costs and benefits associated with environmental change are for the most part distributed among actors unequally...

[which inevitably] reinforces or reduces existing social and economic inequalities...

[which holds] political implications in terms of the altered power of actors in relation to other actors”¹⁰²

¹⁰⁰ Paul Robbins, *Political Ecology: A Critical Introduction*, USA: Blackwell Publishing, 2004, 5.

¹⁰¹ Ibid.

¹⁰² Sinead Bailey and Raymond Bryand, *Third World Political Ecology: An Introduction*, New York: Routledge, 1997, 28.

And while Political Ecology is inclusive of a vast array of issues ranging from “starvation, soil erosion, landlessness, biodiversity decline, [and] human health crisis” its focus throughout these issues remains dedicated to explicating “the more general pernicious conditions where social actors exploit other people and environments for limited gain at collective cost”¹⁰³.

This last point is precisely the reason why Political Ecology offers an ideal framework for analyzing the impacts of natural resource extraction broadly defined, though “the topic has, until very recently, remained relatively marginal to the wider political ecological enterprise”¹⁰⁴. In fact, “the subsoil has remained fairly hidden from view” and it does not appear in the main Political Ecology texts.

The most pioneering work utilizing a political ecology framework to understand the impacts of resource extraction, particularly in Latin America, comes from Professor of Geography at Clark University, Anthony Bebbington, who’s two most recent books - *Social Conflict, Economic Development, and Extractive Industry: Evidence from South America* (2012), and *Subterranean Struggles: New Dynamics of Mining, Oil, and Gas in Latin America* (2014), offer significant new evidence and discussions on this topic.

Bebbington’s *Social Conflict, Economic Development, and Extractive Industry* constituted the very beginning of natural resources’ comprehensive integration into Political Economy. While it is meant to offer an analysis of social movements related to privatization, monopolization, and extraction of natural resources in Andean Latin America, the book gets

¹⁰³ Paul Robbins, *Political Ecology: A Critical Introduction*, USA: Blackwell Publishing, 2004, 12.

¹⁰⁴ Anthony Bebbington and Jeffery Bury, *Subterranean Struggles: New Dynamics of Oil, Mining, and Gas in Latin America*, Austin: University of Texas Press, 2013, 1.

at something even more important: the collection of essays proffers a radically new interpretation of resource related conflicts and their causes. Bebbington demonstrates that social conflicts related to resource extraction, specifically in Andean Latin America, are rather a response to a series of profound social reorganizations.

From Bebbington's compilation:

“We can surmise that oil production has generative impacts and that in addition to the well-known economic and environmental consequences of resource extraction, there are also social consequences that are embodied by socio-structural shifts in land use, labor, and social relations. Furthermore, resource extraction often leaves footprints on individual and community consciousness that are not easily erased and become deeply embedded over time. Patterns of distrust emerge and are awakened during social movements”¹⁰⁵.

A number of essays included in Bebbington's *Social Conflicts* compilation, as well as the 2013 *Subterranean Struggles* compilation demonstrate the various ways in which resource extraction transforms lives and livelihoods. Javier Arellano Yanguas offers a good example of how the impacts of resource extraction can be viewed through a political ecology lens – in terms of land use, labor, and social relations - in his discussion of the Rio Blanco copper project in Pirua, Peru between 2002-2009.

3.3.3. The Applicability and Inclusivity of a Political Ecology Framework:

¹⁰⁵ Anthony Bebbington, *Social Conflict, Economic Development, and Extractive Industry: Evidence from South America*, USA: Routledge, 2012, 4.

Understanding the Impacts of Resource Extraction Through Land Use, Labor, and Social Relations

The project involved a concession of 16,000 acres (or 25 square mile) for copper production, and promised to bring an extra \$1 billion in revenue to the government. Communities in the local area, however, voted unanimously against the project and protested the government's insistence that the project go through. Protests erupted in 2004 and 2005, in which two people were killed.

Arellano-Yanguas explains to us that community concerns centered around the implications of what we can identify as a transition to an extractive industry – again involving shifts in land use, labor and social relations.

In terms of land use and labor, the Rio Blanco project would “significantly change the entire department from one primarily oriented to farming, to an industrialized mining region,” according to a report released by Oxfam¹⁰⁶. This restructuring could mean an inability to continue life based on farming, more dependence on imported goods, and forced migration in search of adequate labor. All of these have a direct impact on local communities and individuals, and because of the immediate changes in lifestyle it produces, were voiced as primary concerns by local communities.

In terms of a restructuring of social relations, socio-structural shifts are illustrated by the move of governments to establish agreements with companies over citizens, leading to a complete restructuring of social relationships and expectations. Arellano-Yanguas explains how, “people feel that the presence of powerful mining companies erodes their capacity to

¹⁰⁶ “Rio Blanco: Massive copper project proposed for Cloud Forrest,” *Oxfam America*, March 3, 2009, <http://www.oxfamamerica.org/explore/stories/rio-blanco-massive-copper-project-proposed-for-cloud-forest/>.

control the local institutions that have traditionally provide them with stability and protection”¹⁰⁷. He continues, noting that, “The [Peruvian] state is generally eager to promote investment and is therefor reluctant to enforce regulations that can upset the companies...” while the “coexistence of conflicting roles within the [Ministry of Energy and Mining] arouses the populations suspicions of government deceit and collusion with company interests”¹⁰⁸.

Arellano-Yanguas’ discussion draws on two underlying socio-structural shifts: (1) the deterioration of a ‘social contract’ between local communities and the government, but also (2) emergence of patterns of distrust that contribute to the deterioration of this relationship through a perceived lack of concern of the state towards localities.

In this way, viewing the impacts of natural resource extraction through a political ecology lens in terms of shifts in land use, labor, and social relations allows us to analyze the specific changes communities endure, and further our understanding of community grievances beyond simplistic environmental or economic explanations.

But there are additional benefits to viewing impacts through this lens, in that it allows for a wider range of impacts to be incorporated, including psychological or psycho-social shifts. For example, though their analyses are traditionally limited to anthropology, Michael Taussig’s work in Colombia and June Nash’s in Bolivia become easily understood and

¹⁰⁷ Javier Arellano-Yanguas, “Mining and Conflict in Peru.” *Social Conflict, Economic Development, and Extractive Industry: Evidence from South America*, Ed. Anthony Bebbington, New York: Routledge, 2012, 90.

¹⁰⁸ Anthony Bebbington, “Extractive Industries, socio-environmental conflicts and political economic transformations in Andean Latin America.” *Social Conflict, Economic Development, and Extractive Industry: Evidence from South America*, Ed. Anthony Bebbington, New York: Routledge, 2012, 5.

incorporated as by-products of resource extraction when viewed from the political ecological lens discussed above.

In *We Eat the Mines and the Mines Eat Us*, Nash tells how underground mine workers “related to the devil figure, *El Tio*, giving him offerings to protect their safety and ensure their productivity,” while Michael Taussig in *The Devil and Commodity Fetishism* later discussed how this idiom in Colombia “reflected the belief that some workers had entered into pacts with the devil, trading wages on earth for an early death, but also and more significantly, a recognition among miners and cane cutters that while capitalism might appear to produce value, in reality it consumes life and environment and produces poverty”¹⁰⁹.

Incorporating psycho-social dimensions into interpretations of the impacts of resource extraction thus offers a more complete portrait of the struggles and deeply personal, but silent, changes that some communities experience.

And although Taussig’s and Nash’s observations are four decades old they remain relevant for contemporary discussions of extraction. As Bebbington writes:

“Extraction’s association with such unprecedented transformations of landscape, labor, and social relations should make it unsurprising that it also comes associated with cultural idioms that seek to make sense of such transformations in terms of hidden bargains and pacts with higher powers. Indeed, beliefs and suspicions about such pacts, be they with devils or presidents, are common in areas affected by extraction and can have both political consequences and cultural significances that become part of every day language and meaning making”¹¹⁰.

¹⁰⁹ Ibid.

¹¹⁰ Ibid.

In countries that are rapidly expanding hydrocarbon production, like Colombia, we can expect that the radical remaking of land use, labor, and social relations occurs both in communities mobilized against resource extraction, and those that are not. Bebbington continues, noting how:

“Many dimensions of struggle become routinized in every day life; these are not just the dramatic armed and organized struggles... but also the mundane but painful everyday calculations.... Which seep into all aspects of life... These hidden costs of extraction never find their ways into environment and social impact assessments, yet are arguably one of the most permanent and irreversible consequences of the irruption of extraction into local societies

The environmental and social consequences of the most recent round of large-scale extractive operations are of such magnitude that they involve struggles over the very existence of landscapes imbued with cultural meaning, quality of life for large populations, and entire livelihood systems”¹¹¹.

It is this political ecological framework focusing on land use, labor, and social relations that allows for a clear and critical analysis of various resource extractive contexts. Utilizing this framework to understand the deeply embedded and often silent impacts resource extraction imposes on communities not only sheds light on important new dynamics of resource extraction, but enables critics of resource extraction to unite the experiences of

¹¹¹ Anthony Bebbington and Jeffery Bury, *Subterranean Struggles: New Dynamics of Oil, Mining, and Gas in Latin America*, Austin: University of Texas Press, 2013, 18.

different communities under a common theme. This is much needed as current research related to the impacts of resource extraction are incredibly disconnected and uncoordinated, making it difficult to gather substantive thematic evidence. But more importantly, uniting these experiences under a common framework brings the experiences of silent communities to the fore and joins the experiences of different communities across cultures and regions¹¹².

3.3.4. Conclusion

Using a Political Ecological framework in terms of land use, labor, and social relations in order to better understand the real impacts of resource extraction moves well beyond the limits posed by Resource Curse Theory and gets at the heart of the structural challenges posed by the move to modernity – which can be understood using Quijano’s Colonial Power Matrix.

In rapidly modernizing societies, and in particular those that seek to use hydrocarbon expansion as a means to attain the modern development end, communities are fundamentally altered. The influx of capital into local economies triggers a complete social reorganization that reorders social actors and environments into a hierarchical structure: “While the subsoil is endogenous to capitalist transformation in general, the types of transformation in which it is complicit evidently vary at a national and subnational level”¹¹³. The dynamics and tensions in the Colonial Power Matrix are compounded in extractive communities, and the arenas of

¹¹² Veronica Davidov et. al., “Oil Development on Traditional Lands of Indigenous Peoples: Coinciding Perceptions on Two Continents,” *Journal of Developing Societies*, Volume 28, No. 2, 2012.

¹¹³ Anthony Bebbington and Jeffery Bury, *Subterranean Struggles: New Dynamics of Oil, Mining, and Gas in Latin America*, Austin: University of Texas Press, 2013, 4.

land use labor and social relations get reorganized to mirror the hierarchy under the colonial power matrix. By applying a lens that focuses on shifts in land use, labor, and social relations it is possible to incorporate all of these changes – physical, economic, cultural, psychological etc., and understand how individuals and communities interpret and live with these transformations.

Now, the following section has two goals: first and foremost, to bring to the fore the voices of Colombians impacted by hydrocarbon expansion. Until now, this thesis has focused largely on theory and the national-level narrative, however the ultimate goal of this thesis is to reframe the debate over Colombia's natural resource extraction from the vantage of local communities who endure the silent but monumental life changes as a result of the industry. The second goal of this thesis seeks to show the applicability of the Political Ecology framework by applying it to the local narrative. Through this, we can 1) elucidate the *real* social impacts of resource extraction involving land use, labor, and social relations to demonstrate the deeply structural changes communities undergo 2) connect the Colombian experience with hydrocarbon expansion, which is relatively new, to the experiences of other Latin American communities impacted similarly, and 3) begin to shift some of the focus away from Colombia's conflict with the FARC, to an area that will likely characterize conflict in 21st century: that of resource extraction – in particular, hydrocarbons.

It is also important to highlight the value the Colombian experience brings to the wider discussion regarding resource extraction. As previously mentioned, Colombia's *apertura economica* does not displace the conflict of the past century; rather the *apertura* inserted itself within the larger paradigm of political conflict, at times even exacerbating these tensions. Oil and gas companies coming into the country, for example, entered in on the

side of the state and thus immediately became embedded in the conflict - which persists into the present time period, though it takes different forms given the emergence of the BACRIM. As Vasquez explains, the underlying dynamics of conflict, particularly around oil and gas, are “old, unresolved grievances... [which] if not addressed properly and in a timely fashion... can have regional – and sometimes even nationwide – impacts”¹¹⁴.

The connection between violence and resource extraction, however, is a phenomena that stretches far beyond the Colombian border. As Resource Curse Theory highlights, resource extraction is often accompanied by increased conflict – such as the more extreme case of Nigeria and Iraq, but also the less audible cases of Chad, Mozambique, Indonesia, Peru, Nicaragua and more. Because of Colombia’s long-standing and deeply embedded conflict, and resource extraction’s subsequent embedded-ness within this paradigm, the Colombian experience and the analysis that follows hint at important implications for extractive countries the world over, particularly related to managing the wide-ranging structural impacts resource extraction brings with it. While the influx of wealth from the industry’s expansion benefits the Colombian economy in the aggregate, there is another story to be told.

Thus, to begin understanding the real social impacts that Colombian communities – indigenous, farmers, women, and children alike – have experienced since the arrival of the industry at the turn of the 21st century, this paper now turns to give a history of Colombia emphasizing patterns of ideological violence and economic conflicts. Without understanding the long history of ideological violence interwoven with economic conflict, the dynamics of the hydrocarbons industry in the present day appear as isolated and relatively insignificant.

¹¹⁴ Patricia Vasquez, *Oil Sparks in the Amazon*, Athens: University of Georgia Press, 2014, 6.

However, taken together with Colombia's long-standing engagement with modernity and neoliberalism in its most violent form, one begins to understand the weight that the hydrocarbons industry has brought with it to peoples' lives. Indeed, as Bebbington discusses above "resource extraction often leaves footprints on individual and community consciousness that are not easily erased and become deeply embedded over time. Patterns of distrust emerge and are awakened during social movements"¹¹⁵. What he speaks to here is a type of historical trauma, and the same phenomena can be said of Colombia's 50 year conflict with the FARC, which was (or is) so deeply entrenched in the Colombian identity that any further conflict or injustice made to already historically impacted peoples cannot be viewed as separate from their present day experiences. For most peoples, and indeed everyone was impacted in one way or another, the social ills produced by resource extraction are not even viewed as completely separate from the conflict – many view it as a type of continuation. It is for these reasons that this paper now turns to shed light on the plight of the Colombian peoples by bringing to the fore a history in relation to ideological violence, economic conflict, and resource extraction.

¹¹⁵ Anthony Bebbington, "Extractive Industries, socio-environmental conflicts and political economic transformations in Andean Latin America." *Social Conflict, Economic Development, and Extractive Industry: Evidence from South America*, Ed. Anthony Bebbington, New York: Routledge, 2012, 5.

IV. Chapter 4: A Brief Contemporary History of Colombia's Experiences with Politics, Economics, Violence, and Resource Extraction

In order to provide a comprehensive portrait of Colombia's development in the 21st century it is necessary to address several important characteristics of Colombian history, as well as the politics, economics, and structure of the oil industry. A discussion of this sort not only highlights some of the most pressing aspects of present day developing Colombia, but also allows for a better understanding of the true impacts of resource extraction to be discussed shortly.

The first aspect that must be addressed is Colombia's fifty-year conflict with the FARC. Although relative peace has been established since peace talks began between the Santos administration and the FARC in 2012, the continuities and legacies of violence remain a daily factor in the lives of millions of Colombians, particularly those experiencing conflicts now with oil development projects, which has the effect of compounding suffering over time. It is a factor that cannot be extracted from any legitimate discussion of contemporary Colombia.

The second aspect that will be addressed is the political and economic structure of the oil industry itself. While this may appear to be an irrelevant topic, indeed it is not. Several restructurings of the oil industry from 2002 onward have had a direct impact on the number and rate of extractive activities in the country, as well as the nature of the relationship between the government, companies, and local communities.

These two aspects of Colombia are, furthermore, far from mutually exclusive. Indeed, as it shall be seen, the economic characteristics and motivations that have taken hold in 21st

century Colombia are actually a modern day branch of the continuities of partisan conflict and violence that characterized Colombia's modern history. In short, the neoliberal economic reforms and ideology that allowed Colombia to expand its hydrocarbons industry in the first place represents the continuities of decades of deeply entrenched partisan conflict. This connection, to be discussed below, will shed a new understanding on the types of conflicts that emerge from resource extractive projects. It is to these two points that this thesis now turns to.

4.1. Laying the Groundwork for Development: Continuities of Conflict and la Aperatura Economica

For fifty years Colombia's foreign and domestic policies were constrained and dominated by the government's conflict with the most powerful left wing guerilla organization *Fuerzas Armadas Revolucionarias de Colombia* (FARC). Colombia's current entrance into modernity, characterized by a reduction of violence and high growth rates, was not achieved overnight but was instead the result of a contentious military offensive against the FARC that laid the ground work the present day *aperatura economica* [economic opening] of the hydrocarbons industry and the country's 'entrance into modernity'. As will be demonstrated this was achieved via an aggressive military offensive that attempted to eradicate left wing guerillas and clear Colombian territory for oil exploration and production.

While the controversial tactics involved in the military offensive, referred to as Plan Colombia, against the FARC are by no means acceptable or condonable, it is impossible to disregard the centrality of the offensive in the development of the country as a whole – both

materially and psychologically; it is fundamental a component that in 2013 led Colombia to become the darling of Latin America.

The objective here is to provide background and context to Colombia's development in the 21st century, but there are several important points to note within this discussion. Firstly, this chapter aims to give an overview of the military offensive, highlighting in particular how it can, in retrospect, be viewed as a necessary prerequisite that laid the groundwork for the development and growth of hydrocarbons industry, and the country as a whole. Secondly, this discussion brings attention to the ways in which the *apertura economica*, development, and 'entrance into modernity' are, and likely far into the future will remain, deeply embedded in Colombia's persistent internal conflict. Indeed, Colombia's history of conflict is inseparable from its present day development.

4.1.1 *Continuities of Partisan Conflict*

Since Colombia's independence in 1819 and the formation of what was then referred to as New Granada or *Gran Colombia*¹¹⁶, the country has experienced successive waves of violence deeply rooted in a clash between Conservative and Liberal ideology; historians Michael LaRosa and Germán Mejía write, "The First Republic was, at its very inception, divided against itself"¹¹⁷. Roughly from 1810 until the present time period Colombia has undergone at least 12 distinct periods of sustained conflict, including a number of civil wars

¹¹⁶ Michael J. La Rosa and Germán Mejía, *Colombia: A Concise Contemporary History*, UK: Rowman & Littlefield, 2013, 11.

At its inception New Granada not only included present day Colombia, but Venezuela, Ecuador, and Panama as well – all of which seceded by the 20th century

¹¹⁷ Ibid.

throughout the 19th century stemming directly from partisan strife. Many of the conflicts, however, during the 19th century were confined to the major cities and political ideologues.

In the 20th century, however, clashes took on notable undertones of class conflict. By 1928, after thirty years of conservative centralist rule that opened the country to foreign investment, low-wage agricultural workers became “fed up with abusive treatment by foreign management, payment in meaningless company scrip, and the subhuman living conditions that contrasted so glaringly with the palatial luxury in which the foreign lived”¹¹⁸. In the years following, these sentiments extended beyond the urban poor to rural farmers who, due to the far-reaching impacts of the Great Depression, saw the crumbling of the coffee market along with their livelihoods. The disaffection that emerged among the rural and urban poor can in some ways be viewed as a turning point that foretells the emergence of the organized resistance that manifested in the 1960s onward with the FARC and ELN (*Ejercito Liberacion Nacional*).

Previous to the emergence of these groups, however, a period of perpetual ‘undisciplined’ violence emerged between Liberals and Conservatives throughout the country, sweeping up farmers, large-landholders, the poor, and the wealthy into violent conflict. With large swaths of the urban and rural poor now acutely aware of the sharp division between their own circumstances and the very wealthy, identification with political ideologies became widespread and solidified throughout the country. Catherine LeGrand writes of this phenomenon, “The political parties were the first supra-local institution which the people identified [with]” before the state, and as such political affiliations “became

¹¹⁸ Michael J. La Rosa and Germán Mejía, *Colombia: A Concise Contemporary History*, UK: Rowman & Littlefield, 2013, 82.

primary, almost hereditary loyalties”¹¹⁹. As a result many took up arms inspired by the Bolshevik and Cuban revolutions, resulting in the fourteen-year period between 1946-1960 known as *la violencia*.

Thus, these deep seeded loyalties produced particularly horrific violence. LaRosa describes *la violencia* as follows: “vengeance killings, cattle theft, and long-standing familial and territorial disputes came to define the reality for cast segments of Andean, rural Colombia ... The violence demonstrated a severe disconnect between urban and rural Colombians and between the wealthy and the poor, highlighting the dangers of demonization of political adversaries... They destroyed their enemies, their neighbors, through visceral, brutal violence, and it took years for the nation’s decision makers to take note and to develop a plan of action to stop the violence”¹²⁰. To add fuel to the fire, throughout this period both the Conservative and Liberal parties funded and armed peasant groups to form paramilitaries and guerillas, respectively, who would carry out the orders of those in control. Over this fourteen-year period at least 250,000 people were killed from every strata of Colombian society.

The transition from *la violencia* to the emergence of the guerilla warfare that we recognize today maintains some degree of historical continuity. LeGrand explains how the guerillas and paramilitaries of today emerged:

“the guerrillas that challenged the political monopoly of Liberals and Conservatives emerged directly out of the armed groups of the preceding decade....

