Consuming Landscapes: Towards a Political Ecology of Resource Appropriation

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A thesis submitted in fulfilment of the requirements of the degree of Doctor of Philosophy

October, 2007

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Figure 4.1 (p.116)

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Abstract

In this thesis I develop a political-ecological model of Resource Appropriation called Landscape Consumption. Resource Appropriation, the intentional taking by a social group(s) from one society of the resources of another sovereign political society without consent, is a pervasive and persistent social phenomenon. Resource Appropriation may manifest between states, nations, corporations or other forms of social organisation and may range from the direct looting of resources, occupation of land and colonialism, to the enforcement of disadvantageous economic, political and trading relationships. Consistent with the field of Political Ecology this thesis attempts to account for the broader environmental and social transformations that accompany Resource Appropriation and the underlying political and economic processes. In doing so the thesis contributes to the growing collection of literature that explores the relationship between natural resource development and social and ecological transformation.

The Landscape Consumption model argues that Resource Appropriation is not simply achieved by the power of an army or a type of economic instrument but through a broad array of socio-ecological techniques employed by a dominant group(s) that reshapes the relations of space and place, perception and experience, society and ecology. The model draws on three themes: domination, detachment and consumption. Landscape Domination refers to the broader political, social, economic and ecological control imposed by a dominant social group(s) in the pursuit of a resource. While a single resource may be the focus of appropriation in practice broader social and ecological domination is required. Landscape Detachment argues that such domination facilitates the detachment of the dominated from the social and biogeophysical processes of information feedback. Landscape Consumption hypothesises that the combined effects of domination and detachment result in a deterioration of both societies and ecologies. The process of consumption relates not only to the resources directly sought by dominant social groups but also to the consequent deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated.

The Landscape Consumption model responds to the transformed power relationships that characterise the contemporary international political environment. Resource Appropriation over the past decades has shifted from direct nation-state domination (colonialism and neocolonialism) to more complex and less formal forms that have involved interstate and international institutions and actors, argued here to constitute Empire. The thesis argues that the project of Empire includes multilateral economic systems and institutions built since the Second World War, the discourses of neoliberalism and trade liberalisation, expansion of corporate power, and also the various foreign and economic policies pursued by nation-states; but that the agency of Empire is more accurately attributable to the complex of interconnections and relationships between these heterogenous elements and thus requires a new conception of sovereignty. The model adopts a landscape approach to account for the complex sovereignty and agency that has accompanied this shift. Landscape provides the means to explain the multiple interactions between social groups and biogeophysical environs grounded by their location in geographic space. Landscape is a theoretical tool that provides insight into the socio-ecological processes, discourses, relationships and actors that contribute to domination for Resource Appropriation and is flexible enough to conceptualise the agency of diverse social groups. The model is useful in this context as Empires do not arise to dominate ecology and society in one totalising moment, but are built and defended landscape by landscape.

To test the Landscape Consumption model the thesis makes a historical comparative analysis of two case studies, in Chile and West Papua, where previously autonomous landscapes were integrated or re-integrated into larger political-economic entities through practices of domination. The case studies draw on a wide variety of sources, such as declassified government and military records, fieldwork, and interviews to investigate copper Resource Appropriation during the time period of 1955–2005. The case studies reveal the multiple processes and actors involved in Resource Appropriation and confirm the applicability of the Landscape Consumption model. The case studies suggest that while Resource Appropriation does lead to broader deterioration of environmental and social resources, dominated landscapes can mitigate the extent of Landscape Consumption by mobilising to challenge the dominance of imposed landscapes.
The Nation and Its Sorrows Speak

They have struck me
pained,
like a piece of land,
scarred,
with wounds that do not heal,
with beatings and falls,
They have struck me
like a never-ending curse,
like a home left to ruin and bitterness.
Oh, the weight of history!
I am filled with the treachery and thefts,
every added humiliation grows,
each new misery accumulates.
The imperial eagle tears at my insides
and powerful men divide among themselves
my seas and mountains,
my rivers and deserts,
my valleys and streams.
These are my afflictions,
great and never ending:
the pain of my mangled ground,
the pain of my impoverished land,
the pain of my son betrayed,
the pain of my battle lost…

Subcomandante Marcos
Zapatista National Liberation Army (EZLN)
September 22, 1994
(2001, 52-53)
Statement of Originality

This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.


Daniel Marc Franks,
October, 2007
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The Griffith School of Environment kindly provided support for overseas fieldwork and a scholarship to enable my study. I also greatly appreciate the scholarship contribution provided by Griffith University and the Commonwealth of Australia. This support provided me the opportunity to learn from the many people and communities facing terrible injustice in places near and far. The strength and tenacity shown by communities experiencing Resource Appropriation are an inspiration.

And of course to my family who give much but ask little. In particular I express my love and appreciation to Marion and our son Finn.
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<td>AD</td>
<td>Anno Domini (After Christ)</td>
</tr>
<tr>
<td>ABC</td>
<td>Australian Broadcasting Corporation</td>
</tr>
<tr>
<td>ABRI</td>
<td>Angkata Bersenjata Republik Indonesia (Armed Forces of Indonesia)</td>
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<td>Australian Council for Overseas Aid</td>
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<td>Asian Development Bank</td>
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<td>Annual General Meeting</td>
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<td>Associated Press</td>
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<td>ARD</td>
<td>Acid Rock Drainage</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>ASIS</td>
<td>Australian Secret Intelligence Service</td>
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<td>ATTAC</td>
<td>Association pour la Taxation des Transactions pour l'Aide aux Citoyens (Association for the Taxation of Financial Transactions for the Aid of Citizens)</td>
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<td>BC</td>
<td>Before Christ</td>
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<td>Business Conflict Model</td>
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<td>Broken Hill Propriety</td>
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<td>Canada-Chile Agreement on Environmental Cooperation</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CERLAC</td>
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<td>CJCS</td>
<td>Chairman of the Joint Chiefs of Staff, United States</td>
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<td>COCHILCO</td>
<td>Comisión Chilena del Cobre, Chile (Chilean Copper Commision)</td>
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<td>CONAIE</td>
<td>Confederación de Nacionalidades Indígenas del Ecuador (Confederation of Indigenous Nationalities of Ecuador)</td>
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<td>CONAMA</td>
<td>Comisión Nacional del Medio Ambiente (Chilean National Commission for the Environment)</td>
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<td>COREMA</td>
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<td>CoW</td>
<td>Contract of Work</td>
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<td>United States Department of State Outgoing Telegram</td>
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<td>DP</td>
<td>Dewan Papua (The Papuan Council)</td>
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<td>ENAMI</td>
<td>Empresa Nacional de Minería, Chile (National Mining Company)</td>
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<td>ENSO</td>
<td>El Niño Southern Oscillation</td>
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<td>EU</td>
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<td>FoE</td>
<td>Friends of the Earth</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>FoEi</td>
<td>Friends of the Earth International</td>
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<td>FRAP</td>
<td>Frente de Acción Popular (Popular Front)</td>
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<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
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<td>G8</td>
<td>Group of Eight Industrialised Countries</td>
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<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>Gestapu</td>
<td>Gerakan September Tigahpiluh (September 30 Movement)</td>
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<td>IFI</td>
<td>International Financial Institution</td>
</tr>
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<td>IGGI</td>
<td>Inter-Governmental Group on Indonesia</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ITT</td>
<td>International Telephone and Telegraph Company</td>
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<td>Komisi Nasional Hak Asasi Manusia (National Commission on Human Rights, Indonesia)</td>
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<td>LDC</td>
<td>Less Developed Countries</td>
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<td>LEMASA</td>
<td>Lembaga Masyarakat Adat Amungme (Amungme Traditional Council)</td>
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<tr>
<td>LEMASKO</td>
<td>Lembaga Adat Masyarakat Suku Kamoro (Kamoro Traditional Council)</td>
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<td>MAP</td>
<td>Military Assistance Program, United States Government</td>
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<td>MAPU</td>
<td>Movimento de Acción Popular Unitaria, Chile (Movement of Popular Unitary Action)</td>
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<td>Masjumi</td>
<td>Majelis Syoro Muslimin (Council of Indonesian Muslim Associations)</td>
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<td>MIGA</td>
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<td>MIT</td>
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<td>MMSD</td>
<td>Mining, Minerals and Sustainable Development (World Business Council for Sustainable Development)</td>
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<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>OLCA</td>
<td>Observatorio Latinoamericano de Conflictos Ambientales (Observatory of Latin American Environmental Conflicts)</td>
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<td>OPEC</td>
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<td>Partai Komunis Indonesia (Indonesian Communist Party)</td>
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<td>Partai Sosialis Indonesia (Indonesian Socialist Party)</td>
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<td>PUC</td>
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<td>RENACE</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>SAP</td>
<td>Structural Adjustment Program</td>
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<td>SERNAGEOMIN</td>
<td><em>Servicio Nacional de Geología y Minería</em> (Chilean Geological and Mining Survey)</td>
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<td>SOFOFA</td>
<td><em>Sociedad de Fomento Fabril, Chile</em> (Federation of Chilean Industry)</td>
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<td>SWNCC</td>
<td>State War Navy Coordinating Committee, United States government</td>
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<td>TNC</td>
<td>Trans National Corporation</td>
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<tr>
<td>TNI</td>
<td><em>Tentara Nasional Indonesia</em> (Indonesian National Army)</td>
</tr>
<tr>
<td>Ton</td>
<td>Imperial Ton (1016 kilograms)</td>
</tr>
<tr>
<td>Tonne</td>
<td>Metric Tonne (1000 kilograms; t)</td>
</tr>
<tr>
<td>TPN</td>
<td><em>Tentara Papua Nasional</em> (National Papua Army)</td>
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<tr>
<td>UK</td>
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<td>World Bank</td>
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Introduction

Research Problem

Whether it is the extraction of oil by multinational corporations from indigenous Peoples in Nigeria, Columbia or Ecuador, or the trade of conflict diamonds from Angola and Sierra Leone, the appropriation of resources and the consequent environmental and social transformations loom large in inter-societal political relationships. Resource Appropriation (RA), the intentional taking by a social group(s) from one society of the resources of another sovereign political society without consent, is a pervasive and persistent social phenomenon. Resource Appropriation may manifest between states, nations, corporations or other forms of social organisation (such as political parties and religious groups) and may range from the direct looting of resources (for example conflict diamonds from Angola or the Sudan), occupation of land and colonialism, to the enforcement of disadvantageous economic, political and trading relationships. This thesis seeks to understand the contemporary character of RA and the associated environmental and social consequences.

Awareness of the appropriation of resources has emerged through the advocacy of a small but dedicated group of people and civil society organisations. They have revealed, for example, the appropriation of natural gas in Bolivia and Aceh, coltan in Rwanda, timber and natural gas in Burma, copper in Papua New Guinea, and oil in the Sudan, Nigeria, Columbia, and Ecuador. Appropriation has taken a number of forms including state subversion (for example, the overthrow of Iranian government in 1953 after the nationalization of the Anglo-Iranian Oil Company), military invasion (for example, the occupation of strategic energy resources in Iraq by the United States) and corporate intervention (Chomsky, 1993; Doyle, 2005; Evans, Goodman and Lansbury, 2001b; Gedicks, 1993, 2001; Goldsmith, 1997, 1999; Hyndman, 1988, 1991, 2001; Kennedy, 1998; Kirsch, 2001; Moody, 1991, 1992; Renner, 2002).

While each instance of RA is the product of a unique set of circumstances, appropriation is embedded within the global political-economic and ecological dynamic. Patterns of inequity characterise the global control, extraction and consumption of natural resources. South African Prime Minister Tabo Mbeki has described resource inequity as a form of ‘global apartheid’ (CNN, 2002). According to the United Nations the wealthiest 20% account for 86% of all private consumption and the poorest account for just 1.3% (UN General Assembly, 2005, 18). The global economy is also stratified with manufacturing concentrated in the First World and the emergent economies of China, India and East Asia while primary commodity exports are still the mainstay of
the Third World (Figure 0.1). Mining investment, as one measure of the disparities of resource extraction, is predominantly sourced from North American, European and Australian firms (Bridge, 2004, 408), and heavily concentrated in the Third World (in addition to North America and Australia; Figure 0.2 and 0.3). For example, 20 of the 25 largest investments during the 1990s were outside of the traditional North American and Australian mining regions (2004, 412). This economic disparity reflects the geography of resource endowment but also importantly is a consequence of political-economic transitions. Economic liberalisation during the 1980s and 1990s opened up many prospective regions in the Third World to increased exploration and development and “fueled a rush to identify, acquire the rights to, and in some cases, develop 'world class' (that is, long-life, large-volume, relatively low-cost) mineral deposits during the mid-1990s” (Bridge, 2004, 407). As will be revealed, many of these transitions were accompanied by violence and repression.

**Figure 0.1** Proportion of manufactures in exports, 1970 & 1995. Source: Sutcliffe (2001, 72), UNCTAD data. The figure confirms the disparity between primary resource and manufacturing exports, despite a shift in the location of manufacturing industries in the period leading up to 1995.

**Figure 0.2** Mining investment by country, 1990-2001. Source: Bridge, (2004, 414).
In recent years international institutions such as the United Nations (UN) have attempted to address various aspects of RA. Initiatives such as the UN Declaration on the Rights of Indigenous Peoples and the UN Expert Panel on Illegal Exploitation of Natural Resources and other Forms of Wealth in the Democratic Republic of Congo, have recognised the role resources have played in fuelling conflict and motivating the occupation of land, and have called on states to prevent further dispossession (Billon, 2001, 562; UN General Assembly, 2006, 2). Financial institutions such as the World Bank (WB) have also responded with a number of initiatives and reforms. The WB itself has played a very controversial role in many extractive resource projects and has attracted criticism by civil society for its involvement in unsustainable projects. The WB undertook an Extractive Industries Review (EIR) beginning in 2001 under the leadership of former Indonesian Minister for the Environment Dr Emil Salim1. The final report, *Striking a Better Balance*, acknowledged many of the concerns of civil society and recommended changes in the assessment process for WB involvement in projects to be guided by environmental and social criteria in addition to economic factors (World Bank, 2004). Significantly, the report called for the phasing out of WB involvement in petroleum extraction and the continued non-investment in new coal mining development (2004, xiii). The review supported a ban on the disposal of mining waste into rivers and urged caution on sea disposal (2004, 31). The review also acknowledged the right of free informed prior consent of sovereign Peoples to

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1 Dr Salim too has been a controversial figure in this regard. Dr Salim was a former economic advisor to the Suharto Dictatorship. He once described the challenge of natural resource development as making "the cost of exploitation so low that it becomes attractive enough to lure foreign capital" (Government of Indonesia, 1967, 18; see Chapter Six).
extractive resource development but stopped short of calling for WB guidelines or policies to enforce this right (2004, 18-21).

The extractive resource industries, through the World Business Council for Sustainable Development and the International Institute for Environment and Development also undertook a review of the sustainability of the mining industry called the Mining, Minerals and Sustainable Development Project (MMSD). The final report, *Breaking New Ground*, (MMSD, 2002a) found that resources are often extracted without the consent of indigenous landowners (2002a, xviii), that in some countries mineral activities have not generated sustained economic development (2002a, xix), that human rights abuses have occurred “when companies have relied on national security forces to gain control over land or defend established premises” (2002a, xix), and that the “negative social and environmental legacy of the sector is a major obstacle to building trust and moving forward” (2002a, xxiv).

The WB and other institutions have based much of the changed approach toward resource development on research that suggests that resource endowment or dependence may in fact lead to reduced development prospects, and greater propensity for conflict in ‘developing countries’. This association is often described as a ‘resource curse’ (see Chapter Two for a more detailed overview of the Resource Curse theory; Auty, 1993; Ballard, 2003; Bannon and Collier 2003a, 2003b; Renner, 2002; Ross, 1999, 2000, 2001a, 2001b, 2001c, 2002). Research on resource conflict and dependence has broadly forwarded two arguments. The first is that resource conflicts arise through scarcity of renewable resources, where competition for essential yet scarce resources can lead to organised warfare to establish control. The second is that the abundance of, or dependence on, non-renewable resources may contribute to poor governance, corruption, and separatism (see Chapter Two; Billon, 2001, 564). Klare (2001), writing in *Foreign Affairs*, has even sketched a ‘new geography of conflict’ where “increased competition over access to major sources of oil and gas, growing friction over the allocation of shared water supplies, and internal warfare over valuable export commodities [has]...reconfigured cartography, in which resource flows rather than political and ideological divisions constitute the major fault lines” (Klare, 2001, 52).

While a comprehensive review of literature related to RA will be undertaken in Chapter Two, it is worth noting here that the focus on the relationship between violent conflict, civil wars and resource dependency, leaves out many of the important aspects and actors surrounding RA. The focus on resource conflict and dependence, particularly as promoted by the WB (Bannon and Collier 2003a, 2003b), has little to say about the involvement of First World states, multinational corporations and international financial
institutions in generating inequity. Furthermore the focus on violent conflict and civil war also leaves out many instances of appropriation that do not erupt into sustained violence or war. This thesis addresses this gap in the conceptualisation of resource inequity, and consequently defines the research problem broadly as the appropriation by a social group(s) from one society of the resources of another sovereign political society without consent, rather than the more narrowly defined resource curse, conflict or war.

Research Field

This thesis is situated within the field of Political Ecology. Research in this field accounts for the economic, social and political aspects of the environment and attempts to “understand the political sources, conditions and ramifications of environmental change” (Bryant, 1992, 13). Political ecology emerged through efforts to combine the rising concerns of ecologically rooted social science with traditional political-economy approaches (Blaikie and Brookfield, 1987, 17; Peet and Watts, 1996, 6). Research within the field has focused on particular environmental problems (such as deforestation and soil erosion), actors (such as the state, business, social movements, and peasants), concepts (such as sustainable development) and sociological relationships (such as class, gender, and ethnicity).

According to Bryant and Bailey (1997, 13) the field has developed in three phases. The first ran from the late 1970s until the mid-1980s, and is heavily influenced by neo-Marxism. Environmental issues were placed within a structural political framework to address the apoliticism of much research on the environment (Bryant and Bailey, 1997, 13). Early works included Watts (1983) and Blaikie (1985). While the neo-Marxist influences provided a platform to assess the ecological ramifications of global capitalist production, by far the dominant political-economic dynamic, early Political Ecology studies tended to understate the agency of actors outside formal political-economic processes, such as marginalised social groups or movements (Bryant and Bailey, 1997, 13). A second phase, from the late 1980s drew on neo-Weberian concepts, ecofeminism and theory on social movements, to broaden the field’s understanding of power relations. The introduction of post-structuralist approaches, the third phase, has further broadened the theory to include an acknowledgement of the role of discourse in framing environmental issues (see Escobar, 1996, 1999; Bryant and Bailey, 1997, 14). Even more recently, the field has become concerned with understanding the ways in which the environment serves as a locus for the enactment and perpetuation of inequality (Brosius, 1999). This emergent fourth phase is characterised by the articulation of Liberation Ecology (see Peet and Watts, 1996; Watts and Peet, 1996).
Liberation Ecology is proposed as an approach that combines poststructuralism with elements of political economy to emphasise the liberatory potential of struggles and conflicts over the environment.

This thesis adopts a Political Ecology approach to identify the political sources, conditions and ramifications of environmental change over inter-societal RA. The thesis draws both on traditional Political Economy literature (see Chapter Two) and poststructural approaches (see Chapter One) in its assessment of contemporary global power relations relevant to RA. Few works have specifically explored inter-societal RA from an explicitly Political Ecology perspective. Important exceptions to this general paucity include Hyndman (2001), who has theorised the appropriation of resources from indigenous nations in Papua New Guinea, and Billon (2001), who has investigated the role of resources in civil wars. These two theorists will be reviewed in greater detail in Chapter Two.

**Research Question**

Consistent with the concerns of Political Ecology this thesis seeks answers to the overarching question:

- What are the political, social and ecological sources and consequences of the inter-societal appropriation of resources?

To answer this question the thesis addresses two broad areas. First the thesis situates RA within contemporary power relations and asks whether existing theories of RA are capable of providing insights into the phenomena's contemporary manifestation. Specific questions are:

- What actors, methods and processes are identified by this literature?
- How has economic, political and military power been used to secure access to resources?
- How have major changes in international political relationships, such as the end of formal European colonialism, 'neo-colonialist' intervention during the 'cold war,' and the globalisation of productive networks of capital modified the processes and actors identified?
- Importantly how do these political changes influence understandings of resource sovereignty and the legitimacy of resource access?

A second major area of interest concerns the conceptualisation of the social and ecological consequences of RA. Questions here include:

- What social and ecological transformations accompany the appropriation of resources?
- For whom does this transformation constitute crisis, and for whom opportunity?
• What defines the political ecological relationships between those who appropriate resources and those who have their resources appropriated? and;
• Are these relationships in anyway generalisable?

By answering these two broad areas of concern the thesis will make a contribution towards the beginnings of a Political Ecology theory of RA.

Method

In this thesis I develop a hypothesis of RA, called Landscape Consumption, from a review of existing theories. The hypothesis is then tested using a historical comparative analysis of two case studies of RA. Case study research, that is, "detailed examination of an aspect of a historical episode to develop or test historical explanations that may be generalizable to other events" (George and Bennett, 2005, 5) is particularly well suited for theory-building (Lijphart, 1971, 691; George and Bennett, 2005, 20). Case study research is at a scale and depth that favours the identification of causal relationships and the tracing of processes (Gerring, 2004, 348), and is thus suited for the early development of a Political Ecology theory of RA. Case study research, however, does not provide the means to definitively confirm theories or hypotheses the way in which a multiple-unit study can (though case studies can provide the means to rule some hypotheses out). This may limit the generalisability of case study findings. Studies that utilise higher numbers of cases are better suited to confirmatory/disconfirmatory research strategies where hypotheses can be assessed against a greater number of variables and circumstances. Another limitation to the method is that the small number of cases encourages researchers to disregard a hypothesis upon the occurrence of a deviant case. According to Lijphart (1971, 686) "deviant cases weaken a probabilistic hypothesis, but they can only invalidate it if they turn up in sufficient numbers to make the hypothesized relationship disappear altogether." Caution must therefore be taken when ruling out theories.

To strengthen the case study approach this study makes a historical comparative analysis of two case studies. Comparative historical case study methods examine variations in causal relationships across and within case study units and throughout a given time period. The comparative historical methodology has a rich history in social research and has been used by theorists such as Marx and Weber (Mahoney and Rueschemeyer, 2003, 3). The comparative method provides a way of finding empirical relationships among variables (Lijphart, 1971, 683). According to Mahoney and Rueschemeyer (2003, 12-14) comparative historical enquiry is concerned with the explanation and identification of causal relationships, the analysis of the unfolding processes over time (including the impact of the timing of events), and the "systematic
and contextualized comparisons of similar and contrasting cases". Comparative historical analysis is suited toward research projects that seek to ask questions about large-scale outcomes (Mahoney and Rueschemeyer, 2003, 7). This is because the methodology explicitly seeks answers to questions that have broad application, that is, questions that exist across case studies that can be compared.

The small sample number limitation of case study research is also methodologically strengthened by the synthesis of existing theory into a hypothesis. The review of literature provides for an 'interpretive' approach where the existing theories provide insights into the analysis of the case study, while the case study provides some degree of 'theory-confirming and theory-infirming' test of the established theories (Lijphart, 1971, 692). Thus the hybrid methodological approach adopted in this study offers a trade-off between single unit analysis (with their descriptive detail, depth, emphasis on causal mechanisms, and 'theory generating' research strategy) and cross-unit and cross-time studies (useful for causal inference, breadth of proposition, representativeness, emphasis on causal effect, and 'theory testing' research strategy; Gerring, 2004, 346).

Like case studies, however, comparative methodology can also be limited by the intrinsic problem of a great deal of variables yet a small number of cases and thus the method is commonly used as a first stage of research where a hypothesis is formulated, before the hypothesis is tested against a larger sample of cases (Lijphart, 1971, 685). Such a limitation is tempered by the decision to choose comparable cases where the variables of concern provide the major differences between the case studies, and by the introduction of a historical component that increases the breadth of internal analysis of the case studies. That said the model of RA developed in this thesis will require future verification against a much larger number of cases.

Historical comparative analysis is usually conducted at the scale of the state and has been used to explain phenomena such as revolutions, political regimes and welfare states (Mahoney, 2004, 81). This thesis takes a slightly different approach. Unlike other political studies that utilise the case study or comparative historical method the thesis will not limit the analysis of the study to the nation-state. This is because, as will be argued in Chapter One, other forms of social organisation are equally important to the study of RA in the contemporary era. The methodological tool adopted by the study to allow the comparison of such diverse forms of social organisation as nations, states, corporations, political parties and social movements, is the landscape approach. Chapter Three will investigate the concept in significant detail and will justify the applicability of the concept to the current research methodology.
The case studies and historical analysis are developed from multiple sources of primary and secondary information. Sources include fieldwork (field trips to extractive resource projects\(^2\), and meeting with communities, organisations, campaigners, former public servants and academics), reports and other documentation from governments, organisations and corporations (including declassified documents), films and videos, legal cases and regulations, pamphlets, statistical data and electoral results, earth and environmental scientific studies, biographies, corporate histories, trade journals, conference proceedings and resolutions, political meetings and rallies, e-lists, news media, press releases, theses, websites, speeches, and letters.

The thesis supplements this research with seventeen targeted interviews (see Table 0.1 for details of interviews conducted for this thesis). Potential interviewees were contacted to enhance documentary research, particularly in situations where little written research existed on a subject. The interviews were not undertaken to determine comparative attitudes or beliefs, did not follow a consistent line of questioning, nor were they representative of the diversity of views on a subject. Interviews were semi-structured depending on the topic and sought to explore specific knowledge gaps, strengthen documentary sources, or provide background knowledge. Interviewees were often asked to name other potential sources.

The case studies correspond to the historic period of 1955-2005. This time period was chosen for two reasons. The first is that it provides an adequate period of time in which to assess the various actors and processes by which RA occurs, and to provide a broad enough period by which research on the case studies can be sourced. Secondly the time period represents a shift in the configuration of international relations described in Chapter One as the 'becoming' of Empire. Chapter One will argue that since the 1950s there has been a disintegration of nation-state domination as the primary configuration of inter-societal appropriation. Through a historical comparative analysis of RA during this period we will be able to test whether the Landscape Consumption model is flexible enough to adapt to such changes, whilst still providing accurate insights into the processes at play.

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\(^2\) Mines visited during the course of this research include: Candelaria (Phelps Dodge – now owned by Freeport McMoran), Chile; Chuquicamata (CODELCO), Chile; Carmen de Andacollo (Aur Resources), Chile; Escondida (BHP Billiton), Chile. Other mines visited recently by the author include: Potosí (run by co-operative) Bolivia; Mina Córrego do Feijão and Sáo Gonçalo do Rio Abaixo (CVRD) Brazil; Mt Isa (Exstrata) Australia; Broken Hill (Perilya), Australia; Cannington (BHP Billiton), Australia; Boddington Gold Mine (Newmont, Anglo Gold Ashanti) Australia; Callide Mine (Anglo Coal) Australia; and Olympic Dam (BHP Billiton) Australia. Field-work was not possible for the West Papua case study, due to Griffith University policy regarding Australian Department of Foreign Affairs travel warnings for non-essential travel to Indonesia.
Table 0.1 Interviews conducted during the course of this thesis.

<table>
<thead>
<tr>
<th>Interviewee (pseudonym)</th>
<th>Description/ Institution</th>
<th>Location/ Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jaoquin Ferriero</td>
<td>Former Director of a government environmental agency</td>
<td>4 July 2003 La Serena, Chile</td>
</tr>
<tr>
<td>Carlos Moya</td>
<td>Former member of the Executive Committee of CODELCO during the period of copper nationalisation in Chile.</td>
<td>13 July 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Roberto Gonzalez</td>
<td>Former Sub-secretary for Mining during the period of copper nationalisation.</td>
<td>21 July 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Neighbourhood Committee</td>
<td>Community group impacted by a copper mine.</td>
<td>24 June 2003 Region IV, Chile</td>
</tr>
<tr>
<td>Victor Robinson</td>
<td>Director of the Chilean state copper company CODELCO</td>
<td>10 June, 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Michelle Velasco</td>
<td>President of an environmental organisation</td>
<td>30 May 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Manuel Jara</td>
<td>President of an environmental organisation</td>
<td>3 June 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Alejandro Rojas</td>
<td>Academic researching the environmental impact of extractive industries</td>
<td>17 June 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Osvaldo Bachelet</td>
<td>President of a social justice organisation</td>
<td>9 June 2003 Santiago, Chile</td>
</tr>
<tr>
<td>José Sanchez</td>
<td>Research Director of an environmental organisation.</td>
<td>9 June 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Simon Neruda</td>
<td>Researcher for an environmental organisation</td>
<td>29 May 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Pancho Vidal</td>
<td>Copper miner in a medium sized multinational copper mine</td>
<td>2 July 2003 Copiapo, Chile</td>
</tr>
<tr>
<td>Pablo Valdivia</td>
<td>Mining Geologist for a mine impacting local community</td>
<td>26 June 2003 Region IV, Chile</td>
</tr>
<tr>
<td>Maria Escobar</td>
<td>Member of an academic society</td>
<td>30 May 2003 Santiago, Chile</td>
</tr>
<tr>
<td>Jorge Balmaceda</td>
<td>Communications Director for a multinational mining company</td>
<td>16 July 2003 Antofagasta, Chile</td>
</tr>
<tr>
<td>Samantha Smith</td>
<td>Journalist and social justice activist for West Papua</td>
<td>March 2003 Brisbane, Australia</td>
</tr>
<tr>
<td>Marcus Jocku</td>
<td>Papuan independence leader</td>
<td>March 2003 Brisbane, Australia</td>
</tr>
</tbody>
</table>

To provide a sound methodological basis by which to make comparisons, the case studies will also be constrained by the type of resource. Both the case studies will focus on instances of RA for copper. While, due to the complexity of inter-societal interaction, it may be difficult to interpret the role that copper RA has played in the broader events. It will become apparent that in the case studies described copper RA was indeed an important factor. The case studies will investigate copper RA in Chile and West Papua respectively. These cases are central to the world copper industry. Collectively the case studies in this thesis describe the political and ecological conditions under which around 40% of world copper is produced and include the world’s five highest producing copper projects. Between 1990-2001 Chile attracted the
highest amount of global copper investment (39%) while Indonesia (which controls West Papua) was ranked fourth (with 11%; Bridge, 2004, 414). Furthermore the copper case studies described in this thesis are also central to the mining industry as a whole. Eleven of the top twelve global mining investments between 1990-2001 were copper projects (17 of the top 25). Nine of these investments were in Chile and three in Indonesia (Bridge, 2004, 413; see Figure 0.3).

The hybrid research strategy, combining the development of a hypothesis from existing literature with the testing of the hypothesis and the other theories of RA against a historical comparative analysis of two case studies of copper appropriation in Chile and West Papua, provides a solid foundation to answer the research questions and to assist in the generation of relevant theory on the contemporary circumstances of RA. The research strategy adopted is suitable for the research problem, particularly in light of the paucity of such theory within the political ecology literature.

Statement of Argument

This thesis proposes a political-ecological model of RA called Landscape Consumption (for an overview of the theoretical aspects of the thesis see Figure 0.4). The model argues that RA is not simply achieved by the power of an army or a type of economic instrument but through a broad array of socio-ecological techniques employed by a dominant group(s) that reshapes the relations of space and place, perception and experience, society and ecology. The model draws on three themes: domination, detachment and consumption. Landscape Domination refers to the broader political, social, economic and ecological control imposed by a dominant social group(s) in the pursuit of a resource. While a single resource may be the focus of appropriation in practice broader social and ecological domination is required. This domination may be practiced by a variety of social groups and institutions, take place across political systems (for example democratic and authoritarian) and use changing methods and processes. The second part of the model, Landscape Detachment, suggests that such domination detaches the dominated from the social and biogeophysical processes of information feedback. The detachment of decision making from the people affected is argued to lead to the final component of the model Landscape Consumption. This theme hypothesises that the combined effects of Landscape Domination and Landscape Detachment result in a deterioration of both societies and ecologies. The process of consumption relates not only to the resources directly sought by dominant social groups but also to the consequent deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated. The process of consumption, however, is not the simple marginalisation of a passive people.
Dominated social groups can and do assert power to challenge the dominance of imposed landscapes. Such renegotiation can mitigate the potential deterioration of valued resources, and reduce the scale of Landscape Consumption.

**Figure 0.4** Diagram illustrating the theoretical aspects of the thesis.

The Landscape Consumption model responds to the transformed power relationships within the contemporary political environment. Resource Appropriation over the past
decades has shifted from direct nation state domination (colonialism and neo-colonialism) to more complex and less formal forms that have involved interstate and international institutions and actors. This transformation is argued in Chapter One to be cognisant with the becoming of Empire. The thesis argues that Empire is experiencing a renaissance as an explanatory concept of global governance and is the most accurate conceptual apparatus to characterise contemporary international relations. Empire is conceived of as a multiform strategy of globalising power pursued at multiple sites. I argue that the project of Empire includes multilateral economic and political systems and institutions, the ideologies of neoliberalism and trade liberalisation, expansion of corporate power, and also the various foreign and economic policies pursued by nation-states; but that the agency of Empire is more accurately attributable to the complex of interconnections and relationships between these heterogenous elements and thus requires a new conception of sovereignty. Although Empire’s ambitions are global it does not necessarily follow that its order has penetrated everywhere equally, and as such Empire ‘becomes’ at the expense of dominated societies and ecologies. The model is useful in this context as Empires do not arise to dominate ecology and society in one totalising moment, but are built and defended landscape by landscape.

