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PERU: INDIGENOUS PROTESTS SUCCESSFULLY REVERSE PRESIDENT ALAN GARCIA'S DECREES OPENING AMAZON TO OIL EXPLOITATION

A growing number of protests against the administration of Peru's President Alan Garcia led to a declaration of a state of emergency in several departments in August after indigenous groups seized petroleum and natural-gas facilities. The indigenous groups were fighting to overturn presidential decrees that would have allowed tribes to sell their lands to private interests, a measure required under the terms of the free-trade agreement (FTA) that Peru and the US ratified (see [NotiSur, 2008-01-11](#)). The Congress ultimately overturned Garcia's decrees by an overwhelming majority, leading to the end of the indigenous protests. Nonetheless, broad popular discontent with Garcia--as demonstrated by multiple protests and a union call for a general strike in July--remains a major factor in the Peruvian political environment.

Congress repeals tribal-land-sale decrees

On Aug. 22, Peru's Congress voted to repeal the two land laws that Garcia had approved by decree, laws aimed at opening up Amazonian tribal areas to development. At that point, protests had lasted more than 10 days, with indigenous groups taking several police officers hostage and gaining control of both a major natural-gas field in southern Peru and an oil pipeline.

The laws, Decrees 1015 and 1073, would have allowed the sale of tribal lands by a simple majority vote in a community assembly, which the protesters said would make it easier for big energy companies to grab their land.

Under one of the decrees, a mechanism created in the 1990s, which allowed indigenous communities to sell or lease collectively owned land to third parties if approved by two-thirds of the members of a community assembly, was modified to permit sales with the votes of just 50% plus one of the assembly members.

Congress repealed the laws by 66 votes to 29, with international media correspondents saying the repeal was a blow to Garcia. Members of Garcia's Alianza Popular Revolucionaria Americana (APRA) backed the law but were in a small minority in the vote.

Garcia had described the initiative as pivotal to improving life in Peru's poorest regions, while a leading indigenous-rights campaigner welcomed the repeal of the laws.

Speaking before the vote, lawmaker Roger Najjar, president of the Comision de Pueblos Andinos y Amazonicos, had urged Congress to vote to rescind the laws. History, he said, would remember Aug. 22 as "the day that the disappearance of the indigenous communities in the jungles and mountains was avoided."

Alberto Pizango, leader of the Asociacion Interetnica de Desarrollo de la Selva Peruana (AIDSESP), called it a new dawn for the country's indigenous peoples. Pizango hailed the repeal as "a moment of true democracy and true inclusion. This is a new dawn for the people of this country, and for all Peruvians who wish to develop in freedom, not in oppression."

"The right way of doing things would have been to hold talks, decentralized sessions [with native organizations before the decrees were approved]. We definitely do not approve of the protests, but they were caused by the government," said Congress member Gabriela Perez del Solar, of the opposition Unidad Nacional (UN).

But the APRA legislators argued that the decrees had been approved to give indigenous communities in the jungle and highlands regions the same tools that campesinos in the coastal region have, which allow them to rent or sell their land.

"This is special treatment for certain cultures. Are native people minors? What these decrees were aimed at was a revolutionary change to pull them out of poverty. The law has to be the same for everyone; that's what the rule of law is all about," argued Congress member Mauricio Mulder, secretary-general of APRA.

Garcia restricts freedoms in response to protests

On Aug. 20, Garcia had warned the repeal would be "a very serious, historic mistake." He told reporters, "If that were to happen out of fear of protesters, fear of unrest, Peru would someday remember it as the moment when change came to a halt and hundreds of thousands of people were condemned to poverty, exclusion, and marginalization."

Around 70% of Peru's Amazon is leased for oil and gas exploration, and many of its tribal people say they do not want the companies on their land, according to the BBC. Protestors from 65 tribes feared the laws would make it easier for investors to buy their energy-rich land in Peru's Amazon basin.

The legislation was introduced as part of the country's FTA with the US, the US-Peru Trade Promotion Agreement (PTPA). The PTPA has been the source of protests in Peru for many months, resulting in several deaths and injuries in demonstrations earlier this year (see [NotiSur, 2008-03-14](#)).

The tribes are distrustful as companies extracting oil or gas have, in the past, brought contamination, which has had an impact on both their environment and health.

"We have lifted the strike," said Pizango after the congressional committee's decision. "We have faith and expect Congress to follow through."

Garcia declared a state of emergency on Aug. 18, restricting or suspending freedom of assembly and movement for a period of 30 days in various regions where there had been protests. The declaration also allowed the Army to be sent in to break up protests. Native groups had seized facilities belonging to the Camisea gas pipeline, among other industrial production facilities, and blockaded highways.