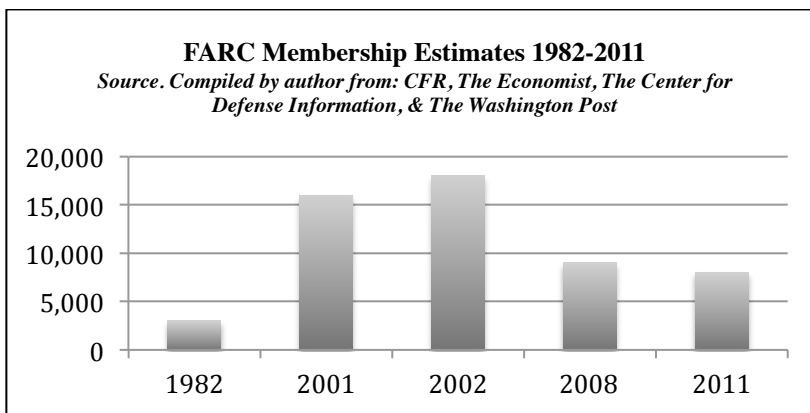
¹¹⁹ Catherine LeGrand, “The Colombian Crisis in Historical Perspective,” *Canadian Journal of Latin American and Caribbean Studies*, Volume 28, 2003, 6.

¹²⁰ Michael J. La Rosa and Germán Mejía, *Colombia: A Concise Contemporary History*, UK: Rowman & Littlefield, 2013, 86.

from the Colombian Communist Party and radical Liberalism at the end of the first *violencia*... The FARC guerrilla movement originated in these colonization movements, and [the] settlement areas of the late *violencia* became FARC's local power bases”¹²¹.

Thus, the present day conflict can be understood as the organization of *la violencia* participants into politically minded factions inspired by Marxist-Leninist ideology and motivated by the Colombian government’s exclusionary politics and lack of care for the people.

Figure 7. FARC Membership Estimates, 1982-2011



Source: The Council on Foreign Relations, The Economics, The Center for Defense Information and the Washington Post (Compiled by Author)

But more importantly, the successful organization, expansion, and strengthening of guerilla *and* paramilitary movements represents the realization of a ‘dangerous precedent’ that the preceding century set in place – that political “disagreements would be settled through violence – massive violence – rather than through negotiated settlement”; and it

¹²¹ Catherine LeGrand, “The Colombian Crisis in Historical Perspective,” *Canadian Journal of Latin American and Caribbean Studies*, Volume 28, 2003, 10.

marks an acceptance of an ‘unfortunate paradigm’ where political exclusion is almost certainly a catalyst for armed conflict¹²². This is in part due to the long history of violent conflict rooted in partisan strife, but it is also due to the consolidation of the Colombian state as distinctly conservative and unrelentingly at odds with the radical liberal ideology of the FARC or even progressive Liberals.

4.1.2. Plan Colombia

In 1999, in an attempt to resolve Colombia’s myriad of problems, including an intense economic recession and high unemployment and poverty rates resultant from years of conflict, former President Pastrana concocted Plan Colombia – “a \$7.5 billion aid package designed to address the country’s interwoven problems of extensive narco-trafficking, civil war, and economic underdevelopment”¹²³. The original proposal was, however, very different from the reality that it became – focusing mainly on social development: 55 percent of the package was originally allocated for military aid, and 45 percent for development aid. The proposed narcotic elimination scheme did *not* involve a heavy military component, but instead encouraged production of alternative crops to reduce farmers’ dependence on coca. Additionally, the original Plan Colombia involved comprehensive peace talks with the FARC, and as such was set to break away from the precedent of violence as a political tool.

¹²² Michael J. La Rosa and Germán Mejía, *Colombia: A Concise Contemporary History*, UK: Rowman & Littlefield, 2013, 83.

¹²³ Doug Stokes, *America’s Other War*, New York: Zed Books, 2005, 92.

But both internal dynamics and foreign interests resulted in a substantive revision of Plan Colombia by 2002¹²⁴.

That same year the dogmatically conservative and hardline Álvaro Uribe was elected president with near universal support, running on a platform of bringing peace and security via eradication of the FARC. At the time there was widespread disillusionment in the country as the three-year peace process under Pastrana had failed and that the FARC was stronger than it had been in its 40 year existence. Uribe's own father had been killed some years earlier in a botched FARC kidnapping, which is believed to have fueled his uncompromising stance against the FARC. This melded remarkably well with U.S. interests and resulted in a complete overhaul of the original Plan Colombia.

In creating the Plan, Pastrana originally intended to seek U.S. financial support. But in soliciting the U.S. – whom Colombia had a long-standing relationship with – the social development aspect was immediately pushed aside to incorporate U.S. security concerns. Then U.S. Assistant Secretary of State for International Narcotics, Rand Beers, commented for example that, “Colombia stands at a critical crossroads with considerable dangers for US interests”¹²⁵. The result was a significant shift from an emphasis on “rural development and civil society building, to the aggressive militarization of Colombia's southern regions where the FARC were strongest due to their historical ties to the peasantry”¹²⁶.

The revised Plan Colombia became dominated by the military component to eradicate both coca production and the leftist FARC, whom both the U.S. and Uribe identified as

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ Doug Stokes, *America's Other War*, New York: Zed Books, 2005, 93.

terrorists and narco-guerillas¹²⁷. Between 2000 and 2008 the U.S. invested \$7 billion into strengthening both the Colombian military and police force to fight the perceived terrorists¹²⁸. And while economic development was propagated as an integral ingredient of Plan Colombia, over 80 percent of funding went to the Colombian military leaving a measly \$1.3 billion for alternative development programs over a period of eight years¹²⁹. For a country with 82 percent of people – or 32 million - living below the poverty line in 2004 this equates to an average of \$5 USD per person (living below the poverty line) every year from 2000-2008¹³⁰.

The disproportionate emphasis on military activity not only allowed the Colombian and U.S. government to neglect economic and social development, but actually worsened the situation for millions of Colombians displaced from coca fumigation and threats or attacks from paramilitary, military, and guerilla forces. The United Nations High Commissioner for Refugees (UNHCR) reported that from 2001-2002 forced displacement increased by 100 percent¹³¹. By 2008 Colombia became the country with the highest number of internally

¹²⁷ USA, Government Accountability Office, “Drug Reduction Goals Were not Fully Met but Security Has Improved; U.S. Agencies Need more Detailed plans for Reducing Assistance,” November 5, 2008, <http://www.gao.gov/products/GAO-09-71>.

¹²⁸ Ibid.

See For a complete breakdown of Plan Colombia’s military components, including U.S./Colombia training programs, equipment purchases etc.

¹²⁹ Ibid.

¹³⁰ “Colombia,” *Center for International Policy*, 2015.

¹³¹ “Colombia - Forced displacement in Colombia: A crime and humanitarian tragedy,” *Peace Brigades International*, No. 14, January 2010.

displaced people (IDP) in the world - peaking at roughly 1.4 million people who remain displaced to this day¹³².

4.1.3 Territorial Conquest: Counter Insurgency Tactics and Displacement

With this in mind, Plan Colombia received immediate and heavy criticism from non-governmental organizations, and even from within the U.S. government, as well as from Colombian union and rights workers¹³³. For the purposes of this discussion it is not necessary to go into great detail on this point. One notable critique worth mentioning, however, comes from International Relations Professor and critic, Doug Stokes. In his book *America's Other War* (2005) he draws an intriguing parallel between the U.S. devised social and economic policies of Plan Colombia to a distinct counter insurgency doctrine that emerged immediately after September 11th - both focused on displacement. Stokes writes that the economic development logic of Plan Colombia often encouraged “coca-growers to move away from Putomayo [rural areas], preferably to town centers” where they would be more likely to find ‘legitimate’ work.

Stokes then compares this to U.S. counter insurgency (CI) tactics by noting that:

“The social and economic component of Plan Colombia thus closely resembles standard CI doctrine of displacing target populations considered potentially pro-insurgency, and concentrating them in controllable (often urban) areas... For example, it is reminiscent of the call to relocate ‘entire hamlets or villages [of]

¹³² Internal Displacement Monitoring Center, 2015.

¹³³ “U.S. Policy in Colombia,” *Amnesty International*, 2015, <http://www.amnestyusa.org/our-work/countries/americas/colombia/us-policy-in-colombia>.

suspected individuals and families to unfamiliar neighborhoods so as to isolate the people from potential insurgents”¹³⁴.

With Stokes’ interpretation, the hidden policy objective of forced displacement that Plan Colombia embodied becomes clear. Indeed, despite the atrocious human rights violations, massive displacement, and pervasive violence that resulted from Plan Colombia, there was another effect: the southern territories - the former stronghold of the FARC – were safe and open for business. Namely, the arrival of the oil industry.

4.1.4. Territorial Conquest: Clearing the Southern Territories for State-Sanctioned Development Projects

Now, proving that Plan Colombia was a conscious coordination meant to clear the southern territories to allow oil companies to move in and penetrate is beyond the scope of this research project – but it is a conspicuous and important series of events that deserves further consideration. After all, it is widely accepted among critics of state extractive projects that, “Beyond any doubt, the control of vital resources such as oil, biodiversity, water and even oxygen—the forms of ‘gold’—depends on territorial control”¹³⁵. With the clearing of the Southern territories the U.S. could maintain access to Colombian oil, while investors and firms would benefit from new exploration and production (E&P) ventures; royalties from increased mining and oil would increase revenue for the Colombian state, boosting economic growth. Thus, both parties had immense incentive to embark on this policy of territorial conquest under the guise of Plan Colombia. To illustrate this, the maps below compare the

¹³⁴ Doug Stokes, *America’s Other War*, New York: Zed Books, 2005, 66.

¹³⁵ Serje de la Ossa et. al., “Iron Maiden Landscapes: The Geopolitics of Colombia’s Territorial Conquest,” *South Central Review*, Volume 24, No. 1, Spring 2007, 40.

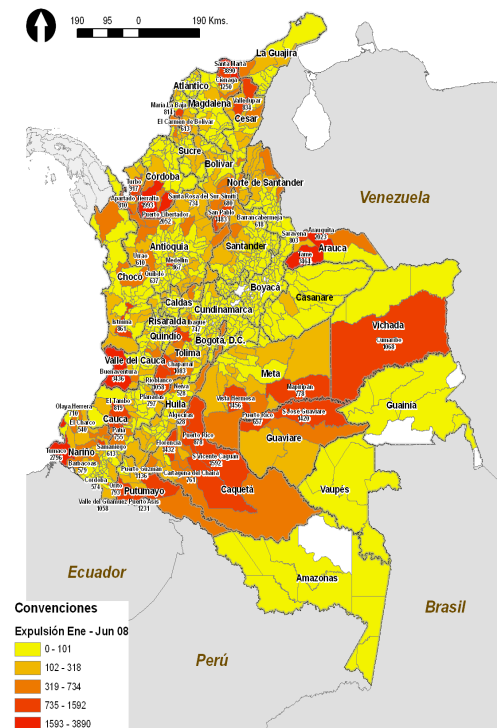
following: areas under FARC control, which is where government offensives were concentrated; areas that experienced the highest levels of internal displacement; and areas where oil and gas fields and facilities are also concentrated. As one can see from this juxtaposition, while these are phenomenon spread throughout the country, the southern *Llanos* and adjacent territories all appear to have experienced high internal displacement paired with high (or rather, concentrated) oil production.

Figure 8. Areas Under FARC Influence or Control 2002/2013



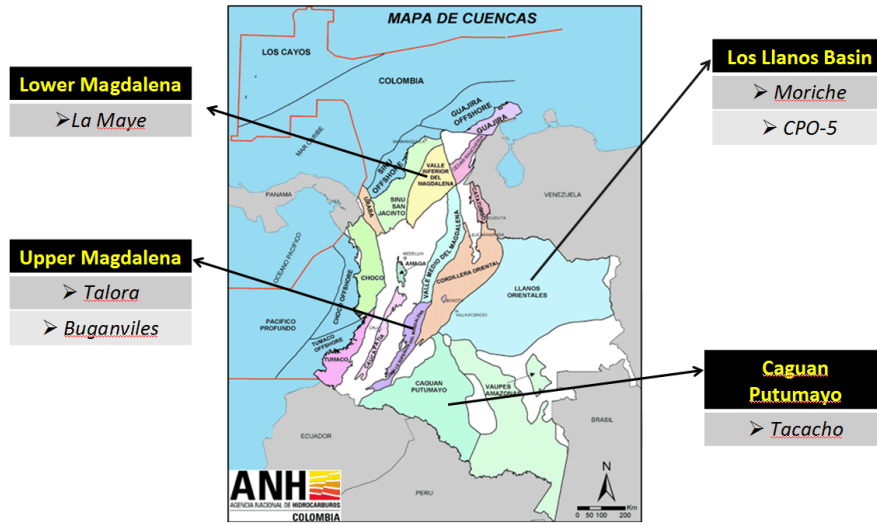
Source: *The Washington Post*

Figure 9. Map Internally Displaced Peoples January-June 2008



Source: *Internal Displacement Monitoring Center*

Figure 10. Map of [oil and gas] Basins, Colombia



Source: Agencia Nacional Hidrocarburos

Figure 11. Colombia's Oil Production and Transportation Infrastructure



Source: Ecopetrol

Moreover, given Stokes' analysis, it is abundantly evident that the economic development logic inherent within Plan Colombia was not one that prioritized the creation of an alternative local economy to accommodate local needs and develop the country as a

whole, but a logic in line with the neoliberal development state that emphasizes integration with the global marketplace by allowing foreign companies easy access to local markets and resources, where the responsibility to adapt and integrate into the new socio-economic structure rests with the local community, despite a history of violence, exclusion, and subjugation. In the unique case of Colombia this is exactly what happened, as will be discussed in subsequent chapters. But in order to fully understand the nature of Colombia's development there are several important take away points that must be extrapolated from this discussion.

4.1.5. Historical Summary

To summarize: Since its inception Colombia has been engulfed in conflict rooted between classical Liberal and Conservative ideology. This was manifested in the disorganized and undisciplined period of *la violencia*, and continued into the period of organized guerilla warfare we are familiar with today. Until recently these conflicts have very much impeded the economic and social development of the country. This changed in 2002 with the implementation of Plan Colombia that cleared the southern territories and facilitated the *apertura economica* of the country, particularly the entrance of major foreign oil and gas companies. But it is important to view the *apertura* of the 21st century not as displacing the conflict of the past century or bringing peace; instead, the *apertura*, marked by an aggressive implementation of neoliberal ideology, inserted itself within the larger paradigm of the partisan politics and conflict, frequently exacerbating tensions. Oil and gas companies coming into the country, for example, entered in on the side of the state and thus immediately became embedded in the conflict which persists simultaneously along with the

myth of Colombia as the Emerald City of peace and development: “The violence with which these regions have had to live is, in short, the result of modern expansionist economics”¹³⁶. This also explains why one of the main campaigns of the leftist FARC is aimed at targeting oil pipelines and transportation mechanisms¹³⁷.

What Ossa describes as ‘modern expansionist economics’ can be more specifically identified as an aggressive move to incorporate neoliberal ideology into Colombia’s development trajectory. Given Uribe’s ideological alignment with the U.S. in terms of opening up industries to foreign investment and competition, economic development was viewed as a crucial component in bringing peace and stability to the country. Thus, at the same time as Uribe was overseeing the clearing of the South militarily, he was also facilitating a widespread transition to neoliberalism that would eventually permeate multiple facets of Colombian society, politics, and economics – including an unprecedented overhaul of the Colombian hydrocarbon industry to make the country more attractive to foreign investors and companies. The ways in which this was achieved and manifests to day, within the paradigm of continued conflict, shall be discussed in the following section.

4.2. Continuities of Conflict Part 2: The Move to Pervasive Neoliberal Ideology in Colombia

“One of the greatest paradoxes of the contemporary Colombian economy... [is that] despite the alarming figures of economic inequality, which permits approximately half the

¹³⁶ Ibid.

¹³⁷ Sibylla Brodzinsky, “FARC rebels bomb new section of Colombian oil pipeline,” *The Guardian*, June 29, 2015, <http://www.theguardian.com/world/2015/jun/29/colombia-farc-rebels-bomb-oil-pipeline>.

population to survive at or below the poverty level, Colombia is viewed by classically trained Western economists as a stable, modern, prudently managed economy”

- Doug Stokes

To reiterate: it is impossible to conceive of any aspect of Colombia separately from its history of conflict, particularly partisan conflict, if anything because nearly every population has been impacted by the conflict in one way or another. Likewise, conceptualizing Colombia’s economic growth and development *within* the context of continued conflict – though peaceful at the moment – is helpful in elucidating the nature of Colombia’s recent development, which if viewed in the *longue durée* begins to make much more sense as certain patterns begin to emerge. In essence, one might consider the 21st century’s move towards neoliberalism as a pendulum shift in the direction towards long standing conservative ideology, of which the state is the primary representative with the hydrocarbons industry serving as the mechanism through which neoliberal and conservative ideology are implemented.

In this discussion three points are identified that illustrate Colombia’s shift to neoliberal ideology, which is no longer limited to strictly an economic sphere, but permeates multiple facets of Colombian society, politics, culture, as well – what Damien Cahill terms a pervasive ‘neoliberal ideology’. These include (1) the prioritization of neoliberal criteria proposed by other countries and conformed to by Colombia itself; (2) the structure of the oil industry itself as facilitating and fulfilling neoliberal priorities; and (3), a notable *lack* of management over development projects, particularly in mining areas, replicating a neoliberal interpretation of the state’s role’s and responsibilities. In identifying these three criteria not

only is Colombia established as a thoroughly neoliberal entity, but additionally the metric by which Colombia's successful development narrative is measured is exposed as 'successful' in terms of neoliberal, or as we discussed earlier 'modern' and 'western', development standards. Furthermore, the discussion to follow offers valuable insight into the ways in which the continuities of conflict are both maintained and exacerbated by the neoliberal state, and affected through the hydrocarbons industry, though this will become more evident in subsequent chapters.

4.2.1. Neoliberalism as Metric for Successful Development

Firstly, to return to evidence of Colombia's successful development narrative, as advocated by its proponents: the Colombian state and economy are now viewed as a "resilient, market-based, mixed economy where manufacturing, mineral extraction, agriculture, and services combine to create a healthy, growth-oriented system"¹³⁸. Proponents of this view point to increased foreign direct investment, steady economic growth rates between 2001-2007 and 2010-2013 that outpaced both the global average and western economies, Colombia's move to the third largest economy in Latin America, and of course an overall reduction in violence and increased security for both foreign and local businesses operating in the country. Cumulatively these criteria substantiate neoliberal interpretations of what constitutes a successful economy *and* successful development at the country level.

4.2.2. Defining 21st Century Neoliberalism

¹³⁸ Michael Mejía and Germán LaRosa, *Colombia: A Concise Contemporary History*, Lanham: Rowman and Littlefield, 2013, 146.

Neoliberal economics can be generally described as follows:

“... Neoliberalism, as theory of political economic practices, suggests that human wellbeing can be better achieved through liberating individual entrepreneurship by institutionalizing and protecting private property rights within a free market... [that emphasizes] unfettered world markets for goods and capital; pared down state responsibilities for social welfare of its citizens; opposition to conflictive and inefficient collective entitlements, epitomized by labor rights; resolution of social problem through the application of quasi-market principles revolving around the primacy of the individual...”¹³⁹.

The World Health Organization maintains this definition, though slightly pared down as follows:

“[1] Economic growth is paramount: corporations and their agents need to be free to pursue whatever gives them an economic advantage and, in consequence, internal and global markets must be free to operate with little government constraint or regulation.

[2] Free trade benefits all nations – rich or poor – because every nation has a comparative advantage.

[3] Government spending creates inefficiency and waste: although most neoliberals agree that not all public expenditure is wasteful, many argue that it can be reduced.

¹³⁹ Esteban Ferrero Botero, “The experiencing of the Wayuu *Lucha* in a context of uncertainty: Neoliberal multiculturalism, political subjectivities, and *preocupación* in La Guajira, Colombia,” Diss. University of California, San Diego, 2013, 65-66.

[4] In the distribution of economic goods, individual responsibility replaces the concepts of public goods and community”¹⁴⁰

Here, the primary considerations which I wish to focus on include the emphasis on establishment of a “free market [with] minimum barriers to the flow of goods, services, and capital... which argues for a separation of politics and economics” and the belief that markets should be “free from interference of government” – outlined above as state relegation of social welfare and service provisions to market entities or individual responsibilities¹⁴¹.

Originally promulgated by Chicago School economists Milton Friedman and Frederick von Hayek, neoliberal manifestations today are not only in line with their original theories, but have been exported and applied throughout the world through “a transatlantic network of sympathetic business founders and ideological entrepreneurs who ran think tanks, and through the popularization of neoliberal ideas by journalists and politicians”¹⁴². The most notable transatlantic adoptees of neoliberal theory of course includes Ronald Regan and Margaret Thatcher who, embroiled in the ideological battles of the cold war, began exporting neoliberal doctrine; the result of which is that neoliberalism now embodies “the dominant global political economic trend”¹⁴³, or what Foucault termed the dominant international ‘regime of truth’¹⁴⁴. Thus, neoliberalism, which began as a national project, by the end of the

¹⁴⁰ “Trade, Foreign Policy, Diplomacy, and Health: Neo-Liberal Ideas,” *World Health Organization*, 2015, <http://www.who.int/trade/glossary/story067/en/>.

¹⁴¹ Ibid.

¹⁴² Daniel S Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics*, Princeton, New Jersey: Princeton University Press, 2012, 134.

¹⁴³ Robert McChensey, “Noam Chomsky and the Struggle Against Neoliberalism,” *Monthly Review*, April 1, 1999, <http://www.chomsky.info/onchomsky/19990401.htm>.