The complex agency of Empire fundamentally challenges the assumptions and foundations of the existing theories of RA that correspond to earlier eras of domination (overviewed in Chapter Two). The particular circumstances that characterised formal European colonialism, neo-colonialism and corporate globalisation have each resulted in the articulation of the theories of imperialism, dependency, ecological imperialism, corporate globalisation theory and Fourth World theory (see Chapter Two). The absence of theoretical understandings of RA in the becoming of Empire has resulted in the continuing, yet begrudging, use of concepts not suited to the task. Without an adequate theory of how resources are appropriated within Empire, our understanding and use of the Empire concept is inhibited and our analysis of contemporary power relations flawed. The landscape consumption model adopts a landscape approach to account for the complex sovereignty and agency of Empire and the changing circumstances of RA (see Chapter Three). Landscape provides the means to explain the multiple interactions between social groups and biogeophysical environs grounded by their location in geographic space. Landscape is a theoretic tool that provides insight into the socio-ecological processes, discourses, relationships and actors that contribute to domination for RA and is flexible enough to conceptualise the agency of diverse social groups.
The thesis tests the Landscape Consumption model by undertaking a historical comparative analysis of two case studies, in Chile (Chapter Four and Five) and West Papua (Chapter Six and Seven), where previously autonomous landscapes were integrated or re-integrated into larger political-economic entities through practices of domination. The case studies reveal the multiple processes and actors involved in RA, verify the shift from direct nation state domination to more complex and less formal processes that involve international institutions, and broadly confirm the applicability of the Landscape Consumption model. The case studies suggest that while RA does lead to broader deterioration of environmental and social resources, dominated landscapes can mitigate the extent of Landscape Consumption by mobilising to challenge the dominance of imposed landscapes.

**Contribution of Thesis**

This thesis makes an original contribution to five different bodies of theory.

First, the thesis broadens the analytical reach of the Political Ecology approach by investigating the inter-societal appropriation of resources. While the understanding of a range of environmental problems, actors, relationships and concepts have benefited from Political Ecological analysis, RA has continued to be considered predominantly from a Political Economy perspective (see Chapter Two). The Landscape Consumption model provides the beginnings of a Political Ecology of RA and responds to Escobar’s (2006, 7) recent call for studies of resource conquest to include an analysis of the accompanying ecological, cultural and economic transformations.

Second, this thesis challenges the widespread use of the concepts of resource conflict, resource war and the resource curse, and the frame of analysis implicit in such literature. While research into resource conflict and war is important, violent conflict is commonly just one aspect or one moment of an ongoing phenomenon. Many ‘peaceful’ situations of resource appropriation feature the same fundamental injustices as resource ‘wars’ yet do not erupt into sustained violence. The resource curse literature, furthermore, omits an analysis of the role of actors beyond the internal features of individual nation-states. This thesis addresses this methodological limitation and research gap, which is particularly apparent in the approaches taken by institutions such as the World Bank. The thesis demonstrates the diversity of methods and processes that facilitate the appropriation of resources and argues that a broad conception of the inter-societal appropriation of resources provides a more robust analytical framework.
Third, the thesis provides insights for Critical Theory literature on global governance. The thesis argues that Empire is the most appropriate way to conceptualise the contemporary political-economic international system. Drawing on Post-structuralism, the thesis accounts for the power shifts that have accompanied post-War economic restructuring and the expansion of the Bretton Woods system of market integration. By rejecting the rudimentary analyses that equate Empire with the US the thesis provides an important contribution to debates on contemporary governance within Critical Theory. The thesis also considers the implications for understandings of resource sovereignty.

Fourth, this thesis contributes to landscape research within the fields of Geography and Human Ecology and develops an original conception of landscape that provides useful understandings of the human-environment relationship. Landscape is also used as a methodological tool and it is here where the thesis may potentially provide insights for Political Ecology literature. Traditional social research using the historical comparative method has been limited to analyses of the state. The thesis demonstrates the applicability of the landscape concept to provide a methodology capable of incorporating diverse actors and social groups (such as social movements, international financial institutions, nations, states and corporations) situated within an ecological context.

Fifth, this thesis makes a substantial contribution to the case study research of RA in Chile and West Papua and draws on a sizeable body of resources from sources outside the academic literature to enrich the historical accounts of the cases. Recently declassified government reports and cables, corporate documents, biographies, social movement literature, interviews and field research are surveyed to provide new insights into the events, actors and relationships. The thesis reveals, for example, previously unpublished accounts of participation by a multinational copper company in the recruitment of military officers to assist in the overthrow of the Chilean Allende government.

**Thesis Rationale**

The ideas for this study were first sparked by a series of personal experiences concerning environment and development. In 2001 I embarked on an extended period of geological field research in the mines of central Brazil; specifically iron ore, gem, and gold deposits in the states of Minas Gerais, Rio de Janeiro and São Paulo. This was not the first time I had travelled to Latin America or witnessed the striking disparities that seem to typify life in the ‘Third World’, however, on this occasion I was confronted with new experiences of multinational resource extraction and importantly my position
within it. Brazil's European colonial legacy seems to linger like the mist on its vast forests. German and English were the *lingua franca* in many of the mine sites I visited, and my Brazilian colleague, an experienced geologist, once commented that my German appearance seemed to positively change the attitude of these mining professionals toward the work that we were doing. During this period I also began to study the Grande Carajás Project, situated in the Amazonian State of Pará, as this was going to be the location of a future field trip. This huge development has at its core an integrated mine-railroad-port development constructed by Companhia Vale do Rio Doce (CVRD) from WB, Japanese, US and European Economic Community (EEC) capital. Carajás hosts extensive deposits of iron, manganese and gold. The iron ore projects have fuelled the rapid expansion of associated charcoal-fuelled industries, for the production of 'pig iron'. Charcoal is sourced from the surrounding forests and the development has led to accelerated deforestation in eastern Amazonia. My research into Carajás led me to a paper by Anthony Anderson (1990), *Smokestacks in the Rainforest*, and ultimately introduced me to the broader Political Ecology literature. I was already familiar with the potential for large-scale environmental and social change that can result from resource developments, having previously participated in the Environmental Impact Assessment process of a large resource development adjacent to the Great Barrier Reef World Heritage Area in Australia (Franks, 1999; Walton, Franks and Ruchel, 2002). But the Political Ecology literature contextualised and gave me tools to decode the environment and development controversies that I was witnessing over the extraction of resources.

A few years earlier, whilst completing my undergraduate Earth Sciences degree I spent a University summer break backpacking through Chile, Bolivia and Peru, hiking the Andean Cordillera, Pablo Neruda's 'long petal, of sea, wine and snow'. On this trip I visited the tin and silver mines of Potosí in Bolivia. These mines, and the forced Indian labourers that previously worked them, contributed thousands of tonnes of silver to the Spanish Monarchy and are still worked today using the backbreaking methods of the centuries past. Potosí is a marvel of inequity. It is the ordinariness of the town that is so striking given the riches that have been unearthed. On this trip my partner and I also passed through the mining regions of Northern Chile. Through an acquaintance we were kindly offered accommodation in a home in the city of Antofagasta, an important mining center that services a number of world class copper deposits including BHP Billiton’s *La Escondida*. As our acquaintance was an expatriate mining professional we were stationed in a separate luxury suburb, an enclave of the First World far removed from the circumstances of ordinary Chileans. While we lugged our baggage toward the enclave, which was not connected by the normal public transport system, I wondered
whether the disparities of the present were the children of historic injustices in Chile as they had been in Bolivia?

The questioning that accompanied these experiences translated into a curiosity about the geographic, political and historic extent of injustice over resource extraction projects and the ecological and social consequences that accompany them. In the final years of the current research project I again worked as a geoscientist, though this time I was posted to remote Australian mining regions in Queensland, South Australia and Western Australia. Here too the issues of sovereignty and land ownership complicate the legitimacy of resource extraction. Whilst stationed in South Australia I confronted a discrepancy between the protection of environmental and social heritage at the micro and the macro scale. Our work straddled desert swales and dunes. As contractors to a large mining venture we were required to follow a strict environmental and cultural code to protect a series of clay pans that are sacred to the indigenous traditional landowners. Instead of using a vehicle to transport heavy equipment we were required to carry gear by hand across kilometers in the scorching desert heat. The company was committed to preserving this cultural heritage and forced its contractors to abide by a work program that reduced the risk of deterioration of these sites. This commitment came at considerable cost to the company, adding weeks and tens of thousands of dollars onto the costs of our services. The irony of this commitment, however, was that as a consequence of our work the area was designated as a suitable location for a large mine waste dump and the clay pans so preciously guarded will soon be buried under tonnes of mining waste. This thesis is the result of the curiosities that I have developed regarding extractive resource industries and is offered as a snapshot of my ongoing learnings.

Chapter Outline

This thesis consists of two parts. Part A (Chapters One – Three) develops a hypothesis of RA called Landscape Consumption from an overview of existing theories. Part B (Chapters Four – Seven) tests this hypothesis against a historical comparative analysis of two case studies of RA, in Chile and West Papua respectively.

Part A: Developing the Landscape Consumption Model

In Chapter One, I locate the research project within the contemporary inter-national political environment. The chapter charts the re-emergence of Empire as a political concept and phenomena and argues that Empire is the most appropriate way to describe current global governance. I identify three schools of thought that invoke the concept of Empire: the image of Pax Americana held by US establishment figures for
whom Empire is a reality justified by the necessities of geo-political power; the liberal-humanitarianism of European foreign policy elites who advocate a multi-polar Empire to balance American power; and the complex multi-dimensional entity of domination depicted by the ‘global justice’ movement. The chapter reveals the tensions that exist between Empire’s agents, most notably between a vision of a multi-polar Empire and that of *Pax Americana* and traces the historical ‘becoming’ of Empire. Through the work of Hardt and Negri, Harvey and Foucault, I develop an operational concept of Empire to explore how the tensions between the agents of Empire manifest as a global system of governance. Drawing on this analysis, I discuss the implications of Empire for theorising resource sovereignty and appropriation. Chapter One concludes by noting the complex, multiform strategies of power that operate in the maintenance and transformation of Empire. Such complexity fundamentally challenges the assumptions and foundations of existing theories of Resource Appropriation.

**Chapter Two** overviews theories of RA, including imperialism theory, dependency theory, the business conflict model, the resource curse, corporate globalisation and development theory, Fourth World theory, ecological imperialism theory and the colliding ecologies model. The chapter summarises the theoretical contributions of this literature and considers their relevance for theorising RA under contemporary circumstances. The chapter finds that RA occurs through a number of methods that range from direct looting to the enforcement of disadvantageous economic, political and trading relationships, and under a number of circumstances (by the state from nations, between states, between nations, and by social groups such as political parties, business groups and corporations). Furthermore, the chapter finds that RA is not achieved simply by the power of an army, or a type of economic instrument, but through a broad array of socio-ecological techniques employed by a dominant group(s) that reshapes the relations of space and place, perception and experience, society and ecology.

In **Chapter Three** I introduce the landscape concept and the Landscape Consumption model. Landscape is a theoretical concept that affords the opportunity to examine how discourses, behaviours and relationships create and sustain domination in a political ecology context. I argue that a landscape approach provides an appropriate concept to model RA within the transformed power relationships of Empire. The chapter also outlines a new model of RA, called Landscape Consumption. Landscape Consumption attempts to model RA in instances of complex sovereignty and agency. The model draws on the themes of domination, detachment and consumption that were identified through an assessment of the theories of RA overviewed in Chapter Two. The model proposes that RA necessarily implies broader political, social, economic and ecological
control; that such domination reflects detachment from both the social and biogeophysical processes of feedback; and that the combined effects of dominant and detached landscapes leads to a consumption of the dominated Peoples and environs.

**Part B: Testing the Landscape Consumption Model**

**Chapter Four** undertakes a historical analysis of copper RA in Chile during the period 1955-2005, and considers the relevance of the case study to the Landscape Consumption model through an investigation of the themes of Domination and Detachment. Five historic phases are identified: the political manipulation of the New Deal, the ‘Chileanisation’ and nationalisation of the copper industry, the installation of the dictatorship and the denationalisation of copper after the return to democracy. The chapter finds that a number of dominant social landscapes contributed to RA including multinational corporations, a First World state, academic institutions, international financial institutions and free trade agreements. The case study identifies the main social landscapes experiencing domination as a Third World state, Chilean political parties and social sectors, and communities and indigenous groups located in the vicinity of extractive resource projects. The domination ranges from the funding of political parties and the destabilisation and overthrow of governments, to the legislation of foreign investment protection and the conditions of appropriation. The chapter finds that each type of domination contributed to the creation of a situation of detachment that facilitated appropriation. The chapter also finds that while a single resource may be the focus of RA, in practice the appropriation of that resource can lead to broad domination of the social and political landscapes of those who held sovereignty of the resource and the physical landscapes where the resource is situated.

**Chapter Five** investigates the theme of Landscape Consumption for the Chilean case study. The chapter focuses on the historic periods defined in Chapter Four as the Dictatorship (1973-1990) and Denationalisation (1990-2005). The chapter questions whether the political ecological circumstances of RA, that is Landscape Domination and Landscape Detachment, have facilitated a broader deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated. The chapter finds that landscapes experiencing RA suffered a deterioration of environmental and social resources, according to a number of indicators. Cases of individual extractive resource developments confirm this overall trend. Landscape resources used for agricultural development, recreation, fishing, tourism and cultural identity were risked by the appropriation of copper. However, the chapter also demonstrates that dominated landscapes can mitigate the potential deterioration of valued resources, and reduce the scale of Landscape Consumption, by mobilising to challenge the dominance of imposed landscapes.
Chapter Six undertakes a historical analysis of copper RA in West Papua during the period 1955-2005, and considers the relevance of the case study to the Landscape Consumption model through an investigation of the themes of Domination and Detachment. A number of distinct periods of appropriation are identified ranging from Dutch colonialism, Indonesian annexation and integration of West Papua, the overthrow of the Sukarno government, the expansion of the Grasberg mine, and the introduction of West Papuan Special autonomy. The chapter identifies the dominant social landscapes as a multinational corporation, a First World state, a Third World state, the United Nations, academic institutions, and international financial institutions. The case study identifies the main social landscapes experiencing domination as a Third World state and Fourth World nations. The case study demonstrates the complexity of appropriation as Indonesia was both the victim and perpetrator of Landscape Domination. Furthermore, a comparative analysis is undertaken with the other models of RA, and between the two case studies to further develop the theoretical foundations. The analysis finds that while none of the existing theories adequately explain the relationships of domination that lead to the appropriation of resources, the Landscape Consumption model is applicable to the case studies throughout the historic periods.

In Chapter Seven the theme of Landscape Consumption is explored for the West Papua case study. The chapter focusses on the historical periods defined in Chapter Six as the Freeport Expansion (1991-1998) and Special Autonomy (1998-2005). The chapter asks whether the political ecological circumstances of RA, that is Landscape Domination and Landscape Detachment, have facilitated a broader deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated. The chapter concludes that copper RA has transformed the landscapes in ways that resulted in social deterioration of Papuan landscapes. Widespread deforestation and the loss of landscape resources have resulted in an associated and consequent social impact. Recent efforts to ameliorate the social costs of the project through increased economic benefits to landowners, and to mitigate some of the environmental costs of the operations through increased environmental management, demonstrate a reduction in the circumstances of detachment and hence consumption. While consumption can be reduced through investment in the circumstances of the sovereign landscapes, elimination will require the fundamental resolution of the appropriation of resources. Furthermore, a comparative analysis was undertaken with the other models of RA, and between the two case studies, to further develop the theoretical foundations. The thesis concludes with an outline of the main features of the model with reference to insights and examples from the case studies and a discussion of the implications for future research.
Part A

Developing the Landscape Consumption Model
Chapter One

Empire and the Appropriation of Resources

We're an empire now, and when we act, we create our own reality. And while you're studying that reality — judiciously, as you will — we'll act again, creating other new realities, which you can study too, and that's how things will sort out. We're history's actors . . . and you, all of you, will be left to just study what we do.


The Re-emergence of Empire

Empire is experiencing a renaissance as an explanatory concept of global governance. Empires are "relationships of political control imposed by some political societies over the effective sovereignty of other political societies", and their extent covers "more than just formally annexed territories", but "less than the sum of all forms of international inequality" (Doyle, 1986, 19). In this chapter I reflect on Empire and the influences that such an imperial system has on resource sovereignty. The chapter consists of three sections. The first traces the re-emergence of the empire concept by introducing three intellectual schools: the image of Pax Americana held by US establishment figures for whom Empire is a reality justified by the necessities of geo-political power; the liberal-humanitarianism of European foreign policy elites who advocate a multi-polar empire to balance American power; and the complex multi-dimensional entity of domination depicted by the 'global justice' movement. The second section of the chapter investigates the constitution of Empire and the historical becoming of Empire as phenomena that predated the discursive fashionability of empire as concept. Here I argue that the contemporary mode of Empire departs significantly from nineteenth century European imperialism. I draw from Hardt and Negri, and use a Foucauldian model of power, where power is deployed through multiple practices at multiple sites, to adapt this conception of Empire to the reality of the international system. The section also reveals the tensions that exist between Empire's agents, most notably between the vision of a multi-polar empire and that of Pax Americana.

From the analysis of Empire's constitution that I develop in section two, I consider the transformations in resource sovereignty that have accompanied Empire's order. I highlight the primacy of resources in definitions of Empire and argue that resource sovereignty within Empire is contextual (that is it reflects multiple sources of power),
and contingent (that is, sovereignty is flexible and dependant on future or particular circumstances). I conclude by observing the current theoretical absence of a theory of RA that responds to the power-infused techniques deployed in sustaining Empire as a system of supranational governance.

**Introducing Three Schools of Empire**

On the 27th of January 2003, Arundhati Roy, an Indian writer and political activist, rose to address a large crowd gathered in Gigantinho Stadium in Porto Alegre, Brazil to close the World Social Forum, the glamour event of an emergent movement for global justice. The theme of the event, as in the years before was 'another world is possible,' but Roy dedicated her address to another topic – confronting empire. "Our strategy should be not only to confront empire", she said, "but to lay siege to it. To deprive it of oxygen. To shame it. To mock it. With our art, our music, our literature, our stubbornness, our joy, our brilliance, our sheer relentlessness and our ability to tell our own stories" (Roy, 2003).

Arundhati Roy's speech was in response to the military build up and subsequent invasion and occupation of Iraq by the United States of America (US) and its close allies, including Australia. The invasion was a demonstration of a new doctrine of 'pre-emptive war' and arguably formed an important part of the reformulation of US foreign policy by the Bush administration into what a number of administration figures have called a quest to "extend the current Pax Americana", that is, American Peace (Donnelly, 2000, 11). 'Pax Americana' is a term that recalls the imperium of ancient Rome where the peace enforced (through pacification of constituent societies) within the boundaries of the Roman Empire is known as Pax Romana.

While empire is now openly discussed in reference to US foreign policy and prominent members of the Bush administration have aligned themselves to a neo-conservative intellectual heritage that openly argues for US international 'pre-eminence', Roy's speech did not simply refer to empire as a synonym for the projection of US power abroad. Roy is one of a number of thinkers who have recognised that the current international order constitutes a broader ensemble of actors and practices, disparate with earlier manifestations of empire as world domination by a single nation-state. Such theorists have used Empire to refer to a complex sovereignty that includes "the global market and global circuits of production", in tandem with a "global order, a new logic and structure of rule—in short, a new form of sovereignty" (Hardt and Negri, 2000, xi). They acknowledge the dominant role the US plays within Empire, particularly as it harbours a desire to construct an empire in its own image, but avoid equating the
global hegemony of Empire solely with elite financial and administrative decision-making emanating from Washington.

The reference to empire as a concept of global order imagined by US neo-conservatives, for whom American empire is a reality justified by the necessities of geo-political power, and the dissidents that constitute the global justice movement, for whom Empire represents a complex multi-polar entity of domination that requires contestation and subversion, is complemented by that of a third group. In the aftermath of the Iraq war and the successful integration of the European Union (EU), an increasing number of European foreign policy elites have advocated empire on the grounds of liberal humanitarianism. This school also imagines that the contemporary political environment consists of an encompassing global entity led by the United States, but that this entity should be moderated by European partnership. Through a process of imperialism and intervention guided by universal humanitarian ideals, a cooperative empire would emerge and curb the ‘vulgarities’ of raw American power (Cooper, 2002). Such an empire would also build on the multilateral institutions (for example the Bretton Woods institutions and the United Nations) that Europe helped to establish following World War II. These three schools of Empire will now be discussed in turn.

**Pax Americana – Perpetual War for American Peace**

Whenever those states which have been acquired as stated have been accustomed to live under their own laws and in freedom, there are three courses for those who wish to hold them: the first is to ruin them, the next is to reside there in person, the third is to permit them to live under their own laws, drawing a tribute, and establishing within it an oligarchy which will keep it friendly to you.

Niccolò Machiavelli (1469-1527), in *The Prince*, Chapter V, 1513.

With the election of George W. Bush in 2000 the neo-conservative intellectual heritage that had been isolated during the Clinton administration secured another turn in power and the opportunity to re-brand the doctrines of corporate globalisation and humanitarian intervention, implemented in their absence, into an explicit quest for American empire³. Whilst exiled from the White House key Republican policymakers formed the Project for the New American Century (PNAC), an organisation with an aim "to make the case and rally support for American global leadership" (PNAC, 1997). The organisation’s Statement of Principles, written on June 3rd 1997, and signed by now

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³ Neo-conservatism is a descriptor of a political movement, mainly from North America, that originally consisted of former social democrats that adopted the key tenants of conservatism (low taxation, a strong but small government, anti-communism) during the late 1960s. This movement blended an aggressive anti-communist foreign policy, with an acceptance of social democratic governance and elements of the ‘welfare state’. Today the term is most associated with foreign policy think tanks such as the American Enterprise Institute and the Project for a New American Century (PNAC). Contemporary neo-conservatives advocate North American intervention (often unilaterally and through military force) to internationally promote free trade, anti-communism, counter-terrorism and democracy.
prominent Republicans – Jeb Bush (Governor of Florida and brother of US President George W. Bush); Vice President Dick Cheney; former Secretary of Defence Donald Rumsfeld; and former Deputy Secretary of Defence Paul Wolfowitz – asks the question, "Does the United States have the resolve to shape a new century favourable to American principles and interests?" (PNAC, 1997).

PNAC's chief policy document, *Rebuilding America's Defences* (Donnelly, 2000) was released in the lead up to George W. Bush's first presidential race. The document "outlines the large, 'full spectrum' forces that are necessary to conduct the varied tasks demanded by a strategy of American preeminence for today and tomorrow" (Donnelly, 2000, 5). It cites the draft of the 1992 Defence Policy Guidance (DPG) report penned by then Under Secretary for Policy Paul Wolfowitz and US Secretary of Defence Richard Cheney as the template of the PNAC strategy. The draft DFG report states that the US must "endeavour to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power. These regions include Western Europe, East Asia, the territory of the former Soviet Union, and Southwest Asia" (quoted in Burbach and Tarbell, 2004, 87-88).

*Rebuilding America's Defences* widened this doctrine to specifically advocate strategies that realise "longer-term hopes to extend the current Pax Americana" (Donnelly, 2000, 11). It states that the United States currently faces no global rival and that "America's grand strategy should aim to preserve and extend this advantageous position as far into the future as possible" (Donnelly, 2000, i). Among the key findings of the report are to increase military spending, build military capability, and "control the new 'international commons' of space and 'cyberspace'" (Donnelly 2000, v), which are "a key to world power in the future" (2000, 51). "Securing the American perimeter today – and tomorrow", the report states "will necessitate shifts in US overseas operations…they are the cavalry on the new American frontier" (Donnelly, 2000, 15).

With the election of the Bush administration key members of PNAC assumed positions of power within the new administration, and enshrined the principals outlined in *Rebuilding Americas Defences*, such as 'full spectrum' dominance and 'Pax
Americana’, as well as a new strategy of ‘pre-emptive military action’ to remove threats to US interests. For example the National Security Strategy of 2002 outlined policies indicative of empire and introduced the doctrine of ‘pre-emption’ into official US policy (US Government, 2002, 6). "We will promote economic growth and economic freedom beyond America's shores", the strategy states, including "policies to encourage business investment" and "free trade" (US Government, 2002, 17), and to "[o]pen societies to commerce and investment" (2002, 22). The pre-emptive military doctrine was also practically demonstrated with the invasion of Iraq in March 2003.

While the foreign policy alignment of the Bush administration represents a departure from the approaches of earlier administrations, the policy alignment is not radically different in substance. Through covert and overt intervention successive administrations have advanced US access to foreign markets and US pre-eminence in international relations. Substantial documentation of the pattern of US intervention and domination, particularly during the past half-century, are available in the form of declassified internal planning documents⁷, declassified intelligence documents⁸, dissident studies⁹, and academic literature¹⁰. While the Bush administration has developed a particularly unilateralist and militarist strategy toward empire-building, demonstrated through the occupation of Iraq and Afghanistan, the administration has also continued to employ the more informal approaches that have characterised US grand strategy for decades. Where the Bush administration does arguably differ significantly is in the brazenness of such efforts. The administration has made explicit strategies of domination that had previously been confined to internal classified planning documents.

The Pax Americana project has drawn criticism from academics and policymakers across the political spectrum¹¹. Burbach and Tarbell (2004, 13) in Imperial Overstretch,
argue that the actions of the neo-conservatives within the Bush administration have revealed a fundamental intent on "advancing the narrow interests of an imperial plutocracy that plunders the planet's resources regardless of the political consequences". Within Europe a number of theorists have argued for more subtle constructions of empire that account for the 'political consequences' while still retaining access to the resources.

**Co-operative Liberal Humanitarian Empire**

The Making of the British Empire has been a great adventure of which we may well be proud—an adventure in which the manhood of the race has proved its mettle, time and time again, through many centuries and in many lands…The story of the Empire is a series of heroic biographies…


In response to the American neo-conservative notion of *Pax Americana* a counter school has emerged predominantly within European foreign policy and academic circles to promote a multilateral configuration of empire. The school holds that the international order has transformed into an encompassing global entity led by the United States but argues that order is more successfully enforced in partnership with Europe and if informed by humanitarianism.

Pierre Hassner (2002) elaborates these concepts in an edition of the *Chaillot Papers* for the European Union Institute for Security Studies – a body that provides analyses and recommendations for the formulation of EU policies. He argues that while the United States' "imperial status blurs the distinction between the domestic and the inter-state" (Hassner, 2002, 8) the consolidation and success of "Empire" will require multilateral input and an eventual multi-polar hegemony (2002, 47). Here, the EU's role as "a steadying influence" can "reduce tension between the United States and the rest of the world" (2002, 48). Despite apparent personal reservations over US foreign policy Hassner (2002, 48) concludes that the EU should not repudiate the exercise of military force, either unilaterally or in concert with the United States, because to do so would jeopardise US and EU dialogue and possibly lead to "confrontation or even divorce". Such is the gravity of Empire's orbit.

Another European policy maker and theorist within this school is Robert Cooper, a senior British diplomat in the employ of the Secretary-General of the Council of the EU and a former advisor to UK Prime Minister Tony Blair. In an essay titled 'The Post-Modern State', Cooper has called for the construction of a 'cooperative' empire from a process of "voluntary imperialism" and neighbourhood intervention. The essay appears in the pamphlet, *Re-ordering the World*, produced by the Foreign Policy Centre,
alongside contributions by UK Foreign Minister Jack Straw and Prime Minister Blair. According to Cooper, imperialism in the traditional sense is dead as the most powerful states no longer desire war, conquest and the construction of a formal empire, however, "the opportunities, perhaps even the need, for colonisation is as great as it ever was in the 19th century" (2002, 17).

Due to the instability of the "old-fashioned" states outside of "post-modern" Europe it may justify a reversion to the "rougber methods of an earlier era - force, pre-emptive attack, deception, whatever is necessary" (Cooper, 2002, 16). The challenge then posed for the "post-modern world" is to "get used to the idea" of such "double-standards" (2002, 16). "Among ourselves", argues Cooper, "we keep the law but when operating in the jungle, we must also use the laws of the jungle" (2002, 16).

Two forms of "post-modern imperialism" are proposed. First, a "voluntary imperialism of the global economy" consisting of adherence to the capitalist market system and its international institutions, and second, "imperialism of neighbours" where intervention is advocated in dangerous neighbouring states to resolve instability and conflict (Cooper, 2002, 18). Interestingly, Cooper (2002, 19) considers that "today all the world is, potentially at least, our neighbour," and thus is eligible for intervention. Through this process of "voluntary imperialism" the international order would come to represent a "co-operative empire" governed by the light hand of the "imperial bureaucracy" that like Rome would offer its citizens "some of its laws, some coins and the occasional road" (Cooper, 2002, 12).

Cooper's views converge neatly with those of Niall Ferguson (2003), perhaps the most prominent of the liberal humanitarian advocates of empire. Ferguson is the author of Empire: The rise and demise of the British world order and the lessons for global power (2003). According to Ferguson, British imperialism has enhanced global welfare and brought order, democracy and development to its colonies and thus should be considered "a Good Thing" (2003, xxiii). The British Empire was also unrivalled in the promotion of the "free movement of goods, capital and labour" and the imposition of "Western norms of law, order and governance around the world" (2003, xxiv). At his least compassionate, Ferguson asks if "there could have been a less bloody path to

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12 According to Cooper (2002, 15) the Post-modern states also include Canada, Japan, and possibly the US, though Cooper questions whether the US administration shares the values of interdependence to the same extent as the EU.

13 Ferguson (2003) is reminiscent of the writings of Sir Phillip Gibbs (1924). In The Romance of Empire, Gibbs (1924, 483) argues that the British Empire "stands in the world as a great assembly of free nations bound together...by the remembrance of all that blood and sacrifice in defence of their life and ideals and common interests". Gibbs lamented the fall of empire and the "impulses toward self-government which began to stir in the separate states of the Empire before the war". He acknowledged that change was inevitable but "not without misgivings for the people as a whole", because the British Empire had "cleansed [them] of many corruptions and cruelties" (Gibbs, 1924, 483).
Part A: Developing the Landscape Consumption Model

modernity?" (2003, xxix). However, with the decline of British imperialism, Ferguson has turned to the United States to continue the noble work of empire building. He regards the United States as the heir to empire (its offspring in the colonial era and its successor today) and coaches the US to become a more active agent of the empire project.

An empire cloaked in humanitarian values, as these theorists advocate, may 'balance' American power and provide a more marketable order to sell to the global populace. But as Eric Hobsbawm has observed, "Few things are more dangerous than empires pursuing their own interest in the belief that they are doing humanity a favour" (Hobsbawm, 2003).

The ‘Rebellious Slaves Who Threaten Empire's Order’

Empire is emerging today as the center that supports the globalization of productive networks and cast's its widely inclusive net to try to envelop all power relations within its world order—and yet at the same time it deploys a powerful police function against the new barbarians and the rebellious slaves who threaten its order.


Synonymous with the increased usage of Empire by its advocates has been a growing discursive confidence by participants of an emergent movement for global justice to use empire as a descriptor of global economic integration and contemporary power relations. Empire, according to this school of thought, has developed over the past half century (particularly with the establishment of the Bretton Woods institutions and a global capitalist market); is broader than the hegemony of the US; and should be confronted and transformed from below. The articulation of contemporary global order as empire is the culmination of decades of critical reflection over corporate power, the policies of international financial institutions and neoliberalism. While the institutions of corporate globalisation have been particularly targeted the movement has a diverse constituency and has focussed on issues of ecology, sexuality, race, indigenous sovereignty, gender, peace, labour rights, and human rights14.

While the movement had framed itself in response to corporate globalisation, Hardt and Negri (2000, xii), in *Empire,* conceptualised the new global form of sovereignty "composed of a series of national and supranational organisms" as Empire. *Empire* (Hardt and Negri, 2000), along with Samir Amin's *Empire of Chaos* (1992) and Noam Chomsky's *Year 501* (1993) articulated this new conceptual approach. Empire has also served as an intersection between the writings of the classical anti-imperialist tradition

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14 See Chapter Two for an explanation of corporate globalisation from the perspective of the global justice movement.
and contemporary movements\textsuperscript{15}. By 2003, Empire had begun to substitute globalisation in the discourse of the global justice movement. This is evidenced by the focus of keynote speeches at the World Social Forum, such as Arundhati Roy's speech that railed against Empire's "obscene accumulation of power" that "greatly increased distance between those who make the decisions and those who have to suffer them" (Roy, 2003).

Empire, in this context, is regarded as a 'streamlined version' of earlier systems of domination (Roy, 2004). According to Bensaid (2003, 321-322) "Imperialism has not disappeared rather it has transformed itself under the impact of the expanded circulation of capital, commodities, information and violence," though it "remains a system of domination – economic, military, cultural and environmental – as public goods are increasingly privatised".

The Constitution of Empire

Though there are marked differences in their respective assessments of the current global political context, all three of these schools converge on the point that it can be best understood through the explanatory concept of Empire. There is also a tacit admission in each of these schools that the contemporary mode of empire is qualitatively different from its earlier manifestations in the colonial aspirations of European nation-states. Contemporary empire is regarded to be as much cultural in its ambitions as it is politico-economic, as much ideational in its presence as physical, as much productive in its effects as it is repressive. If we are to assess the impact of empire on sovereignty, we must work with an operational concept of empire that reflects this transition, and that can conceive of power other than military and economic. Additionally, to understand the impact of empire on constituent societies, we must be able to work with a conception of power that is deployed through multiple practices at multiple sites. To facilitate this analysis, this section develops a conception of 'Empire' drawing on Hardt and Negri (2000), the post-Marxist ontology of Harvey (1996) and Foucault's approach to power (1972, 1980, 1990).