The state of emergency decree affected the provinces of Bagua and Utcubamba in the department of Amazonas, the province of Datem in Marañon, the department of Loreto, and the district of Echarate, in the province of La Convencion, Cuzco. The government claimed that confrontations between police and some protestors had put the regions' security in danger.

A sticking point in the dialogue between the protestors and the government had been whether the indigenous groups would be negotiating with Environment Minister Antonio Brack or

Cabinet Chief Jorge del Castillo. Some indigenous groups refused to dialogue with Brack, while the government refused to send the more powerful del Castillo. The Cabinet chief, announcing the state of emergency, assured reporters that "it cannot be allowed, for any reason, that the delivery of natural gas be interrupted."

Spanish news service EFE reported that on Aug. 17 that at least nine people were injured in police-demonstrator confrontations, among them seven police. The injuries occurred in Aramango, Amazonas department.

Criticisms of Garcia's policies toward native peoples

In addition to calls for the repeal of Decrees 1015 and 1073, groups like AIDSEP called for re-establishing a clause from the 1979 Constitution--replaced by the new Constitution in 1993 (see *NotiSur*, 1993-09-03, 1993-12-17)--that stated that communally owned land in indigenous territory could not be sold or embargoed.

They also demanded that the government and Peruvian legislation comply with International Labor Organization (ILO) Convention 169--ratified by Peru--that makes it obligatory to consult with indigenous communities prior to any project or works undertaken in their territory.

Brack alleged that the indigenous protesters were being manipulated by an "international movement" that was inciting Aguaruna Indians in Peru and Ecuador to try to form their own independent territory. "They are being stage-managed by a group of lawyers who are deliberately misinforming them," said Brack, who had been sent to Loreto for talks with native leaders on Aug. 15, but failed to obtain results.

"The underlying problem is that the government is attempting to portray indigenous people as just another group of poor people, without admitting that they have a different way of life, a different cultural viewpoint," anthropologist Oscar Espinosa at the Pontificia Universidad Catolica de Peru (PUCP) said to *Inter Press Service*. "The authorities think they can calm the demands of indigenous people by building schools or medical clinics, but the pending debt to the indigenous population is much more complex than that."

"They should not be seen as inferior because of their attempt to block the influx of private investment into their territories," said Espinosa. "The problem is that Peru has a hard time seeing cultural differences as something positive, as part of the country's wealth. Peruvian society sees them instead as an obstacle. Peru, which in past decades [in the 1970s], was in the vanguard with respect to indigenous issues, is now in last place on the list."

But Vice President Luis Giampietri stuck with the outside-agitator argument, claiming that "some nongovernmental organizations (NGOs) that are active in these issues are inciting people to do these kinds of things, which in the end are subversive activities, because they are undermining the foundations of democracy. How have they achieved the miracle of being able to bring together, in one place at the same time, communities so widely dispersed as the jungle peoples? That will have to be investigated."

Garcia's government reacted with hostility to claims that uncontacted Indian people near Peru's border were facing threats to their lands and lives (see [NotiSur, 2008-08-15](#)). Garcia had

suggested such groups, whose photos were distributed by Brazilian officials, might be an invention of those opposed to petroleum exploration. In a column for the newspaper *El Comercio*, Garcia wrote that the "figure of the jungle native" was "created" to prevent oil exploration in the region.

Economic protests and social conflicts grow

Garcia entered the third year of his current term in office in mid-2008 with polls showing that only one-fourth to one-third of Peruvians approved of the job he is doing. The Garcia administration faces many of the same contradictions that widely reviled former President Alejandro Toledo (2001-2006) faced (see *NotiSur*, 2005-08-26, 2006-08-18). Sustained economic growth that does not adequately alleviate mass poverty in Peru led to strong public disaffection with the Toledo administration. The same conditions persist under Garcia as he focuses heavily on free trade and foreign investment as the primary motors for Peruvian economic development.

In a late-July speech, Garcia sought to portray the advances he claims his administration has made. The country's inflation rate, which stood at 7% between June 2007 and June 2008, "is one of the lowest on the continent," said Garcia, although he did not clarify that the prices for consumer goods in the provinces have risen by up to 15%. Garcia boasted that 18.5 million people in Peru now have mobile phones, compared to just six million in 2006. Also, in the past year 700,000 new fixed telephone lines have been installed.

Garcia also emphasized the substantial increase in revenue from annual concession fees paid by mining companies, called the "canon minero," which the executive branch distributes to local and regional governments to be used for social spending. In 2006, the amount transferred was equivalent to US\$607 million and in 2008 it will reach nearly US\$1.85 billion. The more than threefold increase is a result of the surge in international metals prices.