¹⁴⁴ Michel Foucault, *Naissance de la Biopolitique: Cours au College de France*, Paris: Seuil, 1978.

twentieth century, dominated both international relations *and* the development paradigm for both developing and developed countries, of which Colombia is no exception.

4.2.3. The Spirit of Neoliberalism Endures

It should be noted however, that in the first decade of the 21st century, particularly after the 2008 financial crisis in the U.S. and Europe, neoliberal economics has largely been debunked¹⁴⁵. Robert McChesney writes of the effects of neoliberalism, “The economic consequences of these policies have been the same just about everywhere, and exactly what one would expect: a massive increase in social and economic inequality, a marked increase in severe deprivation for the poorest nations and peoples of the world, a disastrous global environment, an unstable global economy, and an unprecedented bonanza for the wealthy”¹⁴⁶. In 2015 this observation is neither new nor novel, and does not require further explanation as it has been churned over in the discourse to great extent.

However, though neoliberalism is no longer openly declared the be-all and end-all of development, the practical application of neoliberal economic policies has endured. Damien Cahill explains, “Neoliberalism, moreover, appears to be alive and well as states respond to the ongoing crisis with privatization, austerity programs and attacks upon the rights of labor... [consequently] neoliberalism is embedded in three distinct, but related social

¹⁴⁵ Charles Gore, “The rise and fall of the Washington Consensus as a paradigm for developing countries,” *World Development*, Volume 28, Issue 5, May 2000.

¹⁴⁶ Robert McChesney, “Noam Chomsky and the Struggle Against Neoliberalism,” *Monthly Review*, April 1, 1999, <http://www.chomsky.info/onchomsky/19990401.htm>.

spheres: class relations, institutions, and ideological norms”¹⁴⁷. Cahill uses the phrase ‘always embedded neoliberalism’ to emphasize that, “while embedded neoliberalism is beset with internal contradictions that ultimately provided the preconditions for the current global financial crisis, the socially embedded nature of the neoliberal policy regime has made it highly resistant to retrenchment”¹⁴⁸. This helps to explain its persistence throughout the world, again as can be witnessed in Colombia.

One of the ways that the practical application of neoliberal economic policies has endured is through the prioritization of economic growth above all, with GDP remaining the venerated metric of successful development:

“The central objective [of neoliberalism], economic growth, is to be achieved through deregulation, liberalization, privatization – which are to roll back government and reduce market-distorting interventions and in effect annul ‘development’. In other words, this retains one of the conventional core meanings of ‘development’, economic growth, while the ‘how to’ and agency of development switch from state to market. Accordingly, neoliberalism is an anti-development perspective, not in terms of goals but in terms of means”¹⁴⁹.

Here Pieterse emphasizes how the metric of economic growth– the core of neoliberal economic theory – remains the predominant channel through which development is thought about, with GDP remaining *the* most important consideration. Thus, globally the legacy of

¹⁴⁷ Damien Cahill, *The End of Laissez-Faire? On the Durability of Embedded Neoliberalism*, UK: Edward Elgar Publishing Limited, 2014, ix.

¹⁴⁸ *ibid.*

¹⁴⁹ Jan N. Pieterse, *Development Theory 2nd Ed.*, London: Sage Publications, 2010, 7.

neoliberalism is alive and well, both ideologically and in practice – particularly via the explicit and widespread prioritization of economic growth via the GDP metric.

Much more can and indeed has been said regarding neoliberalism, but for the purposes of this thesis the subsequent inquiry must move to address the resultant observation: what are the ways in which Colombian politics and economics conform to these neoliberal criteria? And how does its neoliberal nature both utilize the hydrocarbons industry, and maintain the continuities of partisan strife and conflict?

4.2.3. Colombia's Neoliberalism

At this juncture we can identify three pieces of evidence that point towards confirmation of Colombia as adopting and embodying neoliberal development ideology: firstly, the prioritization of neoliberal criteria proposed by other countries and conformed to by Colombia itself; secondly, the structure of the oil industry itself; and thirdly, a notable *lack* of management over development projects, particularly in mining areas.

4.2.3.1. Colombia's Neoliberal Development Prescription: FTA

At face value it is entirely clear that neoliberalism has penetrated and endured in the Colombian context, both in how Colombia's success is measured from an outside perspective, and how Colombia's own economic policies replicate the neoliberal ideology outlined above.

International observers – magazines, journalists, think tanks, etc., even other countries, emphasize Colombia's economic growth above all, and in doing so Colombia is thus largely viewed *through* and approved via neoliberal lenses. However, Colombia's 2012

adoption of a Free Trade Agreement (FTA) with the U.S. corroborates Colombia's neoliberal inclinations.

In May of 2012 the U.S.-Colombia Trade Promotion Agreement (CTPA) entered into force, with advocates claiming that the agreement would expand trade between the two countries. On the Colombian side, it is argued that the CTPA would allow Colombia access to U.S. markets, increase the attractiveness of investing in Colombia in terms of boosting foreign direct investment (FDI) into the country, and strengthen Colombia's governing institutions¹⁵⁰. Overall it is believed that the CTPA would 'level the playing field' both ways, allowing U.S. companies access to new markets and allowing a growing middle class in Colombia access to a wider range of cheaper quality good and services¹⁵¹. Now while one should exercise caution in writing off the FTA as altogether neoliberal, certain points are notably in line with neoliberal economic theory.

For example, Colombia initially had a 'price-band' duty system on certain agricultural imports including corn, wheat, rice, soybeans, pork, cheese, and powdered milk, set up to protect these industries from an influx of cheap foreign imports, and to ensure that domestic prices stay within an established range. The implementation of the CTPA, however, immediately disbanded the price band system, wherein about 77 percent of duties on agricultural imports were removed immediately upon signing.

¹⁵⁰ M. A. Villarreal, "The U.S.-Colombia Free Trade Agreement: Background and Issues," *Congressional Research Service*, Feb. 2010.; M. A. Villarreal, "The Proposed U.S.-Colombia Free Trade Agreement: Economic and Political Implications," *Congressional Research Service*, Feb. 2014.; James M. Roberts, "The U.S.-Colombia Free Trade Agreement: Strengthening a Good Friend in a Rough Neighborhood," *The Heritage Foundation*, 2008.

¹⁵¹ James M. Roberts, "The U.S.-Colombia Free Trade Agreement: Strengthening a Good Friend in a Rough Neighborhood," *The Heritage Foundation*, 2008.

This policy represents one facet of the deregulation of Colombia's economy, particularly in regards to the agricultural sector, where previously state-sponsored protective mechanisms for agricultural producers is removed in order to boost trade via specific industries. For example, while sugar and dairy exports from Colombia to the U.S. are likely to increase and hence fulfill the goal of increasing trade and economic growth, most agricultural sectors are predicted to see a decrease – notably corn, wheat, rice, soybeans, pork, cheese, and powdered milk¹⁵².

The negative impacts of the FTA were almost immediately substantiated by an August 2013 protest in which coffee growers, dairy farmers, and other agricultural workers in Colombia expressed their indignation that the CTPA is “undermining local food production and putting small farmers out of business”¹⁵³. A 2006 study by the Institute for International Economics (IIE) assessing the overall effects of the CTPA corroborated agricultural workers' concerns, showing that in the medium-term Colombia would see losses around \$63 million USD, reflecting domestic industry contractions from cheap new imports¹⁵⁴. In this way, the dynamics of Colombia's FTA with the U.S. can be considered neoliberal for its prioritization of economic growth via the most useful – or competitive – sectors, to the detriment of less profitable industries. This is a classical neoliberal policy recommendation, where countries are encouraged to focus on developing specific industries to export goods to the global marketplace, instead of creating a balance economy that serves

¹⁵² Ibid

¹⁵³ Ibid.

¹⁵⁴ Dean A. DeRosa and John P. Gilbert, "Potential Benefits of a US-Colombia FTA," Washington DC: Peterson Institute for International Economics, Aug. 2006.

the needs of the local population first and foremost. It is clear, as illustrated by the agricultural workers' strike, that this is the case.

A second way the U.S.-Colombia CPTA can be viewed as evidence of Colombia's neoliberal inclinations involves the explicit desire to increase FDI coming into the country, primarily to the hydrocarbons sector. In 2013 more than 50 percent of FDI entering Colombia was directed at oil, gas, and mining projects¹⁵⁵. Over the next ten years the industry is set to see another series of massive expansions, with an area half the size of California to be auctioned off in 2011-16 for oil and gas exploration and production (See the map in Annex I). While the CTPA does not directly impact the hydrocarbons sector as it does agriculture and manufacturing, what the CTPA does do for hydrocarbons is better facilitate and safeguard an increased inflow of both FDI and foreign workers, which will likely bolster the expansion of the hydrocarbons industry in the coming years – all of which is for export

Though by no means comprehensive, these policies serve as one node of evidence pointing towards Colombia's neoliberal inclinations.

4.2.3.2. Regulatory Reform & Privatization of the Hydrocarbons Industry

A second point of evidence illustrating Colombia's neoliberal development inclinations lies in the restructuring of Colombia's oil industry to allow for less state control and more opportunities for private companies desiring to set up operations in the country.

When former President Álvaro Uribe came to office in 2002 one of his primary objectives was “an immediate macroeconomic and fiscal stabilization plan” to regain the

¹⁵⁵ F. Graham, “Social Impacts of Resource Extraction in Andean Latin America: Implications for Rising Colombia,” *Perspectives on Global Development and Technology*, Volume 13, 2013.

support of the public and reverse Colombia's standing as a near failed state. Motivated by the global commodities boom of 2001, Uribe turned to Colombia's hydrocarbons sector to meet his objective. The industry, however, had been stagnant for years and demanded renovation. Colombia's first major oil discovery in 1974 spurred a production boom and led the then Colombian government to believe the new fields would sustain the country's growth in the long term, and the government adjusted the regulatory laws accordingly. Walking the fine line of nationalization the government increased the royalties companies should pay to the state in exchange for production rights. The result was that foreign companies left Colombia in favor of the more promising projects in the former Soviet States, which were opening for business at the time, and Colombia's industry expansion was effectively halted. Since then Colombia faced diminishing production.

Former Colombian Vice Minister of Energy, Manuel Maiguashca, explains further noting that, "the minister thought we were swimming in oil... We had some production, there was an inheritance from what we had found, but we were not finding any more oil"¹⁵⁶. By the turn of the century it was projected that Colombia would face a production deficit and would need to "buy oil for its refineries, and in some other years it should begin to import oil. So there had to be a change"¹⁵⁷. Upon taking office Uribe enacted these changes immediately, constituting a series of regulatory reforms between 2002-05 based on the implementation of market-oriented policies aimed at fostering competition.

¹⁵⁶ Manuel Maiguashaca, "Colombia Hydrocarbon Industry," Personal interview, Bogota, Colombia, October 2013.

¹⁵⁷ Ibid.

The first major industry reform targeted the royalty/tax concession laws, which were adjusted to increase company take-away, making projects more attractive to foreign firms. Colombia previously operated under a 50/50 contractual framework, but under the new law this number was reduced to 30 percent, making it so that that the Colombia's national oil company – EcoPetrol - would “assume 30% of investment... own 30% of the acquired assets until the expiration of contract...and obtain an initial 30% share of hydrocarbons production,” while private companies would manage and pocket the rest¹⁵⁸. Additionally, further modification to the royalty scheme allowed for a variable royalty rate paid to the state between 8 and 20 percent depending on the size of the field and production levels. Thus, if companies operate smaller fields or do not produce the expected amount they pay less in royalties.

The second reform involved a restructuring of Colombia's national oil company itself, Ecopetrol. Previously the government-run Ecopetrol oversaw the entire production process, including the creation and enforcement of the regulatory framework, but in the 2000s the entity was broken up into three separate agencies with different responsibilities: the *Agencia Nacional de Hidrocarburos* (National Hydrocarbons Agency, or ANH) and the *Sociedad Promotora de Energía de Colombia S.A.* (Colombian Society for Energy Propotion S.A., or SPEC), and a portion remained as Ecopetrol. The ANH will be discussed below, but SPEC was created in order to “participate or invest in companies whose corporate purpose is related or complimentary to activities in the energy sector,” thus creating a competitive environment in which Colombia could partake and allowing foreign oil and gas companies to

¹⁵⁸ Humberto Campodónico, “Resource Management in Latin America,” *Revenue Watch Institute*, 2009. 98.

play a larger role in production processes¹⁵⁹. Ecopetrol on the other hand, was charged with “promoting industrial and trade activities owned by the state” and now operates as an independent oil and gas company competing with foreign firms. And while before Ecopetrol was controlled completely by the state, today almost 50 percent of its board members are from the private sector¹⁶⁰.

The third major reformation, stemming from the former discussion, is the creation of the ANH as an independent regulatory and legal entity to handle the newly competitive industry – “The ANH is a special administrative unit belonging to the Ministry of Mines and Energy... with its own legal personality, equity, administrative and financial self-government; its main role is that of global manager of state-owned hydrocarbon reserves,” including implementation of bidding rounds and contracts¹⁶¹. The ANH, based in Bogota, is now a central figure in the hydrocarbons industry, responsible for granting exploration and production contracts and largely determining the flow of oil and gas companies into the country.

The cumulative effects of these institutional restructurings to the hydrocarbon industry have been monumental. Not only has the more business-friendly royalty and tax laws attracted foreign interest in the country, but the actual number of contracts, operators, and projects increased exponentially in the years following the reforms, facilitated by a series of bid rounds auctioning off further blocks for exploration and production. Thus, beginning

¹⁵⁹ Ibid.

¹⁶⁰ *ibid.*

¹⁶¹ *ibid.*

with Uribe, “Colombia’s oil industry experienced a remarkable turnaround,” and is now “the main source of foreign exchange and, together with mining, one of Colombia’s key ‘engines of growth’”¹⁶².

Furthermore, these reformations mark an explicit adherence to neoliberal economic theories and policies, where not only has financial incentive to private companies been multiplied with the goal of increasing the number of foreign operators in the country, but additionally, with the creation of the ANH, all effective regulatory responsibilities have been taken almost completely out of the hands of the state and entrusted completely to the ANH. Now, even though the ANH technically operates under the Ministry of Mines and Energy – a government agency in itself, the make-up of the ANH’s governing infrastructure imply otherwise, where the vast majority of ANH leadership positions are filled by executives coming from oil, banking, and telecommunication companies. The same can be said for roughly a quarter of ANH management and support staff, though the remainder is made up of people from other government ministries and bodies. The fact remains, however, that oversight over Colombia’s entire oil industry is largely in the hands of individuals with a history in, connections to, and presumably primary consideration for private corporate interests and ethics, which tend to prioritize efficiency and productivity above all else. As such, the most recent round of restructurings of the oil industry mirrors the neoliberal criteria that, “Economic growth is paramount: corporations and their agents need to be free to pursue

¹⁶² Roger Tissot, “Colombia’s Petroleum Sector: Driver of Growth?,” *University of Miami Center for Hemispheric Policy*, September 20, 2013, https://umshare.miami.edu/web/wda/hemisphericpolicy/Task_Force_Papers/Tissot%20-%20The%20New%20Colombia%20TF.pdf.

whatever gives them an economic advantage and, in consequence, internal and global markets must be free to operate with little government constraint or regulation”¹⁶³.

The discussion above is notable as the minimal government regulation over the hydrocarbons sector, to some extent, is indicative of a general trend of the rolling back of state intervention measures in favor of market-guided regulations. This makes up the second point illustrating Colombia’s affinity for neoliberal economic policy, which segues directly into the following discussion.

4.2.4.3. The Absent State: Lack of Government Management Over Development

Projects in Extractive Areas

Another important issue to bring attention to, not just for our discussion here regarding neoliberalism, but in order to provide further context into Colombia’s development, is the process by which oil production takes place and the relationships, responsibilities, and roles of those involved. This includes the Colombian government (both local and federal), primary operating companies, and local communities. It should be no surprise that these parties are frequently at odds, which will be elaborated upon in subsequent chapters, but suffice to say here that local communities clash with operating companies and government interests over issues such as displacement, human rights abuses, and compensation, among others. On the surface these dynamics appear relatively straightforward, however, under closer examination another image comes into view – one

¹⁶³ “Trade, Foreign Policy, Diplomacy, and Health: Neo-Liberal Ideas,” *World Health Organization*, 2015, <http://www.who.int/trade/glossary/story067/en/>.

which further illustrates the Colombian state's tendency towards neoliberal ideology, evidenced by its blatant lack of management over development projects in extractive areas.

A neoliberal ideology, according to Cahill is the transition from a purely economic methodology, to a “pervasive ideological framework” akin to a “common sense policy approach among political elites” where neoliberal ideas are drawn upon in more than just the economic sphere, but also class relations, and institutions as a basis for all policy decisions¹⁶⁴. This may involve, as can be considered in the case of Colombia, limiting government responsibilities and leaving the provision of public goods and community services up to private companies and the market¹⁶⁵, though Cahill emphasizes that this does not necessarily mean the disappearance of the state altogether, but merely “a new [state] institutional architecture as part of the ‘roll-out’ of new neoliberal forms of regulation, even as they ‘roll back’ older forms of social protective regulations”¹⁶⁶. In the context of hydrocarbons in Colombia, this scenario is remarkably accurate, though further explanation first requires some background.

4.2.4.4. Consulta Previa & the Absent State

To begin, in 1989 the International Labor Organization (ILO) adopted Convention 169 – the Indigenous and Tribal Peoples Convention – “a binding international treaty that establishes the right of Indigenous and tribal peoples to be consulted when a policy or project

¹⁶⁴ Damien Cahill, *The End of Laissez-Faire? On the Durability of Embedded Neoliberalism*, UK: Edward Elgar Publishing Limited, 2014, 18.

¹⁶⁵ “Trade, Foreign Policy, Diplomacy, and Health: Neo-Liberal Ideas,” *World Health Organization*, 2015, <http://www.who.int/trade/glossary/story067/en/>.

¹⁶⁶ Damien Cahill, *The End of Laissez-Faire? On the Durability of Embedded Neoliberalism*, UK: Edward Elgar Publishing Limited, 2014, 106.

affects their culture,” heritage, or wellbeing¹⁶⁷. In 2015 twenty countries have ratified the convention, the majority in Latin America and including Colombia in 1991.

That same year the Colombian Constitutional Court ratified the new Colombian Constitution, replacing the 1886 version. The 1991 constitution was notable for many reasons, not least for its recognition of indigenous rights to *Consulta Previa* [previous consultation] – which serves as a constitutional framework guaranteeing the rights outlined in ILO Convention 169. *Consulta Previa* is a particularly unique constitutional framework in that it guarantees indigenous and tribal communities “the right to decide their own priorities for the process of development, in so far as it affects their lives, beliefs, institutions, and spiritual well-being, and the lands they occupy or otherwise use, and control, to the extent possible, their own economic, social, and cultural development. In addition the right of these peoples to participate in the formulation, implementation, and evaluation of plans and programs for national and regional development which affect them directly”¹⁶⁸. Countries party to the ILO convention are bound “to put those regulations [*Consulta Previa*] into effect before granting concessions for extractive or infrastructure projects,” and furthermore consent to “accept the jurisdiction of international supervisory bodies” in monitoring and scrutinizing adherence to these principles¹⁶⁹. Oxfam international has praised Colombia’s

¹⁶⁷ “Introduction: Consulta Previa in Chile, Colombia, Guatemala, and Peru,” *America’s Quarterly*, 2015, <http://americasquarterly.org/content/introduction-consulta-previa-chile-colombia-guatemala-and-peru>.

¹⁶⁸ Gloria Amparo Rodriguez, “El Papel De La Consulta Previa En La Pervivencia De Los Pueblos Indígenas Y Demás Grupos Étnicos De Colombia (The Role of Prior Consultation on the Survival of Indigenous and Other Ethnic Groups in Colombia),” *El Otro Derecho*, 2009.

¹⁶⁹ *Ibid.*

Consulta Previa framework for its thoroughness and progressive establishment of rights for indigenous communities:

“The constitutional jurisprudence, moreover, has extensively developed the content and scope of the individual and collective rights of these peoples and has established that prior consultation is a fundamental right with constitutional rank... In its extensive jurisprudence, the Court has established, among other rules, that consultation must precede the granting of an environmental license; that simply providing information or notification to an indigenous community about a natural resource exploration or exploitation project does not constitute prior consultation; and that prior consultation must include communication and understanding characterized by mutual respect and good faith between communities and the government authorities”¹⁷⁰.

Thus, within Colombia there is a strong constitutional framework guaranteeing the legal rights of not only indigenous communities, but Afro-descendant communities as well, in extractive or development projects.

There is a caveat, however, one common to such frameworks: enforcement. Though Colombia is praised for its pioneering constitutional efforts, implementation and adherence to the framework has yet to be fully realized, a pervasive problem in Colombia which Oxfam is quick to identify:

“The report reveals a paradoxical situation in Colombia, where a highly developed normative and jurisprudential foundation stands in stark contrast to the

¹⁷⁰ M. C. Galvis, “The Right of Indigenous Peoples to Prior Consultation: Executive Summary,” *OXFAM Due Process of Law Foundation*, 2009.

reality of disregard for the right to prior consultation... Full enjoyment of the right to prior consultation remains unfinished business in Colombia. The country faces the challenge of translating the progress made in terms of normative and jurisprudential development, and the institutional resources in place, into a reality in which prior consultation is the centerpiece of the State's relations with indigenous and Afro-descendent peoples. Similarly, Colombia faces the challenge of enacting a law—drafted in conjunction with indigenous peoples—to regulate consultation procedures and establish a legal and practical framework for them”¹⁷¹.

In other words, although Colombia has instituted an advanced constitutional framework protecting the rights of indigenous and tribal peoples, the specific laws and governing bodies enforcing the rights are notably lacking. While Oxfam outlines a number of reasons and factors contributing to Colombia's regulatory deficiency, one of the primary barriers identified was also notably common in interviews conducted throughout the course of this research, with various groups and individuals corroborating the findings of the Oxfam report.