In the landmark text \textit{Empire} (2000), Hardt and Negri use the concept of Empire to capture the new form of sovereignty in the global system that emerged commensurately with the geographically dispersed and globalised circuits of capital and production. In conjunction with these global economic shifts, they argue, has emerged “a global order, a new logic and structure of rule” which is “composed of a series of national and supranational organisms” (2000, xi-xii). More than this, though,

they present Empire as the political subject that effectively regulates and governs the globally integrated systems of exchange (2000, xi). Hence, in Hardt and Negri’s notion of Empire there are two complementary dimensions of the concept: a coherent regime of global governing power; and the agency of that system, comprised of “hybrid identities, flexible hierarchies and plural exchanges through modulating networks” (2000, xii). In developing the conception advanced here, I will elaborate briefly on the nuances of agency and power in contemporary Empire.

From Hardt and Negri’s work, I draw their explanation of the complex system of agency in Empire to advance an approach that emphasises the heterogeneity of its constituent elements and projects. Rather than examining Empire only as an expansion project of a single nation-state, I am interested in how the interconnections between the multiple political (social, economic, cultural) elements of Empire establish it as an intelligibly unified regime of power. This focus on the relations between its component elements has powerful resonances with Harvey’s appeals for “dialectical enquiry”, in which he argues the ontological point that “elements, things, structures and systems do not exist outside of or prior to the processes, flows, and relations that create, sustain or undermine them” (1996, 49). In dialectical enquiry that endorses this ontology, ‘things’ like Empire are regarded as “constituted out of flows, processes, and relations operating within bounded fields which constitute structured systems or wholes” (1996, 50). Under this approach, the category of Empire can still be used to refer to a specific form of sovereign political power; what is rejected is the notion that this form of power emanates from an integrated and structured entity, unified and governed by a singularly consistent logic. Instead, I use Empire to refer to a complex configuration of power, constituted in an amalgam of diverse, and often contradictory, norms, practices, institutions and agents, and whose stability, durability and coherence derives from the multiple processes and dynamic relations between those elements.

This analysis of Empire is further extrapolated by adopting Foucault’s approach to power generally (1980; 1990). Foucault developed understandings of power, knowledge and discourse through a series of critical studies of social institutions. For Foucault, power is ubiquitous, dispersed and coextensive with the social body. There are no relations in the social field (including economic, ecological, kinship, cultural, religious, productive and so forth) that are not also and imbricated in relations of power (1980, 142). These other seemingly ‘non-political’ relations are regarded by Foucault as in essence and inexorably power determined – at once expressions or effects of power relations, and an instrument in their sustained operation. Significantly, interconnections and integration between dispersed relations of power can be engendered through political practices. The system of interconnections between
concentrated relations of power establishes the general conditions of domination in a
given political space. These conditions of domination are contingent, because from
within these conditions, relations of power can be marshalled and organised into more
or less coherent strategies in order to achieve particular purposes. Relations of power,
and the attendant apparatus that sustain those relations, necessarily pre-exist any
political project. Any attempt to reconfigure and organise power relations is always
already ensconced in a multifaceted regime of power, and must deploy techniques
“producing cleavages in a society that shift about, fracturing unities and effecting
regroupings” (1990, 96).

In these terms, Empire refers to a specific project of reorganising power relations.
Empire can be described as the agency within the “heterogenous ensemble” of agents,
institutions, discourses and practices that attempts to (re)configure extant power
relations in pursuit of a more or less coherent strategy (Foucault, 1980, 194). Empire
does not possess power as such, nor does it have a “centre” that orders the pursuit of
power in a unitary way. Rather it consists in the multiple techniques and agencies that
seek to enact a system of relations between prevailing power relations to manipulate
and redirect them towards specific ends. What distinguishes Empire from other political
enterprises is that by definition the scope of its aspirations is global. Global here is
used in both literal and metaphoric senses. That is, the pivotal aim of Empire is the
elimination of spaces, physical and ideational, that can be legitimately conceived of as
‘not Empire’. Through the strategic operations of Empire, “dispersed, heteromorphous,
localised procedures of power are adapted, re-enforced and transformed by these
global strategies” (Foucault, 1980, 142). The agency of Empire can thus be thought to
affect power relations in a similar manner to the affect of gravity or inertia. That is,
Empire’s influence is pervasive with outcomes reflective of, but not prescripted by, its
presence.

We should carefully avoid here the assumption that the strategies of Empire are
unilateral, because the resistances to Empire are partially constitutive of its identity.
According to Foucault political enterprises are:

accompanied by numerous phenomena of inertia, displacement and
resistance; hence one should not assume a massive and primal
condition of domination, a binary structure with ‘dominators’ on one side
and ‘dominated’ on the other, but rather a multiform production of
relations of domination which are partially susceptible of integration into
overall strategies (Foucault, 1980, 142).

The strategies of Empire thus modify, transform, subjugate, resist (and are resisted by)
existing power relations, and by implication the entire field of social relations.
Conceiving of Empire as a system of relations between multiform strategies of power renders explicit the techniques at operation in the strategy of contemporary Empire. Empire does not seek to completely dismantle existing systems of power relations, and impose alternative institutions in its own image. Rather Empire isolates specific elements of the existing power relations, and intervenes in and appropriates those relations. In enacting itself along the vectors of vested power, Empire inhabits the prevailing power relations from the 'inside out' (Treichler, 1990). In this way, existing political and economic infrastructure is recruited and marshalled in pursuit of the ambitions of Empire. Further, because Empire is predicated upon embedded power, it becomes increasingly impossible to delineate its boundaries to determine the exercise of power that is ‘not Empire’.

The tensions over what is and is not Empire play out at the level of the nation-state. The mechanisms of authority, domination and control in a nation-state can be considered the very agents of Empire. This point is counter-intuitive to those who would perceive the nation-state and Empire as oppositional poles. The apparatus of the nation-state is not in an antagonistic relation with Empire, but, to use Foucault’s phrase, the “surfaces of emergence” for the enactment of Empire (1972, 41). ‘Surfaces of emergence’ refers to the conditions and locations in which it became possible for an object to come into existence, and be rendered manifest, nameable and describable (1972, 41). As Foucault identifies “it is not easy to say something new; it is not enough for us to open our eyes, to pay attention, or to be aware, for new objects suddenly to light up and emerge out of the ground” (1972, 44-45). The emergence of Empire within an existing system of power relies upon a precise set of conditions, power relations, institutional frameworks and epistemological assumptions into which it may surface.

The embeddedness and resilience of Empire derives from the way that it recruits the extant networks of power to its ends. It is this that makes Empire such a pervasive force. Conversely, it also makes Empire an apparently acceptable operation of power, or, more accurately, no less acceptable than the system of power relations that preceded it. Empire appears as a coherent elaboration of the logic of the existing system, whilst fundamentally re-ordering the character of that system. This point is reflected in the orientation of the European liberal humanitarian advocates of Empire, who recognise the strength in imperial subtlety.

The conception of Empire advanced here can thus move beyond those rudimentary analyses that equate Empire with the US and George W. Bush as Emperor16, or with the intentions and practices of an aggregated entity, such as multinational corporations,

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16 See, for example, Ali and Barsamian (2005, 7): “There isn't an empire; there's The Empire, and that empire is the United States”; and Ali (2003, xiii) “[The US is] the world's only Empire”.

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the West, neoliberalism, capitalism, industrialism and so forth. Unquestionably, each of these agencies is present to greater and lesser degrees in the current form of Empire, and the analysis of their respective roles and investment in the strategies of Empire contributes to our understanding the affect of Empire on the body politic. Such analysis, however, can be at best partial and fragmentary. To the extent that Empire does possess some form of agency, it is less attributable to the agency of its components in isolation, and more to the complex of interconnections and relations between those component parts. By examining Empire as derived from the system of relations between its constituent elements, it is possible to develop a greater sensitivity to the ways that the conflicting, and sometimes contradictory, impulses and agendas of its component parts are reconciled in a coherent strategy of power. Not only does this allow here for a more nuanced understanding of the effect of Empire on resource sovereignty, it also intimates towards the possibilities for engagement with and resistance to Empire. Such insights are precluded if Empire is conceived in monolithic military or economic terms.

In accordance with the conception of Empire developed above, two observations arise regarding the three emerging schools of Empire. First, a combination of post-War economic restructuring, the expansion of the Bretton Woods system of market integration, its accompanying supranational organisations such as the International Monetary Fund (IMF), the World Bank (WB), the Bank for International Settlements17 and the World Trade Organisation (WTO), established a complex system of global governance, operating under the twin rubrics of development and economic liberty. Accordingly, the resulting power regime signifies an important moment in the enactment of Empire. The interconnections between these elements not only transformed the ‘anarchic’ system of international relations into a globally integrated economic space, but also established an order to the international system that redirected previously autonomous systems of sovereignty. This mode of Empire operated in the manner described above – it redirected the systems of governance in given nation states towards a new end. It is this regime of power in which the three contemporary schools of Empire emerge – not as unique or original projects, but as responses, engagements and resistances to the extant system of global power established through the expanding frontiers of international finance regulation and the appropriations of productive resources.

On this basis, it is possible to secondly observe how the contemporary schools of Empire are attempting to enact transformations to the existing regime. It is worth noting

17 The World Bank and the Bank for International Settlements are offspring of the original Bretton’s Wood institution the International Bank for Reconstruction and Development.
the departure of the *Pax Americana* approach from the techniques deployed in the system of global governance that predominated the latter twentieth century. The legitimacy of the governance system established through Empire was essentially derived from its apparent neutrality – whilst it pursued the interests and agendas of specific agents, it nonetheless maintained an image of a politically detached facilitator of trade and exchange. Through the doctrine of pre-emptive intervention, through its policy position on supranational trade and governance organisations, and through its foreign policy generally, the US is dissolving the appearance of neutrality that had been patiently cultivated by Empire, and in turn systematically undermining the authority of its sovereignty. The difficulties encountered by the US in Iraq and the corresponding loss of domestic support may yet trigger a return to the former methods of imperial denial and support for multilateral institutions and policies.

These attempts at transformation notwithstanding, Empire remains an entity of complex sovereignty that demands a theoretical approach where power is conceived as operative within multiple practices and at multiple sites. I have argued that Empire is enacted through the complex relations between its overlapping elements. Empire is as much the conditions, circumstances and alignments that give rise to imperial governance as the agency of those who speak Empire’s name. In the following section I further investigate the implications of Empire on the effective resource sovereignty of constituent societies.

**Resource Sovereignty and Appropriation**

Resources are not; they become.

*Zimmerman, World Resources and Industries, 1951 (quoted in Billion 2001, 565).*

For the purposes of this thesis, I will define sovereignty as the collective exercise of socio-ecological practice within a particular place by a political society. Modern sovereignty is usually defined to mean supreme authority over a given territory, particularly as exercised by a monarch or state. In international relations it refers to the

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18 The appointment of Paul Wolfowitz (Former US Deputy Secretary of Defence and architect of the Iraq occupation) to head the WB can be seen in this context. The WB traditionally functioned through the issue of loans for development infrastructure and draws much of its success as an arm of Empire from the utilisation of debt leverage over heavily indebted economies to pursue, together with the International Monetary Fund, programs of structural adjustment towards neoliberalism. The Bush administration signalled a desire to downscale this loan function (Ziegler, 2005) preferring more flexible and easily politicised grants. This arguably represented an attempt to moderate theWB within the logic of *Pax Americana* and potentially reduced the efficacy of Empire’s strategy on two counts. First it reduces a technique that has been devastatingly successful at expanding the frontiers of Empire. Second, such an obvious endeavour to direct the WB to pursue an American neo-conservative agenda potentially removed the legitimacy that comes with the appearance of the WB as neutral. As former British minister and International Development Secretary Clare Short remarked upon Wolfowitz’s nomination, “It’s as though they are trying to wreck our international systems”. “If Europe accepts this” she continued, “then forget your multi-polar world, forget Europe balancing America, the American empire can do what it likes” (quoted in Allen, 2005). Paul Wolfowitz has since resigned his position due to an unrelated matter.
ability to legimitely rule over a people and region, with specific powers to make and
enforce laws, a monopoly on the legitimate use of coercive force (including, but not
limited to the defence of its territory and citizens) and the right to negotiate on behalf of
its citizens. The modern theoretical understanding of sovereignty is simultaneously
derived from Bodin (1576) and Hobbes (1651), who studied the sovereignty of
monarchs; and the implications of the Treaty of Westphalia (1648) – a peace treaty
between the Roman Emperor and the King of France (and their respective allies) – that
established the nation-state system as the predominant level of government within
Europe. These bodies of theory aside, sovereignty need not imply the authority over,
or domination of, an ecological ‘territory’, nor need it refer to the state or monarch as
the only arbiters of power to govern.

The claim to sovereignty by the nation-state has been challenged from contrasting
quarters. From without, the sovereignty of the nation-state has been contested by large
corporate entities; networks of capital; international economic institutions; the
discourses of neoliberalism and corporate globalisation; and the myriad of treaties that
define international law and the United Nations (UN). In short, these are many of the
intersecting elements described above as contributing to the enactment of Empire.
Internal to the nation-state, regionalism, representation, and self-determination have
arisen to wrestle power from elite social groups (Howitt et al., 1996, 13). Indigenous
Peoples have asserted their inherent sovereignty to collective self-determination.
According to Howitt et al., (1996, 16):

While the contemporary geopolitics of many Indigenous claims for self-
determination and recognition of resource rights are anathema to the
interests of centralised nation states, and the beneficiaries of the
largesse they distribute through the allocation of resource titles, such
claims reflect Indigenous Peoples’ understanding of long-standing
principles of justice and independence.

In this respect indigenous sovereignty and indeed the sovereignty of other non-
recognised societies with long standing historical and geographical ties are asserted
through practises in connection with the land, not merely by legal dictate. Such
societies have obtained some international recognition through the elevation of the
right to self-determination for Peoples to international law, though the extent of these
changes has been limited (see Schrijver, 1997 and Hall, 2003).

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19 It is arguable that with the decolonisation of the European Empires this system was established globally, with
formally colonised territories emerging as the “Third World”. These new states were “territorially proscribed and
internationally endowed with rights and privileges” (Denham and Lombardi, 1996, 3) and built in the image of their
former colonisers.

20 Whilst self-determination has been adopted by international law the longstanding UN practice of non-intervention into
the domestic policy of states has restricted the application of the principle. The UN Charter states that: “Nothing
contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within
the domestic jurisdiction of any state” (Chapter 1, Article 2; UN, 1945). The rights of non-represented Peoples who
desire self-determination are thus tempered by the rights of states to ‘domestic jurisdiction’. Despite these limitations
However, rather than recapitulate debates about the legal or theoretical derivation of sovereignty I wish to discuss the implications of the complex sovereignty of Empire on the resources of constituent societies. As I have referred to Empire as a system of relations between multiform strategies of power, deployed through multiple practices at multiple sites, where agency is attributable to the complex of interconnections and relations between its component parts, sovereignty within Empire then becomes contextual and contingent. It is derived from multiple and conflicting sources of power that create individually unique circumstances so that effective sovereignty is susceptible to temporal changes in these circumstances.

To elaborate on the concept of sovereignty and entitlement within Empire, here I introduce a number of principles that can guide our understanding of the legitimacy of resource sovereignty. The first principle is that the legitimacy of claims to resource sovereignty is reduced when a social group claiming sovereignty is 'detached' geographically, historically and culturally from the land in question. This truism represents the basic philosophy behind the self-determination of Peoples. For example, Torres Strait Islanders would not be considered to hold legitimate sovereignty over Kurdistan. A second and related principle is that legitimacy can also be considered diminished in circumstances where sovereignty is derived from practices of domination. That is, the violation of the effective sovereignty of a People or self-defined society who maintain geographic, cultural and historic attachment to a land, and the breach of their right to self-determination and self-definition diminishes the legitimacy of the claimed sovereignty of the dominating social group. For example, the Chinese state would not be considered to hold legitimate sovereignty over Tibet, even though some states recognise their sovereignty. On this second point we should be considerate of the relativity of sovereignty. Sovereignty can only be considered illegitimate from the reference point of the dominated. Relative to other detached external parties a social group that derives sovereignty through domination may still hold some legitimacy. The violation of the effective sovereignty of a political society by one dominant group should not be considered justification for the imposition of another form of imperial domination.

Hall (2003, 230) argues that the “emphasis on peoplehood as the primary locus of collective self-determination presents a major opening in international law for the liberation of those groups that have been most ruthlessly oppressed by earlier episodes of imperialism and colonization”.

For example the 2003 occupation of Iraq by the US is often cited as an example of the liberation of the Iraqi people (particularly the Kurdish minority and the majority Shia) from the oppressive dictatorship of Saddam Hussein. However, the imposed US sovereignty, including the integration of Iraq’s incredible oil wealth into the economies of the US state and a handful of US based corporations cannot be considered legitimate even though the Iraqi nation-state internally oppressed sovereign political societies. Australian Defence Minister Brendan Nelson and former US Federal Reserve Chairman Alan Greenspan have since confirmed the importance of oil security as a motivating factor in the intervention (Nelson, 2007; Patterson, 2007).
Accordingly in instances where the legitimacy of sovereignty within Empire is in question we can then speak of RA. Resource appropriation (RA) is defined in this thesis as the intentional taking by a social group(s) from one society of the natural, social, economic or political assets of another sovereign political society, forcefully, coercively or without consent. Resource Appropriation may occur between nation-states, nations, or societies and may involve corporations, religious institutions and other forms of social organisation.

Resource Appropriation is considered by a number of political and historical theorists to be a defining feature of empires (Burbach and Tarbell, 2004, 69-70; Doyle, 1986). The flow of resources within a particular empire can serve to characterise the relationships between subjects, or more accurately define the provision of agency between certain constituent political societies. Definitions of what constitutes an empire over a situation of reliance or dependency highlight the character of resource distribution and distinguish between instances of resource inequality and RA. Doyle (1986, 39) argues that inequitable resource transfer between societies cannot be considered evidence alone of an empire. According to Doyle (1986, 39) a situation of empire can only be determined when resource inequality is accompanied by evidence of design and evidence of resistance. This position, however, is complicated by instances where resistance is effectively repressed or where resistance consists of the progressive modification and adaptation of imperial institutions and processes by imperial subjects that may consequently reify the regime of domination. Similarly, with the need to demonstrate imperial design we must be sensitive to the additional complication that intent may also be demonstrated when 'non-intentional' or hidden practices of domination have been exposed yet remain deliberately unreformed.

Although imperial control of peripheral societies or indeed the entire globe requires substantial resources, once in place such a system may appropriate vast resources to be allocated as desired (Doyle, 1986, 42, 45). Due to a combination of factors that includes the long history of resource extraction by industrialised societies within their own domains, the contemporary global extraction of resources and the associated impacts occur disproportionately within the Third and Fourth world, the regions most endowed with remaining natural wealth (Evans, Goodman and Lansbury, 2001a). The First World rarely acknowledges such reliance. The under-acknowledgement of the role of dominated political societies and ecologies in the marshalling of resources can further facilitate the process of appropriation. Plumwood (2001, 15) argues that the 'forgetting' or 'backgrounding' by frameworks of domination, that is the "simultaneous

22 See for example, Delson (2000), Beyond Imperial Domination and Resistance.
23 Fourth World refers to those nations not represented by a state (see Chapter Two).
reliance on, but disavowal of, the agency of subordinated Others", provides a basis or justification for appropriation:

When the other's agency is treated as background or denied, we give the other less credit than is due. We easily come to take for granted what they provide for us, and to starve them of the resources they need to survive. This is of course the main point of hegemonic construals of agency and labor - they provide the basis for appropriation of the Other's contribution by the One or center.

Within critical theory literature each new form of imposed sovereignty has inspired a corresponding theory of RA. The particular circumstances that characterised formal European colonialism, neo-colonialism and corporate globalisation have each resulted in the articulation of the theories of imperialism, dependency, ecological imperialism, corporate globalisation theory and Fourth World theory (see Chapter Two). While the Empire concept has become fashionable as an explanatory concept of international governance, the theorisation of the forms of RA that operate within this new enactment of sovereignty has not kept pace. The absence of theoretical understandings of RA in the 'becoming' of Empire has resulted in the continuing, yet begrudging, use of concepts not suited to the task. These concepts, when reluctantly used, are often loosely defined, to refer to the extension of power over another society rather than a specific term that invokes particular understandings and insights into the processes of appropriation and the character of societal relations. Without an adequate theory of how resources are appropriated within Empire, our understanding and use of the Empire concept is inhibited and our analysis of contemporary power relations flawed. The articulation of a model of RA to begin the process of addressing this theoretical gap will occupy the main task of the proceeding chapters in Part A. In Chapter Two I will overview theories of RA, summarise their contributions and consider their relevance for theorising RA under contemporary circumstances.

Conclusion

In this chapter I have argued that Empire is the most accurate conceptual apparatus to characterise the current international system. Here, Empire is conceived of as something other than the policies of a single nation-state and is used to refer to a multiform strategy of globalising power pursued in multiple sites and according to often competing political visions. I argue that the project of Empire includes multilateral

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24 Critical Theory is referred to here in the broad sense of social enquiry that attempts to identify patterns of domination and to transform oppressive societal relationships, including neomarxism, feminism and ecologism. More specifically the term is sometimes used to describe the works of theorists from the Institute for Social Research, Germany, including Adorno, Horkheimer and more recently Habermas (known as the Frankfurt School). Their research sought to explain why socialist revolutions failed to materialise as predicted by Marx, partially by analysing the ideologies and sociological phenomena that assisted the survival of capitalism. Critical theory, like poststructuralism and postmodernism, offers a critique of positivism. Critical theorists from the Frankfurt School argued that positivism is ideologically laden and invested in the 'capitalist' status quo (Agger, 1991).
economic systems and institutions built since the Second World War, the discourses of neoliberalism and trade liberalisation, expansion of corporate power, and also the various foreign and economic policies pursued by nation-states; but that the agency of Empire is more accurately attributable to the complex of interconnections and relationships between these heterogenous elements and thus requires a new conception of sovereignty.

The chapter also observes attempts to transform the system of Empire established in the latter half of the twentieth century by the Pax Americana vision of US domination, the liberal-humanitarian vision of European powers, and the emancipatory resistance strategy of the global justice movement. Through an overt foreign policy of ‘full spectrum dominance’, the current US administration has sought to inhabit and redirect the agency of Empire to achieve US pre-eminence. This approach is in stark contrast to the mode of Empire established over the last fifty years. Not only does Pax Americana undermine the Empire project, it systematically demystifies the legitimacy and neutrality that it had accrued. In this way, the policies of the current US administration render the otherwise hidden and often oppressive power relations within Empire visible. Notwithstanding these attempts Empire remains a system of multilateral agency.

The chapter considered the implications of Empire on the resource sovereignty of constituent societies. I have argued that in instances where the legitimacy of sovereignty is in question, that is, when sovereignty is claimed by social groups who are detached historically, geographically or culturally from the land, or when sovereignty is derived through domination, then we may conceptualise resource flows as appropriations. I have also argued that such appropriations have accompanied the becoming of Empire. Resource appropriation is a defining feature of theories of empire and thus a clear understanding of its contemporary character is necessary if international relations are to be characterised as imperial. Conversely an understanding of Empire is critical to any study of the contemporary character of RA. Despite the current fashionability of the Empire concept no theoretical literature exists to model the peculiarities of RA within Empire. The theories of RA most suited to the task correspond to earlier eras of domination. The following chapter will overview theories of RA to synthesise the work of earlier theorists and provide the basis of a model of appropriation for the becoming of Empire.
Chapter Two
From Imperialism to Colliding Ecologies
Assessing Theories of Resource Appropriation

We must find new lands from which we can easily obtain raw materials and at the same time exploit the cheap slave labor that is available from the natives of the colonies. The colonies would also provide a dumping ground for the surplus goods produced in our factories.


Native people ...find themselves to be a target of industrialism's struggle to dominate the natural world; they are possessed of resources, lands, and waters, now demanded by urban areas and industrial machinery often thousands of miles distant.

Winona LaDuke, Native Environmental Activist and Member of the Anishinaabeg People (1993, ix-x).

It is in the nature of imperialism that citizens of the imperial power are always among the last to know—or care—about circumstances in the colonies.


Introduction

This chapter reviews literature that has identified historical patterns of injustice and oppression between societies and seeks to explain the institutional and social causes of such patterns. More specifically in this chapter I review theories of Resource Appropriation (RA), that attempt to explain the intentional taking by social groups from one society of the natural, social, economic or political assets, of another sovereign People, forcefully, coercively or without consent. The purpose of this review is to identify instances and processes of RA that may be operative under the contemporary circumstances described in Chapter One as Empire.

The review of RA will draw on the contributions of a number of theories to aid in the formulation of a new model called Landscape Consumption that I propose in Chapter Three. I invoke the term RA to describe a theme that I believe is recurrent within the literature reviewed. Resource Appropriation is not a term that has been used consistently within the theories discussed. Each has adopted its own unique terms of description and conceptualised RA from a different perspective. Some have focussed on quite narrow aspects of this problem whilst others have sought to develop a broad economic, political or ecological theory. A review of this type is necessarily drawn from a wide range of theory. Whilst not commonly debated together in academic literature many of the theories discussed in this review are the focus of debate within social
movements and at events such as the World Social Forum, which attract hundreds of thousands of participants annually.

I begin the chapter with a discussion of theories that highlight the economic and political aspects of RA. I first introduce the concept of imperialism, a classical theory that hypothesizes that capitalism is the source of exploitative relationships between societies. I introduce the main theoretical strands before presenting the more specialised theories of corporate and minerals imperialism. Following from the imperialist tradition I discuss the dependency school of Latin American political economy and the business conflict model of international relations, two theories that draw heavily on Marxist theoretical concepts. I then review a model developed by Auty (1993) and expanded by Ross (1999; 2000; 2001a, b, c; 2002), a development scholar working within the WB. The model, called the resource curse draws on neo-liberal economic concepts and comparative politics to explain the political factors that can lead to RA and misappropriation within the state. I continue by discussing RA as a consequence of corporate globalisation, ‘free’ trade and Third World development. As the chapter progresses I introduce theories that highlight the ecological aspects and impacts of RA. I consider Fourth World theory with its explanations of RA from unrepresented sovereign nations within repressive First, Second and Third World states. Fourth World theory also considers the process of appropriation of Fourth World environments. I then introduce ecologically based models such as Alfred Crosby’s study on ecological imperialism and the colliding ecologies model outlined by anthropologist Stuart Kirsch (1997). I conclude the review with a summary of the main contributions of the theories discussed that will aid in the formulation of the Landscape Consumption model in Chapter Three.

Imperialism

Our quarrel is not with the British people, we fight their imperialism.

Mohandas Ghandi (1869-1948), Quit India Campaign, 1942.

If it were necessary to give the briefest possible definition of imperialism we should have to say that imperialism is the monopoly stage of capitalism.

Vladimir Lenin (1890-1924), revolutionary Russian Marxist (1917, 266).

Imperialism has meant different things at different times. More recently, it has come to mean, in both the East and the West, the subjugation of small nations to the interest of the bigger ones.


25 Close observers of international relations theory will note that the review refrains from a comprehensive discussion of a number of its strands, such as the pluralist and realist schools. The decision to omit these schools is based on their lack of treatment of RA as an operating factor in international relations and thus their elaboration is beyond the scope of the current research project.
First conceptualised in the mid-nineteenth century to describe the policies of the British and French Empires, imperialism has evolved into a somewhat eclectically used term that generally refers to a broad set of relationships that extend power or authority over another society\(^\text{26}\). The concept of imperialism was widely popularised by socialist movements in Western Europe, Russia, and subsequently globally, as it became a framework for the national liberation movements that instigated the decolonisation of Asia, Africa and the neo-colonies of Latin America in the mid-20\(^{th}\) century. Imperialism theory posits capitalism as the source of RA with the principal actors, monopoly capital, finance capital, and the advanced capitalist state. Imperialism argues that RA occurs by extraction of surplus production from labour in the colonial society through the promotion of capitalist relationships and the repatriation of profits, anti-competitive monopoly behaviour and corruption, and the promotion of a political apparatus of control to allow extraction and trade on unfair terms (see Table 2.1).

<table>
<thead>
<tr>
<th>Imperialism</th>
<th>How is RA framed?</th>
<th>Explanation</th>
<th>Contribution</th>
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<tbody>
<tr>
<td>Problem</td>
<td>Processes</td>
<td>Explanation</td>
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<tr>
<td>Development of exploitative inter-societal relationships between capitalist states and non-capitalist societies.</td>
<td>Extraction of surplus production from labour in colonial society.</td>
<td>Capitalism develops spheres of influence where resources may be accessed to control the resource input of industrialism; creates markets for surplus goods; and extracts profit.</td>
<td>Uncovers how Capitalism facilitates RA through corporate/capitalist intervention within colonies and/or through influence on the foreign policy of states. Notes that political structures may be constructed to suit exploitation for profit generation and to appropriate resources for industrialism.</td>
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In this section I will introduce the early theorists of imperialism and outline the directions the theory has taken. I will also discuss the major critiques of the theory and its contributions to our review of RA.

**Early Theorists of Imperialism**

All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe.

Karl Marx (1818-1883) and Fredrick Engels (1820-1895), Communist Manifesto, 1848.

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\(^{26}\) The term was first published in the Westminster Review in Oct 1858, although the usage of the term in this case did not directly imply subjugation (Koebner and Schmidt, 1965, 19). Koebner and Schmidt (1965, xviii) in their comprehensive biography of the word, *Imperialism: The story and significance of a political word, 1840-1960*, suggest that the term came to refer to “[h]igh-handed action and the reckless use of brute force...as emphatically as subtle, conspiratory tactics by which the rulers and exploiters ingratiate themselves with certain sections of the dependent population”. The word also recalls the *imperium* of ancient Rome, motivating a number of authors to compare the policies of Pax Romana, Pax Britannia and more recently Pax Americana (see for example, Bello, 2003).
Hobson (1902a, 1902b), a liberal theorist, is credited with offering one of the first substantial theoretical accounts of imperialism, though it was not until the adoption of imperialism by Marxist theorists that the theory regarded RA as a central feature. In *Imperialism: A Study*, (1902b) and in earlier articles such as *The Economic Taproot of Imperialism* (1902a) Hobson linked the class relations of industrial capitalism with an external need for territorial control (Peet and Hartwick, 1999, 105). For Hobson imperialism was “the endeavour of the great controllers of industry to broaden the channel for the flow of surplus wealth by seeking foreign markets and foreign investments to take off the goods and capital they [could not] sell or use at home” (quoted in Viotti and Kauppi, 1993, 85). Hobson argued that imperialism was a policy that alleviated the problems faced by capitalist industry, that is, overproduction, under consumption by workers due to their exploitation and over saving by capitalists. “Over-production” and “surplus capital”, were thus considered to be the economic conditions that were the “taproot of imperialism”, which forced industrial Europe “to place larger portions of their economic resources outside the area of their present political domain, and then stimulate a policy of ‘political expansion’ so as to take in the new areas” (Hobson, 1902a, 481). Such expansion required large military expenditures to protect the imperialist system\(^\text{27}\), which Hobson argued further undermined imperialism’s legitimacy.

Hobson’s (1902a, 1902b) ideas, along with those of the German socialist Rudolf Hilferding and Russian Bolshevik Nikolai Bukharin (1915), were adopted and expanded by the Russian revolutionary Marxist Vladimir Lenin in his 1917 pamphlet *Imperialism, The Highest Stage of Capitalism*, which conceptually linked imperialism with “the monopoly stage of capitalism” (Lenin, 1917, 266). Lenin (1917) through this work has become the most well-known and influential theorist of imperialism. Lenin extended the Marxist view that capitalism functions through the exploitative extraction of surplus labour from workers\(^\text{28}\) by the owners and defenders of capital to include the development of exploitative external (inter-state) relationships between capitalist states and between capitalist and non-capitalist states.

Lenin, like Hobson (1902) and Bukharin (1915), linked conquest abroad with class oppression at home believing it to relieve economic and social contradictions (Lenin, 1917, 190); however, in contrast to Hobson he considered RA as one of the core processes of capitalism in its imperialist phase. Lenin’s theory of imperialism sought to explain the occurrence of RA, in addition to theorising on the causes of war between

\(^{27}\) A modern version of this argument is provided by Friedman (1999): “The hidden hand of the market will never work without a hidden fist. McDonalds cannot flourish without McDonnell Douglas, the designer of the F15. And the hidden fist that keeps the world safe for Silicon Valley’s technologies is called the United States Army, Air Force and Marine Corps”.

\(^{28}\) that is, they are not paid the full value that their labour adds to the value of goods.
rival capitalist powers, and explaining why expected socialist revolutions had stalled. Capitalism, he argued, has “grown into a world system of colonial oppression and of the financial strangulation of the overwhelming majority of the population of the world by a handful of ‘advanced’ countries” (Lenin, 1917, 191). This system of political and economic oppression appropriated resources that were then shared “between two or three powerful world plunderers armed to the teeth...who are drawing the whole world into their war over the division of their booty” (Lenin, 1917, 191; emphasis in original).

Lenin developed the theory emersed in the shockwaves of the First World War; a war that he believed was fought “for the division of the world, for the partition and repartition of colonies and spheres of influence of finance capital” (Lenin, 1917, 189-190). Lenin’s theory was thus considered particularly relevant during the interwar period of capitalist rivalry and the immediate post Second World War era of the dismantling of formal colonialism (Willoughby, 1995, 170).