Between 2004 and 2007, canon minero revenues rose tenfold, but their distribution to mainly mining areas created inequality among regions. The tax is distributed in different proportions among the mine site and local and provincial governments with jurisdiction over the mine. Thus some very poor areas that are close to mines but fall under a different local administration receive little or nothing from the tax.

This system of distribution means that 61% of the revenue accrues to only five of the country's 25 departments--Ancash, Tacna, Cuzco, Cajamarca, and Moquegua--while barely 5.45% goes to Huancavelica, Apurimac, Ayacucho, Puno, and Huanuco, where poverty rates range between 64% and 85%.

Garcia's July speech did not specify how he would modify the distribution mechanism, which is a permanent cause of social conflicts such as those that broke out recently in the Moquegua and Madre de Dios regions.

From January to June of 2008, there had been 132 social conflicts, 65% of them active and 35% latent, according to a report from the Defensora del Pueblo office updated to June 30. "None of these has been settled during June," the report said.

During the same six-month period, 53 social demonstrations took place, continuing a rising trend. Defensora del Pueblo officials have had to intervene as mediators on 78 occasions to avert violent clashes between demonstrators and the security forces. The report said that, between June 2007 and June 2008, social conflicts have risen by nearly 57%.

"After impressive growth, we propose more redistribution and an intense fight against extreme poverty" in the year ahead, said Garcia. "Peru has advanced, but it is now time for the poor to advance the most."

Peru's economy will grow faster than previously estimated this year because of surging consumer demand, Central Bank general manager Renzo Rossini said on Aug. 8. GDP will expand by 9%, up from an earlier bank estimate of 8%. Inflation will slow to the bank's annual target of no more than 3% by the end of 2009 as prices of imported commodities drop. "The economy is growing at full speed. Investment continues to come in and consumers are optimistic. Growth is guaranteed for this year," he said.

Higher global prices for metals, natural gas, and fishmeal, coupled with surging investment and domestic demand, have helped fuel Peru's longest economic expansion. Consumer demand jumped 12.3% in the first half of 2008, Rossini said.

But the two-tiered economy of Peru has slowly but increasingly become more unstable in recent months. The Peruvian capital, faced with the rapidly rising cost of living, was the epicenter of mid-July protests calling for fulfillment of social and wage agreements signed by the government. Although only one violent incident occurred, some 200 demonstrators were arrested.

Protests by farmers and indigenous communities in the second week of July were joined by a mass demonstration by teachers, construction workers, and state employees in Lima and several other cities and towns. The protests also included roadblocks.

"This is not a strike by terrorists, or people seeking to destabilize the country, or Chavistas [supporters of Venezuelan President Hugo Chavez]," said secretary-general of the Confederacion General de Trabajadores de Peru (CGTP) Mario Huaman, stressing that they were peaceful demonstrations.

The only exception was in the Amazon region of Madre de Dios, where the seat of local government was set ablaze.

Interior Minister Luis Alva Castro called the July 13 day of protest a failure and said that 11,000 police officers were deployed and that 200 demonstrators had been arrested. The government also mobilized a number of military troops, triggering condemnation from civic leaders and political analysts who consider that the armed forces lack the training and experience to deal with demonstrations.

"We can learn from every situation, and the government accepts its own lesson, without triumphalism or defeatism, because it knows that it must continue to work, as it has set out to do, for the poor of Peru," said Garcia when he summed up the impact of the protest and said that he recognized complaints that many of his promises had been broken.

The CGTP was demanding urgent measures to curb the cost of living, pay the wage increases agreed with workers, and change the free-market economic model imposed by Garcia.

[Sources: El Nuevo Herald (Miami), 07/30/08; El Universo (Ecuador), 08/05/08; Bloomberg, Los Tiempos (Bolivia), 08/08/08; Associated Press, 06/04/08, 08/11/08, 08/15/08; TeleSUR, 08/17/08; Spanish news service EFE, 07/03/08, 07/08/08, 07/29/08, 08/11/08, 08/12/08, 08/14/08, 08/18/08; www.bbcmundo.com, 07/09/08, 07/10/08, 07/28/08, 08/19/08, 08/21/08, 08/23/08; BBC News, 08/21/08, 08/23/08; La Republica (Peru), 03/17/08, 08/04/08, 08/22/08, 08/25/08, 08/27/08, 08/28/08; El Comercio (Peru), 08/04/08, 08/27/08, 08/28/08; Inter Press Service, 07/14/08, 08/19/08, 08/22/08, 08/27/08, 09/02/08]