For example, in an interview with a Managing Director of an energy consulting service agency operating in Colombia, the following was explained:

“The government is all talk... When you go into the field the government is nowhere to be found. The government has absolutely no connection with local communities. The peace process itself and the process of *Consulta Previa* cannot succeed because it [the government] is not doing anything, [but] you have to have good governance! This is the government pushing off responsibility [to develop local

¹⁷¹ Confidential interview by author, Bogota, Colombia, October 2013.

communities, provide services, etc.]. It is a way to push off development initiatives onto the companies”¹⁷².

Here the consultant begins to echo the concern of the Oxfam report, in that the government is not being proactive in regulating or intervening in the actual process of *Consulta Previa* in a localized context. He continues:

“Then the company has to promise to give employment and other things [to the local community in lieu of the government], but it is between a rock and a hard place because it still needs the government to give permits, which it can’t do without community appeasement. And the local people and local communities don’t trust the local or national government; they hear there is a big oil boom, they see the multinationals, and then ask for something in return, but there is no one watching the process.”¹⁷³

In his explanation above, the representative emphasizes the absence of the national government in the process, and how this then forces oil companies to work to appease the community they are working with. But the lack of oversight means that there is no formalized consultation process, which means that pretty much anything goes. This point is elaborated on further in an interview with former Vice Minister of Energy, Manuel Manguashca. In our conversations he states:

“There is a conflict with the communities who feel like they are not getting an equal share [of royalties from oil production]. And the rule [*Consulta Previa*] is not clear. These consultations can last very long, because there is no set time frame. And

¹⁷² Ibid.

¹⁷³ *ibid.*

furthermore, with *Consulta Previa* you never know how much they [the communities] can ask for...A community can talk about whatever they want, bring any grievance. And a community will ask you to give you all the state has given you in the past 500 years. And furthermore, there is also no inventory of the community. Communities can appear. They appear everywhere, they are nomads. Here it is different than in Peru or Ecuador, here we have ten cities with more than one million people, here you have people all over the place, but there is no way to know who is really living in these areas [to determine who the companies should negotiate with]. The local authorities should come up with rules to have boundaries in all these things. Community consultation, okay. But about what? When? Time frame? What issues can they go on? And what issues can't they? I mean put in boundaries so all the people know what to expect"¹⁷⁴.

Maiguashca in this statement reiterates the concerns that the consultant mentioned earlier. Both are highly concerned, even frustrated, at the government's lack of oversight and regulation regarding *Consulta Previa*. And even though they are both coming from very different perspectives, their concerns are nearly identical: the government is pushing off the responsibility for local development to oil companies, who are then obliged to provide all of the services and financing that the community asks for, without any oversight. In practical terms this translates into exceedingly long negotiation processes, where both companies and local communities feel the inadequacy of the *Consulta Previa* process: companies feel as

¹⁷⁴ Manuel Maiguashaca, "Colombia Hydrocarbon Industry," Personal interview, Bogota, Colombia, October 2013.

though they are being taken advantage of, and communities feel as though their rights and livelihoods are perpetually at risk.

There is one initiative in the beginning stages of implementation - the Extractive Industries Transparency Initiative (EITI). One U.S. Embassy representative in Bogota explains the goal of the EITI as, “a mapping system that says how much each department has received in royalties, and which projects in these departments are underway through the National Planning Department”¹⁷⁵. The overall goal of the initiative is to “promote openness and accountable management of resources” by “strengthening government and company systems, informing public debate, and enhancing trust” by disclosing fully just how much extractive companies are paying to the state¹⁷⁶. The process has been slow, however, and the at the time of this interview little had been accomplished to implement the program, which is the only one of its kind in the country. In light of this continued deficiency, the U.S. Embassy representative reiterated the same concerns as both the consultant and Maiguashca:

“The lack of government presence means that communities don’t see the government, they only see the companies and blame the companies, [especially] after being present for so many years but without any development. The companies often volunteer to contribute to the community in order to improve the image in the communities, done through social programs – such as afterschool programs or micro credit loans.

The Consultation process is very complicated though. The company has a dialogue with the community, and they can ask for appropriate compensation, but the

¹⁷⁵ Confidential interview by author, U.S. Embassy, Bogota, Colombia, October 2013.

¹⁷⁶ *Extractive Industries Transparency Initiative*, 2015.

company is not legally bound to abide by the community's request, though it is easier just to accept the terms. There is a real problem though, because there are no standards to resolve disagreements between the two, for example – no one has been able to explain what happens when companies disagree with the community”¹⁷⁷

Here the U.S. Embassy representative reiterates the exact same concerns as the two former interviewees: that the government is not present or involved in the process of *Consulta Previa*, that there are no regulations or specific guidelines to facilitate negotiations between the parties, and there is no proper recourse for when disagreements emerge. As shall be illustrated later in this thesis, this often leads to social uprisings, protests, and sometimes even violence, which the Oxfam report also emphasizes.

Returning to our discussion of neoliberalism then, from the statements above it is abundantly clear that there is a significant degree of neoliberal ideology present, demonstrated by the government's actions (or inaction) in not only extractive processes, but community developments and negotiations as well. If we remember, neoliberal economic theory advocates for the rolling back of state interventions and services - particularly social services, leaving such provisions to be provided by the market (aka. private companies). In the case of *Consulta Previa* in Colombia, this is precisely what has transpired: the government has relegated the regulation, monitoring, and provision of services entirely to the oil companies, who are then responsible for providing a range of services and compensations to local communities. As shall be discussed more in depth later, this is particularly complicated due to a long history of violence, discrimination, and exclusion of indigenous

¹⁷⁷ Confidential interview by author, U.S. Embassy, Bogota Colombia, October 2013.

and Afro-Colombian communities, who then turn to extractive companies to provide reparations not only for present day extractive projects, but for all that they have been denied throughout the generations. In sum, this equates to what Damien Cahill calls the neoliberal ideology, which he emphasizes, constitutes the ‘common sense’ application of neoliberal principles to a vast array of social, cultural, and political spheres of interaction, where the roles and responsibilities of the state is reduced substantially.

4.2.4.5. Summary: Implications of Colombia’s Neoliberal Ideology

In sum, what is the significance or purpose of this discussion? Here we have reviewed three ways in which the Colombian state can be considered overtly neoliberal. The first piece of evidence is Colombia’s adherence to the neoliberal preference and prioritization of free and open markets. This was illustrated via the establishment of a Free Trade Agreement between the U.S. and Colombia, which constitutes a conspicuous prioritization of economic growth via increased trade of industries that have a competitive advantage, at the expense of other industries and sectors – replicating neoliberalism’s emphasis on the strength of a single industry to generate wealth by export, instead of a holistic balanced economy to meet domestic needs.

The second example is Colombia’s restructured oil industry – which significantly withdrew the state’s regulatory oversight of the oil industry, reduced the amount of royalties companies should pay to national governments, and brought in an enormous amount of foreign companies operating in the country. Cumulatively this is also in line with neoliberalism’s emphasis on allowing as little government oversight as possible over private companies in order to maximize competitiveness, efficiency, and productivity.

Thirdly, our final example also points to this same neoliberal component, exemplified by the lack of state regulation and oversight over the *Consulta Previa* process. Furthermore, here neoliberal ideology is exceptionally evident in the state's reliance on private extractive companies to provide services and compensation for local communities.

This discussion, though obviously incomplete, points to a characterization of Colombia as markedly neoliberal. This conclusion has identified by other scholars of Colombia as well, notably Ferrero-Botero who identifies the same tendencies as outline above. He writes that:

“In the economic realm, the so-called ‘neoliberal package’ includes policies that move away from protectionism, reduces the state’s size (but my no means influence), and engages in fiscal discipline in order to favor a free market economy. To carry this out, governments create policies and a political context supporting privatization of social services and businesses, heavy foreign investment, decentralization of power, and tightening of social spending while the role become that of protecting, even if through military violence, these liberties. In Colombia, neoliberalism is enacted, among other forms, through neo-extractivist policies, which support large-scale mining and energy resource exploitation by multinational and transnational corporations. This is exemplified *locomotora minero energética* (mining-energy locomotive), and his push to modify the *código minero* (mining code), which enforces effective protections and a supportive political-economic climate to these corporations”¹⁷⁸.

¹⁷⁸ Esteban Ferrero Botero, “The experiencing of the Wayuu *Lucha* in a context of uncertainty: Neoliberal multiculturalism, political subjectivities, and *preocupación* in La Guajira, Colombia,” Diss. University of California, San Diego, 2013, 65-66.

Thus Colombia can be considered a neoliberal state, where the legacy of neoliberal structures and ideologies not only continues, but permeate a wider set of social, cultural, political, and institutional relations.

Now, taken apart from each other, each of the components discussed above illustrate in their own right the neoliberal inclinations of the Colombian state. However, taken together the scale and degree of neoliberal dynamics become much more discernible. The CPTA and restructuring of the hydrocarbons industry together has the effect of facilitating a massive influx of both financing and foreign companies operating in Colombia. This is then paired with a widespread lack of management over extractive projects and company relations with local communities. Together, though not explicitly outlined in the characteristics of neoliberalism, these patterns point to not only a very much neoliberal state, but also one in accordance with our discussion on traditional interpretations of Eurocentric Modernity.

The general character of the Colombian state can then be summarized as follows. Because of Colombia's prioritization and expansion of the extractive industry over vast swaths of territory; its tactic of displacement of peoples from areas targeted for extraction; its preference to export products and integration into the global economy; its ardent attempts to attract inflows of FDI as well as foreign companies; the lack of government regulation over the extractive industry's rate of development and trajectory; the lack of government management and oversight over development projects in indigenous territories; and the government's repeated unwillingness to enforce indigenous and tribal rights, Colombia not only qualifies as a markedly neoliberal entity, but also one that is following the classical recipe for Modernity characterized by economic growth, industrial development for export,

and disregard for environmental and social aspects and concerns – all of which are illustrated as well in Mignolo's Colonial Matrix of Power.

Furthermore, assuming Colombia to be a neoliberal entity in the 21st century, as mentioned previously, cannot be considered apart from the wider history of Colombian partisan conflict and violence. Here I would argue that the most recent wave of overt and expansive neoliberal ideological manifestations represents – to some degree, and for now - the triumph of the politically conservative branch of Colombians, and a realization of a decades long competition. However, the apparent victory is not without consequence. As discussed previously, and as will be illustrated shortly, there are still those who vehemently oppose the trajectory of Colombia's development for its exclusionary nature.

For example, those who disagree with, refuse, or are unable to conform to the new ideological structures in Colombia are again excluded from the benefits of development. This may include: present and former paramilitaries, guerillas, and *bandas criminales* who do not see alternative economic ventures other than drug trafficking or crime; a vast majority of agricultural workers who may be pushed out of the market with an influx of cheap imports; many students and urban poor who are unable to pull themselves out of near-poverty without more substantial government interventions; and of course – most of those whose lives are lived in symbiosis with extractive industries. For these populations renewed exclusion from the benefits of developments only serves to compound the struggles of previous generations.

This is particularly true for extractive communities, and as they make up the focus of this research endeavor, we may at present expand on their circumstances in this regard. For

example, the long history of conflict is also evident in the conflicts and attitudes that pervade local extractive communities, where the presence of extractive companies and enormous wealth stands in stark contrast to underdevelopment, inequality, poverty, lack of services, and exclusion from development. While these problems that will be shown to emerge out of the arrival of extractive industries do in one sense represent a unique set of new social issues, these social issues also serve to exacerbate, replicate, and compound a history of struggle, where the conflicts that emerge are not perceived as isolated or new – they are to the contrary perceived as a continuation of suffering from previous decades. With these structures, dynamics, and histories in mind we can now take an in depth look at how extractive industries truly impact Colombian lives and livelihoods in the 21st century.

Chapter 5. Research Findings: How Coexisting with the Black Gold re-Shapes Lives and Livelihoods in 21st Century Colombia

For some time now Colombia has been considered a successful development case, with many thanks to the hydrocarbons industry for its contribution. This thesis has sought thus far to refute these claims by pointing out the contradictions inherent in the metrics used to measure this success. At this juncture, I wish to continue with this aim, though by different means. In order to fully deconstruct the nature of Colombia's oil-led development track, and to assess the true impacts that the oil industry's expansion has had on local populations, from here on out this thesis aims to deconstruct the ways in which development post-2011 has manifested on the ground in one of Colombia's most successful oil production frontiers – *Los Llanos*, and in doing so clarify the contradictions illustrated throughout this discussion and extract the truth of the Colombian oil saga.

In choosing Puerto Gaitan, Meta this study aims to answer the following questions: What is the true nature of Colombia's oil development? What does developmental "success" look like on the ground in an area greatly impacted by the physicalities and economics of the oil industry? Furthermore, what are the different ways in which the expansion of the oil industry in the Colombian South has impacted local populations and environments? How do local residents view these impacts? If Puerto Gaitan has undergone a positive social and economic transformation as a result of the oil industry, how can this experience become a model for cooperative agreements and development initiatives in other parts of the country where oil development is being undertaken? Or, if Meta has not undergone positive transformations as a result of the industry's arrival, and indeed circumstances have worsened

for residents as a result of the industry, what can be done to ensure that oil-led development initiatives in Meta and other parts of the country yield effective and beneficial results for the majority?

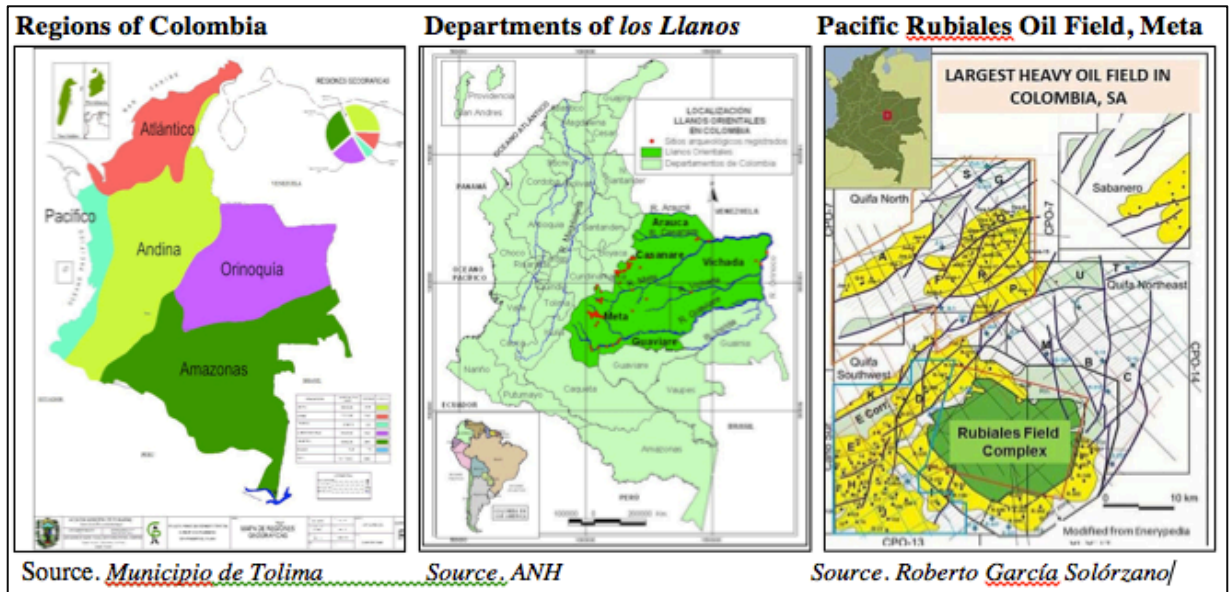
To the best of my knowledge very few studies has been undertaken in this regard in Colombia to date, especially given the relatively new state of peace and equally recent arrival of the oil industry into southern Colombia. Yet it is a prime example for multiple reasons. Not only does most of Colombia's oil production come out of the Pacific Rubiales field, home to Meta, but the region is also pointed to as a national example of successful development – including everything from the *Consulta Previa* negotiation process, to the distribution of royalties to local communities, and environmental protection. Yet knowing well that one tale is never the whole story, here it is hoped that the reality of extractive industries can be fully elucidated.

5.1. Puerto Gaitan: Oil Capital of the Colombian Llanos

Situated nearly 200 miles south of Bogota lies the unassuming town of Puerto Gaitan in the department of Meta. Resting atop some of Colombia's largest proven oil reserves, Meta and Puerto Gaitan exist in an area known as *los Llanos*, or the planes. Geographically, *los Llanos* is also referred to as the *Orinoquia* region, which makes up part of the *Oronico* oil belt that runs from Venezuela, through Colombia to Ecuador. But it is also cattle ranching country, the equivalent of what can be thought of as a Colombian Texas. People here generally refer to themselves as *llaneros*, or cowboys, connoting a rugged and industrious ethic. And like Texas, *los Llanos* is home to the country's most successful and largest producing oil field – The Pacific Rubiales block – that accounts for more than 50 percent of

the country's total oil production. The maps below offer a visual representation of these areas.

Figure 12. Overview of Colombia's Llanos Area and the Rubiales Oil Field



And while most *Metenses* reside in the larger municipalities – such as the capital Villavicencio - Puerto Gaitan is without a doubt the oil capital. It is the town where the oil workers, local and national government officials, and communities converge. It is a rest area for those making the six to twelve hour journey south-eastward to the Pacific Rubiales block. And it is the transit route for hundreds of oil tank trucks transporting the black gold from the southern fields to the refineries and terminals in the north.

The department itself is vast: the plains stretch for miles. But the towns are dense and developing. Banners sporting the Pacific Rubiales and EcoPetrol logos - the petro-giants of the country - decorate Puerto Gaitan's new library and various buildings around town, while a never-ending procession of oil tank trucks inundate the roads and ensure a constant flow of people coming and going – oil workers and migrants alike.

In 2005, for example, the population of Puerto Gaitan was recorded at about 17,200 - miniscule in comparison to the 47 million that make up the rest of the country¹⁷⁹. In just six years, however, the population nearly doubled to 30,000, and in 2013 was estimated to be closer to 40,000 when transient workers and migrants are taken into account – people not included in the official census¹⁸⁰.

Furthermore, the department of Meta has received a huge amount of royalties generated from the oil industry, increasing 270 percent between 2006-2008. These funds are primarily directed at smaller municipalities, of which Puerto Gaitan receives the most in the entire country: approximately \$140 million dollars between 2007 and 2011¹⁸¹.

Where ten years ago there was nothing but dirt roads, the freshly paved streets, lush manicured lawns, and modern government buildings are widely accredited to the influx of *plata* [wealth] and people the industry has brought with it, spurring an unprecedented level of local development. And Puerto Gaitan’s transformation has not gone unnoticed.

Figure 13. Puerto Gaitan Mayor’s Office Figure 14. Puerto Gaitan Library



¹⁷⁹ Departamento Administrativo Nacional de Estadística, 2014

¹⁸⁰ Ibid.

¹⁸¹ Juan Montoya and Luz Adriana Acevedo, “Una cadena de conflictos: Errores y aprendizajes de la actividad empresarial en Puerto Gaian,” *Centro de Recursos Para El Análisis De Conflictos*, 2013.

Source: Photos taken by Author

Figure 15. Puerto Gaitan Panorama



Source: Puertogaitan-meta.gov.co

Indeed, in the eyes of the major national publications, the success of Meta and Puerto Gaitan mirrors the successful growth and development narrative that the country as a whole is projecting. A few lines from a special edition of the popular *Revista Semana* (2013) read as follows:

“Meta: Entre el cielo y la sierra – el departamento motor de la economía regional se extiende, lleno de oportunidades...” [Meta: Between the sky and the mountains – the departmental motor of the regional economy extends, full of opportunities...]

“El llano no es el future, es el presente” [The Llanos is not the future, it is the present]

La Metamorfosis de Gaitan: En 20 anos, Puerto Gaitan paso de ser un caserío distante e inviable a considerarse la capital de la Altillanura. Su transformacion, que aun no termina, ha generado nuevas dinamicas sociales y economicas que, a su vez,

han cambiado el paisaje” [The metamorphosis of Gaitan: In 20 years Puerto Gaitan went from being a distant hamlet impossible of being considered the capital of the *Atillanura*. Its transformation, that has still not ended, has generated new social and economic dynamics that, in turn, have changed the landscape]

Much, if not all, of these praises are accredited to the generosity of the oil industry:

“Desde cuando el concepto de sostenibilidad fue aplicado a la industria petrolera, sus zonas de influencia reciben un mayor impulse al desarrollo. Con base en él, las empresas promueven proyectos productivos, protegen los ecosistemas, garantizan la seguridad de sus trabajadores e impulsan la competitividad de las regiones, incluso en territorios donde no hay presencia del Estado” [From when the concept of sustainability was first applied to the oil industry, the areas in which the industry had influence received a great boost to development. Based on this, the companies promote productive projects, protect ecosystems, ensure security of workers, and boost the competitiveness of the regions, including territories where the State is not present]¹⁸².

“Lograremos educacion y oportunidades para todos con ayuda del desarrollo petroleo, pero sin depender de él, gracias a un plan maestro de sostenibilidad regido por 14 principios como la inclusion, tecnologia, educacion, derechos humanos, y participacion institucional” [We will achieve education and opportunities for all with the help of oil development, but without dependence on it, thanks to a master plan of

¹⁸² Juan Pablo Machada, “Entre el cielo y la sierra,” *Revista Semana*, March 17, 2013: 144-197. Print.

sustainability guided by 14 principles, such as inclusion, technology, education, human rights, and institutional participation]¹⁸³.