Lenin claimed that a core motivation for the development of imperialist relationships was the seizure of the most important sources of raw material by monopoly capitalism (1917, 299). He suggested that “monopolies are most firmly established when all the sources of raw materials are captured by one group”, and noted the zeal with which “the international capitalist associations exert every effort to deprive their rivals of all opportunity of competing, to buy up, for example, iron-fields, oilfields etc.” (Lenin, 1917, 260; emphasis in original). In addition to capital in its monopoly form, Lenin believed finance capital played an increasing role in the development of imperialism through its desire for spheres of influence and motivated by a drive for the known resources of the day, as well as the potential resources of future industrial innovations (1917, 261). As capitalism matured and entered new phases the process of RA was thought to intensify. “The more capitalism is developed", argued Lenin, “the more strongly the shortage of raw materials is felt, the more intense the competition and the hunt for sources of raw materials throughout the whole world, [and] the more desperate the struggle for the acquisition of colonies” (1917, 260).

Imperialism theorists that wrote in the Marxist tradition considered the structural features of the economy to give rise to the political and military relations between states. Lenin, for example regarded imperialism to have “emerged as the development and direct continuation of the fundamental characteristics of capitalism in general” (1917, 265). That is not to say that Marxist theorists do not recognise the non-

29 Lenin’s view that the appropriation of resources, both raw materials (including agricultural) and labour, was a central motivation of imperialism is shared by many of the classical Marxist theorists of imperialism. For brevity’s sake I have limited the above discussion to Lenin. Examples from other theorists include Rosa Luxemburg who argued that the physical need for minerals was one of the factors that encouraged imperialism (Luxemburg, 1972), and Nikolai Bukharin who contended that the transition to advanced capitalism resulted in a “dearth of raw materials and a contraction of the market” that was relieved through imperialism (Bukharin, 1929, 89).
economic features of imperialism but that the non-economic features are argued to arise from the fundamental economic features of capitalism (1917, 262). The relationship Lenin referred to was not a simple one. Drawing from dialectics Lenin argued that “certain relations between capitalist associations grow up, based on the economic division of the world” while at the same time and in connection to it “certain relations grow up between political alliances, between states, on the basis of the territorial division of the world, of the struggle for colonies, of the struggle for spheres of influence” (1917, 253).

**Figure 2.1** Imperialism model of Resource Appropriation. The rectangles represent the economies of the advanced capitalist states and that of the colonies; the shading corresponds to classes where resources are concentrated; and their arrangement represents the power relations between them.

From these fundamental economic derivatives Lenin defined imperialism as “the monopoly stage of capitalism” (1917, 266). Theorists in the Marxist tradition have since this time consistently regarded imperialism as an intrinsic component or as a ‘phase’ or ‘stage’ of capitalism, despite the emergence of a popular meaning of imperialism as a broad set of relationships that extend power or authority over another society (see, for example Muirragui, 1989, 410). The conflation of the political and economic relationships described as imperialism with the capitalist economic system survives to this day and will be discussed in more detail in following sections. Suffice to say here that such a definition gives the impression that other political and economic institutions

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30 Following the work of Hobson (1902a, b), Hilferding (1910) and Lenin (1917) imperialism was interpreted to have undertaken two phases. The first, called Mercantilism refers to “the plundering of ancient stockpiles of wealth from pre-capitalist civilizations, unequal trade relations with dominated societies, and the production of bullion and exotic commodities using coerced (often slave) labor in the Americas”, (Peet and Hartwick, 1999, 105). This process is most associated with the Columbian era of European colonialism in the ‘new’ world. A second phase of imperialism refers to the period between 1870s-90s, which was more violent than the Mercantilist version and added 10 million square miles of territory and 150 million people to European colonial control. This land grab was interpreted to have occurred because of the relationship between the maturation of industrial capitalism, and its material needs and competitive pressures (Peet and Hartwick, 1999, 105). This process is most associated with the scramble to colonise Africa by the European capitalist states. Some Marxists, such as Arrighi, (1977) and Amin (2001) have modified Lenin’s concept of imperialism as an advanced form of capitalism arguing that capitalism has experienced the imperialist trait from its beginnings. Amin (2001, 6) has also recently reinterpreted the stages to add globalisation as an emergent third phase of imperialism. In this third phase the objectives of dominant capital remain consistent; “the control of the expansion of markets, the looting of the earth’s natural resources”, and “the super exploitation of the labor reserves of the periphery” (Amin, 2001, 9).
do not generate imperialist-like relationships or appropriate resources independent of capitalist economic structures.

In the next section I shall discuss two more contemporary theories of imperialism. The first is Girvan’s (1976) theory of corporate imperialism. The second is Muirragui’s (1989) theory of minerals imperialism. I shall outline the major differences in the theorists' interpretation of imperialist methods before discussing how these differences unfold when ascribing the motivations for the establishment of imperial relationships.

**Corporate and Minerals Imperialism**

For a commercial company trying to make investments, you need a stable environment...Dictatorships can give you that.

Naemeka Achebe, Nigerian General Manager of Royal Dutch Shell, 1996 (Notes from Nowhere, 2003, 199)\(^{31}\).

To attract companies like yours...we have felled mountains, razed jungles, filled swamps, moved rivers, relocated towns...all to make it easier for you and your business to do business here. And we've done more...We've provided the kind of financial incentives no business leader, anywhere, can afford to ignore. Incentives like plentiful inexpensive labor...no export tax. No municipal or provincial taxes [and] accelerated depreciation of fixed assets.


The meek shall inherit the earth, but not the mineral rights.

Paul Getty, 1892-1976, Former CEO of Getty Oil.

Where imperialism theory fuelled the anti-colonial revolutions that culminated in the 1950s, Girvan (1976), in *Corporate Imperialism: Conflict and Expropriation*, responded to another movement, “a movement which [sought] to challenge the new imperialism of the trans-national corporations (TNCs) established in the twentieth century” (1976, 3). Girvan’s theory of corporate imperialism reconfigured imperialism theory to account for the changed post-colonial international political and economic terrain.

Girvan offered a detailed look at the functions and structure of corporations and their role in RA, and the antagonisms that are generated “by the patterns of domination and exploitation, subordination and dependent underdevelopment, [that result] from the strategies pursued and the structures adopted by global companies” (1976, 3). Girvan perceived corporate imperialism as a system of international capitalism consisting of the owners and managers of capital who appropriate the surpluses and accumulate further capital, thus dominating and exploiting other social groups. He believed such arrangements were institutionalised within TNCs who were now the principal actors

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\(^{31}\) Spoken in 1995, a few months before the Nigerian Government executed poet and leader of the Movement for Survival of the Ogoni People, Ken Saro Wiwa. The movement had objected to the extraction of oil by Shell from Ogoni land and the widespread social and environmental consequences.
mediating the relationship between what had become the First and Third World (see Table 2.2).

**Table 2.2 Summary of Corporate Imperialism theory.**

<table>
<thead>
<tr>
<th>Corporate Imperialism</th>
<th>How is RA framed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploitation, subordination and dependent underdevelopment that results from the strategies and structures of trans-national corporations.</td>
<td>Appropriation of surpluses and capital by trans-national corporations. Advanced capitalist states act to facilitate such corporate appropriation.</td>
</tr>
<tr>
<td></td>
<td>Trans-national corporations are now the principal actors mediating the relationship between the First and Third World and their actions are driven by profit.</td>
</tr>
<tr>
<td></td>
<td>Details the methods by which corporations may appropriate resources from Third World economies and the close relationships that they develop with the state.</td>
</tr>
</tbody>
</table>

Girvan’s study was focussed particularly on mineral export economies. He argued that, “in spite of the supposedly favourable conditions for economic development represented by the resource flows from the mineral industry, these economies remain both structurally underdeveloped and externally dependent” (Girvan, 1976, 11). Girvan’s (1976) model closely reflects instrumentalist interpretations of Marxism, where the First World state is perceived to act in the interests of its corporations overseas. Subsequent theorists have cited a vast and comprehensive collection of evidence, including high-level foreign policy planning documents from the First World to demonstrate instances when the First World has intervened on behalf of corporations who were under political and economic pressure in the Third World. They also detail examples where corporations have developed their own foreign policy and intervened directly. Key examples include Noam Chomsky’s (1993) *Year 501* and William Blum’s (1995) *Killing Hope*. Following Girvan's theory a number of studies have also traced the emergence of the limited liability corporation and chronicled what they regard as a systemic abuse of power, including David Korten's (1995) *When Corporations Rule the World* and Joel Bakan’s (2004) *The Corporation: the pathological pursuit of profit and power*.

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32 Instrumental theorists argue that power is an instrument that is wielded by government and business elites, and as such can also be used for positive change if the right people attain office. Instrumentalism stresses direct government-business ties and instrumental theorists have provided evidence of a revolving door between industry and government (also noted and theorised by Elite theorists). They suggest that the state acts in the interests of the capitalist class intervening when appropriate to protect these interests abroad. Consistent with Hobson’s account, the instrumentalists argue that the foreign policy of imperial states is a function of the ‘economic taproot’ of imperialism.
In contrast to ‘corporate imperialism’ Muirragui (1989), in her PhD, *The International Political Economy of Minerals*, proposed ‘minerals imperialism’ as a unique feature of imperialism. She believed the focus on minerals was useful because the initial form, and some argue dominant form, of capitalist penetration in peripheral societies was in the minerals sector (1989, 17). Whilst Muirragui (1989) acknowledged that corporate imperialism contributed to explaining the parameters and constraints in which mineral producing TNCs operate she believed that their significance was overstated. ‘Minerals imperialism’ outlined the broader role of minerals in accumulation as capitalism develops, which involved “the dynamic and sometimes contradictory interaction – at the economic, political and ideological levels – between the domestic and international needs of individual minerals producers and those of the imperial state” (see Table 2.3; Muirragui, 1989, 58).

Table 2.3 Summary of Minerals Imperialism theory.

<table>
<thead>
<tr>
<th>Minerals Imperialism</th>
<th>How is RA framed?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Problem</strong></td>
<td><strong>Processes</strong></td>
</tr>
<tr>
<td>Role and motivations of the advanced capitalist state in the accumulation of minerals from the periphery.</td>
<td>Intervention and diplomacy by imperial advanced capitalist states to satisfy their producing corporations situated in the periphery as well as domestic consumers.</td>
</tr>
</tbody>
</table>

For Muirragui (1989) the drive for raw materials was not fundamentally based on the corporate pursuit of profits over competitors as Girvan (1976) had suggested. She argued that imperialism also functioned to ensure that necessary raw materials were available for the imperial state, and that a nuanced position was required to provide an analysis of the economic and political implications. “The advanced capitalist state”, she suggested, must “engage in a balancing act between the accumulation needs of minerals consumers [within the imperial state] and producers [within the Third World...
Part A: Developing the Landscape Consumption Model

“periphery” (Muirragui, 1989, 35). Such consumers include the advanced capitalist state’s own military consumption needs. Muirragui’s (1989) position closely reflects structuralist interpretations of Marxism, where the state is perceived to act relatively independently of business. These arguments are reflective of the broader reconceptualisation of Marxism by various Neomarxist positions. Without recapitulating the debates here, Neomarxism refocussed the relationship between civil society, capital and the state and acknowledged the relative autonomy of the state from the interests of capital (see Poulantzas, 1978; Offe, 1984; Block, 1987).

Muirragui (1989) argues that the state does not always act in the interests of individual corporations, but functions on their behalf only when their interests equate with the national interest. Particularly with reference to intervention, the advanced capitalist state’s role can be explained by “1) advancing domestic general accumulation; 2) ensuring free enterprise globally; and 3) harnessing nationalism to assure both of the above” (Muirragui, 1989, 5).

**Minerals Imperialism**

![Diagram of Minerals Imperialism model of Resource Appropriation. The rectangles represent the economies of the imperial state and that of the Third World periphery; the shading corresponds to transnational corporations that help to facilitate the extraction of resources in the periphery; and their arrangement represents the power relations between them.](image)

The different approaches taken by ‘corporate’ and ‘minerals imperialism’ also led to different interpretations of the motivations for RA. Girvan (1976, 6) argued, that the raw materials of the Third World were indispensable “to the maintenance and growth of economic activity in the capitalist centers”. His arguments followed a series of empirical studies by Jaleé (1965; 1972) and theoretical studies by Kolko (1969) who maintained that the First World relies heavily on the resources derived from the Third. Jaleé, writing in 1965, analysed United Nations trade and investment figures to assess the role of the Third World in the global economy and concluded that “imperialism cannot do without many of the basic products and raw materials of the underdeveloped

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33 Structuralists regard power as a structure that requires revolution and/or re-structuring before progressive change could be enacted. Structuralists perceive the state as independent from business. It is this independence that is central to the survival of capitalism (Gibbs, 1991, 16). Structuralist believe that “[t]he Capitalist class requires a state apparatus to consider the long-term needs of the system and to ensure its continuation”, by exhibiting autonomy from specific business interests (Gibbs, 1991, 16). The state is not completely autonomous, as a pluralist would suggest, but “relatively” autonomous from the capitalist class (Gibbs, 1991, 16).
countries and whether they are produced by imperialist enterprises or those of the producing country has become a secondary matter” (1965, 100; emphasis in original). Ogunbadejo (1985) has also adopted similar arguments in an assessment of Africa’s strategic mineral sources.\textsuperscript{34}

Muirragui distinguishes herself from these theorists, who advance what she calls the physical necessity argument, and cites evidence that dependence on Third World resources is decreasing. She contests the assertion that imperial states are physically dependent on Third World minerals, and whether this ‘physical necessity’ is at the core of imperialist motivations. Muirragui concedes that raw materials such as minerals are “an important component of constant capital needed by many industries in their production processes” (1989, 34) and that individual corporations may be dependent on the raw materials from the Third World but argues that imperial states rarely are. She instead suggests that the role of the imperial state is to ensure the conditions for accumulation by encouraging the availability of resources at adequate and steady prices (Muirragui, 1989, 35). “[T]he physical dependency argument” argues Muirragui, “has to be balanced with a more sophisticated analysis that incorporates economic and political considerations” (1989, 30).

It is clear that the relative dependence on the raw materials appropriated through imperial relationships is likely to fluctuate depending on the resource, state and period. In the period between 1970 and 1995, whilst the Third World remained a significant exporter of primary resources, the movement offshore of industries previously based in the First World (such as textile manufacture) and the expansion of industrialism more generally, led to a decrease in the percentage of raw materials as a proportion of exports in many Third World countries (see Figure 0.1). The availability of external sources of a resource also greatly affects the economics of resource recovery, particularly in the minerals industry where grades can vary significantly. However, in some ways the debate becomes a moot point; ‘imperial states’ benefit greatly from such resource access. Whether they can be described as dependent is a function of what type of, or levels at which, resources are considered necessary for an economy or society. It is difficult to explain the alarm the First World expressed to the nationalisation of Third World resource industries that peaked during the 1950s-1970s without some acknowledgement of their importance to the running of the economies of the First World and motivations behind intervention.

\textsuperscript{34} Ogunbadejo (1985, 18) describes the relationship as the ‘Matthew effect’ after Jesus Christ said, according to the book of Matthew: “For whosoever hath, to him shall be given, and he shall have more in abundance: but whosoever hath not, from him shall be taken away even that he hath.”
In the following section I will review the contributions of imperialism to the understanding of the actors, methods, motivations and effects of RA. I shall also introduce a number of critiques of the theory.

**Critiques and Contributions of Imperialism**

The theorisation of imperialism as ‘the monopoly stage of capitalism’ meshed well with the Marxist state-based alternative to capitalism. Marxists, such as Lenin, proposed a seizure of the means of production that would abolish capitalist relations, and relieve the exploitation of the proletariat population by maximising productive output for material wealth gain independent of the capitalist class and its geopolitical manifestation the First World. Imperialism theorists argued that such a revolution would also bring an end to imperialism, remembering that by definition imperialism was a function of capitalism. But can we confidently believe that the processes of RA described by the theory of imperialism would be buried with the rubble of the capitalist system? And if not, is the definitional association of imperialism with the ‘monopoly stage of capitalism’ misleading? According to Lenin, “[c]olonial policy and imperialism existed before the latest stage of capitalism, and even before capitalism”, (Lenin, 1917, 260); however, his definitional association of imperialism with capitalism does not account for its prior existence. Lenin’s contradiction seems to have served political purposes at the expense of understanding, for by focussing the analysis on capitalism at the expense of other political-economic systems we cannot hope to conceptually understand the processes that lead to colonialism and domination for RA.

Imperialism theory and Marxism in general has also inadequately theorised the relationship between social exploitation and ecological deterioration. While ecological Marxism (see for example O’Connor, 1998) has sought to reform this aspect of Marxism to account for the absence of an ecological analysis, the school has not explicitly applied this analysis to inter-societal appropriation or indeed imperialism. Instead ecological Marxism has identified economic and ecological contradictions within the capitalist system to provide an explanation for society’s exploitation of nature and the appropriation of resources from ecosystems. The ecological ramifications of imperialism will be further explored through an analysis of the work of Alfred Crosby in forthcoming sections.

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35 Bakunin, one of the founders of the first international with Marx, argued that domination is encouraged by hierarchies of both the market and state: “there survives in his state everything that contributes to the truly despotic and brutal nature of all states, whatever their forms of government. Externally there is the same deployment of military power, which means conquest; internally, there is the same employment of the armed forces, the last argument of all threatened political powers, against the masses, who, tired of always believing, hoping, accepting and obeying, rise in rebellion” (Bakunin, 1910).
Other critiques of imperialism by postmodern and poststructural theorists have focussed on the link between imperialism and enlightenment reason. Poststructuralism and postmodernism arose as critiques of knowledge and discourse, and sought to understand social relationships within their particular context, without the distortion of ideology. Some of the critiques argued that imperialism theory was confined to the arguments of modernism where concerns were focussed on the distribution of the fruits of industrial production without reference to ecological process or social impact. This body of theory also rejected the meta-narratives or ‘grand theorisation’ of modern theories, including imperialism. On this point this thesis takes the view that theorisation can and should effectively respond at the scale of the concepts under analysis. Theory on grand phenomena can make an important contribution to political, sociological and ecological relationships so long as recognition is given to the potential influence of the location of the theorist and the validity of other ways of knowing.

From imperialism theory and its critiques we can draw a number of key features that contribute to understanding the methods, motivations and effects of RA. Imperialism theory posits capitalism as the source of RA with the principal actors, monopoly capital, finance capital and the advanced capitalist state. These actors appropriate resources through the:

- Extraction of surplus production from labour in the colonial society through the promotion of capitalist relationships, and the repatriation of profits;
- Anti-competitive monopoly behaviour and corruption;
- Promotion of a political apparatus of control, for example, colonialism, to allow extraction and trade on unfair terms.

The enforcement of these methods can occur through: resource looting, military occupation, political intervention to install and protect puppet governments, and the manipulation of class cleavages within the dominated society. The effects of imperialism include: war, poverty, slavery, wage slavery, oppression and exploitation, and the depletion of resources.

The imperialism model theorises the motifs of RA to be to create spheres of influence and resource access to generate profits and control the resource input of industrialism, that is, to provide resources that are not available in the same abundance or at a cheaper cost than could be obtained in the society of origin, and to ease the class contradictions of the resource appropriating society and the economic contradictions of capitalism.

Imperialism has identified a number of the means by which advanced capitalist states may appropriate resources, however, the theory is limited in a number of areas. By
Positing monopoly and finance capitalism as the source of RA the theory limits its focus to the appropriation by First World capitalist states (and corporations) from the Second and Third World. The focus on capitalism comes at the expense of analysing other political, economic, social and ecological systems and forms of power and thus leaves the theory economically determinist. This limitation is highlighted by the lived experience and poor environmental and social record of state socialism (for example the occupation of Tibet by the Peoples Republic of China and the invasion of Afghanistan by the Soviet Union). The theory is therefore incapable of providing an adequate conceptual understanding of the processes that lead to RA and is unable to respond to RA in an international environment of complex sovereignty, such as Empire. We turn our discussion now to dependency, a theory that reformulated many of the key assumptions of imperialism from the perspective of those whose resources are appropriated and introduced a geographic dimension to RA.

**Dependency Theory**

Latin America is the region of open veins. Everything, from the discovery to our times, has always been transmuted into European – or later United States – capital, and as such has accumulated in distant centers of power. Everything: the soil, its fruits and its mineral-rich depths, the people and their capacity to work and to consume, natural resources and human resources.

Eduardo Galeano (1971, 2).

Whilst imperialism theory helped ignite socialist struggles and revolutions worldwide it was the more moderate elucidations of RA that were successful in uniting post-colonial Third World governments into a common economic programme of action in the 1960s and 1970s to address what they termed underdevelopment. Two related schools of thought were influential here. The first was the ‘structuralist’ school of development economics, represented by Argentine economist Raul Prebisch, and the second became known as the dependency school of Latin American political economy. These theories drew heavily from, but were critical of imperialism with their main focus the fate of societies enduring current and historical RA and the means of overcoming such conditions. Both will be discussed below.

Dependency theory enlarged imperialism to account for the geographic and political realms of RA. Like Imperialism the theory focused its analysis of RA on capitalist relationships with the principal actors the corporation and the advanced capitalist state (see Table 2.4). Resource appropriation is argued to occur through extraction of surplus production from labour in the dependent society through the promotion of capitalist relationships – a trade monopoly and colonial monopoly – including multinational profit maximisation, enforcement of weak terms of trade for resources and unequal trade relations, financial-industrial domination of investment and production,
and neo-colonial political and military intervention to defend the above methods. Dependency theorists view the development of a core and periphery at the scale of cities and continents, where appropriation penetrates from the global to the local and may or may not match political boundaries.

**Table 2.4 Summary of Dependency theory.**

<table>
<thead>
<tr>
<th>Dependency</th>
<th>How is RA framed?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Problem</strong></td>
<td>Fate of societies enduring current and historical RA and the means of overcoming such conditions.</td>
</tr>
<tr>
<td><strong>Processes</strong></td>
<td>Dependent underdevelopment of the periphery by the core (may or may not match political boundaries).</td>
</tr>
<tr>
<td><strong>Explanation</strong></td>
<td>Structural forces of capitalist economic exploitation independent of political apparatus of colonialism.</td>
</tr>
<tr>
<td><strong>Contribution</strong></td>
<td>Appends a geographic component to the understanding of capitalist RA. Views the development of a core and periphery at the scale of cities and continents where capitalist appropriation may penetrate from the global to the local and may or may not match political borders.</td>
</tr>
</tbody>
</table>

**The Structuralist School of Development Economics**

In the 1950s and 1960s Raul Prebisch, whilst based in the Economic Commission for Latin America (ECLA) in Santiago, began to develop a structural view of underdevelopment where RA was conceptualised as the result of worsening terms of trade between industrialised and non-industrialised countries. For Prebisch RA was intimately linked with development. He believed that an out-dated schema of the international division of labour disadvantaged non-industrialised countries, where:

> the specific task that fell to Latin America, as part of the periphery of the world economic system, was that of producing food and raw materials for the great industrial centres. There was no place within it for the industrialization of the new countries (Prebisch 1950 quoted in Blomström and Hettne, 1984, 40).

Prebisch had previously worked as Director-General of Banco Central in Argentina and would later become the Secretary-General of the newly established United Nations Conference on Trade and Development (UNCTAD). His theory broadly proposed commodity price stabilisation, preferential tariffs for Third World manufacturing exports, and expansion of foreign assistance as a means to promote autonomous industrial growth and stem the worsening condition that more of the ‘South’s’ raw materials and agricultural products were needed to purchase fewer of the ‘North’s’ manufactured products (Bello, 2002, 34).

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36 Within the General Assembly the so-called New International Economic Order (NIEO) that was based heavily on Prebisch’s theory was adopted but never implemented. The NIEO was a set of economic proposals aimed at improving the terms of trade, tariff regime and development prospects of Third World states.
Prebisch’s theory developed in parallel with Third World political developments such as the Non-Aligned movement, Group of 77, and the Organization of Petroleum Exporting Countries (OPEC) to become the dominant viewpoint among the majority at the United Nations General Assembly (Bello, 2002, 4, 35). The prominence of these views was eclipsed in the 1980s with the emergence of neoliberalism as a theory of Third World development. Like Dependency theory and structuralist development economics, it was from Santiago that neoliberalism found Third World popularity, particularly through the work of ‘Los Chicago Boys’ at the Catholic University (PUC), who we return to in greater depth in Part B.

Prebisch (1950) argued that underdevelopment in Latin America was due to a heavy reliance on primary product exports (known as the Prebisch-Singer thesis), where commodity exporters suffer from a decline in the terms of trade that widens the gap between industrialised states and resource-exporters (Blomström and Hettne, 1984, 41). Third World industrialisation was thus seen as a solution to underdevelopment through the retention of the economic surplus. ECLA proposed a strategy of autonomous inward directed capitalist development to overcome the appropriation of Third World resources37. In addition, ECLA encouraged collective action by resource-exporters to raise the terms of trade for resource rich developing states, particularly in oil and mineral industries where ventures such as OPEC could restrict global supplies. The success of this strategy was undermined by a number of factors including overt and covert political intervention by resource-consuming states in participating resource rich underdeveloped states38 (Girvan, 1976, 4), an evasive strategy by the industrialised world that contributed to a collapse of international commodity agreements (Bello, 2002, 39), a rising volume of resource exports, and the demise of the centrally planned Second World (Ross, 1999, 302).

The ECLA program, which became known as ‘programmed industrialization’ and adherents ‘desarrolistas’ for their belief in progress, was broadly implemented within Latin American economies during the 1960s (Blomström and Hettne, 1984, 42-43). Whilst the program received some modest success for initiating industrialisation it failed to ensure self-sustained growth as promised, and reduce the intensity of RA.

This realisation led some development economists such as Stavenhagen (1968), Cardoso (1969; later published as Cardoso and Faletto, 1979) and dos Santos (1970a)

37 Their strategy included: import substitution with domestic production, including initial tariff protection of domestic industries; use of raw materials to provide income for capital goods needed to increase economic growth; sceptical harnessing of foreign corporations to accelerate capital accumulation; government co-ordination to overcome under-development (Blomström and Hettne, 1984, 41-42).

38 Blum (1995) provides an overview of the instances of covert and overt political and military intervention in the Third World by the United States during the post World War II period. Resource producing states comprise a large proportion of the interventions detailed.
to undertake a critique of the assumptions implicit in the form of modernisation proposed by the structuralist school. Dos Santos (1970a), for instance, insisted that a theory of development must analyse the process of development in historical context, that the general laws of development should be extracted from each society, and that development should not be considered a uni-linear transition from one type of society to another (Blomström and Hettne, 1984, 48). Sunkel (1969; 1973; Sunkel and Paz, 1970) expanded on these themes to suggest that underdevelopment cannot be viewed as a stage of development but as a part of a global historical process of development. These critiques gave rise to a new body of theory that became known as Dependency Theory.

**The Dependency School of Latin American Political Economy**

The dependency school of Latin American political economy arose out of a cross fertilisation of structuralism and the Marxian and neo-Marxian schools. The principal theorists include Theotônio dos Santos, (1970a, b); Fernando Henrique Cardoso (1972; Cardoso and Faletto, 1979); and Andre Gunder Frank (1969). For the dependency school capitalist RA resulted in underdevelopment in dependent economies. The dependency school objected to development strategies based on resource exports. They argued that because political independence from colonialism had only occurred when the "economies of the Third World societies had already been captured", (Peet and Hartwick, 1999, 106) political independence was better thought of as ‘neo-colonialism.’ In response, dependency theory sought independence through *economic* de-colonisation, and proposed various forms of socialism and economic nationalism as alternatives. Furthermore they argued that capitalist governments in developing states would be unable to take the measures proposed by moderate structuralists, as long as these governments were dominated by local elites (also known as the comprador class) who shared the class interests of the foreign multinationals (Ross, 1999, 322) and gave illegitimate consent for RA. Consent was also considered illegitimate when the assertion of resource rights was blocked by political, economic and military intervention – a situation commonly experienced in the Third World (Chomsky, 1993; Blum, 1995).

Dependency theory eloquently articulated many of the themes first introduced in imperialist theory, however, took the theory in new directions to present a perspective of the oppressed. Baran’s (1957) concept of economic surplus was borrowed to provide the underpinnings for an assessment of how the surplus had been created and appropriated in varying social situations (Blomström and Hettne, 1984, 34-35). Also influential in the development of dependency theory was Kautsky’s conception of imperialism as the relationship between advanced capitalist countries and
underdeveloped countries (or agrarian areas), where imperialism tended to ease the frictions within the advanced capitalist country. Samir Amin (1974), for example adopted this concept to envisage the world as comprising of developed and underdeveloped societies, socialist and capitalist alike, tied together as a commercial and financial global capitalist network (Chilcote, 2000, 16).

Lenin’s concept of stages of imperialism was also reinterpreted and extended by dependency theorists in line with their new understandings of underdevelopment as was the external-internal dichotomy of Imperialism. Osvaldo Sunkel, a Chilean economist with ECLA heritage, and Pedro Paz extended imperialism to articulate the spatial dichotomies within states. Sunkel and Paz (1970) proposed a model of global dualism (Figure 2.4), where the global system is characterised by two distinct inter-relating structures (Blomström and Hettne, 1984, 60-61):

- Transnational capitalism (core) - which includes the economies of most industrialised countries and the ‘modern’ sectors of the underdeveloped countries. Transnational capitalism appropriates the resources of the periphery.
- Excluded and marginalised (periphery) - which includes the peripheral regions within industrial countries as well as the majority of the underdeveloped countries. The excluded and marginalised have their resources appropriated by the core.

![Figure 2.4 Sunkel’s model of Global Dualism (modified after Blomström and Hettne, 1984, 60). The shaded area represents the Core industrial economy; the white region the Periphery from where resources are appropriated; and the overlaid rectangles represent the mismatching political boundaries (countries).](image)

39 Theotônio dos Santos (1970, 273-274) proposed three historical phases of dependency. 1) Colonial dependence, where commercial and financial capital in alliance with the colonialist state dominated the economic relations of both the Europeans and their colonies. This involved a simultaneous trade monopoly and a colonial monopoly of land, mines and manpower in the colonial domains. 2) Financial-industrial dependence, where big capital dominated the hegemonic centres and expanded abroad through investment in the production of raw materials and agricultural products for consumption in the hegemonic centres. This phase consolidated itself at the end of the nineteenth century. 3) Technological-industrial dependence, where multinational corporations began to invest in industries geared to the internal market of underdeveloped countries. This phase consolidated itself in the post-World War II period.
The Sunkel and Paz (1970) model did not view countries as self-contained elements of an economic system but as components of a larger system that relies on RA. Like Girvan’s (1976) *Corporate Imperialism*, the corporation was seen as a key actor, an exploitative arm of the advanced capitalist economy.

At the same time as dependency theory was taking theoretical shape Eduardo Galeano (1973), a Uruguayan writer, published *The Open Veins of Latin America*. A provocative and polemic depiction of dependency theory, the book evoked poetic imagery to portray economic and political relationships. It resonated with Latin Americans and became extraordinarily popular. The book began:

> The division of labor among nations is that some specialize in winning and others in losing. Our part of the world, known today as Latin America, was precocious: it has specialized in losing ever since those remote times when Renaissance Europeans ventured across the ocean and buried their teeth in the throats of the Indian civilizations (Galeano, 1973).

Whilst *The Open Veins of Latin America* raised the popular profile of dependency theory, it was Andre Gunder Frank’s *The Development of Underdevelopment* (1969) that lead to the widespread adoption of the theory by English speaking academics and development economists. Born in Berlin, Gunder Frank gained experience teaching in Latin American universities between 1963 and 1973, and worked as an economist in ECLA. Gunder Frank (1969) argued that the Third World inhabited a historical position different to that of First. He refuted the claim by classical and liberal economics that the ‘underdeveloped’ countries were still in a stage through which the developed countries had already passed, and preferred to recognise underdevelopment as a condition. “The now developed countries”, contended Gunder Frank “were never underdeveloped, though they may have been undeveloped” (1969, 160). For Gunder Frank, like many of his dependency contemporaries the development of the centre and the underdevelopment of the periphery were the result of a single historical process.

Gunder Frank (1969) furthered Sunkel and Paz’s (1970) model of global dualism and similar models that conceptualised the relationship between dominant and marginal groups within a single society, such as Casanova (1969), to illustrate the role of the city in RA. Frank’s theory was steeped in Latin American history, but it is a history closely resembled by many of the other descendents of European colonialism:

> The privileged position of the city has its origin in the colonial period. It was founded by the Conqueror to serve the same ends that it still serves today; to incorporate the indigenous population into the economy brought and developed by that Conqueror and his descendents. The regional city was an instrument of conquest and still today an instrument of domination (Gunder Frank, 1969, 161).
Frank believed that exploitative relations penetrated all the way from the international to the local level (Gunder Frank, 1969, 161). "These are the principal and still surviving structural characteristics" Gunder Frank argued, "which were implanted in Latin America by the Conquest" (1969, 162). Gunder Frank’s insights into the metropole-satellite divide led him to conclude that dependant industrialisation would lead to growth of industry in one region that would consolidate and intensify the underdevelopment of surrounding regions converting them into internal colonial satellites. Gunder Frank illustrates this in his model (Figure 2.5) where satellites of one metropole are considered to also behave like metropoles to smaller satellites. Gunder Frank (1969, 164) hypothesised that satellites experience their greatest economic development precisely when their ties to the metropolis are weakest, contrary to the predictions of liberal economic theory.