To add to the narrative of success, a well established echo chamber of comments and numbers circulate in the mainstream media praising the generosity of the companies via investments in local communities:

“El milagro del ‘oro negro’: más de 8.000 millones de pesos invirtió en proyectos sociales en 2010. Para este año, la cifra llegará a los 18.000 millones de pesos....”

[The miracle of ‘black gold’: more than 8,000 million pesos were invested into social projects in 2010. For this year [2012], the figure has arrived at 18,000 million pesos]

“Pacific Rubiales invirtió 67,7 millones de dólares en regiones y comunidades en 2013 [Pacific Rubiales invested 67.7 million dollars in regions and communities in 2013]”¹⁸⁴.

In this way, Puerto Gaitan is also being implicitly portrayed as ‘entering modernity’, echoing Colombia’s narrative of success. And these narratives of success support the oil companies’ declarations that, *“Estamos comprometidos con el desarrollo de Colombia”* [We are committed to the development of Colombia]¹⁸⁵; *“Trabajamos por el país, cuidando el*

¹⁸³ Juan Pablo Machada, “Entre el cielo y la sierra,” *Revista Semana*, March 17, 2013: 144-197. Print.

¹⁸⁴ “Pacific Rubiales invirtió 67,7 millones de dólares en regiones y comunidades en 2013,” *El Espectador*, March 26, 2013, <http://www.elespectador.com/tomalapalabra/pacific-rubiales/pacific-rubiales-invirtio-677-millones-de-214-articulo>.

¹⁸⁵ Pacific Rubiales, 2012

planeta” [We work for the country, to guard the planet]¹⁸⁶. All in all it creates a cycle reaffirming the success of the industry, on a national level as discussed earlier, but also at a local level.

Yet within Puerto Gaitan there are pieces of reality that do not match the local success narrative. However subtle these instances may be, they are irrefutably real. And though they may not constitute the majority, they are important because they reveal the shortcomings of the industry, and highlight areas that require support, which the oil industry is fundamentally incapable of addressing.

5.1.1. Impactos y Cambios a la Comunidad Indigena: El caso de Pueblo Siquani

While the oil industry impacts all facets of local society regardless of age, gender, sex, religion, race, class, or ethnic affiliation, the most striking instances can be found among indigenous communities. Thus, it is appropriate to begin with an explanation of the indigenous experience.

The Siquani indigenous community is one of 9 small communities, or *resguardos*, home to Meta, though the Siquani number the largest in the area, around 2,300¹⁸⁷. The Siquani are part of the *resguardo Unuma* – the collective name given to the community meaning ‘trade, work, union, or partnership’¹⁸⁸. Of the nine indigenous *resguardos*, three

¹⁸⁶ Ecopetrol, 2012

¹⁸⁷ Confidential interview by author, Puerto Gaitan, Colombia, September 2013.

The 9 indigenous *resguardos* in the area include: Unuma Alto Meta (2372 people), Domo Planas (1980 people), El Tigre (1500 people), Awaliba (820 people), Vencedor-Piriri (740 people), Walianai (370 people), Wacoyo, Corozal-Tapaojo, and Iwiwi.

¹⁸⁸ Ibid.

have been “directly influenced by the oil industry,” but because the Siquani are the largest group they have experienced many of the most radical changes first hand, and have thus led the way in forming a collective organization - *Escuela Unuma* - to represent indigenous interests to the industry and local government¹⁸⁹.

Founded in 1972, *Escuela Unuma* was a direct response by the community to mistreatment from the government, from guerillas and paramilitaries, and the industry – illustrating how the present social problems compound suffering from the area’s violent past. It is an independent “administrative center for the indigenous community,” representing indigenous community interests to protect their autonomy. The primary areas of concern for *Escuela Unuma* involve protection of indigenous *derechos* [rights], *territorio* [territory], and *calidad de vida* [quality of life]¹⁹⁰.

As one Siquani leader explains, the arrival of the oil industry in 2001 brought about “a dramatic change in life”¹⁹¹. The Canadian company Pacific Rubiales, represented by its subsidiary Meta Petroleum, led the infiltration into the oil-rich Colombian south during this time¹⁹². Shortly thereafter the community agreed to sell their ancestral territory after a long

¹⁸⁹ Ibid.

¹⁹⁰ Ibid.

¹⁹¹ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

¹⁹² There are also other, smaller, companies operating in the region which offer support and are contracted by the larger corporations responsible for the fields – UPECOL AND CARACOL in particular were pointed out in interviews.

Additionally, there is little recorded history, at least in English, in regards to oil exploration in the way it is being discussed here prior to the 21st century. One indigenous community explains, however, that, “Before the international oil companies there was LATROCA (1970-74). During this time the indigenous population was practically enslaved. Women were raped and they mistreated the men. Then between 1999-200/2001 the international oil companies began arriving. During this time oil companies did not go through *consulta previa* [previous consultation] with the indigenous communities. They claimed they came here legally, but negotiated

and arduous consultation process, in which the community and the industry – represented by Ecopetrol and Pacific Rubiales – came to an accord. As such, the Siquani’s experience with the industry has been touted as a success, though many community members view the picture as much less rosy, and much more complicated.

Some claim that, “the oil companies and the mayors office have always consulted indigenous communities,”¹⁹³ while others argue that “the companies didn’t adhere to *consulta previa*”¹⁹⁴. Indeed, the companies are only required to consult with communities whose territories directly overlap with extractive projects – surrounding communities are not legally protected:

“The oil companies think that they are not doing anything against the law because the equipment is outside the boundaries of the indigenous territories and that there are no impacts, that its not affecting the territories, that they have nothing to do with indigenous communities. But there are environmental and social effects, and the indigenous communities claim that they should have been consulted”¹⁹⁵.

But even if *consulta previa* is fulfilled, there are still a number of problems during and after the process. One of the most common predicaments, a Siquani representative explains, is that company and government representatives come to the indigenous communities to “talk to people in areas they are not specialized in, so they arrive and make deals with the

with ‘white people’ here in the government or in the town instead, even though the 1991 [previous consultation] law existed” (Ibid).

¹⁹³ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

¹⁹⁴ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

¹⁹⁵ Ibid.

indigenous population – who are not prepared to make deals – so they make unequal exchanges”¹⁹⁶.

Thus, although *consulta previa* represents an unprecedented *acknowledgement* of indigenous rights, it in no way ensures a fair and equitable resolution in the long-term. As the Siquani representative explained, indigenous communities are often culturally, legally, and technologically ill-equipped to fully understand the intricacies of extraction, and the far-reaching, permanent changes it brings.

For example, one EcoPetrol representative explains that during the consultation process one of the biggest challenges the company faces is that indigenous communities are typically unfamiliar with the legal boundaries of their territory: “many don’t understand the boundaries of the community, legally. They don’t recognize it,” largely because there has never been any restrictions or boundaries delineated to the communities¹⁹⁷. This discrepancy in legal knowledge echoes back to our previous discussion regarding the state’s absence. Many indigenous communities in the *Llanos* previously lived their lives unconstrained by legal property boundaries. It is only with the arrival of the oil companies that, seemingly overnight, fences were put up and representatives arrived claiming land rights and delineated legal territory boundaries. Given not only language barriers, but these cultural and knowledge barriers as well, challenges to negotiations thus arise at almost every turn.

Furthermore, it should be noted that while *consulta previa* ensures an open forum for discussion regarding extractive processes, there is absolutely no enforcement mechanism to

¹⁹⁶ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

¹⁹⁷ Confidential interview by author, EcoPetrol, Bogota, Colombia, October 2013.

guarantee that agreements will be adhered to – compounding the likelihood of inequity in the long-term. This will be further discussed later in the paper, but suffice to say here that one of the most common complaints among indigenous community members is that the oil companies fail to deliver on their promises – whether lack of employment opportunities for local residents, or subpar infrastructure projects and training programs. But the challenges posed by extraction only just begin with consultation, and the impacts transpire regardless of *consulta previa* simply due to the physically disruptive and transformative nature of extractive processes. Here, the stories and experiences shared by Siquani members truly gets at the heart of Political Ecology’s emphasis on the interrelated nature of society, politics, economics, and the environment.

Before the arrival of the industry Siquani life was characterized by a subsistence, hunter gathering and fishing lifestyle. But with the oil exploration process all but a few of the wildlife have fled the area due to noise contamination: “The noise from drilling and from seismic activities has driven away the animals. Where the indigenous communities used to collect fruit and animals, now they are not able to”¹⁹⁸.

Additionally, dust kicked up in the air from the oil tank trucks clouds the river water where many used to fish. The pictures below illustrate the extent of the dust. While Ecopetrol and Pacific Rubiales acknowledge dust and noise as inevitable ‘impacts’, during the consultation process these points are downplayed, and negotiations revolve around the unrealistic mitigation of these side effects instead of acknowledging the radical cultural and livelihood changes that are generated as a result of the noise and dust pollution.

¹⁹⁸ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

Figure 16. Dust Over Rio Manacais, Puerto Gaitan 2013



Source. Photos Taken by Author

The result is that indigenous communities agree to terms without realizing the extent of the changes that will occur. The example of the dust is a prime example. Without hundreds of oil take trucks kicking up dust it is nearly impossible to imagine the cloud that engulfs the town and clouds the river, as such it becomes a minor point. In reality, however, the sheer volume of dust kicked up and carried over the town alters the ability and willingness of the Siquani to carry out traditional ways of obtaining food for their families.

Furthermore, in terms of pollution of the river, though the oil company will tell us that the river is not chemically contaminated, the Siquani no longer fish from the river for fear of contamination: “they dare not eat the fish anymore, they are afraid to eat them. You cannot see the physical damages on the bodies, but they are afraid of the contamination”¹⁹⁹.

Another Siquani member explained similarly how, “since [the exploitation] started they have been seeing environmental changes. The small water ways coming from the mountain are contaminated by crude and many fish died. From this the fishing activities were affected. On the *Domo Planos* there is also contamination from a crude explosion that contaminated the savannah, and from this also many cows died from lands and plants polluted by oil. We have tried to talk to the authorities, but when someone has the money they don’t care”²⁰⁰.

To the Siquani these environmental changes culminate in the cultural degradation of the community, who are no longer able to adhere to their traditional practices. The indigenous coordinator at the *Alcaldia* [Mayor’s office] explains it as such: “The population Siquani used to be based on fishing and hunting, but oil changed this way of life. Now they are getting used to white people behavior - they are entering a consumer and capitalist lifestyle. [They] lost their ways of living, lost the characteristics that had allowed them to exist as something different”²⁰¹.

Here we begin to understand the applicability of the Political Ecology lens, which again stresses how, “oil production has generative impacts and that in addition to the well-

¹⁹⁹ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²⁰⁰ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²⁰¹ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

known economic and environmental consequences of resource extraction, there are also social consequences that are embodied by socio-structural shifts in land use, labor, and social relations.”²⁰². These ‘consequences’ can be equated to what Robbins identifies as ‘costs’, and how, Political Ecology acknowledges that these costs exist in a dynamic where “social actors exploit other people and environments for limited gain at collective cost”²⁰³. In this situation both the Siquani community and the environment are bearing a collective cost, and additionally, changes in the environment generate socio-cultural changes.

But the problem with these environmental changes extends far beyond the sadness of losing one’s cultural practices; these environmental changes not only disrupt the lifestyles and livelihoods of communities, but deeply affect the sense of security and stability of indigenous men and women who are now forced to conform to a foreign monetary-based system of consumption and living: “Now everything is bought. They live more of a white lifestyle, try to own a little store, or work with the oil companies”²⁰⁴. This also requires indigenous to enter the workforce and become dependent on employment, though many Siquani enjoy only a basic education and often experience language and cultural barriers in their interactions, which often results in discrimination that is hidden just below the surface of the bustling little oil town.

For example, since 2011 there are regular gatherings of elected townsfolk, referred to as the *Mesa Social* or Social Tables, who are charged with the responsibility of allocating additional social investments from Pacific Rubiales to areas most in need. There exists eight

²⁰² Anthony Bebbington and Jeffery Bury, *Subterranean Struggles: New Dynamics of Oil, Mining, and Gas in Latin America*, Austin: University of Texas Press, 2013, 4.

²⁰³ Paul Robbins, *Political Ecology: A Critical Introduction*, USA: Blackwell Publishing, 2004, 12.

²⁰⁴ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

different representatives that are charged with directing these funds. The representatives come together regularly to discuss investments at the collective *Mesa Social* [Social Table], with each person representing one of the following eight areas: *cultura y artes* [culture and arts], *deportes* [sports], *capacidad* [capacity], *educacion* [education], *salud* [health], *ambiente* [environment], *vendedores* [vendors and local business], and *indigena* [indigenous].

During one meeting of the *Mesa Social* the topic came up of allocating some of these funds to the indigenous communities. Most of the seven or so members seemed to demonstrate a tacit agreement with the proposal. One woman, however, abruptly remarked, “Why should we give them anything? They already have a lot of help from the government and from Pacific Rubiales. Why should they get more when they don’t even know how to handle the money? Their leaders just steal it all!”²⁰⁵. The topic was quickly put off the table and the group moved on to discuss other areas of investment, as there was no indigenous representative present.

This stereotype about indigenous communities being money hungry or greedy, however, is one that thoroughly pervades the little oil town. Another community leader commented how “The problem with the indigenous is that they are always willing to sell themselves for any money”²⁰⁶. And there are other preconceptions about the indigenous communities as being backward or not wanting help, which quietly leads to a pattern of dismissiveness and social exclusion – whether from access to certain investments made by

²⁰⁵ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²⁰⁶ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

the oil companies, or in other instances, such as healthcare. The Director of Health at the local medical center explains how noticeably high mortality rates among indigenous children “is because of their culture, they don’t want to access the health center even for most simple problems”²⁰⁷.

These kinds of statements demonstrate how non-indigenous community members blame the problems that afflict indigenous communities on their culture, which is implicitly viewed as backwards and non-compatible with the western-consumption and monetary based system, which replaced traditional systems. The dismissiveness of these statements overlooks the fact that there are no medical centers in the former indigenous territories, and indigenous communities didn’t manage huge finances up until very recently. These things are thus, understandably, something completely unfamiliar.

Likewise, indigenous communities very much view money and western medicine as something completely foreign, commonly referred to as ‘white people behavior’. One Siquani references this cultural confrontation when he explains that, “when the white man came they started changing the religion, the culture, everything”²⁰⁸. Another speaks of how when the oil companies came they only “negotiated with ‘white people’ in the government or in the town instead, even though the 1991 [*consulta previa*] law existed”²⁰⁹. He goes on to explain how indigenous communities “stopped their natural ways of life and more or less entered into capitalism... They live more of a white lifestyle, try to own a little store, or work

²⁰⁷ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²⁰⁸ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²⁰⁹ Ibid.

with the oil companies” and “now they are getting used to white people behavior; they are entering a consumer capitalist lifestyle”²¹⁰.

These statements demonstrate how the indigenous communities very much feel the cultural differentiation. The effects of which are not merely psychological, but results in indigenous being forced to operate in areas that “they are not specialized” in where they end up making “unequal exchanges”²¹¹. Contrarily, many Puerto Gaitanians do not see this cultural divide and dismiss the indigenous communities for not being able to easily transition into the new socio-economic system. As such, not only are many Siquani and other indigenous now living in a community that does not fully understand their culture or circumstances, but the Siquani now live in a state of constant worry and uncertainty, or *preocupacion* [worry]²¹².

But *preocupacion* is more than just a fleeting moment of worry. It is an “atmosphere of uncertainty that that is produced, reproduced, and reinforced by what is conceptualized as rights violations, manifested through the economic, social, cultural, environmental, and political impacts” on local communities; and it is an awareness that this atmosphere is intimately linked to and created by the “physical manifestations that reproduce it, such as the *elefantes blancos* [white elephants – a reference to costly development projects with little utility], the disappearance of flora and fauna, and the loss of land and means for economic

²¹⁰ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²¹¹ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²¹² Esteban Ferrero Botero, “The experiencing of the Wayuu *Lucha* in a context of uncertainty: Neoliberal multiculturalism, political subjectivities, and *preocupación* in La Guajira, Colombia,” Diss. University of California, San Diego, 2013, 65-66.

support, but also the constant failure of many who, despite their *lucha* [fight], fail to succeed in obtaining what they need”²¹³.

While these circumstances and the atmosphere of *preocupacion* impeccably describe the experiences and concerns conveyed here by the Siquani in Puerto Gaitan, in truth Ferrero-Botero is describing Puerto Gaitan’s Northern counterpart – the Wayuu indigenous community of La Guajira, who coexist with the Cerrejón Coal Mine – the largest export open-pit coal mine, and one of the largest in the world²¹⁴. Indeed, Cerrejón is the coal equivalent of the Pacific Rubiales oil field in Meta; it should be no surprise then that the experiences and impacts on indigenous communities mirror each other almost without exception.

And in the same way the Wayuu experience a *preocupacion* created by “the physical manifestations” produced by the “economic, social, cultural, environmental, and political” conditions, the physical conditions that the Siquani experience also contribute to an atmosphere of *preocupacion*. In other words, the physical living conditions that the Siquani are resigned to contributes to the atmosphere of *preocupacion* in the Colombian south, in addition to the circumstances discussed above.

For example, with the selling of the Siquani territory most community members now live in state-manufactured camps, which began being constructed in 2009. Before the camps, however, there were no alternative residences designated by either the state or the oil companies, and the Siquani were more or less completely landless after having negotiated

²¹³ Ibid.

²¹⁴ Ibid.

their territory away. The largest camp in Puerto Gaitan now houses some 450 Siquani and lies just on the periphery of Puerto Gaitan, yet still within the city limits - ironically and almost mockingly across the way from the mayor's house, which enjoys at least a block of manicured flora and well structured edifices. Comparatively, in 2013 when this field research was conducted the camps were still being constructed. And despite the influx of *plata* from the industry, these housing units, designated specifically for the indigenous community, are generally considered to be subpar – and it is not difficult to understand why.

Most buildings remain unfinished after 4 years of construction, and most if not all are built with plastic tarp to cover the walls. On some houses wooden paneling seem to have been haphazardly put together to form makeshift houses, some with scrap tin for roofs. There is also no pavement in the camp, and piles of construction material remain scattered. Nor is there proper sanitation infrastructure, or running water – though almost all of Puerto Gaitan enjoys these luxuries, particularly in the town center where the mayor's office resides.

Figure 17. Siquani Indigenous Reserve, Puerto Gaitan 2013



Source: Photos Taken by Author

Inside the community camps most children spend their days playing, as the school that was being built by Pacific and the local government – like the houses – remains incomplete. In fact, one Siquani explained how the oil company had recently tried to present the school to the indigenous community, though it was clearly unfinished and much smaller than agreed upon. As such the indigenous community refused to accept the school as is. As of this writing the school, and the camps are still being constructed after 3 years.

And like the ecological degradation from production activities discussed earlier, there are generative psychological and emotional impacts that result from living in such precarious conditions. One Siquani member commented on the camps as follows: “*Anteriormente era libre* [We used to be free]. Free to travel in the territory... With the companies, now the

indigenous communities feel they are enclosed, trapped. They have little territory, where they view their ancestral lands from afar that they no longer have”²¹⁵.

Another Siquani explains in regard to the enclosure, “We need territory. We are so many inhabitants, we are too many in too little space. And we are wanting to grow in the future, but have been given so little territory from the government. And people have lost loads and loads of territory... Even with a small portion of the land that is not being used [by the oil companies] so much could be done... But we are here”²¹⁶.

These living conditions not only reproduce the atmosphere of *preocupacion*, as there is a constant and quiet battle being waged by the community leaders to ensure that the local government and oil companies fulfill the promises made to the community, but additionally, these very much impoverished circumstances reinforces the view of indigenous communities as inept, greedy, and incompatible with the new ‘modern’ Puerto Gaitan – particularly in the eyes of Puerto Gaitanians, but also possibly (and sadly) among the indigenous themselves.

A related issue, and one that is perhaps most interesting, is that in addition to the dismissiveness towards the indigenous community and the lack of care that seems to have been put into construction of their housing, the erection of a cement wall dividing the camp and the residents of Puerto Gaitan is in the process of being built for the ‘cultural preservation’ of the Siquani community²¹⁷. Now this may be true, but the use of walls has a dubious history throughout the world – in terms of gated communities, the Berlin Wall, the

²¹⁵ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²¹⁶ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²¹⁷ Ibid.

U.S.-Mexican border, and walls dividing Palestinians and Israelis. Many Siquani tend to share this suspicion, and it would seem likely that the wall is more meant to hide the half-constructed indigenous reservation – in a phrase – out of sight out of mind.

Figure 18. Wall Under Construction Surrounding Siquani Reserve, 2013



Source. Photos Taken by Author

Regardless of the intention, however, the construction of the wall is significant because it physically reinforces the idea of a cultural divide and relieves the government and Puerto Gaitanians of any attempt to understand, integrate, and assist the indigenous community; it is perhaps the final step in granting full ‘autonomy’ to the indigenous community, while simultaneously relieving the municipality of any responsibility for their wellbeing.

While there are undoubtedly a great number of issues we have not identified here including: quality of education, family relations, domestic abuse, alcoholism, indigenous employment, abuse in the work place, and indigenous relations with armed groups and the police force - not to mention the experiences of indigenous communities living in the rural areas, all of which were beyond the scope and ability of this research project, the image that is presented here is distressing in itself.

Furthermore, this discussion illustrates how the Colombian government's hands-off approach to oil development projects and *Consulta Previa* process has legitimate impacts on indigenous wellbeing – both physically in terms of housing, and psychologically in terms of the uncertainty in which they live.

And similarly to how the Siquani are directly impacted by the government's neglectful attitude towards *Consulta Previa* and their overall wellbeing, the Siquani also exist with these 'new' problems compounded with the historical memory of decades of conflict. For example, one Siquani explains as follows:

“Before the international oil companies came we had LATROCA²¹⁸ from 1970-1974. During this time the indigenous population was practically enslaved. Women were raped and they mistreated the men. Then between 1999-2001 the international oil companies began arriving. During this time oil companies did not go through *Consulta Previa* with the indigenous communities. They claimed they came here legally, but negotiated with 'white people' here in the government or in the town instead, even though the 1991 law existed. Then after the companies started coming there were many problems. There were armed groups, paramilitaries, and strange people came from the outside world. All actors got involved, people started claiming territories because of the exploitation of the oil, they systematically reduced the

²¹⁸ During this interview there was a breakdown in translation services in which the actual explanation of what LATROCA is or represented, whether a company or a period of violence, was not able to be clarified. Secondary research also came up with nothing.

tribes' territories; then the military forces got involved, who were well-known for mistreating indigenous people”²¹⁹.

Thus, from an indigenous perspective the problems that the present day oil companies brought with them are not viewed in isolation. For the Siquani, they have lived through constant struggles as outlined above, even getting caught up in the violence between the FARC and various paramilitaries. And this is how historical memory of suffering gets replicated and compounded, and it illustrates how Colombia's history of conflict cannot be viewed as separate from the experiences and problems that exist in the present time with the hydrocarbons industry. This is true both for indigenous, and non-indigenous alike - and it is to their experiences that we now turn to in order to gain a holistic image of the full depth and width of impacts the oil industry has brought to Puerto Gaitan.

5.1.2. Impactos y Cambios a la Comunidad General de Puerto Gaitan

Outside of the wall, life appears notably different as residents bustle about their daily lives amid the dust and never-ending procession of oil tank trucks. But Puerto Gaitanians, though they are able to proceed with their lives fairly comfortably, question the efficacy of the investments from the oil industry.

Figure 19. Puerto Gaitan During the Day, 2013

²¹⁹ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.



Source. Photos Taken by Author

For example, much money has been invested in the local medical center. They have new equipment, and there is set to be another sum of money invested in the coming year. The problem is, however, not the lack of equipment, but the lack of doctors. In Puerto Gaitan people typically make fun of the medical center for being just that – a medical center. There are actually no doctors to serve the town of now 30,000 (possibly 40,000 when including transient workers). One social leader explains: “They don’t even have professional doctors, just students who go to finish their residency training!”²²⁰.

The current Director of the medical center explains similarly how, “It is not really a hospital, it is health center - we promote prevention. This place is for basic care, not specialty care. If specialty care is needed you to go Villavicencio,” three hours away²²¹. She explains further how the medical center has at least ten doctors (who serve on a rotational basis) and sixteen beds, which serve an average of 18-20 people per day – just barely stretching the resources. The hospital is largely funded by the national government, but receives a small amount of extra funds from Pacific Rubiales via the *Mesa Social* as discussed earlier. Some

²²⁰ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²²¹ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

of the hospital is also under construction, but there are still important things missing: “If this center is going to stay a health center we need more space and equipment and things to make the patients more comfortable – for example air conditioning. Here there is no air conditioning so the patients get uncomfortable” in the 80-90 degree heat²²².

Figure 20. Puerto Gaitan Medical Center



Source. Photos Taken by Author

Now again, there have been some apparent improvements in the medical center. But it is also notable that while the hospital remains very small and clearly under resourced, a number of ‘development’ projects have sprung up around town – earlier referred to as ‘white elephants’ – in a very timely manner.

These include, as previously mentioned, the Mayor’s office, which *does* by chance enjoy air conditioning all throughout; but also included are the local church, the local convention center/theatre, a library and a decorative archway-fountain at the entrance to the city. The

²²² Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

photo to the right depicts the medical center building, while the photos below offer a visual of the other aforementioned projects in the order that they were listed.

Figure 21. Puerto Gaitan ‘White Elephants’: Church, Convention Center, Library, & Archway, 2013



Source. Photos Taken by Author

These constitute some of the most noticeable, ‘positive’, impacts from the arrival of the industry. Shiny new buildings, and decorative structures give the impression of a modern city. Residents of Puerto Gaitan, for example, feel extremely proud that there are paved roads, and that the ‘town’ has turned more or less into a ‘city’: “Before the oil companies this was a very poor area. Just houses, but now it is a city in large part thanks to the oil

companies. And it has mainly changed the life of everyone. Before they couldn't afford to buy a car or a motorcycle or a house, but now they can. It has changed from a rural town to a city”²²³.

But alas, far from signaling a substantive development, the cosmetic modifications to the cityscape remain hollow. For one, most all of these development projects are not being kept up, or do not function properly at all. While signs decorate the inner walls of the library and theatre/convention center, detailing how much money Pacific or Ecopetrol invested in the project (ex. “Pacific Rubiales *invertió* \$2,000,000 pesos”), the floors of the convention center stage are deteriorating, sprinkled with holes. A gaggle of wires hangs from the ceiling with no apparent purpose. One maintenance worker explains briefly how events here are very uncommon, maybe once every few months, and the 400 some odd seats are never filled all the way. Similarly, the library, though three stories tall, is notably lacking books. Partially intended as a study space for students, the library is rarely – if ever – filled after school, though a few younger children frequent the children’s section. Again, a conspicuous amount of dust coats the floors, the walls, and the tables. Upon entering the silence and the stillness give an undisputable feeling of hollowness.

Now these things may change. The city is undeniably in a period of transition. But while the construction of a select few fancy edifices transpired almost immediately, and with quality, the majority of the population are left in tenuous circumstances as the environment transforms far faster than the quality of their lives. In fact, in many ways the influx of wealth has exacerbated inequity in ways that may not be easy to notice from the outside, but are commented on frequently.

²²³ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

Many local women and men, for example, come to Puerto Gaitan looking for work with the oil companies. Pacific Rubiales' Corporate Social Responsibility Representative, William Jaimez, explains how "One of the effects of the oil companies is that this town was supposed to be planned for ten thousand people, but because of oil, thousands more people arrived. Now people cannot get jobs fast... families come looking for work but haven't found it"²²⁴.

It is a story all too familiar, repeated time and time again in conversations. Oil companies promise to bring employment and development, to increase the quality of life for local people: "Our aim is that countries and communities in which we operate should benefit directly from our presence through the wealth and jobs created, the skills developed within the local population and the investment of our time and money in people rather than in things, so that we create sustainable human progress"²²⁵. But by nature the oil industry is technologically intensive and requires only a select number of trained professional technicians – usually brought in from major cities. The representative explains further that, "There is not enough work, there are way more people living here than there are supposed to be. They come with the dream to get a job, but many are unqualified and we only have certain jobs for qualified or specialized people - I need ten people, but twenty people come, and I need a person with experience. This is the illusion of the region"²²⁶.

²²⁴ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²²⁵ British Petroleum, 2014.

²²⁶ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

His point is bolstered by a 2008 report released by the UNDP entitled *Frente a los Objetivos de Desarrollo del Milenio* [“Meeting the Millennium Development Goals”] which reveals the employment statistics of the department. In 2008, 67 percent of the department of Meta was employed in the informal sector or in temporary work. And while neighboring Villavicencio registered an unemployment rate of 10.3 percent in 2013, because of the large number of migrants the rate in Puerto Gaitan is estimated to have a much higher rate, though no studies have been conducted²²⁷. The popular magazine *Semana*, however reported in that in 2010 at least 44 percent of the population lived in poverty, while according to the index of Unsatisfied Basic Needs some 65 percent of the population in Puerto Gaitan live in poverty, lacking access to housing, health services, education, and income²²⁸.

These numbers hint at an ongoing phenomenon in the department, and in Puerto Gaitan in particular, that in light of remarkably high investments into the municipality, poverty, inequality and social problems not only remain prevalent, but thrive: “And you can see the poverty... When you see poor places its because of the people coming here recently – hoping to get a job with the oil companies”²²⁹. This could, on one hand be viewed as a mini ‘resource curse’, but at this local level the impacts become more conspicuous and emotive as people describe how the industry has impacted their lives and community. The promises of oil elude local residents and, without assistance from the state or local government, many are left in dire conditions. Indeed the problems that have come to afflict Puerto Gaitan lie just beneath the statistics and are echoed throughout the community in more than one way. While

²²⁷ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

²²⁸ “Index of Unsatisfied Basic Needs: Meta, Colombia,” *UNDP*, 2014.

²²⁹ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

the city center enjoys sturdy cemented buildings, the migrant communities exist on the outskirts of the town in makeshift abodes of collected scrap metals, wooden debris, and plastic tarp. They come seeking work, only to find poverty.

It should be noted here, that the makeshift housing units on the outskirts of town were, however, not established solely by migrant workers seeking work in the fields. Many of these residences house people who have settled in the town feeling the violence from the previous decade – they are just a few of the 1.4 million internally displaced peoples who continue to survive in precarious situations. The fact that these displaced peoples are mixed and intermingled with the ever-increasing inflow of migrant workers easily allows the continuities of violence to appear lost in the metamorphosing town, though for those displaced their living conditions serve as a continual reminder of a history that cannot be separated from their present circumstances.

For migrant workers, their situation is just as precarious. Given the lack of work many wait for months for a potential contract that in the end lasts no longer than three to four months, leaving them in a cycle of precariousness. One woman who used to work for the oil companies, but now receives assistance from the Church, recounts how, “The contracts are typically three to four months. The deal is usually for two years, but we are always released after the trial period of three to four months. It is the way they evade responsibilities, paying us benefits, etc. and it is a way to keep the turnover”²³⁰. Then there are those who haven’t been hired at all, but distinctly remember being promised jobs, being put on a list of sorts but

²³⁰ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

never receiving the call: “Pacific promised us that they would have more jobs with the traffic. But it’s a lie!”²³¹.

These accusations are supported by the findings in a public hearing against Pacific Rubiales’ activities in Colombia “regarding the impacts of Canadian investments on the armed conflict in Colombia, especially since the entry into force of the CCFTA in 2011”²³². The accompanying report finds that, “To a large extent, PRE avoids hiring employees directly by contracting with other companies. These companies then hire “subcontractors” who are, in all but name, employees on 28-day renewable contracts. The result is a precariously employed workforce”²³³. Furthermore, the report finds that Pacific is cited for unethical behavior, including the use of contractors and employment agencies as a strategy to avoid liability under labor laws.

And there are other stories too, of women working for the companies who are treated unfairly, or who do not get the benefits they were promised. One woman explains: “I used to work at one of the oil companies, and I got pregnant. When they found out I was pregnant they fired me. I know its illegal, but what could I do”²³⁴. Another woman chimes in, “I used to work at one of the oil companies. When I used to work there my daughter got shot. She is

²³¹ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

²³² “Hearing on the Canadian Oil Company Pacific Rubiales Energy,” *Projet Accompagnement Solidarité Colombie*, Summer 2013.

²³³ Ibid.

²³⁴ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

now handicapped because of that. I was supposed to get benefits from the company for this, but they told me I needed to write a letter, and then they fired me”²³⁵.

The same PASC report discussed above supports the claims of these women in its findings that, “Working and living conditions at Campo Rubiales do not meet the basic international standards prescribed by the International Labor Organization”²³⁶. Furthermore, the report’s analysis of “these companies’ [Pacific and its subsidiaries, Pacific Straus and Meta Petroleum] activities in the mining and petroleum sectors” reveals patterns of, “violations of human rights, labor standards, trade union rights, [and] social and territorial rights”²³⁷.

But even outside the realm of employment with the oil companies, many community members are quick to identify the negative changes to the community that are not outlined by reports of this nature, chief among them prostitution, drug use, and disintegration of the family – all of which were commented on in nearly every interview. A local government official comments how, “The proliferation of the sexual industry is a big problem. Many people now come from far away and it has grown a lot”²³⁸; A local businesswoman also

²³⁵ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

²³⁶ “Hearing on the Canadian Oil Company Pacific Rubiales Energy,” *Projet Accompagnement Solidarité Colombie*, Summer 2013.

²³⁷ “Hearing on the Canadian Oil Company Pacific Rubiales Energy,” *Projet Accompagnement Solidarité Colombie*, Summer 2013.

²³⁸ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

points out that, “Many people have arrived and prostitution has increased a lot, and also drug addiction”²³⁹.

In Puerto Gaitan, “Prostitution is legal... but there are norms to regulate it,” the Tennant commander of the local police station explains. For example, “there are only special places where they can work and they have to get medical tests often”²⁴⁰. Regardless of its legality, however, many “people from the town complain about the prostitutes because the industry has grown, it is very visible now and it sets a bad example for the children”²⁴¹.

The Director of the medical center explaining also that, “prostitution is an especially big problem. People come to work, to find opportunities and they end up being far from their families, so prostitution has grown a lot. Many [sex workers] become pregnant and have problems with STDS, especially with HIV, and HPV. It is a big problem, many don’t know about these problems and it is difficult to detect.”²⁴².

The proliferation of the sex industry in communities adjacent to or impacted by resource extraction constitutes a deeply neglected phenomena, though it is certainly not limited to Colombia. In fact, similar findings have surfaced in the North American Midwest where hydraulic fracturing projects are booming. According to representatives of Minnesota’s *Citizen Action Network*, Native American women and girls have been coerced

²³⁹ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

²⁴⁰ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

²⁴¹ Ibid.

²⁴² Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

and recruited as prostitutes in recent years to service the mass of workers migrating to the fracking fields²⁴³.

Yet In addition to prostitution, many community members in Puerto Gaitan express concern over what they perceive as the disintegration of the family. The police tenant reminisces how, “Before when we had no companies at all it was very peaceful. When the oil companies came the crime and alcoholism rate increased... many people now come from other regions and there are more problems with alcohol. Now there are more drunk fights with people not from this town. And there are social problems - children are left at home now, while parents leave to work in the camps”²⁴⁴.

In a joint interview with a legal advisor from the mayor’s office, his wife, and a local social leader the three angrily echoed the same concerns: “Since the company came there is much more social disintegration, and disintegration of the family... the people now invest much money in liquor... Fathers don’t have responsibilities anymore and it is common to see children on the street without anyone caring for them. And prostitution... It was not seen before, but since the oil companies have arrived they are more open to the outside world.... Of course the oil companies bring much, but it is only for the people with money”²⁴⁵.

²⁴³ “Shattered Hearts: The Commercial Sexual Exploitation of American Indian Women and Girls,” *The Minnesota Indian Women’s Resource Center*, November 2009.

²⁴⁴ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

²⁴⁵ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

While there are no actual studies or numbers reflecting the prevalence of prostitution, alcohol, drug use, or domestic violence²⁴⁶ in Puerto Gaitan, these types of impacts from extractive industries are all too common characteristics of extractive societies, though they hardly - if ever - make it into the environmental and social impacts assessment surveys that companies are required to produce; yet they constitute some of the most structural and deep-seeded changes that communities endure as a result of extraction – as evidenced by the interviews here and reports in other communities. As one community member commented, “the oil companies think that they are not doing anything against the law... but there environmental and social effects. Our lives have changed because of it”²⁴⁷.

This discussion is not meant to serve as a value judgment against sex workers or the sex industry. On the contrary, from an outsider’s perspective, the problem with the proliferation of prostitution in Puerto Gaitan is that it signals a deficiency of alternative economic, employment, or educational opportunities. In other words, the problem is not simply that there are prostitutes, but that there are no jobs. Indeed, this assertion is consistent with the discussion earlier regarding the lack of employment opportunities with the oil industry. And of course, from local residents’ perspectives the problem with prostitution is that it endangers the health of young girls and denotes social disintegration.

These constitute some of the most important issues and problems that indigenous and non-indigenous residents of Puerto Gaitan have identified as consequences of the arrival of the oil industry. Furthermore, these experiences are validated by the report on the *Hearing on*

²⁴⁶ “There are problems like this, but we cannot really tell if they happen or not” because people do not report these issues (Confidential interview by author, Puerto Gaitan, Colombia, October, 2013).

²⁴⁷ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

the Canadian oil company Pacific Rubiales Energy, which brings to light how Pacific Rubiales is culpable for what they detail as:

- “1. Lobbying for mining, energy, environment, and labor legislation to suit their own economic interests to the detriment of the country’s [Colombia’s] well-being and development
2. Violating minimal standards of environmental preservation, given that natural resource exploitation... has damaged several Colombian ecosystems
3. Causing major impacts on the ancestral communities living in the region where multinationals operate, as well as causing the physical and cultural extermination of these communities (ethnocide)”²⁴⁸.

The report takes into consideration various operations that Pacific Rubiales and its subsidiaries are involved in, some in Meta, but also the neighboring departments, but all of which demonstrate these impacts²⁴⁹. But are there positive changes as well? When questioned about the positive changes that the oil industry has brought to Puerto Gaitan almost everyone during the interview process commented how, “There have been little changes, and it has meant a lot to this town”²⁵⁰. “There are good things... There is pavement on the streets and pipes for the water – things that we didn’t have before,” though it is always

²⁴⁸ “Hearing on the Canadian Oil Company Pacific Rubiales Energy,” *Projet Accompagnement Solidarité Colombie*, Summer 2013.

²⁴⁹ Again, the subsidiaries of Pacific Rubiales include Pacific Straus and Meta Petroleum. Neighboring departments involved in either exploration, exploitation, or transportation activities under Pacific or its subsidiaries include: Arauca, Casanare, Vichada, Tolima, Huila, Caqueta, Putomayo, Nariño, and Cauca.

²⁵⁰ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

qualified with an acute awareness that, “The bad things are more, for sure”²⁵¹. But there is something else. As Bebbington aptly remarks in his book, “resource extraction often leaves footprints on individual and community consciousness that are not easily erased and become deeply embedded over time. Patterns of distrust emerge and are awakened during social movements”²⁵².

What Bebbington explains to us here has very important implications for Puerto Gaitan: when the negative changes that resource extraction levies on ‘individual and community consciousness’ become too great – far from passively enduring the negative changes – local people mobilize, and social movements are born – civil society is born. This is exactly what transpired in Puerto Gaitan in 2011 when a string of protests erupted in the little town. Ironically then, the negative impacts from the oil industry have also generated positive changes as well.

5.1.3. Positive Impacts to Puerto Gaitan

In light of the tremendous transformations to the indigenous and local community alike, two notable positive impacts can be identified with linkages to the arrival of the oil industry. Firstly, what can be considered a renewal of civil society in the form of more active social and political participation and civil disobedience; and secondly, the formation of a more democratic and inclusive process for managing financial impacts of the oil industry – namely, the *mesa social* [social table].

²⁵¹ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

²⁵² Anthony Bebbington, *Social Conflict, Economic Development, and Extractive Industry: Evidence from South America*, USA: Routledge, 2012, 4.

5.1.3.1. The People Rise, and Keep Rising: Puerto Gaitan's Movimiento Social

To turn to the first point: after the industry's arrival and Pacific began increasing production outputs a string of both violent and non-violent protests erupted in Puerto Gaitan and rocked the municipality for nearly a year. To reiterate, prior to the industry's arrival the town was made up of some 17,000 residents, and the necessity of civil disobedience was miniscule as life was, more or less, what some described as 'simple'. However, with so many social and economic changes, and the population ballooning to nearly 40,000, 2011 witnessed the birth of one of the most monumental social movements in the town's history. Because this narrative has not been condensed thus far in any English language publication the following section makes clear the chronology, events, and perspectives of the protests, and then analyzes its significance, characterizing these as distinctly positive impacts.

July 19, 2011

Marking the first mass movement of oil workers in Puerto Gaitan, on July 19, 2011, 5,000 of nearly 12,000 workers from the Pacific Rubiales oil field began a mass protest that halted the company's production. The collective grievances of the workers included: demands for salary increases from roughly \$297 (U.S.) per month, to about \$1,100 per month – closer to the salary earned by EcoPetrol employees; and improved conditions in the field – including food, sanitation, and sleeping quarters²⁵³.

²⁵³ “Levantán protesta en el campo petrolero de Puerto Gaitán,” *El País*, July 20, 2011, <http://www.elpais.com.co/elpais/judicial/levantan-protesta-en-campo-petrolero-puerto-gaitan>.

Many people complain particularly regarding the sleeping quarters. Field workers, who often work 3-4 month contracts and rotate between different companies, sleep in small units akin to shipping containers or mobile units that house between 6-10 men. The conditions are often cramped, and since the workers are confined to the rural fields, are limited to the food and sanitation provided by the company, which has also been described as subpar.

In response to the mobilization the local police commander Juan Carlos Pinzo called upon the police department in the neighboring town to assist the situation, accumulating roughly 300 police to monitor the protests, who still maintained relatively peaceful activities. The following day, after Pacific Rubiales reported a complete stoppage to operations, the government sent in 100 new members from the Bogota Police and 110 members from the National Army to provide additional support and quell the ‘disturbance’. After a series of escalations due to heavier police presence the resulting clashes left one dead, ten wounded, and five cars incinerated²⁵⁴.

In response to the violent clashes between security forces and protesters, Pacific agreed to sit down and discuss working conditions with employees, along with representatives from the national *Union Sindical Obrera* (USO) – the largest workers’ union and most vocal advocacy group for workers’ rights, the national military, government officials, and local police. For the time being, protests were quelled.

August 18, 2011

²⁵⁴ Luis Alfredo Zapata, “Cesaraon las protestas en Puerto Gaitan,” *Revista Semana*, July 20, 2011, <http://www.semana.com/nacion/articulo/cesaron-protestas-puerto-gaitan/243325-3>.

However, less than one month later on August 18, 2011 another massive protest erupted. This time, however, the protest was made up of a group of unemployed residents of Puerto Gaitan who had been seeking employment with Pacific Rubiales. The protestors took to the roads blocking the passage of oil tank trucks, effectively halting all transportation to and from the fields. Their main grievance: that Pacific and its subsidiaries continued to contract workers from outside the area as opposed to local residents, not only breaking the company's promise upon its initial arrival to bring jobs to the people, but also violating the agreement that had been reached in the aftermath of the previous protest²⁵⁵.