![Figure 2.5 Gunder Frank’s Satellite-Metropolis model (modified after Blomström and Hettne, 1984). The arrangement of the figure represents the power relations (in terms of development and RA) between political regions within the global economy, where a city may represent both a Satellite and a Metropolis, depending on which perspective you are viewing it from.](image)

Girvan (1976), who we discussed earlier in regard to corporate imperialism, also cautioned against the perils of a new model of dependent industrialisation. For Girvan, dependent industrialisation, including measures such as the partial nationalisation of key industries, was a component of the overall hostile response of the industrialised world to the Third World’s challenge of economic equality. Dependent industrialisation "corresponds to the class interests of the local state bureaucracy" argued Girvan, "since in conjunction with state participation in the resource industry, it creates substantial new opportunities for the employment of high-level technical, professional, and administrative cadres" (1976, 7).
Figure 2.6 Dependency model of Resource Appropriation. The rectangles represent the Core, and Periphery of the global economy; the shading represents elite groups where resources are concentrated – Monopoly Capital in the Core and the Comprador Class in the Periphery; and the arrangement the power relations between them.

Figure 2.7 Cartoon depiction of dependency’s Core and Periphery (Rich/Poor) and the RA between them. Cartoon by Hinze Scratch!

However, a distrust of dependent industrialisation was not the position of all of the dependency theorists. Cardoso (1972), in *Dependency and Development in Latin America*, took a more moderate view of dependency. Cardoso (1972, 174) particularly took issue with Gunder Frank’s term ‘development of underdevelopment’, which he believed was coarse and unhelpful, arguing instead that in specific situations dependency and development could coexist, particularly in the kinds of imperial investment that allowed a degree of local participation in the process of economic production (1972, 177).

Through the work of theorists such as Sunkel and Paz (1970) and Gunder Frank (1969), dependency theory developed a language of dichotomies to articulate the various forms of exploitation and appropriation, which included geographic (core and

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40 Cardoso’s moderation incidentally culminated in his election to the Brazilian presidency in 1995, where he led a program of neo-liberal economic reform.
periphery); political (metropole and satellite); and economic (development and underdevelopment; Chilcote, 2000, 14-15; see Figure 2.6 and Figure 2.7). This terminology too owes its origins to the metropole-satellite (or colony) dichotomy used so commonly by the early imperialism theorists such as Hobson (1902a, b) and Lenin (1917; Chilcote, 2000, 14-15). Dependency theory thus developed an elegant awareness of space, it “opened our eyes and made us see the world from the perspective of oppressed people living in its ‘distant’ corners” (Peet and Hartwick, 1999, 122). It appended a global and spatial perspective to the Marxist fixation on class, viewing international relations as a global class conflict between the core and periphery (Gibbs, 1991, 3).

Critiques and Contributions of Dependency

Dependency theory is prone to many of the same critiques that have been applied to imperialism. The theory enlarges imperialism to account for the geographic and political realms of RA, however, it remains economically deterministic.

The theory limits RA to capitalist structural relationships, and defends this position by arguing that since the Columbian era these relations have penetrated globally. Capitalism, however, is a relatively recent affair, having displaced feudalism within Europe (although some Marxists search out the existence of capitalism as the predominant form of economic relations much further back in history) and thus dependency theory does not provide any understanding of RA prior to the emergence of capitalist relationships. Nor does it account for any co-existing social institutions that may also contribute to RA. No explanation is offered as to why other economic, political and social systems exhibit similar traits of RA, domination and exploitation.

Dependency theorists have suffered more specific criticisms from mainstream and neoliber al scholars that the rise of the newly industrialising countries (NICs), such as the ‘Asian Tiger’ economies, discounts the core arguments of the theory. Dependency theorists have countered that neoliberalism downplays the level of the state support within these economies and the historical position of these economies that lead to industrialisation, and misrepresents these economies as ‘free market miracles’. Dependency theorists argue that it indeed would be a miracle if these economies truly had developed under free market conditions. In addition the recent East Asian financial crisis (1997-98) has undermined confidence in these ‘tigers.’

A number of Marxists, such as Warren (1980), have criticised dependency theory for advocating a skip of the capitalist phase on the road to socialism. These theorists have argued that socialism could not be achieved within ‘backward’ economies without a
period of aggressive progressive imperialism to wipe out pre-capitalist social relations and build a working class to create the conditions for revolution. The consequence of this argument, that RA and acculturation are necessary sacrifices for the eventual goal of socialism, is yet another example of the methodological limitations of defining imperialism solely as a function of capitalism.

The Balance of Power Critique of Dependency

One constructive critique of dependency theory was offered by Theodore Moran (1974) in his book, Multinational Corporations and the Politics of Dependence. The main criticism that Moran levelled at dependency theory, discussed in detail below, was that it did not account for the timing of corporate investment and the relative bargaining power of the company or host nation throughout the duration of investment. Yet Moran also believed that dependency theory had evolved into a theory of many meanings, some legitimate, others questionable. To advance his critique, Moran (1974) provided the beginnings of a theory of host country-foreign investor relations. Moran viewed the host country-foreign investor relationship as two forces in collision: a system of multinational corporations operating under conditions of imperfect competition; and domestic interest groups trying to respond to rising demands for national development and national welfare (Moran, 1974, 4).

Charting a middle position between dependency and (neo) liberalism, Moran used a balance of power model to account for the competing forces of the international investors and the host country, that “struggl[ed] to take advantage of each other and reduce each other to manageable proportions” (Moran, 1974, 4). Moran’s analysis focussed on highly integrated natural resource industries, such as minerals and energy sectors, where the largest barriers to entry exist at the production stage. Moran argued that the “balance of power between foreign investors and domestic governments begins very much tilted in favour of the foreign producers and tips inevitably away from them toward the host governments” (1974, 8).

The balance of power model “accounts for the instability of concession agreements as a function of abrupt shifts in risk and uncertainty, and explains the cumulative transfer

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41 Through his research on international resource industries, particularly copper policy, Moran (1974, 4-5) identified and assessed three definite objectives associated with the movement away from dependency: the assertion of national sovereignty over economic and political life; the forcing or enticing of foreign corporations to contribute to national growth and welfare; and the liberation from “captive production” within the vertically integrated corporate system (Moran, 1974, 4-5). Moran argued that the first two meanings of the movement held legitimacy, while the third was based on an “inadequate analysis” of oligopoly behaviour that placed resource-producing nations, whom had won their economic independence, in a weak position outside the international capitalist system (Moran, 1974, 5). Moran (1974, 5) insisted that a far better position of “interdependence within the international industry” could be attained by abandoning the third meaning, and harnessing the contribution of multinational corporations. According to Moran (1974, 13) the insights of dependency theory served better in the movement to “build up domestic competence for exercising the rights of sovereignty in bringing the foreign corporations under national control, than it did to enlighten them about oligopoly strategy in the international industry”. In this respect Moran (1974) echoed Cardoso’s (1972) enthusiasm for the possibilities of beneficial dependent development.
of power away from the foreign corporations as resulting from the host country’s moving up the learning curve of negotiating, operating and supervisory skills” (Moran, 1974, 154), where in the long term “the national interest in development and the national concern for sovereignty propelled successive administrations to close in on the foreign-dominated industry and bring it under control” (Moran, 1974, 154). Moran seems to consider the expense of lost income and sovereignty as justly balanced by the benefits of technology transfer as long as a gradual shift in power balance occurs toward the host country. The process of RA would only then be perceived to occur due to lapses in the power shift toward greater host country control. “[P]olicy outcomes in which the national interest is clearly not being pursued”, argues Moran, occur “because domestic actors crucial to the decision making process are using payoffs to foreign investors to advance their own private good at the public expense” (1974, 155-6).

Moran’s position too has its limitations. Moran believed that the first two definitions of the movement away from dependency, that is, the assertion of national sovereignty and the forcing or enticing foreign corporations to contribute more, were “logical and inevitable” (Moran, 1974, 11). His belief that a gradual power transfer toward host countries was “inevitable” is possibly influenced by his analysis of the parameters of power exercised by host countries and foreign investors at the time of writing, a time when large gains where made by Third World resource producing states. As we have seen in the 30 years since the publishing of these ideas, widespread and extreme deterioration in host country power can occur. The First World, through a variety of interventions can renew their favourable initial conditions. Moran’s (1974) model significantly underestimates the power and intent of multinational corporations and industrial states to enforce such regressive reappraisals of the host-investor relationship to protect their present and future investments and the favourable conditions that allow such investments.

Moran’s (1974) balance of power model also fails to recognise that the ecological impacts that arise from the conversion of an environment and society into a site for resource extraction are burdens predominantly shouldered by host countries and communities, not the mobile and often transient corporations. This underestimates the processes and instances of RA. The model also does not account for the heterogeneity of the distribution of the benefits and expenses of resource extraction in host countries. By equating the host-state with its constituent communities and nations, who may in reality be severely disadvantaged by the appropriation of their resources, the model misrepresents the balance of power. But, unlike dependency theory Moran’s model

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42 For example, during the Cold War authoritarian Third World regimes were actively supported by the West under the guise of anti-Communism. These regimes frequently reinstated the business friendly conditions that had been eroded by democratic governments and popular movements.
does articulate the processes behind the commonly observed progressive, albeit partial, renegotiation of initial conditions of extractive resource projects by host countries over the lifecycle of projects and the resultant decrease in the intensity of RA.

Summary of the Contributions of Dependency Theory

From dependency theory we can draw a number of key features that contribute to understanding the methods, motivations and effects of RA. Like imperialism, dependency considered capitalism to be the source of RA with the principal actors the corporation and the advanced capitalist state. These actors appropriate resources through the following methods:

- Extraction of surplus production in the dependent society through the promotion of capitalist relationships – a trade monopoly and colonial monopoly – including multinational profit maximisation and captive production within vertically integrated corporate systems;
- Enforcement of weak terms of trade for resources and unequal trade relations;
- Financial-industrial domination of investment and production;
- Neo-colonial political and military intervention to defend these methods.

The enforcement of these methods is argued to occur through political intervention to install and protect puppet governments and the manipulation of class cleavages within the dominated society. The effects of RA attributed by dependency theory include dependency, underdevelopment, stalled industrialisation, and the depletion of resources. Dependency considered underdevelopment to be a condition in which a geographic region was slated as a provider of raw materials for the industrial world by First World states and corporations. The economic condition of underdevelopment may or may not match political boundaries. Moran’s (1974) critique has also highlighted the agency of dependent economies to shift the balance of power and reduce RA, though with mixed success due to strategies of intervention.

Like imperialism the model theorises the motifs of RA to be to create spheres of influence and resource access to generate profits and control the resource input of industrialism, that is, to provide resources that are not available in the same abundance or at a cheaper cost then could be obtained in the society of origin.

Dependency appends a geographic component to our understanding of RA. It views the development of a core and periphery at the scale of cities and continents, where appropriation penetrates from the global to the local. This binary, whilst a simplification, is more suited than imperialism theory for application to the complex sovereignty of Empire. However, like imperialism the theory posits capitalism as the source of RA and
inadequately accounts for other forms of power. The dependency school also made contributions to international relations theory. Dependency mounted a globalist critique of the prevailing orthodoxy within realism that the contemporary situation in the Third World could be best understood as a result of domestic political, economic, cultural and social conditions or institutions and not due to various forms of RA. The dependency school exposed the structural forces of economic exploitation that operated independently of the political apparatus of colonialism. We continue exploring models that posit the structures of capitalism as the source of RA, by introducing the Business Conflict Model.

**Business Conflict Model**

Another recent theory to challenge the mainstream schools of international relations and economics and provide an alternate view of RA is the business conflict model (BCM). The BCM was first proposed by David Gibbs (1991) in his book *The Political Economy of Third World Intervention: Mines, Money, and U.S Policy in Congo Crises*, and arose out of his PhD dissertation. The BCM theorises on the motivations and machinations of intervention, that is, “the manipulation of the internal politics of one country by another country” by the First World for the promotion of policies that increase First World access to Third World resources (Gibbs, 1991, 1).

The BCM considers capitalism to be the source of RA with the principal actors businesses and the advanced capitalist state (see Table 2.5 and Figure 2.8). The model explicitly discusses the appropriation of raw materials through Third World intervention by these actors. The advanced capitalist state and its competing business interests are argued to employ covert and overt intervention as the predominant method to promote policies in other societies beneficial to business. Business interests thus compete for control of the state apparatus to advance their foreign policy agenda or may intervene independently.

**Table 2.5 Summary of Business Conflict model.**

<table>
<thead>
<tr>
<th>Business Conflict</th>
<th>How is RA framed?</th>
<th>Explanation</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
<td>Processes</td>
<td>Explanation</td>
<td>Contribution</td>
</tr>
<tr>
<td>Motivations and</td>
<td>‘Core’ countries</td>
<td>Business conflict influences conflict between states and the nature of state covert and overt intervention for RA in the periphery.</td>
<td>Articulates the cleavages that exist between individual businesses that manifest in competing claims to foreign policy development of the advanced capitalist states and that may also lead to conflict.</td>
</tr>
<tr>
<td>machinations of</td>
<td>and state</td>
<td></td>
<td></td>
</tr>
<tr>
<td>corporate and</td>
<td>intervention in the Third World.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>state intervention in the Third World.</td>
<td></td>
<td>Business conflict influences conflict between states and the nature of state covert and overt intervention for RA in the periphery.</td>
<td>Articulates the cleavages that exist between individual businesses that manifest in competing claims to foreign policy development of the advanced capitalist states and that may also lead to conflict.</td>
</tr>
</tbody>
</table>

The BCM is based on three premises (Gibbs, 1991, 33):

- Capitalist societies are composed of diverse and competing economic groups;
• Economic groups may come into conflict, in turn generating political conflict;
• The foreign policy of economic and political groups (including the state) is a reflection of rational behaviour to further respective self-interest.

These premises are played out within the international political and economic institutional framework, such that private business interests within the advanced capitalist states:

• Affect all aspects of policy, including foreign intervention; in extreme cases reducing the foreign policy of states to mere instruments of specific pressure groups;
• Are typically divided with regard to intervention, with the divisions a significant factor in world politics;
• May conduct their own foreign policies, intervening directly in specific Third World crises, bypassing the state (Gibbs, 1991, 2-3).

Whilst attempting to explain the motivations behind intervention for RA the model considers the cleavages and divisions among and between trans-national corporations, corporations representing different nationalities, and those representing a single nationality. The model also theorises on the relationship between business groups and the state. The BCM proposes that national and trans-national pressure groups representing business interests influence state policy, which can result in competition between states for commercial access in the Third World (Gibbs, 1991, 3). The model also proposes that states may rely on informal spheres of influence to dominate resource access (Gibbs, 1991, 29). Business conflict thus influences conflict between states (Gibbs, 1991, 29) and the nature of state covert and overt intervention for RA in the periphery (Gibbs, 1991, 30).

[Figure 2.8 Business Conflict model of Resource Appropriation. The rectangles represent the First, and Third World economies; the shading represents competing business groups and Third World elites; and the arrangement the power relations between them.]

The BCM is similar to dependency and imperialism theory in a number of respects. Like corporate imperialism and instrumental Marxism, Gibbs argues that the foreign policy of industrialised states “directly serves business interests and manipulates Third World governments to serve these interests” (1991, 1). Using the example of the
United States in the unfolding of the Congo crisis (1960-1963), Gibbs (1991, 1) suggests that “the USA supports conservative, pro-business political groups in Third World countries, while it opposes radicals”, where “any Third World government that is ‘unfriendly’ toward American business interests risks overthrow by the CIA” (Gibbs, 1991, 15). Gibbs (1991, 15) quotes Williams (1972) to argue that the US has since the beginning of the 20th century sought to impose an open access to the rest of the world, to facilitate unlimited economic expansion. In contrast to instrumental Marxism, however, the model “addresses the question of inter-capitalist conflicts” (Gibbs, 1991, 15).

**Critiques and Contributions of the Business Conflict Model**

The BCM has not attracted any substantial critiques within the literature, however, the processes described by the model are equally applicable to non-business groups competing for resources where two social groups or societies may compete for the resources of a third. Dominant groups, such as religious or nation groups, or even a particular gender, may also compete for control of the state apparatus.

From the BCM we can draw a number of key features that contribute to understanding the methods, motivations and effects of RA. The BCM analyses the methods and motivations of businesses and the advanced capitalist state to participate in Third World intervention. The model explicitly discusses the appropriation of raw materials, however, remains unclear about what other resources are appropriated through this process.

The BCM considers capitalism to be the source of RA. The advanced capitalist state and its competing business interests employ covert and overt intervention as the predominant method to promote policies in other societies beneficial to business. Business interests thus compete for control of the state apparatus to advance their foreign policy agenda. The main motivation of RA is the maximisation of profits for businesses. The effects of RA attributed by the BCM include business conflict, war, political instability, and the depletion of resources.

While instrumental Marxism tends to assume a cohesive and homogenous capitalist class, and avoids cases where the business community is divided, the BCM conceptualises business conflict as an important motivator of the foreign policy of the advanced capitalist states (Gibbs, 1991, 15). The BCM also diverges from dependency theory by emphasising conflicts between core powers. The model does, however, acknowledge that business interests and states can act as a single bloc to oppose anti-capitalist political movements (Gibbs, 1991, 32). The BCM also theorises on the
relative importance of RA in the Third World by the First World. In contrast to Jaleé (1965; discussed earlier with reference to minerals imperialism) the BCM assumes that “Third World investments are not essential for the core economies as a whole, but that they are essential, or at least desirable, for individual companies” who seek and compete for investment opportunities in the periphery (Gibbs, 1991, 29).

We break with models that outline the ways in which capitalist institutions contribute to RA by discussing a model that suggests resource wealth may contribute to the creation of a behavioural and institutional curse that cripples economies and societies.

**The Resource Curse**

*We are in part to blame, but this is the curse of being born with a copper spoon in our mouths.*

*Kenneth Kaunda, Former President of Zambia (quoted in Ross, 1999, 297).*

*We thought it was oil*  
*But it was blood.*

*Nnimmo Bassey, Human Rights Activist and Poet, Nigeria.*

The debate surrounding RA among structuralist theorists, however, is not limited to Marxism and dependency theory. Recent quantitative comparative studies by mainstream development scholars, political scientists and economists have established a link between resource wealth, poverty and war, prompting them to theorise on the discrepancies between the standing of resource-rich states and their resource-poor counterparts within the global political and economic system. This association is the basis of the Resource Curse theory. The Resource Curse theorises on the contribution resource abundance makes toward economic stagnation, civil wars and authoritarian states. For the Resource Curse model the core actor is the state, although the theory also hypothesises on the actions of rebel groups that reside within the state (see Table 2.6). The theory analyses the misappropriation and mismanagement of resources by states due to their own institutions and behaviours. The theory argues that the methods and motivations for resource misappropriation include short sightedness by governments due to resource abundance, the weakening of state institutions and corruption due to resource booms, the weak enforcement of property rights that impedes economic growth, and looting by minority rebel groups such as sects or political parties.
Table 2.6 Summary of the Resource Curse model.

<table>
<thead>
<tr>
<th>Resource Curse</th>
<th>How is RA framed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
<td>Processes</td>
</tr>
<tr>
<td>Intra-state politico-economic explanations for why resource rich states suffer economic stagnation, civil war and authoritarianism.</td>
<td>Corruption, looting, Rentier effect, Para-statal companies, separatism, state repression.</td>
</tr>
</tbody>
</table>

The Resource Curse was first proposed by Richard Auty (1993) in the book, *Sustaining Development in Resource Economies: the resource curse thesis*. For Auty (1993) the poor economic performance of resource-endowed states is caused by differences in governance (the type of political state and pattern of structural change) that arises through abundant natural resources. While the book does not elaborate in further detail about the concept, subsequent theorists have developed the thesis.

Michael Ross has investigated the resource curse idea in a series of papers, many of which were authored whilst a visiting scholar at the Development Research Group of the World Bank (Ross, 1999; 2000; 2001a; 2001b; 2001c; 2002). Ross develops the concept of the resource curse to explain why “many of the poorest and most troubled states in the developing world have, paradoxically, high levels of natural resource wealth” (Ross, 2001a, 328). His tenure at The WB coincided with an internal reappraisal of the Bank’s policy toward the extractive resource industries (WB, 2004), after intense pressure was applied by social movements and non-government organizations, who are critical of WB financing and underwriting of projects they believe have questionable human rights and environmental records, and that are inconsistent with the Bank’s motto of poverty alleviation.

The Resource Curse is not strictly a theory of RA, as the theory does not analyse inter-societal factors and relationships, instead focussing on *intra*-societal appropriation. However, because the state itself may be composed of sovereign groups, in some circumstances the model may be extrapolated to explain how elite groups represented by the state may appropriate resources from constituent sovereign Peoples. A discussion of the theory is useful for three reasons. First, the resource curse model provides a number of explanations of the *intra*state factors that lead to what we could call resource misappropriation (or appropriation in circumstances where the state is not the holder of legitimate sovereignty, that is, if the state itself is composed of sovereign nations and communities that may have their resources intentionally appropriated by the state). Second, the model provides an example of the directions in which reformers within Bretton Woods institutions are working to alleviate poverty and address resource
The concept of the resource curse is that resource wealth may *harm* a state's prospects for development. To establish the existence of a resource curse Ross (1999, 300) principally cites a quantitative study by Sachs and Warner (1995)\(^{43}\) that finds that states with a high ratio of natural resources at the beginning of the study period displayed abnormally slow economic growth rates in subsequent years. Ross suggests that there may be three components of the resource curse. First, that states with a greater resource wealth display slower economic growth; second, that they are more likely to be less democratic; and finally that they are more likely to suffer from civil wars. Each will be discussed in turn.

**The Resource Curse and Economic Growth**

To explore the link between the natural resource wealth of states and their performance within the world economy Ross reviews efforts “to explain how the export of minimally processed natural resources, including hard rock minerals, petroleum, timber and agricultural commodities, influences economic growth” (1999, 298). Whilst acknowledging that much of the disparities between resource and non-resource exporters can be tied to *interstate economic* factors, such as a decline in the terms of trade for primary commodities (1999, 320), Ross (1999, 298) limits his review of the resource curse and economic growth to *intrastate political* factors, preferring to focus on “why resource exporting governments seem to manage their economies poorly”. Such an analysis is consistent with the approach taken by international financial institutions, such as the International Monetary Fund and The World Bank, with whom Ross is associated, who promote structural adjustment of Third World economies rather then adjustment of the global economy and the terms of trade.

Three categories of explanation are reviewed (Ross, 1999):

- **Cognitive** – resource booms produce a type of short-sightedness among policy makers;
- **Societal** – resource exports tend to empower sectors, classes or interest groups that favour growth-impeding policies;
- **State-centred** – resource booms tend to weaken state institutions.

In addition Ross (1999) offers two explanations that he suggests are promising and require further research. Both explanations could be considered consistent with arguments forwarded by the neo-liberal school of economic theorists. The first is that

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\(^{43}\) The study used a quantitative analysis of economic indicators by applying a regression analysis to measure the impact of mineral and other exports on GDP growth – 97 countries where analysed during the period of 1971-1989.

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the resource curse can in part be attributed to the move toward state-owned enterprises that accompanied nationalisation and the assertion of economic independence in the Third World between the 1950s and the mid-1970s. It is argued that foreign multinationals had previously served as buffers to export instability and international market shocks, state owned budget constraints led to a tendency to over-borrow, and the inefficiency of state companies (parastatals) led to under investment in productivity improvement (1999, 319-320). "If part of the resource curse is due to state ownership", Ross argues, then "privatization could offer a simple solution" (1999, 320). However, many of the resource exporting states that Ross refers to considered themselves 'cursed' long before they attempted to assert their economic independence through the creation of parastatal organisations to manage their resources. As we saw with dependency theory many people within the countries that have experienced a resource related 'curse' believe their condition to be the result of centuries of oppression by colonial and neo-colonial powers rather than mismanagement of institutions set-up to wrestle control of their resources back.

The second explanation suggests that both economic decline and resource dependence may be independently caused by the host state's inability to enforce property rights. Ross argues that when the enforcement of property rights is weak manufacturing firms find it difficult to operate, as the risk of lost investments cannot be offset by normal profits. Resource extractors on the other hand, it is argued, are more inclined to hire "criminal gangs, private militias, or nascent rebel armies" due to the ability of firms to afford "private enforcement of their property rights while still earning a normal profit" (Ross, 1999, 320). This situation leads to the appearance of resource dependence due to the relative weakness of the manufacturing sector. The implication here is that strong state enforcement of property rights will lead to increased national and/or foreign investment and thus prosperity.

**The Resource Curse and Democracy**

In subsequent papers Ross expands the concept of the resource curse to investigate the impact of resource wealth on democracy (2000; 2001a). Using pooled time series data44 Ross (2000; 2001a) finds that resource wealth does indeed impede democracy. More specifically he suggests that "oil exports are strongly associated with authoritarian rule...and that other types of mineral exports have a similar anti-democratic effect, while agricultural exports do not" (Ross, 2000, 2). Ross also argues that the resource curse is not inevitable citing states such as Malaysia, Chile and

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44 Ross (2000) uses data from 105 states between 1971-1997. Ross (2001a) uses data from 113 states for the same time period. Examples of the type of data used include Gross Domestic Product (GDP), fuel and mineral exports, number of military personnel, life expectancy etc.
Botswana that have fared relatively well despite their resource wealth (2000, 31). Three explanations of the resource-wealth-causes-authoritarian-rule thesis are tested (Ross 2000, 2):

- The modernisation effect – growth based on resource wealth fails to bring social and cultural change that leads to democracy (that is, does not transfer into employment growth in industrial and service sectors that it is argued leads to the development of a democratic state);
- The rentier effect\(^45\) – resource rich governments use low taxes and patronage to dampen democratic pressures;
- The repression effect – resource wealth retards democratisation by enabling the government to better fund the apparatus of repression\(^46\).

Ross (2001a) finds tentative support for all of the above explanations of authoritarianism in oil rich states. In the case of mineral exporters, Ross (2001a) finds evidence that these states suffer from the rentier effect, but not a repression effect\(^47\). He also finds only weak support for the modernisation effect in such states (2001a, 357). Ross (2000, 3) concludes that if the resource-wealth-causes-authoritarian-rule thesis holds “it could help explain the absence or weakness of democracy in sub-Saharan Africa and parts of Latin America and Southeast Asia” in addition to the Middle-East.

The Resource Curse and Civil War

Developing the resource curse concept further Ross (2001b; 2001c) investigates the observation that states with an abundance of natural resources face a higher risk of civil war and tests various proposed causal mechanisms. Through the use of qualitative case studies Ross concludes that:

- Resource wealth contributes to conflict by offering rebels the opportunity to loot. It also can create grievances that exacerbate separatism;
- Resource looting may extend or shorten the duration of a conflict, even when resources have little to do with the origins of a conflict;
- Causality may run in both directions. Resource dependence may exacerbate civil wars and civil wars may exacerbate resource dependence (Ross, 2001b, 2).

Furthermore Ross (2002) considers the relationship between the different attributes of various resources and the incidence, onset and continuance of civil war, finding that resources can have a variety impacts both harmful and beneficial to the resolution of a

\(^{45}\) A rentier state is defined as one that receives substantial rents from “foreign individuals, concerns or governments” (Ross, 2000, 7 after Mahdavy, 1970, 428).

\(^{46}\) Discussing the high level of military spending in resource-rich states Ross suggests one reason may be due to “ethnic or regional conflict” where “mineral wealth is often geographically concentrated; if it happens to be concentrated in a region populated by an ethnic or religious minority, resource extraction may promote or exacerbate ethnic tensions, as federal and regional actors compete for authority over mineral rights” (2000, 14).

\(^{47}\) This finding is in contradiction to the findings of Ross (2000). See above footnote.
Part A: Developing the Landscape Consumption Model

conflict; that resources tend to impact separatist and non-separatist conflicts differently; and that loottable and non-lootable resources also impact conflicts differently.

**Resource Curse**

![Diagram](image)

**Figure 2.9** Resource Curse model of Resource Appropriation. The rectangles represent the state and the separatist rebels; the shading corresponds to elites where resources are concentrated; and their arrangement represents the power relations between them.

**Critiques and Contributions of the Resource Curse**

The resource curse model is an innovative take on the issues surrounding resources and dependence, however, by only conceptualising the resource curse as the result of political and economic processes that may arise from within a state, and the impact of these processes on GDP, Ross (1999; 2000; 2001a; 2001b; 2001c; 2002) has omitted key aspects of the problem and has made several un-stated assumptions that may undermine the applicability of his conclusions.

Ross (1999; 2000; 2001a; 2001b; 2001c; 2002) limits his analysis to the economic performance of Third World resource dependant states within the global capitalist economy, rather then the broader question of RA from Peoples and nations (see **Figure 2.9**). Thus his solutions may bring greater GDP to a state but may occur at the expense of sovereign Peoples and their ecology (discussed in later sections of this chapter). Consistent with neo-liberal economic theory Ross assumes that the superior profitability and fiscal efficiency of private-owned enterprise equates with increased development prospects of the resource producing state and that the promotion of these institutions is preferable for the management of resources. However, theories that equate narrow economic indicators such as profit maximisation often obscure social, political and ecological conditions that may sharply fall under neo-liberal regimes. Furthermore economic inequity and loss of effective sovereignty may also be casualties of increased private ownership of what were considered public commons.

Ross (1999; 2000; 2001a; 2001b; 2001c; 2002) also omits the historical – political and economic – context of economic stagnation, civil wars and authoritarianism, by neglecting to investigate interstate political factors and extra-state factors, such as
intervention by foreign state and non-state actors. He avoids mention of the 500 years of European colonialism and RA and assumes a level playing field between states.

The focus on the relationship between resource lootability and the character of civil wars does provide some interesting insights. Billon (2001) further advances this approach by developing a typology of geography and resource conflict that relates the spatial distribution of resources with the social construction of resource type and use. Point resources (such as a mineral deposit) may be more easily controlled than diffuse resources (such as agricultural land), while also attracting significantly more contestation due to their desirability. Furthermore the location or proximity of the resource to sites of political power is also thought to influence the potential and type of conflict. Thus point resources that are proximate to sources of power are prone to political conflict in the form of state violence or coup d’etat. Point resources located on the margins of controlled territory have a higher likelihood of being captured by dissenting social groups and are thus prone to succession. The accessibility of a resource is also complemented by another feature – marketability. Diffuse resources may be more easily sold and thus are prone to warlordism, if their location is distant to centres of power or rioting/rebellion if their location is proximate.

The Resource Curse theorises on the contribution resource abundance makes toward economic stagnation, civil wars and authoritarian states. The resource curse model particularly focuses on minimally processed raw materials such as hard-rock minerals, oil, primary agricultural commodities and timber, though is relevant for other types of resources. For the resource curse model the core actor is the state, although the theory also hypothesises on the actions of social groups that reside within the state’s authority. However, according to our definition of RA the resource curse model is predominantly a theory of resource misappropriation. By misappropriation I mean that the theory analyses the mismanagement of resources by states due to their own institutions and behaviours.

However, if we acknowledge that the assumption that the state commands sovereignty of resources within its borders may not necessarily be the case, and the state itself may be composed of sovereign groups, for example two or more nations, then in some circumstances the model may be relevant for our review of RA. The model’s explanations may explain how elite groups represented by the state may appropriate resources from constituent Peoples. We may then split Ross’s contributions into two categories:

- **Resource Misappropriation** – explanations that involve the mismanagement of resources within states;
Part A: Developing the Landscape Consumption Model

- Resource Appropriation – explanations that involve the intentional inter-societal appropriation of resources from a sovereign group.

The methods and motivations for resource misappropriation would then include: cognitive – short sightedness by governments; state-centred – resource booms tend to weaken state institutions, due to corruption; economic – weak enforcement of property rights, which thus impede economic growth; and societal – looting by non-sovereign minority rebel groups such as sects or political parties.

The methods and motivations that would correspond with RA include repression and the rentier effect – elite groups within resource rich states use the revenue generated from extraction to fund repressive mechanisms for continued RA from sovereign groups within the state (this may or may not involve corruption); and looting – direct plunder of resources may help to fund conflicts (looting may occur by state institutions, such as armies, or non-sovereign separatist groups).

The Resource Curse limits its analysis to the economic performance of Third World resource dependant states within the global capitalist economy, underplays the influence of factors external to the state (such as military and economic intervention) and largely considers the ‘curse’ to the result of misappropriation of resources by states rather than appropriation from constituent Peoples and nations. The theory does, however, provide a number of innovative explanations for the poor situation of many resource rich geographic and ethnographic regions.

Corporate Globalisation and Development

For the neo-liberal, individuals make rational economic and social choices through the market. For the statist, the state is the sole custodian of society's interests and its decisions their only reliable expression, with or without free elections. While the one ideology seeks to subordinate state to market, and the other market to state, both subordinate society's will and the means of its expression.


Globalisation – the closer integration of nation-state economies and the removal of barriers to trade – is the latest incarnation of a series of economic policies first advocated by liberal economic theorists. Globalisation, also known as the Washington consensus (after the location of many of the institutions guiding the process) is most often associated with the program to undertake economic reforms that promote fiscal austerity, market liberalisation and the privatisation of public enterprises (Stiglitz, 2002, 53). The International Monetary Fund (IMF), The World Bank (WB) and the World Trade Organisation (WTO) are the main international economic institutions that have guided the globalisation process. Together they were envisioned to work in concert to
provide a framework of international economic governance. The IMF and the WB (originally named the International Bank for Reconstruction and Development) were formed in the closing stages of World War II at the United Nations Monetary and Financial Conference that was held in the resort town of Bretton Woods, New Hampshire in 1944. The WTO is a relatively new organization that was founded in 1995, however, the organization arose out of the General Agreement on Tariffs and Trade (GATT), a set of economic agreements that also took form mid-century. The WTO amended the GATT agreements to provide an institutional as well as policy function\(^ {48}\).

Corporate Globalisation theory argues that international financial institutions such as the IMF, WB and WTO facilitate the appropriation of resources by First World states and multinational corporations (see Table 2.7). Three core arguments are forwarded: that mega-project development disempowers local and regional economies and centralises the control of resources to distant centres of power, that Structural Adjustment Programs are forms of economic leverage by which countries are locked into a program of unjust and unsustainable natural resource exploitation, and that the foreign investment provisions of Free Trade Agreements limit the ability of governments and communities to enact and enforce policy that may impinge on the rights of investors to generate profit.