In response, President Santos issues a statement explaining that, "there is no reason for new protests in Puerto Gaitan"²⁵⁶. He continued noting that:

"El Gobierno ha diseñado un plan de trabajo para atender las más de 115 inquietudes y necesidades expresadas por la comunidad en el encuentro celebrado el pasado 3 de agosto en Puerto Gaitán, Meta.

En lo que respecta a los temas laborales, el Ministerio de la Protección Social ha llevado a cabo más de 160 visitas y está próximo a entregar un informe exhaustivo sobre el respeto a los derechos laborales de los empleados del sector petrolero de la región"

...

"El próximo 25 de agosto se reunirán dichas dependencias para evaluar y coordinar las acciones pertinentes y posteriormente, el 1º de septiembre, se adelantará una reunión con el Comité de Seguimiento, conformado por la Alta Consejería, la Vicepresidencia de la

²⁵⁵ "Vuelven protestas a Puerto Gaitan," *El Espectador*, August 19, 2011, <http://www.elespectador.com/noticias/economia/vuelven-protestas-puerto-gaitan-articulo-293060>.

²⁵⁶ "No hay razón para nueva protestas en Puerto Gaitan," *Sistema Informativo del Gobierno Colombiano*, August 19, 2012. http://wsp.presidencia.gov.co/Prensa/2011/Agosto/Paginas/20110819_11.aspx.

República, el Ministerio del Interior, el Gobernador del departamento, el Alcalde de Puerto Gaitán y el Párroco del municipio, tal como se acordó el 3 de agosto”

[The government has designed a work plan to address over 115 concerns and needs expressed by the community at the meeting held on August 3 in Puerto Gaitan, Meta.

With regard to labor issues, the Ministry of Social Protection has carried out more than 160 visits and is about to deliver a comprehensive report on the respect for labor rights of employees of the oil sector in the region

...

On August 25 such units will meet to assess and coordinate relevant actions and subsequently a meeting with the Monitoring Committee, made up of the High Council, the Vice-President, the Ministry will come on September 1st, Inside, the governor of the department, the Mayor of Puerto Gaitan and the pastor of the town, as agreed on August 3].

The President’s message kept Puerto Gaitan calm for the time being, as he urged patience and to allow time for diplomacy to unfold. But after the August 25th meeting – which resulted in a plan for a series of additional meetings to be held at a national level from September to October²⁵⁷ – another massive wave of demonstrations took hold of the city once more.

September 18, 2011

Amidst criticism of a breach of the August 3rd contract involving the mass dismissal of workers from Pacific, on September 18, 2011 4,000 workers again gathered at the

²⁵⁷ “Government, community, and oil discuss labor dispute in Puerto Gaitan,” *El Espectador*, September 1, 2011, <http://www.elespectador.com/noticias/nacional/gobierno-comunidad-y-petroleras-debaten-conflicto-labor-articulo-296312>.

Rubiales field to urge the Santos and Pacific executives to find an *immediate* solution to the workers' grievances²⁵⁸.

Union leaders told national media reporting on the protest that at least 200 workers from the Rubiales field were fired, while an additional 1,200 were compensated without contract renewal. Union representatives further explained that these dismissals were believed to be a retaliatory acts for workers' participation in the previous protests²⁵⁹.

This time, protests escalated quickly, with hundreds meeting security forces head-on armed with sticks and stones, and lighting debris on fire to create barricades. The clashes effectively halted oil production for two days and drew unprecedented international attention. Bruno Moro, the UN delegate to Colombia commented on the events at the Rubiales field noting that, "when situations like Campo Rubiales occur it is because the conditions for dialogue have not been created"²⁶⁰. Moro called for the Colombian government and Pacific to devise an early solution to the problem, emphasizing that, "it is time to reflect on the social responsibility of foreign companies coming to Colombia" and "we must strive to reach a decision around a table as soon as possible"²⁶¹.

Not everyone approached the protests so favorably though. Pacific executives complained that, "this is not a labor protest... this is a hostile takeover of our

²⁵⁸ "Amenaza de paro de trabajadores petroleros en Puerto Gaitan," *Portafolio*, September 19, 2011, <http://www.portafolio.co/economia/amenaza-paro-trabajadores-petroleros-puerto-gaitan>.

²⁵⁹ Ibid.

²⁶⁰ "ONU aboga por mesa de concertación para solucionar conflict en Puerto Gaitan"," *El Espectador*, September 21, 2011, <http://www.elespectador.com/noticias/politica/onu-aboga-mesa-de-concertacion-solucionar-conflicto-pue-articulo-300892>.

²⁶¹ Ibid.

installations!”²⁶². Additionally Pacific executives and government officials accused the protests of being influenced, motivated, and infiltrated by FARC – though this is has been a “convenient excuse for officials and executives in Colombia to peg demonstrators as traitors”²⁶³.

The volume and consistency of the protests paid off in the end despite disgruntled executives and FARC-fearsome officials. After several days of initial negotiations and nine consecutive workshops, the community and Pacific reached an accord. The agreement involved the purchase of 30 acres of Pacific’s territory to build 3,000 low-cost housing units for oil workers, along with an investment of some \$1 million USD to be put into improvements at the local hospital.

The most important part of the agreement, however, included a provision that Pacific and each of its subsidiaries are mandated to hire 100% of their employees from the local unskilled workforce. On October 3rd, a Pacific spokesman made the announcement that, “100% of unskilled labor will be hired from people of the region, and that extends to contractors with Pacific,” so that any contractor “who wants to work with Pacific must work with labor in the region 100%”²⁶⁴. He followed up with an announcement that Pacific would hire some 1,000-1,200 new employees from the local areas by the end of the year – a tremendous victory for the residents of Puerto Gaitan²⁶⁵.

²⁶² John Otis, “Violent Protests Threaten Oil Boom,” *Time Magazine*, September 24, 2011, <http://content.time.com/time/world/article/0,8599,2094758,00.html>.

²⁶³ Ibid.

²⁶⁴ “En Puerto Gaitan, Pacific Rubiales y empleados alcanzan acuerdo laboral,” *El Espectador*, October 3, 2011, <http://www.elespectador.com/noticias/nacional/puerto-gaitan-pacific-rubiales-y-empleados-alcanzan-acuerdo-303353>.

²⁶⁵ Ibid.

While the efficacy and justification for the use of violence is a question of long-standing debate, here the focus should be on the success of Puerto Gaitan’s social movement throughout 2011. The movement was notable in that it drew not only oil workers, but also the unemployed women and men from the community – both those who were life-long residents, and migrant workers. In several interviews, those who had participated in the protests frequently commented on the collaborative and sustained nature of the protests as positive developments²⁶⁶, emphasizing that, “people really came together during this time, everyone agreed that something needed to be done, to change”²⁶⁷.

And indeed the protests served to bring the community together in new ways. Firstly, while the *need* for protests is one to be lamented, the actual phenomena itself is encouraging, especially when peaceful negotiations are reached as they had been in Puerto Gaitan. Furthermore, it is clear that the people of Puerto Gaitan have found a collective voice and refuse put up with labor rights violations that so many experience, and which corroborate the PASC Delegation’s report discussed earlier this thesis that found Pacific’s labor practices in violation of ILO standards²⁶⁸.

In fact, the negotiations seemed to have been successful in that Puerto Gaitan at least for some time. Fortunately or unfortunately, in May of 2015 a smaller sect of disenfranchised workers staged demonstrations in and around the Pacific Rubiales field, again incinerating several cars and even a portion of the oil facilities. The protests reportedly have reemerged as

²⁶⁶ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²⁶⁷ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²⁶⁸ “Hearing on the Canadian Oil Company Pacific Rubiales Energy,” *Projet Accompagnement Solidarité Colombie*, Summer 2013.

a result of another string of layoffs by Pacific which, which saw some 1,000 people dismissed between February-May of 2015²⁶⁹. Again, while it is deplorable that such actions are necessary, the most recent protests are a sign that workers will continue to hold government and Pacific officials accountable to the contracts that are agreed upon. And in an area such as Puerto Gaitan, where such a significant and decisive amount of oil is extracted, it is likely that any continued civil disobedience and domestic disturbance will not go without pushback and notice.

5.1.3.2. The People Erect New Democratic Institutions: The Mesa Social

A second positive result that has emerged out of the negative impacts discussed earlier, and a result of the protests listed above, includes the formation of the *Mesa Social*, which was briefly discussed earlier.

After the 2011 protests, representatives of the *Mesa Social* explain that “everyone got tired of the oil companies” and, while the protests were productive, it was also harmful to local businesses that were destroyed, and to local people who got injured in the conflict²⁷⁰. They explained that while they thought the protests were necessary and productive, they would prefer not to see them return at that level²⁷¹. In order to remedy the social discontent

²⁶⁹ “Manifestantes protagonizan disturbios en Campo Rubiales, en Puerto Gaitan (Meta),” *El Espectador*, May 19, 2015, <http://www.elespectador.com/noticias/nacional/manifestantes-protagonizan-disturbios-campo-rubiales-pu-articulo-561369>.

²⁷⁰ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

²⁷¹ Ibid.

and disturbances local business owners and social leaders got together with government officials and Pacific representatives to propose the formation of the *Mesa Social*.

Since then, the *Mesa Social* – consisting of seven areas, each with their own representatives: *cultura y artes* [culture and arts], *deportes* [sports], *capacidad* [capacity], *educacion* [education], *salud* [health], *ambiente* [environment], *vendedores* [vendors and local business], and *indigena* [indigenous] – holds regular gatherings.

Each representative is voted in by local residents during regular municipal elections. The meetings take place at the local church, and are facilitated by Puerto Gaitan's pastor, Padre Eilson, who has also been involved in local politics and mediation matters with Pacific and the government. The idea behind the *Mesa Social* is that the people from the community have a say in directing financial support to the areas deemed most in need – which Pacific or the government may have been unaware of or uninterested in. The *Mesa Social's* recommendations are then forwarded to the local mayor's office and to Pacific representatives for approval.

During several meetings that were attended whilst conducting research in Puerto Gaitian, several areas for investment were being considered, including: directing financial support to elderly residents with chronic diseases, as well as disabled residents; and allocating some 5,000,000 pesos for the hospital and rural health brigades, which provide rural residents with a temporary post to obtain medical care in the outskirts of town. Additional funds were also being considered to sponsor cultural arts and sports.

Examples of previous projects that the *Mesa Social* handled include, for example, allocating an additional \$85,000 USD to the five best students in Puerto Gaitian, which covers all they need to maintain their studies in whichever university they choose to attend;

and allocating money for children who are passionate about sports. As the representative for sports at the *Mesa Social* explained, “since then we have been in both national and international competitions and we have professional equipment to practice with – not even Villavicencia [the larger neighboring city] has that!”²⁷²

What is unclear and represents a possible shortcoming of the *Mesa Social* includes a point which was discussed earlier in this research project – the indigenous reserves. For example, if the *Mesa Social* decides that they want to direct money towards improving the indigenous reserves, how much jurisdiction would the *Mesa* have in that matter? Furthermore, does the *Mesa Social* have the capacity or the authority to address more structural issues, such as access to sanitation, clean water, or education - whether in indigenous communities or among the general population? And if so, how effective or how much follow through and oversight does the *Mesa Social* actually have once funds are allocated to particular areas? These are just a few questions that remain unanswered, and that may prove to pose significant limitations to the role of the *Mesa Social* when considering the long-term, equitable, and sustainable development of Puerto Gaitan.

However, this is not to say that the *Mesa Social* is to be thrown out. On the contrary, the democratic nature of this new, notably local, institution is one to be upheld, adjusted, possibly replicated or expanded as time goes on – after all, the formation of effective institutions is an ongoing project that requires constant assessment and adjustment in order to adapt fully to the community’s needs, and the *Mesa Social* represents an unprecedented collaboration between community members, government officials, and oil companies. While previously oil companies operated mostly on their own, with minimal government

²⁷² Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

involvement, the present situation attempts to move beyond that anachronistic structure to bring the local community into the development dialogue. The representatives at the *Mesa Social* fully acknowledge this reality emphasizing that, “we know this is only the start, and this can and will be more as it develops over time”²⁷³.

²⁷³ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

VI. Chapter 6: Conclusion, Significance, Implications

6.1. What is the meaning of it all anyways?

Now that we have arrived here at the end, the question must be posed – what does it all mean? In order to understand the significance of this discussion and all the evidence that has been presented, it is necessary to highlight the key points from the previous chapters, and strand together the main arguments. This will, in turn, answer the questions posed at the beginning of this thesis and show how the Colombian context offers important lessons and insights for developing communities facing extraction.

6.2. How we got here: Reviewing the Arguments

To reiterate, the questions this thesis initially set out to answer are as follows:

From a theoretical perspective - what is it about Resource Curse theory that has failed to allow for an effective solution to the myriad of problems, such as corruption and transparency, that plague resource-rich developing countries like Colombia? What are the limitations of RCT, and how can more interdisciplinary frameworks such as Political Ecology offer insight into the complex social, political, economic, and ecological set of problems that arise in extractive contexts?

Then, when considering the particular case of Colombia this thesis asks: What is the nature of Colombia's oil-led development given the discrepancy between the 'successful' development narrative of the hydrocarbons industry and the political figures in support of it, and those who continue to experience violence, poverty, displacement, and human rights abuses in relation to extractive project? What does developmental "success" actually look

like on the ground in an area greatly impacted by the physicalities and economics of the oil industry? Furthermore, beyond the economic impacts of resource extraction, what are the different ways in which the expansion of the oil industry in the Colombian South has impacted local populations and environments, and how are these impacts interpreted and viewed by local residents? And lastly, how can negative impacts be mitigated and positive impacts be enhanced and replicated, both in the specific context of *Los Llanos*, in other parts of Colombia, and potentially communities in other extractive countries?

6.2.1. How the Colombian Context Negates the Efficacy of Resource Curse Theory

To answer these questions Chapter 3 turned to examine the relevant literature, covering specifically Modernity, Eurocentricity, Resource Curse Theory, and Political Ecology. While Resource Curse Theory is viewed as, and in certain regards is, considered a useful tool for assessing the viability of resource extraction as a development mechanism and the overall impacts of extraction, here I argue that Resource Curse Theory is insufficient in a number of ways. Firstly, RCT is limited in its focus on macroeconomic level changes, emphasizing the shrinking of less lucrative or enticing sectors, such as agriculture, that accompanies the expansion of extractive industries. This, I argue, also stems from RCT's roots in Eurocentric conceptions of Modernity that emphasize economic development, and neglects other forms and indicators of development. This is not only true of Resource Curse Theory, but of resource extraction as well. Thus, not only is Resource Curse Theory insufficient to understand the full scope of impacts that extraction levies on communities, but resource extraction itself – which is said to bring economic benefits like employment to local

populations –also falls into this Eurocentric modernity paradigm. This perspective negates the characterization of extractive industries as something ‘beneficial’.

Furthermore, the limited pool of solutions to mitigate the Resource Curse and the subset of problems it presents are themselves to some degree unrealistic – imagining a sort of self-regulation among government institutions and private companies. For example, under Publish What You Pay (PWYP) and the Extractive Industries Transparency Initiative (EITI) oil companies and governments are both required to track social spending in communities and related financial dealings. But what incentive or enforcement mechanisms exist in actuality that would guarantee these programs are effective? Additionally, both of these initiatives still largely exclude or reduce (a) local communities from the oversight procedure, and (b) fail to take into account, again, the wide array of impacts that communities feel and experience. As such the Resource Curse Theory itself and

Now, one caveat of this assessment *may* reside in Kaplinsky’s argument that the government use financial gains from hydrocarbons to support other industries, like the service industry. From the evidence demonstrated throughout this thesis, however, this would only be successful if programs to receive financial support were targeted and customized to meet the needs of local, largely unskilled, populations. For example, if the service industry were to be earmarked for support, but involved heavy computer usage the initiative may not be successful if vast swaths of rural populations, such as Puerto Gaitan, don’t have computer skills. Auxiliary training programs would be a necessary prerequisite, and would require far more *human* resources in addition to financial resources (ie. people to conduct vocational trainings).

And of course, in considering Kaplinsky's proposition there lies perhaps one of the most unpredictable risks: more intimate linkages with processes of globalization. To unpack that statement, we can go back to the theoretical example of providing supplemental financial support from the hydrocarbons industry to the services industry as discussed above. Even if this was successfully achieved and Colombia were able to boost the performance of that industry, the jobs are then thrust into the global sphere where Colombian companies, and thus workers, are forced to compete with other countries, which may or may not involve a 'race to the bottom'. Enhancing the service industry worked, for example, in India because outsourcing became a viable option for companies. But that also means that Colombian service companies and workers would have to compete with Indian companies who already have a strong hold on the outsourcing market. And then another considerable drawback of such an endeavor, is that it would also expose Colombia to any national or international level financial fluctuations, such as the 2008 financial crisis that impacted the U.S. and Europe. Now again, it is beyond the scope of this research paper to assess how much of a risk a scenario like this would pose to Colombia in actuality, but rather, suffice to say here that this is a point requiring further research from the development community, or Colombia itself should the country embark on such a program.

Moving on, the take-home point from the above discussion is that Resource Curse Theory and the proposed solutions are insufficient at addressing both macroeconomic challenges, and the wide array of social, political, and ecological impacts discussed in Chapter 5. Alternatively, I make the case for Political Ecology as an effective lens to examine resource extraction. Political Ecology itself is concerned with tracing the linkages between the social, economic, political, and ecological spheres - "predicated on the

assumption that any tug on the strands of the global web of human-environment linkages reverberates throughout the system as a whole”²⁷⁴. The discipline itself is more apt to examine resource extraction for precisely this reason: its priority is to, “query the relationship between economics, politics, and nature,”²⁷⁵ elucidating “the condition of the environment and the people who live or work within it”²⁷⁶ and the power relations that are formed and reformed between them.

The vast amount of ways that resource extraction levies changes on individual and community consciousness’s via initial transformations of the environment in addition to Chapter 5’s case study of Puerto Gaitan, was also illustrated by the brief discussion of several separate scenarios in Peru, Colombia, and Bolivia. These scenarios illustrate perfectly the applicability of Political Ecology and make evident the benefits of doing so.

6.2.2. Political Ecology Connects the Dots: Social, Political, Economic, and Ecological Linkages and Impacts from Resource Extraction

Arellano Yanguas’ discussion about the Rio Blanco copper project in Peru, for example, illustrates the immense underlying socio-structural shifts of extractive projects characterized by changes in fundamental social relationships and the traditional social contract. In his case study he focuses on the Peruvian government’s move to establish agreements that protect the interests of companies at the expense of the citizens: “people feel that the presence of powerful mining companies erodes their capacity to control the local

²⁷⁴ Paul Robbins, *Political Ecology: A Critical Introduction*, USA: Blackwell Publishing, 2004, 12.

²⁷⁵ Ibid.

²⁷⁶ Ibid.

institutions that have traditionally provide them with stability and protection”²⁷⁷. This scenario clearly demonstrates how changes to the environment via extraction fundamentally alters social relationships and structures.

Then, Michael Taussig in Colombia and June Nash in Boliva both examine the psycho-social changes that result from extractive changes to the environment. In both instances resource extraction fundamentally altered miners and plantation workers’ conception of their understanding of their place in this world in relation to the supernatural. In Colombia Taussig explains how sugar plantation workers viewed their social circumstances as the result of having “entered into pacts with the devil, trading wages on earth for an early death,”²⁷⁸ while in Bolivia Nash explains how miners “related to the devil figure, *El Tio* [Lord of the Underworld], giving him offerings to protect their safety and ensure their productivity”²⁷⁹. While indigenous and traditional cosmology *generally* understands humans’ relationship with the spirit world as more interrelated and interdependent than the dominant framework of Christianity, our goal here is not to qualify or judge the belief systems. Rather, what is important to note is that both Taussig and Nash bring to light the ways in which resource extraction fundamentally, deeply, and many times invisibly alters the lives of individuals. Thus, though Yanguas, Taussig, and Nash each operate from different academic lenses, each illustrates the different ways in which a Political Ecology lens can elucidate the ways in which extractive industries also impact the lesser

²⁷⁷ Javier Arellano-Yanguas, “Mining and Conflict in Peru.” *Social Conflict, Economic Development, and Extractive Industry: Evidence from South America*, Ed. Anthony Bebbington, New York: Routledge, 2012, 90.

²⁷⁸ Anthony Bebbington, “Extractive Industries, socio-environmental conflicts and political economic transformations in Andean Latin America.” *Social Conflict, Economic Development, and Extractive Industry: Evidence from South America*, Ed. Anthony Bebbington, New York: Routledge, 2012, 5.

²⁷⁹ Ibid.

discussed realms of psychology and the well being of individuals. Indeed, regardless of the religious framework a turn to the ‘dark side’ or collaboration with ‘the devil’ are often indicators of unsavory or precarious physical living situations here on the earthly plane: ie., those who feel they have no other recourse in this world, whether voluntary or involuntary, may turn to these sources for assistance that is not available to them otherwise. In this way, extractive scenarios have direct impacts on individual consciousness, world views, senses of well being, and – in a larger framework – psychology. Furthermore, each of their individual case studies, though distinct, demonstrate important parallels to the Colombian context.

For example, similar to Yanguas’ discussion of changes in social relationship, in Puerto Gaitan the sustained mass protests that transpired over 2011 and reemerged in 2015 indicate the community’s discontent with their relationship with both the government and oil companies. Esteban Ferrero-Botero’s discussion regarding *preocupacion* also fits well into this discussion, when he discusses the indigenous Wayyu community in *La Guajira* and their experiences with the Cerrejon open-pit coal mine. In this case the Ferrero-Botero brings to light the many voices who feel betrayed by their government and left alone to defend themselves against the companies. Almost directly mirroring the Wayyu, the indigenous Siquani community also experiences this *preocupacion*: they are worried for their access to food, they are worried for their financial stability; they are worried for the survival and integrity of their cultural heritage “that allowed them to exist as something unique”²⁸⁰; they are worried for the safety and health of their families living in the *resguardos*; and of course, they are worried for the future survival of their people. Throughout conversations with indigenous community members many made comments that bolster the existence of

²⁸⁰ Confidential interview by author, Puerto Gaitan, Colombia, October, 2013.

preocupacion and abandonment by their government representatives, such as “when someone has the money they don’t care”²⁸¹ – illustrating the view that the government may ‘on the side of’ the industry and is neglecting the interest of its citizens.

Furthermore, the formation of the *Mesa Social* in Puerto Gaitan is a direct example of the reformation of the social contract and social relationships between citizens and the local government similar to the scenario that Yanguas identifies in Peru. Having felt that the government was incapable of effectively manage or direct the influx of oil *plata* coming into the Puerto Gaitan, citizens demanded a new decision-making process where the people are able to hold the government more accountable, as they had felt that this accountability had somehow deteriorated. Thus in both the Peruvian and Colombian cases social relationships are clearly significantly altered under extractive circumstances. The implications of this, of course, are significant: in both the Peruvian case and in Puerto Gaitan, when citizens felt the government was no longer representing their interests social movements were born, protests were had, often times involving violence, and the people pushed back.

Now, the process of listing additional scenarios that parallel the Colombian case is an endeavor beyond the scope of this research project, though one that would be absolutely valuable in furthering solutions to these problems. Suffice to say here though, that regardless of additional parallels, it is clear from our discussion on Puerto Gaitan in the preceding chapter that there are myriad of ways in which extractive changes to the environment yields far-reaching social, political, and economic shifts and problems that pose very real and immediate consequences.

²⁸¹ Confidential interview by author, Puerto Gaitan, Colombia, October 2013.

Now, these precise scenarios and linkages may not be replicated in every context – naturally, each community and each extractive project will produce varying results based on the community itself, the landscape, and the type of extraction. However, what the discussion above does demonstrate is several important things: (1) Research in Puerto Gaitan indicates that the scope and depth of impacts from resource extraction are actually far more varied, and facilitate significant shifts beyond the economic sphere to also the social, political, and environmental realms, thus impacting a far greater segment of communities than is articulated under Resource Curse Theory; (2) as illustrated by this thesis’ findings in Puerto Gaitan, Resource Curse Theory is thus fundamentally insufficient to address the vast, varied, deep, and oft hidden impacts that resource extraction yields; (3) Political Ecology, intimately concerned with the interrelationships between the social, political, economic, and environmental spheres, offers an ideal lens by which to assess impacts of resource extraction.

But what is the significance of this discussion?

6.3. Significance of these research findings for Colombia

Within Colombia these findings hold important implications. As mentioned in Chapter 1, between 2011-16 the Colombian government and ANH will hold another set of bidding round meant to auction off additional exploration and production rights to companies. The areas in question are expansive. At present oil and gas production, although expanding, are still relatively confined to some main key areas. Exploitation rights to most of if not all these areas, or blocks as they are referred to, occurred during the 2007-2014 bidding rounds, which

saw the signing of 236 contracts and a total of 643 blocks offered for exploitation rights²⁸². The map in Appendix I illustrates the culmination of these numbers visually: blocks in red are areas under production, and blocks in yellow indicate areas under exploration. It should be noted that not all blocks in yellow may not have been auctioned off yet, and could very well be any under stage of exploration including those that are less invasive, such as seismic readings. The blocks in yellow are however areas that are hoped to be producing within the coming years. To prep for this Colombia announced in 2014 a second bidding round to take place between 2015-2021, specifically targeting those blocks in yellow delineated on the map.

Now, while it will inevitably take Colombia years to auction off all the exploratory territory, it is notable just how much of the country is actually targeted for extractive projects. Looking at the map, that would mean extractive projects could be spread out over at least one-third of the entire country – an area roughly half the size of California. This has important implications for all actors involved.

First and foremost, if more territories are granted production rights, then more communities will undergo similar transformative experiences, at the very least, comparable to Puerto Gaitan, though perhaps worse in some cases as Colombia's diverse ecology also includes sensitive Amazonian and Caribbean areas. On a basic level, this is important because it means that many more people will have their lives altered in, presumably, negative ways. In the worst of circumstances, this also leaves Colombia open to much more social

²⁸² "Colombia Oil and Gas Industry 2014: An Overview," *PricewaterhouseCoopers International Limited*, 2014, http://www.pwc.com/en_GX/gx/oil-gas-energy/publications/assets/pwc-colombia-oil-gas-industry-2014.pdf.

strife as a result of extractive activities. As mentioned at the beginning of Chapter 5, Puerto Gaitan and the Pacific Rubiales block are pointed to as an example of a ‘success’, partly because the *Consulta Previa* case was concluded relatively smoothly and quickly – yet still resulted in violent outbursts. This is absolutely contrary, however, to other areas undergoing *Consulta Previa* in Colombia.

For example, one of the most notable cases include the U’wa indigenous community living in the remote Andes of northeastern Colombia – including the departments of Norte de Santander, Santander, and Boyacá, all of which include areas targeted for oil exploration and production²⁸³. While the U’wa only make up some 6,200 individuals, they are renowned for their stewardship of the environment: “The U’wa, known as the “people who know how to think and speak,” consider themselves guardians of the forest and the species therein. For centuries, they have protected large tracts of forest by prohibiting all human access – including their own... hold[ing] that ‘Oil is the blood of Mother Earth ... to take the oil is, for us, worse than killing your own mother. If you kill the earth, then no one will live’... The U’wa are so careful that photos from the air cannot detect where they have planted crops”²⁸⁴.

The U’wa have, however, been at odds with mining and extractive industries for over twenty years, beginning with a conflict in 1988 with Oxy Petroleum, and continuing now with EcoPetrol:

“Natural resource extraction and the construction of mega-projects in the U’wa territory has already contributed to a climate of violence which is likely to lead to a

²⁸³ Annex I.

²⁸⁴ “The U’wa People of Colombia’s Cloud Forreests,” *Amazon Watch*, 2015, <http://amazonwatch.org/work/uwa>.

human rights and environmental disaster... Ecopetrol, is advancing gas extraction in the Gibraltar platform (immediately outside the Reserve borders, but on an U'wa sacred site) and building a gas pipeline that will have social and environmental impacts on the U'wa... Since 2007, there has been an influx of heavy machinery, equipment, and oil workers into the area. With the discovery of gas, a processing plant is under construction at Gibraltar, in addition to a gas pipeline running westward toward Bucaramanga”²⁸⁵

As one may guess, the U'wa are not open to *Consulta Previa* and are unwilling to compromise their territory against repeated attempts by the government and oil industry alike. The U'wa also hold regular protests, the latest of which occurred in 2014 and gained international attention for its success in shutting down the Caño Limón oil pipeline for an entire month and costing the government upwards of \$130 million as the Caño line transports one-fifth of the country's daily output²⁸⁶. Thus, as is evident from the U'wa, certainly not all extractive projects are welcomed.

And the U'wa are most definitely not the only group to oppose extractive industries. The most recent U'wa protest discussed above offers important insights into the dynamics and complexities of the extractive industries and its relationship with different social actors. This most recent shut down of the pipeline was actually the result of the FARC's²⁸⁷ bombing of the Caño Limón oil pipeline that resulted in oil spillage on U'wa territory: Following the

²⁸⁵ “Colombia's U'wa Face New Threats,” *Amazon Watch*, 2010, <http://amazonwatch.org/assets/files/uwa-issue-brief-2010.pdf>.

²⁸⁶ “Colombia's U'wa Indians Continue Oil Protests After Talks Fail,” *The Wall Street Journal*, April 25, 2014, <http://www.wsj.com/articles/SB10001424052702304788404579524270467468710>.

²⁸⁷ According to the Wall Street Journal, the Colombian government believe FARC to be responsible for this particular bombing, though U'wa representatives contend that the ELN is actually responsible – another rebel group not currently involved in any peace negotiations.

bombing, more than two dozen members of the indigenous group, angry over what they say are repeated spills from the pipeline, surrounded the area where the pipeline was damaged, and, 30 days later, are yet to allow EcoPetrol workers into the area to repair it so oil pumping can resume”²⁸⁸. This illustrates how not only the U’wa are opposed to extractive projects, but how the FARC targets extractive projects to meet its wider goals – viewing extractive projects as a symptom of much deeper structural problems it seeks to address. And of course, the actions of the FARC, also have a serious effect on the U’wa, who in turn can impact whole production activities. Thus, Colombia’s extractive projects are also some of the most challenging and complex social projects.

While it is unclear how much oil was spilled during this particular attack, the frequency of attacks on pipelines is also something to be concerned about in environmental terms. According to the U’wa Defense Working Group, a 2001 study found that in the twelve years since Oxy Petroleum’s arrival in 1988, “Oxy's Cano Limon pipeline has been attacked more than 600 times, spilling more than two million barrels of crude oil into the forest and rivers (eight times the amount spilled by the Exxon Valdez)”²⁸⁹. These statistics are of course older, though the oil spills themselves remain highly relevant and continue to impact both the surrounding environment and communities.

And while FARC remains in dialogue with the government, disagreements and inconclusive peace talks have resulted in more pipeline bombings, the most recent of which

²⁸⁸ “Colombia’s U’wa Indians Continue Oil Protests After Talks Fail,” *The Wall Street Journal*, April 25, 2014, <http://www.wsj.com/articles/SB10001424052702304788404579524270467468710>.

²⁸⁹ Rebeca Izquierdo, “The Thinking People: The U’wa Battle Oxy,” *Cultural Survival*, Fall 2001; 2014, <http://www.culturalsurvival.org/publications/cultural-survival-quarterly/colombia/thinking-people-uwa-battle-oxy>.

is believed to be, “the worst environmental disaster in the country’s history”²⁹⁰. The bombing resulted in, “more than 10,000 barrels of oil to spill into rivers and streams in Nariño province, threatening to contaminate the Bay of Tumaco on the Pacific Ocean. The spill left 150,000 residents of Tumaco without access to water and trucks were supplying the port city with water shipped from other parts of the country... [that] same day as the spill in Nariño, FARC fighters forced oil tanker drivers to dump nearly 5,000 barrels of crude on the road”²⁹¹. Thus, not only does the expansion of extractive projects risk replication of social conflicts such as that characterized by the U’wa – and even FARC – but it also poses tremendous risks for the environment, which in turn serve to fuel further social conflicts.

And while, the U’wa indigenous community represents perhaps a more extreme opposition to extractive projects, they are certainly not the only communities resisting extractive projects and demonstrating the social conflict that arises as a result:

the expansion of the hydrocarbons industry also has implications for other disenfranchised social groups, such as the Afro-Caribbean populations, and the landless or displaced – all of which have endured compounded struggle and conflict over the years, and who will surely be further impacted by careless extractive activities.

The *Observatorio de Conflictos Mineros de America Latina* [Latin American Observatory of Mining Conflicts], or OCMAL, demonstrates for us the vast areas and groups that are being impacted by or experiencing social conflict as a result of extractive projects at present. The organization was formed to promote greater cohesion between resistance movements against extractive projects, but one of its most notable contributions is a physical

²⁹⁰ Sibylla Brodzinsky, “Farc rebels bomb new section of Colombian oil pipeline,” *The Guardian*, June 29, 2015, <http://www.theguardian.com/world/2015/jun/29/colombia-farc-rebels-bomb-oil-pipeline>.

²⁹¹ Ibid.

map tracking where social conflict has erupted as a result of extractive conflicts – including the U’wa in the northeast and the Wayuu in the Caribbean north. However, according to OCMAL’s database there are also 11 additional ongoing conflicts throughout the country – and this does not even include Puerto Gaitan discussed here, though there is certainly a trend of social conflict. Thus, if Colombia intends to continue expanding the extractive industry, it must contend with the reality that each and every case represents not only monumental social, political, economic, and environmental impacts for both individuals and community members alike, but the possibility of violent conflict should those impacts not be properly mitigated and addressed. In short, the scenario in Puerto Gaitan can and very well may be replicated in other parts of the country should extractive projects continue to expand and be handled as they are.

6.4. Significance of these research findings for other countries and communities

The implications for Colombia, specifically in Puerto Gaitan and throughout the country, also has major implications for other countries and communities across the world who are confronting extractive industries. Indeed, extractive industries are extremely common – especially after the 2003-2009 commodities super cycle. Many developing countries in Africa, Asia, and Latin America have sought to develop not only oil and gas projects, but also coal, dams for hydroelectricity – such as the Three Gorges Dam in China²⁹², and not to mention legal or illegal deforestation to develop timber industries.

²⁹² Jan Trouw, *The Three Gorges Dam’s Impact on Peasant Livelihood*, Books on Demand, Hamburg, Germany, 2014.

The World Bank estimates that, “About 3.5 billion people live in countries rich in oil, gas or minerals,.. Non-renewable mineral resources play a dominant role in 81 countries, which collectively account for a quarter of world GDP, half of the world’s population and nearly 70% of those in extreme poverty”²⁹³. This is a huge number, and while not all these 3.5 billion people may suffer, the evidence emerging out of extractive contexts does tend to indicate that there are in general more negative impacts than positive impacts resultant from extractive industries, particularly oil and gas projects.

Furthermore, the World Bank continues noting that, “Africa is home to about 30% of the world’s mineral reserves, 10% of the world’s oil, and 8% of the world’s natural gas”²⁹⁴, though, “Seventy-five percent of the world’s poorest countries are located in Africa, including Zimbabwe, Liberia and Ethiopia”²⁹⁵. This fact correlates with the reality that oil and gas companies have now started targeting some of the poorest countries with promising oil and gas reserves – such as Liberia, Guinea, Democratic Republic of the Congo and Papua New Guinea²⁹⁶. And while hydrocarbon companies, governments, and even some international organizations continue to argue that oil and gas development can reduce poverty and increase the ‘shared benefits’ of said industry, history and new research has shown time and time again unreliability of these aims by means of oil and gas exploitation. Despite the World Bank’s history of funding development projects related to oil and gas, in 2015 even the international financial institution publicly declared that, “coal was no cure for global

²⁹³ “The World Bank: Extractive Industries Overview - Context”, *The World Bank*, April 2, 2014, <http://www.worldbank.org/en/topic/extractiveindustries/overview#1>.

²⁹⁴ Ibid.

²⁹⁵ “10 Poverty Facts,” *The Borgen Project*, November 7, 2014, <http://borgenproject.org/10-quick-facts-about-poverty-in-africa/>.

²⁹⁶ “The World Bank: Extractive Industries Overview - Results”, *The World Bank*, April 2, 2014, <http://www.worldbank.org/en/topic/extractiveindustries/overview#3>.

poverty... rejecting a main industry argument for building new fossil fuel projects in developing countries”²⁹⁷. As such, this study has important implications for countries across the world seeking to extract and exploit their natural resources, and the message is clear: there are substantial risks for not only increased social conflict, but the petro-led development route in many cases actually works against long-term sustainable growth objectives by generating far more detrimental impacts to individuals and communities alike, as demonstrated in this thesis.

6.5 Concluding Remarks

The lucrative nature of oil and gas in combination with the far reaching, deep, and generative risks it produces requires that all actors involved in extractive projects – local communities, local governments, national governments, extractive companies, and even international organizations - reassess our conventional understanding of the nature of the impacts of extractive industries.

In 2014 the Intergovernmental Panel on Climate Change (IPCC) released its Fifth Assessment Report (AR5) on Climate change, fundamentally altering the climate discourse by shifting the discussion from one focused on mitigation, to adaptation – an indication that human civilization had already bypassed its opportunity to reverse the causes and effects of Climate Change. The IPCC AR5 explains that, “Without additional mitigation efforts beyond those in place today, and even with adaptation, warming by the end of the 21st century will lead to high to very high risk of severe, widespread and irreversible impacts globally (*high*

²⁹⁷ Suzanne Goldenberg, “World Bank rejects energy industry notion that coal can cure poverty,” *the Guardian* July 29, 2015,

confidence)... [and] Many aspects of climate change and its associated impacts will continue for centuries, even if anthropogenic emissions of greenhouse gases are stopped”²⁹⁸.

Furthermore, a 2013 study published in the *Journal of Climactic Change* found that, “The climate crisis of the 21st century has been caused largely by just 90 companies, which between them produced nearly two-thirds of the greenhouse gas emissions generated since the dawning of the industrial age... [and] the vast majority of the firms were in the business of producing oil, gas or coal”²⁹⁹. Thus, there is consensus that not only is Climate Change a very real and immediate threat, but that extractive hydrocarbons industries are largely responsible; in other words, oil and gas industries have complex, generative environmental impacts detrimental to human survival.

This thesis supplements this now very much conventional wisdom, by adding that oil and gas industries also have complex, generative *social* impacts that are ultimately detrimental to human wellbeing. Without these complimentary assessments, without considering both the environmental *and* the social, companies and governments in the short-term and human civilization in the long-term place survival and stability at risk – both for individual women, men and children, and for communities across the world that make our human species so unique. Thus, this thesis implores actors at every level to engage with and consider the profound implications of resource extraction.

²⁹⁸ “Climate Change 2014: Impacts, Adaptation, and Vulnerability – Part A: Global and Sectoral Aspects,” *Intergovernmental Panel on Climate Change*, 2014.

²⁹⁹ Suzanne Goldenberg, “Just 90 companies caused two-thirds of man-made global warming emissions,” *The Guardian*, November 20, 2013, <http://www.theguardian.com/environment/2013/nov/20/90-companies-man-made-global-warming-emissions-climate-change>.

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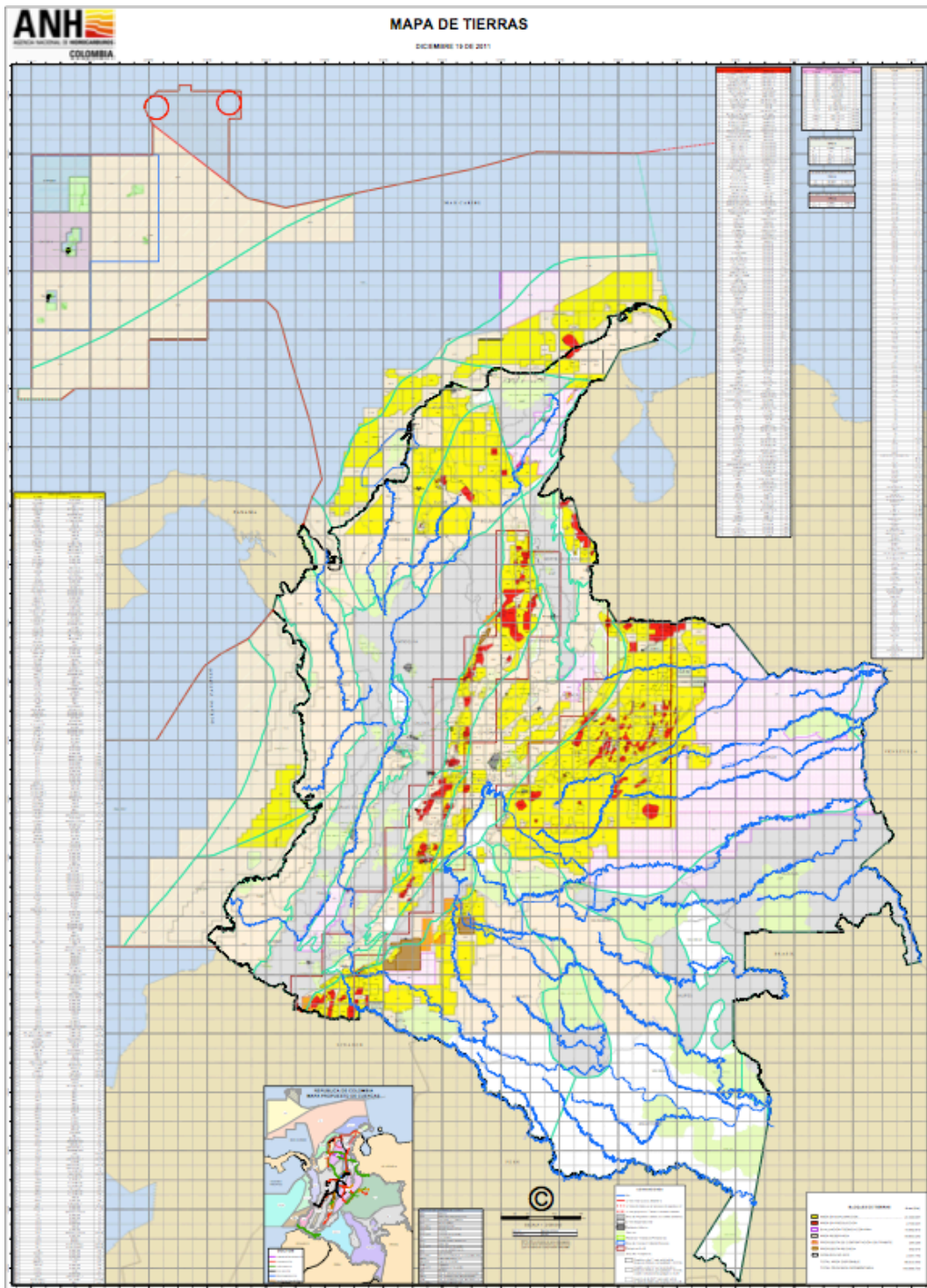
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Appendix I



ANH Map of Territories for auction during bidding rounds 2014 onwards