**Table 2.7** Summary of Corporate Globalisation theory.

<table>
<thead>
<tr>
<th>Corporate Globalisation</th>
<th>How is RA framed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
<td>Processes</td>
</tr>
<tr>
<td>The privileging of First World states and transnational corporations in the integration of state economies into an international system.</td>
<td>Mega-project development, structural adjustment programs, free trade agreements. Facilitated by international financial institutions and corporations.</td>
</tr>
</tbody>
</table>

During the past 30 years a substantial body of critique has accumulated regarding the conduct of these international financial institutions (IFIs) and the tendency for the globalisation process to be used in such a way as to privilege large corporate entities, mainly within the First World, and facilitate the appropriation of resources for the benefit of the already wealthy\(^ {49}\). Substantial critiques of the IMF and WB began with

\(^{48}\) During post World War II planning an institutionally backed International Trade Organisation had been envisaged and agreed to at the UN Conference on Trade and Employment in 1948; however the founding of the organization was later blocked by the US Senate.

\(^{49}\) In addition to the IMF, WB and WTO other international financial institutions, such as Bilateral export credit agencies (see ECA Watch, 1999 and MPI, 1999), the International Finance Corporation (the WB's private arm; see FOE, 2000),
Payer (1974; 1982) and were followed by Bello et al. (1982), and George (1988). This body of critique was coupled with discourse arising out of the more than 100 protests against the policies of the IMF and WB in dozens of countries since 1976. The protests exposed the consequences of the IMF and WB's propensity to pressure national governments to advance the interests of international financial investors at the expense of the local populace (Global Exchange, 2001, 2-3). According to Joseph Stiglitz, Nobel Laureate and former Chief Economist and Vice President of the WB, "the West has driven the globalization agenda, ensuring that it garners a disproportionate share of the benefits, at the expense of the developing world" (Stiglitz, 2002, 7).

In the following section I will explore the three main pillars of this critique. One, that the type of 'development' promoted by institutions such as the WB has been insensitive to the real needs of the poor whom it has claimed to benefit and has largely operated as a means to extend colonial relationships (including the appropriation of resources) with the Third World. Two, that through a policy of 'structural adjustment' the IMF (and WB) have taken advantage of the 'debt crisis' in the Third World to force open markets and allow discounted and unjust access to the resources of the Third World. Three, having opened up such markets the insistence on 'free trade' policies – that is, the removal of barriers to the movement of capital, goods and services – advocated by the WTO, has circumscribed the effective sovereignty of nation-state governments and placed First World corporations in an advantageous position to appropriate the resources and goods of the Third World.

**Development and the World Bank**

Development was – and continues to be for the most part – a top-down, ethnocentric, and technocratic approach that treats people and cultures as abstract concepts, statistical figures to be moved up and down the charts of 'progress'.


Development as a discourse of economics and sociology arose in conjunction with the post-war reconstruction of Europe and the decolonisation of the European empires. The Truman administration in particular promoted development not only as a means of economic growth but as a moral solution to poverty. The WB was to provide the funds for large infrastructure projects with the aim of facilitating and stimulating economic growth. However, despite the heavy rhetoric, development as a method of poverty alleviation retains many similarities with the paradigm of colonialism. Indeed, post-war...
planning documents have revealed a desire by the states of the First World to continue the fundamental features of colonialism in the new paradigm of development\textsuperscript{50}.

While these may have been the motivations of foreign policy planners during the post-war period development discourse has attracted a diverse spectrum of supporters with varying motivations and perspectives. Development projects have contributed to significant benefit for disadvantaged communities in many circumstances and situations. However, development projects have not always been in the interests of those in which the development is supposed to benefit. World Bank funding for mega-projects such as hydroelectric dams (for example, the Namada Dam, India), roads (for example, the Transamazonian, Brazil), hotels (for example, the Radisson and Marriott luxury hotels in Costa Rica) and other commercial, industrial and extractive infrastructure have demonstrated a lack of sensitivity to the needs of the poor. Mega-projects have proved inherently displacing\textsuperscript{51} (Gellert and Lynch, 2003) and environmentally destructive as they contribute to unsustainable natural resource extraction (see FOE et al., 1999; FOEi, 2002). This kind of development moves control of local resources from communities to centralised and distant centres of power. Sustained pressure from civil society organizations has led to some concessions following a review of WB activities in the extractive industries (see WB, 2004). However, despite these reforms mega-project development remains a system that serves the "material interests of powerful actors...notably capital accumulation, especially for financial institutions and construction firms, and modernisation and territorialisation ambitions for states" (Gellert and Lynch, 2003, 20). The World Bank has also promoted free market policies such as: the privatisation of state enterprises (WB and UNEP, 1994), the opening of economies to foreign investment and the promotion of favourable investment conditions, and export led development\textsuperscript{52}.

\textsuperscript{50} Curtis, writing in The Ecologist, concludes from a review of First World declassified planning documents that the primary goal of British decolonisation was to "ensure economic access to, and control over, the resources of ex-colonies and other Third world countries", adding that "Britain has used, its military, political and economic power in support of political elements in those countries who are favourable to the West - regardless of the implications for human rights, democracy or peoples' welfare" (1996, 5). Declassified US foreign policy planning documents also reveal an ambition to continue European colonial relationships with the Third world. A declassified US government report of the Special "Ad Hoc" Committee of State-War-Navy Coordinating Committee (SWNCC, 1947), states that "[i]t is important to maintain in friendly hands areas which contain or protect sources of metals, oil and other national resources, which contain strategic objectives, or areas strategically located, which contain a substantial industrial potential, which possess manpower and organized military forces in important quantities".

\textsuperscript{51} A 1994 leaked internal draft World Bank report written by the World Bank's sociologist Michael Cernea revealed that 2 million people were forced off their lands at the time of the report for 134 projects. A further 2 million people were expected to be forcibly removed by 1996. The report also noted that not a single example existed of a project where resettled people regained their former level of income (Chatterjee, 1994).

\textsuperscript{52} One example of the WB commitment to the free market is the promotion of the Third World as repository for First World pollution. A leaked internal memo, from the Chief Economist of the Bank, Lawrence Summers, states, "Just between you and me shouldn't the World Bank be encouraging more migration of dirty industries to the LDCs [less developed countries]?...I think the economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable, and we should face up to that" (New York Times, 1992).
The IMF and Structural Adjustment

Development based on the export of minimally processed natural resources and the financing of large infrastructure projects through loans quickly placed many countries of the Third World in a precarious economic position. By the 1980s, debts (of which development projects were a large contributor) owed by the Third World had reached staggering proportions and precipitated a so called 'debt crisis'. The solution to this crisis adopted by the IFIs and their economic backers in the First World was not to rethink the model of capital intensive natural resource development that had contributed to the crisis but to make all further loans 'conditional' on neo-liberal economic restructuring. Beginning with Mexico in the early 1980s 'structural adjustment' loans were offered by First World states, the IMF and the WB to relieve balance of payment deficits or interest owed to private banks. In return the receiving country was required to restructure and reform their economy to reduce government expenditure, remove foreign investment restrictions and privatise state owned industries (Bello and Cunningham, 1994). Programs of structural adjustment, (recently renamed the 'Poverty Reduction Growth Facility'), however, have not led to a reduction in debt but instead have transferred Third World debt from private banks to international financial institutions (Bello, 2002).

The transfer of Third World debt to IFIs has thus further enhanced their leverage to enforce structural adjustment and to entrench Multinational corporate led natural resource development (for example, IMF involvement in the East Asian financial crises during the late 1990s; see Chapter Six). The export of natural resources has substantially increased under many structural adjustment programs, and there is also evidence that existing environmental regulation has been relaxed to accommodate foreign investors (Montanye and Welch, 1999; see George, 1988, 1992). According to Susan George (1988, 43) debt "ensures access to other peoples' raw materials and infrastructure on the cheapest possible terms"53.

Free Trade and the World Trade Organisation

In 1995 the multilateral program of trade liberalisation culminated in the establishment of the WTO. The creation of the WTO intensified the criticism levelled at international financial institutions. In November of 1999, 50,000 people mobilised against the WTO ministerial in Seattle and brought the role of these institutions to the attention of the First World. The ‘global justice’ movement maintains that the centralisation of decision

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53 Susan George notes that “Since the early 1980s, the international debt regime has enabled a vast quantity of resources to be transferred from poor to rich to take place. Between 1982 and 1990, for example, resource flows from OECD countries to the Third World amounted to $927 billion, while Third World countries paid $1,345 in debt service alone to the creditor countries: $418 billion in the Northern countries’ favour” (George quoted in Curtis, 1996, 11).
making into these institutions lacks democratic accountability. Movement participants also argue that the pro-corporate and pro-neoliberal agenda that has characterised WTO policy enriches elites at the expense of people and the planet. Subsequent mobilisations consolidated the movement and demonstrated the extent of discontent (examples of these mobilisations include: Buenos Aires, 800,000 people in response to neoliberalism and the policies of the IMF in May 2000; Prague, 20,000 people in response to IMF and WB policies in September 2000; India, 1,000,000 people in response to WB Policies in December 2000; and Genoa, 200,000 people in response to the G8 in July 2001, to name but a few).

While GATT had restricted the ability of Third World countries to use trade policies (such as import substitution) to assist their industrialisation, the transition to a more neoliberal inspired WTO has further narrowed the pathways by which the Third World is permitted to develop. The decision by many Third World countries to join the WTO was motivated in part by a desire to gain concessions on the export of minimally processed goods particularly the elimination of European and North American subsidies on agriculture. While countries of the Third World have acceded to the demands of ‘Free Trade’ that is, the elimination of restrictions and tariffs on imports, the creation of favourable foreign investment climates, and the privatisation of state-owned industries; the removal of First World agricultural subsidies has not transpired. This situation was one of the main drivers behind the breakdown of the 5th ministerial in Cancun, Mexico, 2003 when an alliance of ‘Southern’ countries (the so called Group of 22), that includes Brazil, India and China, opposed the launch of new negotiations on investment, competition, trade facilitation and transparency in government procurement until more basic issues, such as agricultural protectionism, are resolved (Mittal, 2003).

At the core of all Free Trade Agreements, whether negotiated under the umbrella of the WTO, regional bodies or bilaterally, are measures for the protection of the rights of foreign investors. In the case of the NAFTA such provisions have been described as “institutional, quasi-constitutional protection for foreign investment” (Starner, 2002, 417). The immediate effect of these measures is to disempower governments and communities from enforcing and enacting policies that may inhibit the right to economic benefit enjoyed by foreign investors. Environmental and social policies, for example, have under certain circumstances been regarded as ‘barriers to trade’ and have been successfully challenged by investors. Compensation has also been awarded by investment tribunals for the loss of ‘future’ economic benefit that resulted from the assertion of existing environmental policy. Compounding this shift is the effect of

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54 For an analysis of the impact of the AUSFTA and the NAFTA on the sovereignty of governments and communities to regulate natural resource development see Franks and Mackenzie (2005).
opening up community-controlled enterprises to global competition. The social and environmental benefits of local and regional control of resources are lost when community enterprises are forced to compete on the basis of profit. This can further centralise decision-making and marginalise local participation in resource development.

**Figure 2.10** Corporate Globalisation model of Resource Appropriation. The large rectangle represents the network of international financial institutions (that includes the IMF, WB and WTO); the smaller rectangles represent the nation-states of the Third World (and to a lesser extent the First World); the shading corresponds to the Multinational Corporations where resources are concentrated; and their arrangement represents the power relations between them.

**Critiques and Contributions of Corporate Globalisation**

While Corporate Globalisation theory brings to light the often hidden international economic agreements and policies that contribute to RA, there is a tendency to overstate the strength of IFIs and the vulnerability of state institutions. While certain state functions are circumscribed, states have strengthened in the era of globalisation, particularly in areas such as security, and are utilised to provide the basis of the international trading system. Corporate globalisation, furthermore, underestimates the importance of state intervention, the role of nations and nationalism, and the broad ecological and social transformations that may accompany RA (though the theory does discuss the direct impacts of mega-project development).

Corporate Globalisation theorists have identified a number of methods, motivations and effects by which RA may occur in the context of the international economy. Corporate Globalisation argues that First World states and multinational corporations appropriate resources, but that such appropriation is facilitated through international financial institutions, such as the IMF, WB and WTO. These actors' appropriate resources through the use of processes such as Third World debt leverage, the prescription of economic and social policy, export driven mega-project development and free trade agreements. Corporate Globalisation is argued to involve the forced inclusion of autonomous economies into global networks of capital; the institutionalisation of wealth
disparity; the entrenchment of Third World debt; and the subordination of local sovereignty over resource development. Corporate globalisation theory identifies the global expansion of neoliberal economic theory and the pervasiveness of neoliberalism in the workings of international financial institutions. It argues that globalisation and the integration of state economies into an international system privileges First World states and multinational corporations. Three core arguments are forwarded; that mega-project development disempowers local and regional economies and centralises the control of resources to distant centres of power; that Structural Adjustment Programs are forms of economic leverage by which countries are locked into a program of unjust and unsustainable natural resource exploitation; and that the foreign investment provisions of Free Trade Agreements limit the ability of governments and communities to enact and enforce policy that may impinge on the rights of investors to generate a reasonably to be expected future profit.

**Fourth World Theory**

It is no accident that most of the remaining natural resources are on indigenous land. First the white world destroys their own environment, then they come asking for the last pieces of land they have put us on, the earth we have protected.

Luis Macas, Ecuadorian indigenous leader and spokesperson for CONAIE (Notes from Nowhere, 2003, 114).

The three worlds of capitalism, communism and poverty are not the only choices for the more than three thousand nations that are confronted by political, military and economic expansion. A fourth choice establishes a geopolitical firebreak between aggressive, expanding states. Enduring nations are anchored in their geography, they do not expand beyond the extent of their people or beyond their need.

Bernard Nietschmann (1985, 126).

Fourth World theory considers expanding First, Second and Third World states to be the source of RA with the principal actors the state, elite nation and sub-national groups, and multinational corporations (see Table 2.8). The term 'Fourth World' is often used interchangeably with indigenous Peoples, however, the term more accurately refers to nations that are not represented by a state. For example, the Amung People of Indonesian occupied West Papua (see Nietschmann, 1994) or indigenous Australians such as the Gangalidda and Waanyi (see Harwood, 2001). The theory argues that unrepresented nations have their sovereignty violated by expanding states and complicit corporations. These actors appropriate resources through the occupation and annexation of indigenous land and use methods such as, territorial control, development, military occupation, acculturation, indoctrination and transmigration to enforce RA.
### Table 2.8 Summary of Fourth World theory.

<table>
<thead>
<tr>
<th>Fourth World</th>
<th>How is RA framed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
<td>Processes</td>
</tr>
<tr>
<td>The oppression of unrepresented nations (the Fourth World), by First, Second and Third World states.</td>
<td>Occupation and annexation of land, development, military occupation, acculturation, transmigration. May be facilitated by multinational corporations.</td>
</tr>
</tbody>
</table>

Fourth World theory has its origins in George Manuel and Michael Posluns' (1974), *The Fourth World: an Indian reality*, after Manuel, a Shuswap activist and leader of the National Indian Brotherhood (an influential indigenous organization based in Canada) heard Mbuto Milando, the first secretary of the Tanzanian High Commission utter the phrase 'Fourth World' (Hall, 2003). Fourth World thinking emphasizes both the "freedom of diverse peoples to chart their own distinct courses of social, legal, economic, technological, and political change", and the "importance of human adaptation to, and integration with, the distinct ecologies of particular places rather than large scale manipulation of geography, society, and biology by powerful elites concentrated in a few metropolitan centres" (Hall, 2003, 241). The theory was one of the catalysts for the establishment of the United Nations Working Group on Indigenous Populations.

Fourth World theory conceptualises RA as the result of conflict between expansionist states and their constituent nations and argues that First, Second and Third World states suppress and appropriate resources by extending the control of an elite nation or sub-national group over Fourth World nations (for example ethnic Karen in Thailand or Kurds in Turkey and Iraq). This is termed the Theory of the Repressive state. Bernard Nietschmann (1994, 232), a prominent theorist of this school claims that "a few of the thousands of existing nations sought to become more powerful and richer by expanding and taking over other nations in order to form empires and satellite colonies and eventually to consolidate the occupied territories and peoples as new states". As no nation voluntarily accedes its sovereignty and independence, state-building is conceived as part of a progression of military and legal mopping up stages:

- "convince nations to voluntarily give up their independence and submit themselves to being ruled by outsiders;
- invade, occupy and then acculturate (or deculturate) nations so that they identify with state-manufactured identity and culture; and
- invade, occupy and repress resistance by genocide, ethnocide, ecocide, or forced removal or displacement" (Nietschmann, 1994, 234-35).
More specifically the stages of state-building may include the establishment of infrastructure for invasion and annexation, such as road building, the development of natural resources and the influx of missionaries and academics (Nietschmann, 1994).

The expansion of state societies is argued to stem from a failed culture, disconnected from the feedback of social and ecological systems necessary for informed decision making, which results in the destruction of lifestyles and ecologies. Indigenous People thus "constitute a daily hindrance to the appropriation process and, in the view of both old and new colonizers, must be eliminated" (Maldos, 2003, 183). The Theory of the Repressive State is constructed from the experiences of repression of indigenous nations under socialist and capitalist states. Leninism was often used to pursue policies of ‘detribalization’ (Bugajski, 1991, 1) and state socialism in practice lead to campaigns of ethnic cleansing "to eradicate all 'pre-socialist' economic arrangements during the process of modernization” (Bugajaski, 1991, 3), thus violating the sovereignty of Peoples and their right to self-determination.

Figure 2.11 Fourth World model of Resource Appropriation. The rectangles represent the First, Second and Third World state; the circle represents Fourth World socio-ecological environments; and the arrangement the power relations between them.

Al Gedicks (1993) expands some of these concepts in New Resource Wars: Native and Environmental Struggles Against Multinational Corporations. Gedicks (1993) details colonial expansion for RA from indigenous lands within the claimed territory of First World states. Gedicks (1993) suggests that First World states, particularly in regions like Australia, Canada and the United States, are continuing the colonisation process, to appropriate natural resources from native Peoples. According to Gedicks (1993) the process by which this occurs constitutes a resource war that is being waged by multinational corporations, international finance and development hungry states. He suggests that the wars originated when foreign capital was expelled from the resource frontiers of the Third World during the economic nationalism of the 1960s and 1970s causing them to retreat to less risky domains within their own states in order to continue RA.
In addition to the Theory of the Repressive State, the school also proposes a Theory of Fourth World Environments. Enduring nations demonstrate “historical and geographic tenacity anchored by the most indestructible of all human inventions – place-based culture” (Nietschmann, 1994). Indigenous Peoples have fought for recognition, right to land and self-determination and developed a concept of territory, where:

[The sense of identifying with a specific territory is rooted in indigenous peoples' knowledge, cultural heritage and social and religious relationships. Indigenous peoples speak about territorial property rights on the basis not of written laws and rules but as a form of collective identity which envelops the people and their territory, the Mother Earth (Maldos, 2003, 184).]

As most nation Peoples depend upon local biological resources that occur within their traditional territories, Gedicks (1993) argues that “they have evolved life-ways adapted to sustaining environments and conserving biological diversity” (Gedicks, 1993). This relationship is founded on the observation that where intact self-governed nation Peoples exist, biologically rich environments coexist and still exist. State based culture on the other hand imposes life ways incompatible with local ecological systems and results in destruction of the ecologies that ensure future existence.

**Critiques and Contributions of Fourth World Theory**

Though Fourth World theory does not explain appropriation that exists between states, it makes an important contribution towards exposing the often-obscured appropriation of indigenous Peoples’ resources, lands, life ways and environments. Critiques of Fourth World theory have focussed on the inadequacy of extending Alfred Sauvy's schema of First, Second, and Third World. According to this criticism such a classification creates an artificial hierarchy, that even when deliberately subverted (as in the case of Fourth World theory) contains an inherent judgement of value. Bartels (1988) furthermore has questioned the presentation of rigid criterion by which indigenous Peoples must prescribe to in order to be considered part of the 'Fourth World.' It should be noted, however, that the term Fourth World is a self-defined identity that has arisen through struggle (Hyndman, 1991). It is indigenous Peoples who have popularised the term and provided the direction for the theory.

From Fourth World theory we can draw a number of key features that contribute to understanding the methods, motivations and effects of RA. The theory considers expanding states to be the source of RA with the principal actors the state; elite nation and sub-national groups; and multinational corporations. These actors appropriate resources through the occupation and annexation of indigenous land and use methods such as, territorial control, development, military occupation, acculturation, indoctrination and transmigration to enforce RA. The effects of RA attributed by Fourth
World theory include ecocide and ethnocide, with the motivation resource control and state building by elites.

Fourth World theory successfully models the conflict and RA between states and indigenous nations. The theory argues that unrepresented nations have their sovereignty violated by expanding states and complicit corporations. But the theory does not consider interstate, that is, appropriation between First World states and/or between the First/Second World and the Second/Third World, or inter-corporate RA. Like dependency, Fourth World theory offers a critique of development, arguing that it can be used as a project of occupation, annexation and ultimately RA. However, unlike the dependency school and imperialism the theory does not consider the harnessing of the state as a viable solution. Theorists such as Nietschmann (1994) reject economic nationalism, arguing that ‘nation building’ is a misnomer that masquerades nation destroying. In addition Fourth World theory does not limit its analysis to a particular type of economic system, instead detailing a number of social-economic and political methods by which states may appropriate resources from constituent nations. This finding accounts for a broad array of historical examples that cannot be reconciled by the theories discussed in this review to date. The theory considers states, due to their centralised and hierarchical organization and their privileging of elite national and sub-national groups, to be detached from processes of ecological and social feedback and appropriate resources within an artificially constructed sovereignty. Fourth World theory also notes the destruction of indigenous ecologies, arguing that state based culture is incompatible with place-based life ways, which results in their systematic destruction.

**Ecological Imperialism and Colliding Ecologies**

Perhaps European humans have triumphed because of their superiority in arms, organization, and fanaticism, but what in heaven’s name is the reason that the sun never sets on the empire of the dandelion?

Alfred W. Crosby (1986, 7).

[The] global economy...can only expand at the expense of the local economy, whose environment it degrades, whose communities it destroys and whose resources (land, forests, water and labour) it systematically appropriates for its own use.


The term ecology was coined in 1866 by German biologist Ernst Haeckel “to denote the investigation of the interrelationships between animals, plants and their inorganic environment” (Bookchin, 1982, 21). Ecological science, though in some respects an artefact of empire (see Robin, 1997, 63), has inspired a great many works that have reviewed the relationship between the destruction of ecological systems and the
workings of economic systems and the industrial system of production\textsuperscript{55}. Two main ecological theories of RA will be reviewed in this section: ecological imperialism and the colliding ecologies model. In addition to these two models I shall also introduce the work of Wade Davis (2001) who has explored the ecological ramifications of imperialism.

Ecological imperialism considers colonialism and the associated agricultural support systems to be the source of RA with the principal actors European colonies and the Peoples whose land is appropriated. The theory argues that the European appetite for migration and detachment rests in their ability to recreate European conditions of agricultural productivity in distant lands, a situation that supports political colonisation and ensures its success (see Table 2.9).

Table 2.9 Summary of Ecological Imperialism theory.

<table>
<thead>
<tr>
<th>Ecological Imperialism</th>
<th>How is RA framed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
<td>Processes</td>
</tr>
<tr>
<td>Ecological aspects and ramifications of colonialism.</td>
<td>Colonialism is accompanied by biological and agricultural support systems that displace original ecologies.</td>
</tr>
</tbody>
</table>

The Colliding Ecologies model on the other hand theorises on the fate of Peoples who have experienced dramatic socio-ecological change as a result of RA. The theory argues that when a more powerful social group imposes its system on another, the environment may be transformed in ways that limit the effectiveness of the original system.

Table 2.10 Summary of Colliding Ecologies model.

<table>
<thead>
<tr>
<th>Colliding Ecologies</th>
<th>How is RA framed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem</td>
<td>Processes</td>
</tr>
<tr>
<td>The fate of Peoples who have experienced dramatic socio-ecological change as a result of RA.</td>
<td>'Cultural loss' is intimately linked with the drastic deterioration in the 'ecologies' or life ways of Peoples who are experiencing RA.</td>
</tr>
</tbody>
</table>

\textsuperscript{55} Seminal works in this field have included Rachel Carson's (1962) \textit{Silent Spring}, Murray Bookchin's (1962) \textit{Our Synthetic Environment}, and Ernst Schumacher's (1973) \textit{Small is Beautiful}.
The first author to systematically explore the ecological realm of imperialism was Alfred Crosby in *Ecological Imperialism: The Biological Expansion of Europe* (1986). Crosby, asked whether “perhaps the success of European imperialism has a biological, an ecological, component”? (1986, 7). While he recognised that imperial success relied heavily on European “superiority in arms, organization and fanaticism” (1986, 7), Crosby suggested that European colonialism was accompanied by biological and agricultural support systems that displaced the original ecologies: “[The colonist] came not as an individual immigrant but as part of a grunting, lowing, neighing, crowing, chirping, snarling, buzzing, self-replicating and world altering avalanche” (1986, 194).

These support systems were composed of the “plants on which Europeans historically have depended for food and fibre, and the animals on which they have depended for food, fibre, power, leather, bone, and manure” (1986, 6). Such plants prospered in warm-to-cool climates with moderate precipitation and thus the regions where European colonisation was most successful were in the regions such as North America, southern South America, Australia and New Zealand where these climatic conditions prevailed (1986, 6).

Crosby called the regions where Europeans settled densely, and recreated the ecological conditions of their homeland, Neo-Europes. He argued that European migration, imperialism and detachment from their land of origin were a function of the ability to recreate European conditions of agricultural productivity in distant lands. That is, the transferability of European agricultural productivity (what he called the ‘grunting, neighing, and buzzing world altering avalanche’) aided the process of political colonisation (Crosby, 1986, 4). Crosby also regarded European pathogens as important in this process, due to their substantial impact on unfamiliar human and animal populations. While Crosby concentrated his analysis on European colonialism he noted earlier waves of human settlement and the consequent negative impact on ecological systems though in an apparent endorsement of social Darwinism was unconvinced that “stone age” human hunters would have had the ability to modify the environment substantially.\footnote{One important scholar of Crosby’s work is the Australian ecological historian Tim Flannery. Flannery has developed two of Crosby’s theses into monographs: *The Future Eaters: An Ecological History of the Australasian Lands and People* (1994), and *The Eternal Frontier: An Ecological History of North America and its Peoples* (2001). In *The Future Eaters* Flannery develops Crosby’s observation that a number of Australian marsupial and reptile genera and species, the so-called Mega-fauna, disappear at roughly the same time as the arrival of humans to the Australian continent (Crosby, 1986, 15) and argues that societies that have not adapted to the environments in which they lived tended to over consume and over hunt at the expense of future generations until a homeostasis is reached. In *The Eternal Frontier* Flannery focuses on North America and Crosby’s thesis that humans may have been part of a wave of invading species, including parasites and pathogens, that drove large North American mammals to extinction (Crosby, 1986, 16). Here, Flannery argues that a frontier ideology developed that was informed not only by the human history of invasion
Part A: Developing the Landscape Consumption Model

Figure 2.12 Ecological Imperialism model of Resource Appropriation. The unshaded circle represents the ecological support systems and socio-economic institutions of European colonisers (Neo-Europes); the shaded circle represents the displaced original ecologies of the colonized societies and ecosystems; and the arrangement the power relations between them.

Crosby’s ideas have extended our knowledge of the ecological determinants of social and institutional behaviour and are thus useful for our review, though the work continues in the somewhat apolitical vein - what Keil et al. (1997) call “ideologically ambivalent” scholarship, where the promotion of competition, exclusion and systems, defends the status quo. Alfred Crosby has inspired an edited volume, *Ecology and Empire: Environmental History of Settler Societies* (1997), which continues to explore the ecological aspect of colonialism. One particularly relevant contribution to the volume is that of Elinor Melville (1997) *Global developments and Latin American Environments*. Melville (1997, 185) reasons that environmental change in Latin America during the conquest and colonial era (1519-1810) was not the result of the rise of the capitalist mode of production, as predicted by dependency theory, because a global division of labour (a requirement of the capitalist system) did not arise until the nineteenth century. Instead, due to the small number of invaders, the “Spaniards found it far more profitable to cream off the profits generated by indigenous systems of production and trade” (Melville, 1997, 191). It was not until the collapse of the indigenous populations (as a result of conquest and disease) that European agricultural systems were established (Melville, 1997, 191) and Latin American economies were integrated into “a global division of labour as a resource supply region” (1997, 187). It was at this time, during the nineteenth century, that “Latin American environments were increasingly subject to homogenisation and monocultural agricultural practices, with consequent loss of breeds and varieties, and were heavily exploited for raw materials, with consequent loss of biodiversity” (1997, 196). Melville’s article further cements the argument that RA can occur through various mechanisms and under various guises.

but from “a unique combination of forces generated by the continent’s singular geography, geological history and climate” (2001, 3).
**The Making of the Third World**

Wade Davis (2001), working within the fields of environmental history and political ecology, has recast many of Crosby’s themes to study the relationship between ecological imperialism and famine in his book *Late Victorian Holocausts: El Niño Famines and the Making of the Third World*. While Crosby (1986) investigated the ecological components of imperialism (that is the recreation of European rural environments) Davis (2001) has looked at the ecological ramifications of imperialism. As the title of his book suggests, Davis argues that Third World regions such as “India and China…did not enter modern history as the helpless “lands of famine” so universally enshrined in the Western imagination” (Davis, 2001, 287). But, through a process of increasing social vulnerability, the Third World was made through a series of social crises that created an inability to respond to ecological risk. Davis (2001) investigates El Niño Southern Oscillation (ENSO) climate cycles during the late 1800s and has compared the responses of India, China and Brazil to such extreme climatic events. He asked the question of whether famine could merely be attributed to ‘bad climate’ or whether a ‘bad system’ magnified its effects; that is, a drought in Southern Africa may cause famine while a drought in Australia does not due to better social infrastructure (Davis, 2001, 280). Davis concludes that although the intensity of the ENSO cycle could account for the severity of the famine catastrophes, “[e]qual weight, or more, must be accorded to the growing social vulnerability to climate variability that became so evident in south Asia, north China, northeast Brazil and southern Africa in late Victorian times” (2001, 288).

Davis’s (2001) eloquent and at times devastating chronicle traces the social vulnerability created by the new imperialism imposed by the British during Victorian rule. Incorporation into larger socio-economic structures in the “proto-Third World”, proved devastating for rural subsistence. Davis (2001, 289-90) suggests that this was the result of three factors:

- Forced incorporation into overseas controlled commodity and financial circuits, which undermined the food security of traditional smallholder production, particularly the imposition of a unitary market that, through price inflation, exported famine to regions of grain surplus.
- The incorporation of millions of tropical cultivators into the world market that resulted in a dramatic fall in the terms of trade for rural producers.
- Formal and informal Victorian imperialism (that is, colonialism and *laissez faire* globalisation) confiscated local fiscal autonomy and inhibited state-level development responses to impending and ongoing crises.
Davis’s account of the ecological ramifications of Britain’s attempt to break into the markets of other societies is complementary to recent anthropological observations of RA. In the following section we discuss the Colliding Ecologies Model.

**Colliding Ecologies**

The final model of RA discussed here comes from the work of anthropologists Stuart Kirsch (1997, 2001) and David Hyndman (2001). The model, called Colliding Ecologies, was first described by Kirsch for sessions of the annual meetings of the American Anthropological Association (Kirsch, pers. comm., 2004) and was developed through a series of ethnographic studies with Melanesian Peoples who have experienced dramatic socio-ecological change as a result of recent multinational resource extraction projects. Through these ethnographic studies Kirsch (1997) reports that Peoples such as the Yonggom of Papua New Guinea, who have experienced forms of RA, have framed the associated social and ecological impacts as forms of 'cultural loss' and furthermore have responded through resistance, including movements of protest, demands for compensation, political lobbying, lawsuits, and in some cases organised violence.

Kirsch (1997) argues that such 'cultural loss' is intimately linked with the drastic deterioration in the 'ecologies' or life ways of Peoples who are experiencing RA. In the case of the Yonggom People the mine waste associated with the Ok Tedi mine, formerly owned by Australian company Broken Hill Proprietary (BHP), has seriously impacted the surrounding environment and the ability for the Yonggom to practice their way of life:

> whereas local histories were once intimately associated with the landscape, the destruction of the places where these events occurred has prompted these communities to reformulate their narratives of the past in chronological terms (Kirsch, 2001, 167).

That is, the memories anchored within the land have become dislodged due to the massive environmental, social and socio-ecological change that followed the pollution from the mine. David Hyndman has further described the socio-ecological impacts of RA in Melanesia as forms of 'ecocide' (1988; 1991) and 'ethnocide' (1988; 2001). Using a critical political ecology perspective, Hyndman (2001) conceptualised the incorporation of sovereign Peoples into the world capitalist system, and the struggle between different modes of production. The conflict between indigenous Peoples and the invading world system, argues Hyndman (2001, 35), is a struggle between "production for simple reproduction (kinship mode of production) and extended production for private accumulation (capitalist mode of production)".
Ecologies of subsistence and local/regional production are then replaced by ecologies of global production, responsive to the demands of distant capital markets that are focussed on the intensive extraction of a single resource and are insensitive to the original Peoples and ecosystems. Thus when two such systems of natural resource exploitation occupy overlapping geography, Kirsch (1997, 2001) describes the resulting process as 'Colliding Ecologies', where "the more powerful may impose itself on the other, transforming the natural environment in ways that limit the effectiveness of the other system" (1997, 152).

Figure 2.13 Colliding Ecologies model of Resource Appropriation. The circles represent the two ecological systems in collision; the overlap represents the loss of culture that results from the transformation of the natural environment.

**Critiques and Contributions of Ecological Imperialism and Colliding Ecologies**

Ecological imperialism theory has increased our understanding of the ecological aspects of RA. It considers land appropriated for new ecological support systems at the expense of the original ecosystems and outlines how the productive capacity of environments are appropriated and displaced. The theory elaborates on the ecological aspects of RA. But Crosby (1986) at times seems to stray across the blurred edges of social Darwinism as he sketches the linear march of civilisation and evolution. He describes 'non-Sumarian' descendents, such as the indigenous populations of the new world, as stone-age Peoples and their colonial decimation by Europeans ('descendents of Sumer') as the result of a faltering transition from one category to the other (Crosby, 1986, 21-22). Whilst Crosby’s work can make an important contribution to our review of RA, the tendency toward ecological-reductionism and the veins of social Darwinism should be approached with caution in regard to the former and rejected outright as culturally imperialist in regard to the later.

Davis (2001) transcends this problem. Through his focus on the ecological ramifications of imperialism he withdraws from taking a position on the inevitability or determinism of ecological imperialism. Davis’s thesis that Britain’s violent construction of a world market weakened colonised societies’ ability to respond to ecological risk
can be considered a form of RA if we consider that food security and other social and cultural responses to environmental risk are resources. The appropriation of agricultural resources through informal and formal imperialism, by Britain, also led to a deliberate and inadvertent appropriation of the cultural and social resources needed to respond to ecological risk. Davis thus extends our conception of RA, where the appropriation of ecological integrity contributed to the making or, according to Moore, (2003) the *remaking of the Third World*57. Whilst analysing the social and ecological ramifications of colonialism, Davis (2001) posits only the core economic drivers of the capitalist system as culprit, whilst Crosby locates his analysis on the ecological support systems of the sociological phenomena of European colonialism. In each case social and ecological systems beyond capitalist and European colonial relations are ill explored. This may be in response to the current dominance of capitalism but for a more thorough understanding of RA we may like to explore occurrences beyond this system. The colliding ecologies model resolves this problem and provides the beginnings of a Political Ecology theory of RA, though the model lacks detail on how ecologies may be transformed, how appropriation may be enforced, and the relationship with other systems of RA.

Ecological imperialism theorises on the ecological aspects and ramifications of colonialism and proposes that the biological and agricultural support systems that have accompanied European Colonialism have resulted in a displacement of the original Peoples and ecologies. The actors identified include the European colonists and the 'non-Sumarian' Peoples whose land is occupied. The theory argues that the European appetite for migration and detachment rests in their ability to recreate European conditions of agricultural productivity in distant lands, a situation that supports political colonisation and ensures its success. Flannery expands this concept of appropriation to look at appropriation from and by other species as well as people. He argues that appropriation of ecological and social resources and niches is informed by a frontier ideology that is the result of not only the human history of invasion but also the histories of ecological invasion by other species. Davis (2001) theorises on the ecological ramifications of imperialism and the violent construction of a world capitalist market. It is suggested that British Colonialism weakened the ability for the host societies to respond to ecological risk. Davis thus extends our conception of RA, where the appropriation of ecological integrity resulted in the making of the Third World.

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57 Moore (2003), in a review of *Late Victorian Holocausts* (Davis, 2001) insists that the “third world” was not created once but many times. The “global rift” between core and periphery has been made and remade in successive eras of capitalist development, always on a progressively globalised scale (Moore 2003, 62). Moore cites the introduction of disease and monocultures, factors elaborated in Crosby’s work, as well as the “reorganisation of regional socio-ecologies around silver mining centers” (Moore, 2003, 61), as evidence of periodic Third World reorganisation in response to the demands of the capitalist system. Moore’s view is similar to Flannery who details the waves of ecological release that ensue from species and societal colonisation and innovation.
The colliding ecologies model on the other hand theorises on the fate of Peoples who have experienced dramatic socio-ecological change as a result of RA. The theory argues that when a more powerful social group imposes its system on another, the environment may be transformed in ways that limit the effectiveness of the original system. This collision of ecologies and the resultant 'cultural loss' are intimately linked. In contemporary circumstances ecologies of local/regional production have been replaced by ecologies of global production that are responsive to the demands of distant capital. The model provides the beginnings of a Political Ecology theory of RA, though lacks detail on how ecologies may change or be contested over, how appropriation may be enforced and the relationship with other systems of RA.

Conclusion

The review began with a discussion of forms of RA that have arisen through the capitalist system, before progressively expanding then transcending this focus by demonstrating the breadth of RA that occurs across sociological systems and the limitations that a focus on the capitalist system would create (see Table 2.11). The review outlined detailed processes and numerous circumstances in which resources may be appropriated, many of which relate in complex ways to the contemporary political environment, described in Chapter One as Empire. A recurrent theme identified in the chapter was that of domination. Relations of domination penetrate all the way from the international to the local level and are a definitive feature of RA. Also evident from the review is that the appropriation of resources is dependant on the particular context and situation, that is RA is not restricted to one economic or sociological system but manifests itself uniquely and distinctively in each. Within the milieu of Empire, multiple processes of RA may be operative simultaneously. The chapter also found that the social groups that impose their highly centralised political/economic institutions in pursuit of resources beyond their legitimate sovereignty exhibit a detachment in regard to the circumstances of the dominated People and environments. The detachment of decision making from the people affected may be a factor in the correspondent deterioration of the dominated ecologies and societies identified in the theories. In the following Chapter I will outline the landscape concept and its applicability to the research project, and introduce the Landscape Consumption model.
<table>
<thead>
<tr>
<th>Theory</th>
<th>Theorists</th>
<th>Process</th>
<th>Problem</th>
<th>How is Resource Appropriation (RA) Framed?</th>
<th>Explanation</th>
<th>Limitations</th>
<th>Associated Theories</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imperialism</td>
<td>Hobson (1902)</td>
<td>Restriction</td>
<td>Development of exploitative inter-societal relationships between capitalist states and between capitalist states and non-capitalist societies.</td>
<td>Extraction of surplus production from labour in colonial society.</td>
<td>Monopoly corporate behaviour and competition. Construction of political apparatus to facilitate RA on unfair terms.</td>
<td>Capitalism develops spheres of influence where resources may be accessed to control the resource input of industrialism; create markets for surplus goods; and generate profit.</td>
<td>Restricted to exploitation by First World states from colonies (and later the Second and Third World). Does not adequately consider other political-economic-social-ecological systems and forms of power. Neglects an indigenous and ecological perspective. Proposed alternatives lead to highly centralised concentrations of power.</td>
<td>Structural–Institutional Marxism, Modernism, Postmodernism, Socialism.</td>
</tr>
<tr>
<td>Corporate Imperialism</td>
<td>Girvan (1976)</td>
<td>Exploitation</td>
<td>Exploitation, subordination and dependent underdevelopment that results from the strategies and structures of trans-national corporations.</td>
<td>Appropriation of surpluses and capital by trans-national corporations.</td>
<td>Advanced capitalist states act to facilitate such corporate appropriation.</td>
<td>Trans-national corporations are now the principal actors in the relationship between the First and Third World and their actions are driven by profit.</td>
<td>Restricts the agency of other groups to influence state policy and to appropriate resources.</td>
<td>Instrumental Marxism, Modernism, Positivism, Dependency theory.</td>
</tr>
<tr>
<td>Minerals Imperialism</td>
<td>Munnarai (1989)</td>
<td>Role and motivations of the advanced capitalist state in the accumulation of minerals from the periphery.</td>
<td>Role and motivations of the advanced capitalist state in the accumulation of minerals from the periphery.</td>
<td>Intervention and diplomacy by imperial advanced capitalist states to satisfy their producing corporations situated in the periphery as well as domestic consumers.</td>
<td>Initial capitalist penetration in peripheral economies generally for minerals. Fundamental desire by the Imperial state to ensure necessary raw materials available for domestic consumption.</td>
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<td>Proposed alternatives lead to highly centralised concentrations of power.</td>
<td>Structural Marxism, Modernism, Postmodernism.</td>
</tr>
<tr>
<td>Dependency</td>
<td>Cardoso (1972)</td>
<td>Recognition</td>
<td>Role and motivations of the advanced capitalist state in the accumulation of minerals from the periphery.</td>
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<tr>
<td>Corporate Globalisation and Development</td>
<td>Payer (1974), Bello (1982)</td>
<td>The privileging of First World states and multinational corporations in the integration of state economies into an international system.</td>
<td>The privileging of First World states and multinational corporations in the integration of state economies into an international system.</td>
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<td>Colliding Ecologies</td>
<td>Kilbride (1997), Hyndman (2001)</td>
<td>The fate of Peoples who have experienced dramatic socio-ecological change as a result of Resource Appropriation.</td>
<td>The fate of Peoples who have experienced dramatic socio-ecological change as a result of Resource Appropriation.</td>
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Chapter Three

Landscape Consumption
Towards a Model of Resource Appropriation

It is not only by shooting bullets in the battlefields that tyranny is overthrown, but also by hurling ideas of redemption, words of freedom and terrible anathemas against the hangmen that people bring down dictators and empires...

Emiliano Zapata (1879-1919), Mexican revolutionary, 1914.

The spatial consequences of combined social and economic power suggest that landscape is the major cultural product of our time.


Introduction

The theories overviewed in Chapter Two have contributed to a detailed understanding of the methods, motivations and actors of RA, however, the contributions drawn from each individual theory can only provide a partial understanding of RA, particularly when applied to contemporary political, economic and ecological circumstances. In this chapter I develop a model of RA that incorporates the main insights from the theories overviewed in Chapter One and Two, to model RA in the contemporary political context, described earlier as Empire. The model, called *Landscape Consumption*, adopts a landscape approach to situate the relationships and interactions between the social groups involved in RA. Landscape is a theoretical tool that may provide insight into the socio-ecological processes, relationships and actors that contribute to RA. This chapter will introduce the landscape concept and argue that a landscape approach offers creative opportunities for a political ecological analysis of RA.

Landscape has "emerged from a long period of reification to become a potent tool of cultural analysis" (Zukin, 1991, 16). Landscape as defined here simultaneously refers to the constructions of society that mediate our interactions with each other and the non-human world as well as the biogeophysical environs that exist (relatively) independent of society. Landscape provides the means to explain the multiple interactions between social groups and non-human environments that are grounded by their location in geographic space, a way to "comprehend terrestrial space as both subject and object of human agency" (Cosgrove, 1984, 15). The concept also provides an opportunity to reconcile the sometimes-artificial divide between the social and ecological aspects of RA evident in Chapter Two. Landscape is a theoretical tool with the flexibility to conceptualise the agency of diverse and conflicting social groups
Part A: Developing the Landscape Consumption Model

(nations, corporations, states, discursive communities, institutions etc.). The flexibility of landscape is such that the concept is suitable for modelling the complex sovereignty of Empire as it accounts for our observation from Chapter Two that RA is not achieved simply by the power of an army, or a type of economic instrument, but through a broad array of socio-ecological techniques employed by a dominant group(s) that reshapes the relations of space and place, perception and experience, society and ecology.

The model will then be tested and refined through two case studies in Part B of the thesis. While the model takes into account insights from the theories overviewed in Chapter Two, a number of important distinctions can be drawn between such theories and Landscape Consumption, as outlined here. These distinctions will be highlighted throughout the remainder of the thesis and it will be argued that they are significant enough to justify a clear break from the theories and schools previously discussed. The chapter begins by tracing the history, politics and perspectives of the landscape concept and evaluates a number of contemporary applications in an effort to refine the approach and explain its usefulness for modelling RA. The chapter addresses the historical associations of the concept so that it may be more confidently adopted. I argue that despite the history of landscape as both a term of imperial control and objective scientific enquiry, it can be usefully employed to model RA. The chapter then outlines the main components of the Landscape Consumption model: Domination, Detachment, and Consumption, and argues the theoretical case.

Landscape: Politics and Perspectives

Landscape is the dreamwork of imperialism.

WJT Mitchell, in Landscapes and Power (1994, 10).

In a narrow sense, landscape represents the architecture of social class, gender, and race relations imposed by powerful institutions. In a broader sense, however, it connotes the entire panorama that we see: both the landscape of the powerful…and the subordinate, resistant, or expressive vernacular of the powerless…

Sharon Zukin, in Landscapes of Power (1991, 16; emphasis in original).

Before we adopt a landscape approach to model RA it is necessary to trace the origins and implications of the term and define the notion as used here. The common understanding of landscape has been influenced by a number of discursive communities: the fields of Geography and Geomorphology, where landscape represents an interface between the earth's surface and its biogeophysical components (the atmosphere, biosphere, hydrosphere and lithosphere); the artistic community where landscape is defined as a painting or photograph of (especially rural) scenery, and a type of architecture and style of gardening; and more recently the inter-
disciplines of Human Ecology, Geography and Anthropology where landscape is used to describe 'worldviews' that may provide background to behaviour. The broadening of the idea of landscape to also refer to the way people experience, understand and engage with the material world around them (Bender, 2001, 3) is the impetus for its application here. This section begins with a discussion of the emergence and symbolism of landscape. I then introduce a number of perspectives within the fields of Geography, Human Ecology and Anthropology. The section ends by considering whether despite the history of the term as a representation of "social class, gender, and race relations imposed by powerful institutions" (Zukin, 1991, 16), the concept can indeed be re-dreamed to model RA.

**Emergence**

The landscape concept emerged from Western Europe as a term that connoted both the demarcation of territory and the artistic depiction of such territory. The idea of landscape became particularly popular in the Renaissance period, also a time of emergent capitalist development (Bender, 1993, 1), when the predominant usage of landscape was as a descriptor for a piece of art that expressed the scenery of the countryside. Such use also reflected a new relationship between humans and their environment, discussed in more detail below (Cosgrove, 1989, 121), and ultimately led landscape to evolve into a somewhat complex and contradictory term.

In the early nineteenth-century von Humboldt (1769-1859) introduced *Landschaft* as a scientific term in Geography to denote the physical appearance and structure of the land (Haber, 2004, 103). Humboldt's definition appended the physical landforms of a country to *Landschaft's* definition as their artistic and literary representations (Keisteri, 1990, 36). Von Humboldt is credited with penning a holistic definition of the term that included the sum total of the characteristics of a region, but the concept as used within Geography was later simplified (Tress and Tress, 2001, 145). Ritter (1779-1859) was also influential in shaping the early use of landscape within Geography, relating *Landschaft* to natural landforms, as was Hommeyer who had used the term to convey

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58 The etymology of the landscape idea is traceable within a number of European languages, and related concepts are found within Latin from the second-century B.C. (*pagus* – meaning an inhabitant of a defined area; Keisteri, 1990, 33). References to *Lantscat* or *Lantscaft* appear in texts of Old High German such as the Tatian manuscript ~830 A.D. (Braune and Ebbinghaus, 1969 in Tress and Tress, 2001, 144) and early derivatives are found within English in the eighth-century (*landscipe* – meaning area; Keisteri, 1990, 33). The German word *Landschaft*, meaning "a patch of cultivated ground, something small-scale that corresponded to a peasants perception", and "a mere fragment of a feudal estate", was in use up until the eleventh-century, and returned in the seventeenth-century and eighteenth-century after a period of in frequent use (Jackson, 1985 in Bender 1993, 2), though Keisteri (1990, 34) cites use of the term within fifteenth-century documents. *Landschaft* was incorporated within the Middle Dutch period (beginning in the thirteenth-century) as *Lantchap* (Tress and Tress, 2001, 144), whilst the Swedish *landskap* (defined as an area including the people living there) was first recorded in the fifteenth-century. *Landskap* was preceded by the term *landzskapi* in the fourteenth-century, which was similar in definition to the Latin *terra* (meaning the land surface, in addition to the fertility and spirit of the land; Keisteri, 1990, 34). The Dutch *Lantscap*, meaning the "everyday surroundings in which farmers lived" (Abrahamson, 1999, 51) crossed through to the English language with Dutch landscape paintings. These paintings became known in English as *landskip* (a derivative of *landscape* used from the eighth-century; Keisteri 1990, 33). "Landscape" also arose in the English language at this time to denote a piece of art picturing rural scenery (Tress and Tress, 2001, 144).
an area of scale located between a district and a country (Keisteri, 1990, 37).

‘Landscape’ came to English language geography from the German *Landschaft* as a study of visible forms. The strong focus on morphology and form is characteristic of the landscape approach within Geography, with particular research emphasis placed on description and mapping (Cosgrove, 1984, 56-7).

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Garner (1974, 702)</td>
<td>Landscape: “an assemblage of landforms...[where landforms are] a discrete shape developed over an area of lithosphere”.</td>
</tr>
<tr>
<td>Meinig (1979, 2)</td>
<td>Landscape “begins with a naive acceptance of the intricate intimate intermingling of physical, biological, and cultural features...landscape is always inclusive of man [sic] and nature, rather than a way of distinguishing, or at least emphasizing, nature, as is still not uncommon in some fields, such as art and earth science”.</td>
</tr>
<tr>
<td>Cosgrove (1984, 13)</td>
<td>“Landscape denotes the external world mediated through subjective human experience in a way that neither region nor area immediately suggest. Landscape is not merely the world we see, it is a construction, a composition of that world. Landscape is a way of seeing the world”.</td>
</tr>
<tr>
<td>Keisteri (1990, 46)</td>
<td>Landscape comprises “the material landscape or area as seen by the human observer, the experience of landscape aroused in the human mind by the area, and the underlying processes at work in shaping that landscape”.</td>
</tr>
<tr>
<td>Zukin (1991, 16)</td>
<td>Landscape denotes the ‘physical surroundings but also refers to an ensemble of material and social practices and their symbolic representation”.</td>
</tr>
<tr>
<td>Greider and Garkovich</td>
<td>“Landscapes are the symbolic environments created by human acts of conferring meaning to nature and the environment, of giving the environment definition and form from a particular angle of vision and through a special filter of values and beliefs”.</td>
</tr>
<tr>
<td>Abrahamsson (1999, 51)</td>
<td>“Landscapes are reflections of cultural identities, rather than of the natural environment. The physical environment is transformed into landscapes, and cultural groups transform it through the use of different symbols, symbols that bestow different meanings on the same physical objects”.</td>
</tr>
<tr>
<td>Gold and Revill (2000, 15)</td>
<td>“We might think of individual landscapes as being compromised, partial, contested and only provisionally stable as modes of ordering the world and our engagement with it...[or] we might think of landscapes as being formed in relation to other landscapes and conceptions of landscape”.</td>
</tr>
<tr>
<td>Tress et al., (2001, 140)</td>
<td>“All landscapes consist of both a natural and cultural dimension...[they are] multi-dimensional and multifunctional...[and] should be regarded as holistic and dynamic systems, which consist of the interacting geosphere, biosphere and noosphere. These dimensions are of equal importance. A mutual relationship exists between people and the landscape. Not only do people influence the landscape, but landscapes also influence people. This co-dependency is the most important linking factor between natural- and human orientated sciences in landscape research” (where the noosphere is the total sphere of human thought).</td>
</tr>
<tr>
<td>Tress and Tress (2001, 147)</td>
<td>Landscape consists of five dimensions: a spatial entity, mental entity, a temporal dimension, a nexus of nature and culture, and a complex system.</td>
</tr>
<tr>
<td>Mitchell (2002, 1)</td>
<td>Landscape should be thought of “not as an object to be seen or a text to be read, but as a process by which social and subjective identities are formed...[it] doesn't merely signify or symbolize power relations; it is an instrument of cultural power...independent of human intentions”.</td>
</tr>
<tr>
<td>Lewis (in Meinig 1979, 11, 25)</td>
<td>A cultural landscape is &quot;the landscape made by humans...[where] most cultural landscapes are intimately related to physical environment&quot;.</td>
</tr>
<tr>
<td>Keisteri (1990, 51)</td>
<td>A cultural landscape is characterized by man-made [sic] elements, it is an area as seen by man [sic] and an unseen experience aroused in the human mind by the area with its underlying factors” (emphasis in original).</td>
</tr>
</tbody>
</table>

**Table 3.1** Definitions of Landscape used within the literature.

Landscape has since been incorporated into a number of academic and professional fields. Gilbert Laing Meason is credited with introducing the concept to Architecture in the text *Landscape Architecture of the Great Painters of Italy* (1828) and German physical geographer Carl Troll, inspired the use of the concept within Ecology with the phrase 'Landscape Ecology' in 1939 (Haber, 2004, 99). Key theorists of landscape in the Physical Geography tradition include Davis (1850-1934), Penck (1858-1945) and more contemporary theorists such as King (1962), Twidale (1975) and Ollier (1974, 1991). Contemporary landscape research in Geography and Earth Science focuses on the application of quantitative and qualitative scientific methods to determine the evolution of physical landforms over time and to understand the processes that have shaped such geo-morphological changes.

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59 For an overview of some of these methods and an example of how quantitative scientific techniques can be applied to study the characteristics and changes in physical landscapes see Franks (2000), *Weathering and Landscape Evolution, Southeast Queensland.*
The Symbolism of Landscape

Landscape denotes the external world mediated through subjective human experience in a way that neither region nor area immediately suggest. Landscape is not merely the world we see, it is a construction, a composition of that world. Landscape is a way of seeing the world.

Denis Cosgrove, in *Social Formation and Symbolic Landscape* (1984, 13).

From the above overview it is clear that landscape has a complex history, and is an ambiguous term that is likely to arouse conflicting notions. It is therefore necessary to examine the symbolism of landscape before I attempt to define the concept as it is used in the Landscape Consumption model. In his 1984 book, *Social Formation and Symbolic Landscape*, Denis Cosgrove undertakes such a historical interrogation and identifies a number of ambiguities that deserve attention and resolution. According to Cosgrove (1984) landscape is an ideological concept imbued with the meanings of its past associations that "embodies certain assumptions about relations between humans and their environment, or more specifically, society and space". Cosgrove situates the development of the landscape 'way of seeing' at the transition between feudalism and capitalism in Europe and specifically with the emergence of landscape painting.

Landscape painting surfaced in the economically privileged and urbanised regions of fifteenth century Europe - Flanders and Upper Italy - and reached its peak in the Dutch and Italian schools of the seventeenth century and the French and English schools of the eighteenth and nineteenth centuries (Cosgrove 1984, 20).

According to Cosgrove (1984), the association of landscape with the emergence of landscape painting in these regions has left a legacy that privileges the representation of visual forms, objective analysis and spatial control. Landscape painting made use of technological innovations in the representation of visual perspective. Linear or single point perspective allowed the painter to accurately represent the visual forms of the countryside. Such representations ignored other ways of experiencing landscape, including the symbolic dimensions invested by those living within them (1984,18).

Linear perspective also privileged the observer. Objective representations disempower the insider-participant, for whom "there is no clear separation of self from scene, subject from object" (1984, 19). And finally the objective and linear perspectives of landscape paintings combined to give landscape an additional implication, that of control. "Landscape painting" argues Cosgrove, "is intended to serve the purpose of reflecting back to the powerful viewer, at ease in his villa, the image of a controlled and well-ordered, productive and relaxed world wherein serious matters are laid aside" (1984, 24). The visual power afforded through the landscape perspective, it is argued, complemented the acquisition of land as property and the emergence of capitalist forms of production. Landscape is considered by Cosgrove to have facilitated the
domination of space first within the city and then to the countryside, which was under urban control (1984, 70, 101).

It is further argued that these implications have been carried with the landscape idea into Geography, where the objectivity inherent in the geographic and artistic approach are historically and ideologically intertwined as a "common way of appropriating the world" (Cosgrove, 1984, 9). The appropriation intrinsic to this version of landscape is argued to extend through the survey and mapping of newly acquired lands, colonies and estates (Cosgrove, 1984, 20-21). This same realisation has prompted Mitchell (1994, 10) to assert that, "landscape is the dreamwork of imperialism". According to Mitchell (1994, 265-6) the objectivity and spatial control that is implied by landscape facilitates an intellectual culture of appropriation:

The failure of the native to exploit, develop and 'improve' the landscape is, paradoxically, what makes it so valuable, so ripe for appropriation...[and] seems to confer a presumptive right of conquest and colonization on the Western observer, who comes armed both with weapons and arguments to underwrite the legitimacy of his appropriation of the land...Landscape thus serves as an aesthetic alibi for conquest, a way of naturalizing imperial expansion.

The association of landscape with control, though historically accurate, need not be the case. In the following sections I outline how contemporary theorists of landscape have attempted to resolve the associations of landscape with visual forms, objective analysis and control. First I introduce the work of Gerard Manley Hopkins and the Landscape Research Group to introduce aspects of perception and experience into the landscape concept, hence resolving the association of a reliance on visual forms. Second, I address the relationship of landscape with objective analysis by arguing that landscapes incorporate elements of social construction and are themselves social products. Third, I attempt to distance the landscape concept from the connection with spatial control by presenting the work of Jackson (1984) and Zukin (1991) on 'vernacular' landscapes to demonstrate that landscape research may be discursively fashioned by both the powerless and the powerful.

**Inscapes and Social Landscapes**

landscape research is about much more than the physical attributes of a particular tract of territory; it involves the cultural, political and economic forces that exerted an influence on how land was settled, claimed, exploited and adopted.

Brayshay and Cleary (2002, 6).

While Physical Geography progressively narrowed von Humboldt's definition of landscape to denote only physical form, a parallel linage of geographers has
developed a landscape notion centred on the exploration of perception. Dansereau (1975, ii) in, *Inscape and landscape: the human perception of environment*, adopted poet Gerard Manley Hopkins' idea of 'inscape' to describe the "filtering inward from nature to man [sic], upward from the sub-conscious to the conscious, and from perception to design and implementation". By juxtaposing this concept with the external world of the landscape Dansereau (1975, ii) was concerned "as much with the human perception of environment as with man's [sic] impact on nature", viewing "the inscape/landscape process as a cycle". In this way, the "pathway of sensorial impression to material interference is strewn with an imagery that makes the inscape a template for the reshaping of the landscape". The insight that our perceptions and consequent actions are a function of self-held inscapes or world-views exposed the tension between experience and sight and the limitations of landscape as an external entity to be observed. Later theorists interpreted landscape in such a way as to render implicit the understanding of perception to the concept of landscape itself. Penning-Rowsell (1986, 114) in, *Landscape meanings and values*, published by the Landscape Research Group, reflects on this dilemma:

![Image](https://via.placeholder.com/150)

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From this critique, the inscape that influences our 'perception of landscapes' could then be thought of as included in landscape's 'realm of interaction', and the landscape that had been an external construct could be regarded as a part of ourselves. The realm of interaction between society and the bio-geophysical world is considered a milieu of experience rather than a visibly observed entity, and thus landscape is broadened beyond the study of visual forms or representations of the natural world.

Subsequently, landscape has developed to more explicitly incorporate the social realm. According to Gellert and Lynch (2001, 5) as we modify our behaviours and surroundings we transform landscapes:

a dialectical process in which the social groups who imagine, define, and, through their actions, reshape landscapes bring about multiple changes in the biogeophysical environment. These material changes in turn influence both social organization and the values, understandings and ideas about the environment held by various groups in society.

Landscapes are dialectical in the sense that two notions, nature and culture, separated by modernist discourse are combined within an interacting unified whole, such that "the
Part A: Developing the Landscape Consumption Model

landscape is both medium for and outcome of action and previous histories of action". (Tilley, 1994, 23; emphasis in original). Social landscapes become intimately indistinguishable from their bio-geophysical counterparts. Landscapes, although influenced by bio-geophysical phenomena (climate, geology etc.), are then both social products and social constructions. Landscapes are, according to Gellert and Lynch (2001, 5), material products of social actions and choices “historically conditioned by structural forces and informed by ideologies, values and utopian visions”. That is, bio-geophysical elements are given significance through conscious and subconscious human action. Landscapes are also social constructions “to the extent that they are invested with meaning by their inhabitants and others who would act upon them” (Gellert and Lynch, 2001, 10). Through this body of theory landscape can break with past associations of objective spatial analysis that according to Cosgrove (1984) privileges the observer and disempowers the insider-participant.

Vernacular and Contested Landscapes

Charting the landscape was…fundamentally important to the management, control and defence of territory [and]…an essential tool in facilitating the scale and occupation of property or in planning the appropriation and exploitation of resources


The final point I wish to address, regarding the symbolism of landscape, is that of spatial control. According to Cosgrove (1984, 58) landscape painting presented "an image of order and proportioned control, to suppress evidence of tension and conflict between social groups and within human relations in the environment". Furthermore, Cosgrove argues that this past ideological association is implicated in contemporary landscape theory. That is, landscape as intellectually conceptualised within geography contributes to the practical appropriation of space. While the merits of this argument will not be challenged here, what I shall attempt to argue is that such an association need not be the case. As Bender (1993, 2) points out, even at the moment when landscape emerged and was used to its most domonitory effect, simultaneously other ways of experiencing land – other landscapes – coexisted.

60 Social landscapes have also been theorised from a more explicitly social constructivist perspective. Greider and Gakovich (1994, 1) consider landscapes to be "the symbolic environment created by a human act of conferring meaning on nature and the environment" (Greider and Gakovich, 1994, 1). Landscapes thus reflect the self-definitions of cultural groups where transformations of the physical environment are manifestations of changing definitions of self (Greider and Gakovich, 1994, 1). Though this kind of analysis can provide important insights into the relationships between social groups and bio-geophysical systems we must be careful not to write nature out of the concept of landscape.

61 The term cultural landscape can also be found in Human Geography literature, largely as a synonym for social landscape. Studies that have adopted a cultural landscape approach include: Weber, Kreisel and Faust (2003), who studied the cultural landscapes of Dutch colonial rule in Sulawesi Indonesia; Delson (2000, 118) while investigating Amazonian Cultural landscapes during Portuguese colonial rule found that cultural borrowing and selective assimilation contributed to the creation of compromises in the cultural landscape that rendered the control of the coloniser as more acceptable and thus increased its wider application; and Keisteri (1990) who studied cultural landscapes in both Finland and Peru. An overview of recent cultural landscape studies can be found in Mitchell (2002).
While landscape research may be situated ideologically and represent assertions of power, a rich body of work has emerged to demonstrate that landscape research need not be the exclusive domain of the powerful. JB Jackson, in works such as Discovering the Vernacular Landscape (1984), has articulated an approach to landscape that stresses the expression of the everyday or the ‘vernacular’. Lewis (in Meinig, 1979, 11) charts similar territory with the term 'ordinary' landscapes. Both of these works evoke an understanding of landscape independent of the domain of the powerful, and demonstrate that landscape may be of equal utility to the powerless.

Zukin (1991) furthermore has argued that the focus on the vernacular landscape, rather than mask domination can in fact create an opportunity to reflect on inequality. The variety of landscapes, argues Zukin (1991, 17), "make us more aware of the asymmetry of economic power". The ‘vernacular’ landscape offers the ability to disassociate landscape from the gaze of the aristocrat’s mounted canvas. A complimentary approach, typified by Barbara Bender, (1993, 2001) stresses the exploration of contested notions of landscape. For Bender (1993, 3):

The landscape is never inert, people engage with it, re-work it, appropriate and contest it. It is part of the way in which identities are created and disputed, whether as individual, group, or nation-state.

This approach to landscape emphasises the role landscapes play in the creation of identity and behaviour and explores notions of movement and tension between geographically situated identities (see Bender and Winer, 2001). Other related research has more explicitly addressed landscapes of power and privilege. In Landscapes of Defence (Gold and Revill, 2000), the control that can be designed into landscapes through symbolic and material acts of violence and security is exposed. From this volume emerges the recognition that the insider participant of landscapes of domination can effectively modify and deconstruct such landscapes.

As argued by Gold and Revill (2000, 15) "landscapes that express power and privilege are always the flip side of landscapes of exploitation and disadvantage", and it is in these locations that landscape can be an effective theoretical approach to uncover oppression, control and disadvantage. While landscape painting may have been the exclusive tool of representation for the privileged, Peoples experiencing domination

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62 Zukin contrasts the landscape, "the area where peasants thrive, the cottages and fields that embody their collective and vernacular use of space", with country, "the spatial organization imposed by the powerful on the powerless" (Zukin, 1991, 19). Existing together in both space and time these concepts represent a "field of impact between authority and resistance" (Zukin, 1991, 18).

63 Resources, like landscapes can also be viewed as an important influence in the construction of identities (Howitt et al., 1996, 4) and definitions of what constitutes a resource may be culturally driven. Shiva (2005) indeed argues that the characterisation of nature as ‘resource’ is a function of the profit motif of industrial capitalism, as a ‘financial imperative’ is created for the exploitation of resources made available to the market. In contrast, situations where ‘sustenance’ is the underlying motif nature, it is argued, are characterised as ‘commons’ (Shiva, 2005).
have developed their own forms of representation. In recent works Cosgrove (1998) has acknowledged that this body of literature has reinvoked the representation of landscape as a "direct human experience and expression of collective social order within a specific geographical and environmental context" (Cosgrove, 1998, xxvii). Far from concealing power and privilege landscape research can provide an approach applicable to modelling RA. Landscape is a theoretical tool that may provide insight into the socio-ecological processes, relationships and actors that contribute to RA and by recognising and addressing the historical associations of landscape the concept can be more confidently adopted here. In the following section I shall draw on the theoretical concepts overviewed in the previous chapters to articulate a new model of RA, called Landscape Consumption.

**Landscape Consumption: Towards a Political Ecology of Resource Appropriation**

*A landscape belongs to those who belong to it.*

*Jakob Meloe, Norwegian Philosopher, quoted in Abrahamson (1999, 53).*

*Colonization almost invariably meant a contest for the possession of landscapes and their attendant resources.*

*Bray Shay and Cleary (2002, 7).*

In this chapter I have argued that the theoretical concept of landscape affords the opportunity to examine how discourses, behaviours and relationships create and sustain domination for RA in a political ecology context. In the following section I shall outline a new model of RA that employs the landscape concept. The model consists of three parts. The first, Landscape Domination, proposes that RA necessarily implies broader political, social, economic and ecological control. The second part of the model, Landscape Detachment, suggests that such domination reflects detachment from both the social and biogeophysical processes of information feedback. The final component, Landscape Consumption, hypothesises that the combined effects of Landscape Domination and Landscape Detachment lead to a consumption of both Peoples and environs. The process of consumption relates not only to the resources directly sought by dominant social groups but also to the consequent deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated.

**Landscape Domination**

The ability to appropriate resources from a particular locality arises as a consequence of the imposition of broader political, social, economic and ecological control. As such,
even in circumstances of very specific RA, previously independent social landscapes (see Table 3.2) become integrated into a single ecological and socio-economic sphere. According to Greider and Garkovich, (1994, 17) "[i]n the context of landscapes, power is the capacity to impose a specific definition of the physical environment, one that reflects the symbols and meanings of a particular group of people." The social groups that participate in the appropriation of resources and attain the ability to impose their definition of the physical environment can then be referred to as 'dominant' landscapes. By redefining and appropriating productive resources dominant landscapes contribute to the transformation of the suppressed landscapes, described here as 'subaltern' landscapes (see Table 3.2). A dominant landscape may consist of a state, nation, corporation, institution, or other social group that employs political, economic, ecological, or social methods to control, oppress, acculturate or manipulate a subaltern landscape. Landscape domination is not confined to a particular type of society, culture or economy and in many circumstances dominant landscapes may consist of hybrid, contested and conflicting discourses and agents.

Cosgrove (1989, 128) describes such landscapes as created by a "group or class whose dominion over others is grounded objectively in control of the means of life: land, capital raw materials and labour power", with power sustained and reproduced by their ability to project "an image of the world consonant with their own experience, and to have that image accepted as a true reflection of everyone's reality". But the legitimacy of such acts of domination, transformation and redefinition of subaltern landscapes must depend on the historical circumstances and socio-ecological relationships. It must also depend on sovereignty. In instances where the social landscape holds legitimate sovereignty we can talk of a 'sovereign' landscape (see Table 3.2). In the context of our definition of RA then a Dominant Landscape is a non-sovereign social group practicing appropriation while a Subaltern Landscape is a sovereign social group experiencing the appropriation of its resources. The advantage of defining a landscape in this way is that it embodies an explanation of entitlement. Other descriptors such as 'emergent' and 'residual' (see Table 3.2) may be useful in providing a temporal understanding of the power relationships between social groups.
**Term** | **Explanation**
--- | ---
Social Landscape\(^{64}\) | The constructions of society that mediate our interactions with each other and the non-human world. Such constructions are developed in interaction with biogeophysical landscapes and as such are not entirely socially derived. Social landscapes include the social manifestations of interactions with biogeophysical landscapes as well as the social manifestations of interactions between other social groups.
Biogeophysical Landscape | The external world that exists independent of society. The term is used knowing that such landscapes cannot be objectively perceived, that is they are interpreted subjectively. Biogeophysical landscapes in this way constitute a partial yet limited construction. Landscapes have a geographical extent dependant on the biological and geological circumstances.
Sovereign Landscape | A social landscape that consists of a self-defined society that maintains historical, ecological and social attachment to a biogeophysical region. The sovereignty of landscapes is illegitimate if attained through domination.
Dominant Landscape | A social landscape that subordinates a sovereign landscape.
Subaltern Landscape | A social landscape that holds a subordinate or inferior position. A related concept is that of an excluded landscape, one that is actively or passively suppressed.
Residual Landscape | A social landscape that remains from the past, but that retains little of its original meaning (adapted after Cosgrove, 1989).
Emergent Landscape | An emerging social landscape that challenges the existing dominant culture (adapted after Cosgrove, 1989).

| **Table 3.2** Definitions of Landscape used in the Landscape Consumption model. |

**Landscape Detachment**

The domination practiced to appropriate resources is also associated with a socio-ecological and political disconnect. Landscapes of domination are characterised by an isolation or detachment from the subaltern social and biogeophysical landscapes from which they are appropriating resources. Detachment, here, refers to a hierarchical condition of separation from the circumstances, or divestment from the outcomes or feedback, of a particular ecological or social system. Detachment may manifest in a variety of ways. It may be the result of a lack of investment in the landscapes of the subaltern, where, for example, decision-makers may reside in a distant geographical location that makes it difficult to obtain timely and thorough information on which to base decisions. More fundamentally social landscapes that may have historically developed in one particular ecological or social circumstance may be discordant with, or blind to, the ecological and social feedback of the subaltern landscape. Detachment may also result from a lack of concern or compassion for the future circumstances of the subaltern landscapes or the consequences of imposed policies. In extreme cases this may consist of subaltern environments and Peoples being considered as primitive, inferior or in need of change.

**Landscape Consumption**

The combined processes of landscape domination and detachment facilitate a transformation and deterioration of the subaltern landscapes experiencing RA. If a social group is in a position to appropriate resources their domination also induces major changes in the landscape of which the resources were a part. Subaltern landscapes suffer a consumption of their abundance, diversity and vibrancy. The

\(^{64}\) In the Landscape Consumption model the term social landscapes is used in preference to cultural landscapes. This is because societies may or may not be made of a single culture and can be legitimately constructed of a number of cultural groups or nation groups. The legitimacy of such arrangements rests on whether the constituent groups exhibit self-determination and self-definition. A society can be supra-national or multi-cultural and sovereign, if the conditions of collective self-determination and self-definition are met (what I call sovereign landscapes) but not if the society is constructed against the will of the constituent nations, cultures or sovereign groups.
landscape consumption model thus suggests that the imposition of non-sovereign landscapes through domination results in the consequent consumption of subaltern social and biogeophysical landscapes as the decision-making of the dominant group is detached from the consequences.

Figure 3.1 Landscape Consumption model of Resource Appropriation. The unshaded circle represents the dominant landscape of Empire or other detached political systems; the shaded circle represents the Subaltern landscape from which resources are appropriated; the partially shaded circle represents the consumption of the Subaltern landscape; and the arrangement the power relations between them. Landscape Consumption within Empire would appear as many shaded circles as multiple landscapes are consumed.

Landscape consumption may range from socio-economic dislocation to instances of ecocide and ethnocide, with the degree of consumption a function of diverse and complex factors. One important factor that may mitigate the degree to which a landscape is consumed is the level of resistance offered by subaltern landscapes. Greider and Garkovich (1994, 18-19) suggest that cultural groups can assert power to renegotiate landscapes that dominate political decision-making. As landscapes are consumed, social groups may defy the imposition of dominant landscapes and successfully reject or renegotiate the meaning of the landscapes of the powerful.

Conclusion

Landscape Consumption is a model of RA that draws on the themes of domination, detachment and consumption that were identified through an assessment of the theories of RA overviewed in Chapter Two. The process of consumption relates not only to the resources directly sought by dominant social groups but also to the consequent deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated. The model also accounts for the social and

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65 Consumed landscapes are thus reminiscent of the residual landscapes, described by Cosgrove (1989) or the 'cultural loss' described by Kirsch (1997, 2001) in the Colliding Ecologies model.
biogeophysical components and ramifications of RA and recognises that resources and indeed the biogeophysical world are socially interpreted and mediated.

Landscape Consumption conceptualises RA under diverse political-economic-ecological circumstances. Landscape Consumption accounts for RA in instances in which imperialism, dependency, the business conflict model, the resource curse, Fourth World theory, corporate globalisation theory and ecological imperialism do not singularly account. The model suggests that RA may occur by the state from nations, between states, between nations, and by social groups such as political parties, business groups and corporations. Landscape Consumption suggests RA may be supported by transplanted ecologies, economies and institutions and can range from situations of direct plunder (for example conflict diamonds from the Sudan) to the enforcement of disadvantageous economic, political and trading relations. Landscape Consumption does not posit a particular type of social organization (the state, capitalism etc.) as the penultimate source of RA. The model thus retains the ability to respond to changes in international relations and political-economic frameworks, while still providing the theoretical tools to decode situations of RA. Landscape Consumption is thus suitable as an explanation of aspects of RA in an age of Empire, where power is invested and constituted in diverse and complex forms. Although Empire's ambitions are global it does not necessarily follow that its order has penetrated everywhere equally, and as such Empire becomes at the expense of subaltern landscapes. The model is useful in this context as Empires do not arise to dominate ecology and society in one totalising moment, but are built and defended landscape by landscape.

In the following chapters the model will be tested and refined against two case studies in an attempt to ascertain its usefulness as an explanation of RA. To satisfy the claims made by the Landscape Consumption model the chapters would first need to demonstrate that RA in each case was best described by the themes of domination and detachment. Moreover the cases would need to show that landscape domination for resources, and the consequent landscape detachment, has facilitated a broader deterioration in the condition of the social groups and environments experiencing appropriation. The chapters will question whether the case studies are examples of RA, before defining the social landscapes experiencing and perpetuating appropriation and elaborating on the political-ecological relationships.
Part B

Testing the Landscape Consumption Model
Chapter Four

Landscape Domination and Detachment
Case Study One — Chile

Introduction

Part B of the thesis will test the Landscape Consumption model against two case studies of Resource Appropriation: Chile and West Papua. The methodology will permit a historical comparative analysis of the two cases that will also be analysed with reference to the theories of RA reviewed in Chapter Two. The case studies correspond to the historic period of 1955-2005. This time period represents a shift in the configuration of international relations described in Chapter One as the 'becoming' of Empire. Chapter One argued that since 1950 there has been a disintegration of nation-state domination as the primary configuration of inter-societal appropriation. Through a historical comparative analysis of RA during this period we will be able to test whether the Landscape Consumption model is flexible enough to adapt to such changes, whilst still providing accurate insights into the processes at play. This chapter will test the Landscape Domination and Detachment components of the model in Chile. The chapter will introduce the main actors and historical events that have shaped the appropriation of resources and consider whether the concepts of Landscape Domination and Detachment are indeed applicable. In Chapter Five I will then address the theme of Landscape Consumption, asking whether the appropriation of resources can be linked to the broader deterioration in the condition of social groups and environments experiencing appropriation. In the following section I will overview the circumstances of appropriation in Chile and introduce the main historic periods under analysis.

Overview of Resource Appropriation: Chile

Chile is the principal supplier of copper worldwide. Throughout much of the case study period transnational corporations have dominated the mining and extraction of this important resource under conditions, it will be argued, that constitute RA. The Republic of Chile has been the principal supplier of copper to the industrial world during the past century, and currently accounts for 36% of known copper resources. In comparison, all of the OPEC countries combined control roughly the same proportion (37.5%) of world oil production (Caputo, 2003b). Chile has a total resource of about 400 million tons of fine copper in more than 50 copper deposits and numerous prospects. Copper is essential to the telecommunications and electronics industries and is used predominantly for its conductive properties. While the relative participation of the
copper industry in Chilean exports has decreased over the case study period, from 70% in 1960 to 37% in 1994 and 47% in 2005, the industry remains Chile’s 'bread and butter' (Banco Central del Chile, 2006; Martinez and Hauwermeiren, 1996).

Contemporary copper policy in Chile allows for the extraction of copper under circumstances that are one of the least favourable world-wide with respect to the returns generated to the state (Arias, 2003; Gonzalez, at interview, 2003). Few companies pay income tax. No companies are yet required to pay a royalty on mineral extraction. These conditions are the legacy of a 17-year military dictatorship, a period of overt domination of Chile’s copper resources and have remained relatively unchanged since the return to democracy in 1990.

While researching this case study in Chile between May and July of 2003 a flurry of campaigning and debate within the Chilean press addressed the extent of RA in Chile, particularly the absence of a mining royalty (see Figure 4.1). Street demonstrations, public meetings and official functions were held to highlight the conditions of past and present RA experienced by Chileans. On the 11th of July, 2003 a large march was held in Santiago under the banner of ‘Recuperemos el Cobre para Chile’ (Let’s Retain the Copper for Chile; see Figure 4.2)\(^6\). The demonstration, though smaller in size, was

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\(^6\) The event attracted a large array of supporting organizations ranging from the Federación Nacional de Trabajadores del Cobre (National Federation of Copper Workers), the Comités de Defensa y Recuperación del Cobre (the Committee for the Defence and Recuperation of the Copper), and the Association for the Taxation of Financial Transactions for the
reminiscent of events during the 1960s and 1970s when hundreds of thousands of Chileans mobilised to support the nationalisation of the copper industry. The demonstration coincided with the anniversary of the copper nationalisation, dubbed in Chile the 'Day of National Dignity'. The campaign successfully led the government of Ricardo Lagos to adopt a royalty on the copper mining industry in late 2004. The new royalty of up to 5% is subject to a sliding scale that is dependant on production (Law 20,026). The royalty only applies, however, to new foreign investment projects (Padilla, 2005; Pizarro, 2004). While the imposition of a royalty represents an important potential reduction in the extent of RA in Chile, the reform is only a very minor entry on a ledger that heavily favours the First World appropriators.

This chapter details the circumstances of RA in Chile during the period of 1955-2005. Resource Appropriation in Chile since 1955 has manifest as a number of distinct phases. The first phase outlined in this chapter is typified by the 'New Deal' legislation of 1955-1965. The legislation, sponsored by the First World multinational corporations that controlled Chile's copper resources, dramatically reduced taxation, removed state control of pricing and marketing, put in place favourable investment conditions, and provided for a laissez-faire approach to regulation of the industry. These conditions were attained by the multinational corporations through the manipulation of the political process (including the funding of candidates and campaigns), an extension of their dominant position within the economy. The New Deal legislation, while economically beneficial to the corporations, inflamed public opinion against foreign participation in the industry, such that the traditional methods of political manipulation were no longer
effective. With outright nationalisation a serious possibility, the corporate owners turned away from their traditional allies, the Conservative, Radical and Liberal Parties, and toward the Christian Democratic Party and its policy of partial state ownership of the copper resources as a bulwark against complete nationalisation. This policy of partial ownership took the form of the 'Chileanisation' agreements of 1965-1970 and is the second phase outlined in the case study.

Revelations about US government and corporate funding of the Christian Democratic Party and a mood of social change in Chile led to a third phase whereby Nationalisation became the only policy acceptable to the Chilean populace and was adopted by all political parties during the lead up to the 1970 Presidential election. The Nationalisation of the copper industry occurred under the Unidad Popular government led by President Salvador Allende (1970-1973). Nationalisation of the copper industry, in addition to a number of other factors, led to a campaign of destabilisation by multinational corporations and the US government that ultimately installed a military dictatorship that reinstated the conditions of appropriation. This fourth phase implemented by the Military Junta violently returned future resource extraction to multinational corporations between 1973-1989. With the return to democracy in 1990 a significant number of foreign corporations began to take advantage of the conditions instated by the military regime, under the more stable environment of a democratic government. This resulted in a significant boom in multinational mining projects in Chile. Successive governments have done little to modify the substance of mining policy during this period and thus the copper industry in Chile has undergone a fifth phase of denationalisation between 1990-2005.

Domination and Detachment of Chilean Landscapes (1955-2005)

I realize that [Latin America] can be a potential volcano, filled with disparate forces and tensions, but volcanic lands are the richest - those made up of volcanic ashes: when they cease to erupt, and the land cools, they can be worked very successfully.


Latin America is essentially a raw materials supplier to the United States and at the same time a substantial consumer of her industrial and manufactured products.


The New Deal in Chile (1955-1964)

Background to the New Deal Legislation
Large scale mining of copper in Chile began in the late 18th Century, though high grade coppers ores had been worked for centuries by Inca, Spanish and Chilean miners\(^{67}\). In the early 1900s North American engineers invested in new production methods capable of processing on a large scale the oxide and sulphide ores of well-known deposits in Chile. These investments marked the beginning of a long association between North American capital and Chilean copper production. By 1918 North American interests controlled 87% of Chilean copper production (O’Brien, 1989, 4).

The principal copper mining operations in Chile, which until very recently contributed to the vast majority of production, are known as the *Gran Minería*. The *Gran Minería* produced 85-90% of Chile's copper between 1920 and 1970 (Ingram, 1973, 411), and consisted of just three mines owned by US corporations:

1. Chuquicamata – owned by the Anaconda Copper Company through its subsidiary the Chile Exploration Company (located in the Atacama Desert, northern Chile)\(^{68}\);
2. Potrerillos/El Salvador – owned by Anaconda through the Andes Copper Mining Company (also located in northern Chile)\(^{69}\); and
3. El Teniente – owned by the Kennecott Copper Corporation through the Braden Copper Corporation (located in the Central Andean region near Santiago)\(^{70}\).

These three mines generated substantial profits for their owners during the early years of their operations. Braden's annual profits, for example, ranged between 14-40% in the late 1920s, before economic depression reduced profitability during the early 1930s. In the 1920s and 1930s Anaconda and Kennecott began to vertically integrate their operations through the purchase of smelters, refineries, fabrication facilities and wire and cable businesses in the United States (Moran, 1974, 38). By mid century Aluminium had become a substitute for a number of copper applications and both Anaconda and Kennecott diversified into the Aluminium industry at this time. The combination of their mining operations in Chile and North America, and their smelting, refining and fabrication capabilities placed both Anaconda and Kennecott in a very

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\(^{67}\) Copper has been used for around 10,000 years. The Babylonians and Assyrians mined for copper, as did pre-Incan and Incan cultures. Many operating mines in Chile show evidence of Incan workings.

\(^{68}\) In 1910, independent engineer A.C. Burrage of Boston began work on Chuquicamata with the financial backing of the Guggenheims (Wallis, 1970, 49). The Guggenheims invested US$25 million in the newly formed Chile Copper Company. In 1923, 51% of the Chile Copper Company was sold to the Anaconda Copper Company for US$77 million (Sutulov, 1974, 9). Anaconda purchased the company on the suggestion of a partner of J.P. Morgan and Company. In 1929, the final stock was exchanged for Anaconda shares, giving Anaconda full ownership (Marcossan, 1957, 200-1).

\(^{69}\) El Salvador replaced the exhausted Potrerillos mine, which was operated by Anaconda between 1927-1959. Potrerillos was founded by William Braden under the direction of Anaconda (Marcossan, 1957, 213). El Salvador is located around 25km from Potrerillos. Curiously, El Salvador was originally named *Indio Muerto* (*Dead Indian*; Marcossan, 1957, 217).

\(^{70}\) The Braden Copper Company began as a joint venture between William Braden and the Guggenheims in 1908. William Braden had acquired the El Teniente ore deposit in 1904. In 1916, the Kennecott Copper Corporation purchased the Braden Copper Company for US$57 million (Sutulov, 1974, 9).
strong position to dictate pricing, marketing and production to maximise the returns to the corporation as a whole.

The regulation of the copper industry in Chile during the period of 1900-1930 can be described as *laissez-faire*, with early operations virtually tax-free (O'Brien, 1989, 4). Only in 1922 did Chile levy its first income tax, a mere 1% of production. In 1925 income tax rose to 6% (with an additional 6% tax on profits). By 1934 tax on profits was 18% and by the end of the thirties it reached 33% (Gedicks, 1973, 5-6). The poor returns to the Chilean economy from the copper industry raised concern in Chile. Between 1930-1954 Chile responded to the economic domination of the multinational copper corporations with a program of moderate taxation and exchange rate controls. In 1942, for example, direct taxation of the *Gran Minería* amounted to 50% (Law 7,160). Exchange rate controls raised the level of effective taxation to 65%. In 1952 taxation rose to 60% with effective taxation reaching 85% (Law 11,137; Ingram, 1973; Valenzuela, 1996, 38). These rates of taxation, however, should be understood in the context of the tax minimisation schemes that the corporations were widely practising. There are two main methods by which taxes were avoided. The first was the falsification of accounts and the undervaluing of assets on the Chilean books of the American firms, such that taxes were reduced (Ingram, 1973, 434, 439). The second was the sale of unrefined copper at discounted rates to refineries in the United States owned by the parent company (Ingram, 1973, 440). The ‘blister’ copper exported by the companies had the added advantage of containing recoverable levels of gold and silver.

While this period was a time of increasing assertiveness in the formulation of copper policy more favourable to the interests of Chilean society, the political influence that the US copper corporations could muster through control of what had become the Chilean state's single most important resource was never far from the surface. For example, Kennecott in 1947 demanded and received the prohibition of the Communist party as a condition of future investments in production. The Communist party was a member of the leftist/labour administration led by President Gabriel González Videla (1946-1952)\(^1\). The administration promptly sacked its serving Communist Party Ministers and the party was banned in 1947 (the ban was lifted in 1958; Moran, 1974, 176). Anaconda was also in a position to influence the Vidella administration as it had made

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\(^1\) The main political parties within Chile at the beginning of the case study were: Right – Conservatives and Liberals; Centre – Radicals and Christian Democrats; Left – Communists and Socialists. In 1957 the Christian Democrats emerged out of the remains of the Falange Party. In 1966 the Conservative and Liberal parties merged to form the National Party. During the 1958 and 1964 Presidential Campaigns the Socialist and Communist parties formed a coalition, *Frente de Acción Popular* (FRAP), before being joined by the Radical Party and MAPU (a group of former Christian Democrats) under the banner of *Unidad Popular* (Popular Unity) in 1970. The return to democracy in 1990 led to a series of governments led by the centre-left *Concertación por la Democracia* (Coalition of Parties for Democracy). The main opposition during this period has been the right wing Democratic Union and National Renewal parties.
substantial contributions to the Radical Party, of which President Vidella was a part (Rojas, 1975).

During World War II, despite high demand, Chilean copper exports were subject to fixed price caps by allied governments. US troops even occupied Chilean copper facilities during the War, a situation that many Chileans considered an encroachment of Chilean sovereignty (Ingram, 1973, 456). Following the end of the war, US domestic economic concerns contributed to a fall in the copper market, and in 1950 price caps were again introduced (without Chilean consultation) as the demand for copper increased in response to the Korean War (Moran, 1974, 62-63; Gedicks, 1973, 6; Gonzalez, at interview, 2003). These circumstances, in addition to declining terms of trade and a ban on sales to the Soviet Bloc (as the US companies were forbidden by US law), again fuelled Chilean resentment over the fate of its principal resource. Chile thus had suffered during times of low demand, when prices were low, and had been refused the benefits of high prices when demand was high.

In 1952 Senators Radamiro Tomic (of the Falange Party) and Salvador Allende (of the Socialist Party) proposed the establishment of the Corporacion del Cobre (Copper Corporation) to control the marketing and sale of copper. The proposals were supported by the Vidella administration, in return for Socialist support during the Presidential elections (Wallis, 1970, 108), and attained congressional approval in February of 1952 (Law 10,255; Sweeney, 1976, 23). Chilean marketing of copper through the Corporacion del Cobre brought initial benefits during the period of high demand of the Korean War, but the lack of experience and the vertically integrated nature of the international copper industry, led to poor sales and prices during the low demand that followed the end of the war.

The election of independent centre-right candidate, former leader of the Chilean Nazis and former dictator, Carlos Ibáñez del Campo (1952-1958) to the Presidency initially failed to ease the differences between the US Copper corporations and the Chilean state, particularly over the international pricing of copper. Facing economic problems the Ibáñez administration sought to maximise government returns from the exploitation of copper, but the administration was met with stiff resistance from the US copper corporations over the level of taxation (CIA, 1953, 6-7). "The gravity of Chile's economic situation and a widespread sense of political frustration," warned a CIA National Intelligence Estimate, "have increased demands for radical and nationalistic solutions" (CIA, 1953, 1). In an effort to force a reappraisal of the Chilean policy of moderate taxation the owners of the Gran Minería eased the level of production (Wallis, 1970, 72; Gedicks, 1973, 9). Chilean government officials were faced with the
dilemma of stalled production at a time of increasing global demand and company reluctance to make significant investments in production that would be required to maintain market-share.\(^{72}\)

Responding to a surge in popular nationalism a number of politicians favoured increased state control of the industry as a means to recoup the lost revenues extracted by the US owners of the *Gran Minería*, to gain more control over pricing and marketing, and to integrate the copper mining enclaves with the rest of the Chilean economy. These initiatives even prompted the tabling of a bill by Senator Salvador Campo to Nationalise the *Gran Minería* with compensation to be based on the value of the companies as recorded in their Chilean books (a substantially discounted figure that represented only the equivalent of 39 days of production). The bill, however, did not attain the necessary parliamentary support (Ingram, 1973, 463).

**The Return to Laissez Faire – The New Deal**

While President Ibáñez had often threatened to nationalise the *Gran Minería* (a policy that by now attracted significant public support) the demands of the US corporations for a renegotiation of terms of their operations were acceded to in 1955 with the formulation of the *Nuevo Trato*, or 'New Deal' legislation (Law 11,828). The New Deal legislation signalled a return to a more *laissez-faire* philosophy of market economics that had characterised earlier periods. The legislation included lower taxation and the elimination of the indirect taxation that resulted from artificial exchange controls, accelerated depreciation on new investments and free importation rights on equipment, and the abandonment of state control over pricing and marketing. The Conservative and Liberal parties that supported the legislation argued that such attractive conditions of foreign investment, better than those enjoyed by many Chilean investors, would encourage significant additional funds for expansion of the productive capacity of the *Gran Minería*. The laws, however, failed to include guarantees for such commitments (Moran, 1974, 90, 97, 124; Gedicks, 1973, 9), though opponents of the New Deal legislation were able to successfully attach a provision for a government copper department to monitor the industry (the *Departamento del Cobre*).

The legislation was formulated in close consultation with the corporations (Gonzalez, at interview, 2003). Anaconda revealed publicly that it had participated in the drafting of the policy (Wallis, 1970, 178). Ray Glover, Vice President of Anaconda, was particularly influential. Through Glover's involvement a strong relationship developed between Anaconda and President Ibáñez del Campo, who in appreciation personally

\(^{72}\) Anaconda did make some new investments at Chuquicamata. Kennecott, however, did not rely as heavily on Chilean copper to maintain its market share and shelved plans for new investment (Ingram, 1973, 459).
awarded Glover the title of Knight Commander of the Bernardo O'Higgins Order of Merit (the first time the award had been personally presented by a Chilean President; Boorstein, 1977, 320). In addition to pressure from the companies themselves the US State Department attached provisions to a copper purchase agreement that required the Chilean state to implement a tax regime that decreased taxation rates proportional to increased production and end the manipulation of exchange rates for local purchases (Wallis, 1970, 177).

The 1958 Presidential election pitted the Frente de Acción Popular (FRAP) coalition of Communists and Socialists led by Senator Salvador Allende, against the Liberal and Conservative backed Jorge Alessandri Rodriguez. FRAP offered a copper policy of higher taxation for the Gran Minería, local purchase of mining supplies, state intervention in copper marketing, expanded local processing and refining, and state supervision of the accounts of the US copper firms (Wallis, 1970, 157). FRAP lost to Alessandri by a very slim margin of 36,000 votes. President Alessandri (1958-1964) continued the policies outlined in the New Deal, and introduced further incentives to investors in the Foreign Investment Law of March 1960 (Ingram 1973, 477).

The New Deal legislation failed to generate the expected increase in investment. While Anaconda did replace the Potrerillos mine with El Salvador, few other investments were made. The new policy did prove to be very lucrative for Anaconda and Kennecott, who almost doubled their average yearly profits. Between 1945 and 1955, Anaconda and Kennecott received $275 million in profits from Chile. Between 1955-1965 the same companies generated $465 million. The Chilean operations of Anaconda and Kennecott were the most profitable of their global operations. Anaconda received almost half of its global income from its Chilean operations during the period of 1955-1960 (Moran, 1974). Consequently, returns to the Chilean state as a percentage of production almost halved and total returns to the state levelled (Wallis, 1970, 209). The only significant change therefore was an increase in corporate takings at the expense of the depletion of Chile's copper reserves. In the early 1960s the firms again sought a betterment of investment conditions as a condition of possible future expansions, including the demand for a 20-year guarantee of the terms of the New Deal. This proposal was blocked by Congress and taxation was increased slightly, including the reinstatement of the manipulation of exchange rates (Ingram, 1973, 479).

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73 For a critique of the ‘New Deal’ from a Chilean perspective see La Política Económica del Cobre en Chile published in 1961 by Mario Vera Valenzuela.
'Chileanisation' and the Christian Democrats (1964-1970)

One of the most formidable barriers to private investment abroad, in my judgment, is the barrier existing in the minds and emotions of those who need foreign investment most...they wrongly tend to equate it with colonialism.


No government of the extreme right...had ever dealt with North American firms with the kind of generosity shown by the Frei Government. Its excessively favourable treatment lacked so much balance and justice and was so prejudicial to Chilean interests that it almost provoked hilarity in Washington.


The 1964 Presidential Campaign

As we have seen, the first Chilean attempt to reduce the extent of multinational domination of the copper industry was a progressive increase in taxation. In response the owners of the Gran Minería exerted their political influence to manipulate the formulation of copper policy. The New Deal legislation proved to be a lucrative investment on the part of the copper corporations, however, the favourable terms of the legislation did have the negative consequence of stirring public nationalism to a point where it could not be easily controlled through the funding of political parties. If wartime price caps were the trigger for the first wave of Chilean pressure on the Gran Minería, the failure of the New Deal legislation galvanised this opinion into a serious challenge to the autonomy of the US owners of the sector. Nationalisation of the Gran Minería was now a serious prospect. According to a survey by the US Information Agency, nationalisation was supported by a majority of Chileans in 1964 (Bello, 1975, 328). An Instituto Chileno de Opinión Pública survey in 1964, however, found that nationalisation was supported by slightly less than a majority (41% for, 45% against, 14% undecided), where the highest income sectors demonstrated the least support and the low income the strongest support for nationalisation (Wallis, 1970, 120). It should be emphasised though that a significant anti-nationalisation propaganda campaign was operating at this time and furthermore a large percentage of the population preferred the policy of partial state ownership, meaning that some form of state ownership held majority support.

Nationalisation of the Gran Minería had been proposed as early as 1913, with the founding of the Nationalist Union. In 1923, Santiago Macchiavello Varas expressed sentiments consistent with nationalisation in El Problema de la Industria de Cobre en Chile y sus Proyecciones Economicas y Sociales, by advocating the forced investment of the Gran Minería revenues into the local economy. Varas and others, such as Marín Vicuña who was concerned with the denationalisation of the Chilean copper industry, helped to shape the widespread public belief during the 1920s and 30s that the Chilean...
economy was subject to foreign domination (Ingram, 1973, 420). Public indignation developed against the foreign ownership of the *Gran Minería* despite stringent restrictions on criticism of foreign investors in the press that existed at this time (Sweeney, 1976, 14-15). During the 1950s the merits of the nationalisation of the *Gran Minería* had been frequently debated within the parliament (Muirragui, 1989, 227). The book, *La Política Económica del Cobre in Chile* published in 1961 by Mario Vera Valenzuela did much to strengthen the movement and extend its reach and in 1961 Senator Salvador Allende sponsored an unsuccessful nationalisation bill.

It was in this political climate that the 1964 Presidential elections were held. The political parties of the centre and right (particularly the Radicals and Conservatives) that had served the interests of the copper corporations were held responsible for the failure of the New Deal legislation. Their loss in public support resulted in a concomitant increase in political fortunes of the Christian Democrats, Socialists and Communists. During the 1964 campaign the Conservatives campaigned alongside the Radicals as the *Frente Democrático* before disbanding the coalition prior to the vote and shifting their support behind the Christian Democrats, an outcome favoured by the US Embassy in Santiago (Boorstein, 1977, 29). The US copper companies had developed strong links with conservative and particularly centrist parties. Anaconda fostered close ties with the Radical Party. Rodolfo Michels, for example, an ex-Radical Party Senator, became vice-president of Anaconda. Michels had been responsible for administering the funds annually contributed by Anaconda to the Radical Party (Rojas, 1975, 56).

In 1964 Salvador Allende again ran for the presidency as the representative of FRAP, campaigning to end foreign ownership of the *Gran Minería*. Along with Allende, the other main contender for the election was Eduardo Frei Montalva, the candidate for the Christian Democrats. The Chilean Christian Democrats are a social change movement that is closely associated with the Roman Catholic Church. The Christian Democrats seek a society based on Christian values. Their support began within Universities but broadened, with the leadership derived mostly from the middle class (Lodge, 1966, 180-81). The Christian Democratic Party had emerged as a strong political force, occupying the ground vacated by the Radical Party. The Christian Democrats had positioned themselves as advocates of change in Latin America, whilst remaining closely aligned with the interests of the United States. Their solution to the problem of foreign ownership of the *Gran Minería* was a phased process of nationalisation that would begin with partial ownership, arguing that the technical difficulties of nationalisation prohibited a prompt transition to full state control. This is despite the fact
that Chilean competence in the technical aspects of copper extraction had advanced to the stage where Braden relied almost entirely on Chilean staff (Wallis, 1970, 164).

The Christian Democrat programme of partial ownership was known as 'Chileanisation.' The goals of 'Chileanisation' were to double production from 1964 levels, to refine the total production of copper within Chile, to increase the Chilean consumption of copper and thus to integrate copper extraction with the rest of the economy, to intervene in the marketing and sales of copper, and to participate in the ownership of the \textit{Gran Minería} (Frei, 1965, 1; Ingram, 1973, 483).

\textbf{Foreign Involvement in the 1964 Presidential Campaign}

The Christian Democrats, under Frei, came to be regarded as a showpiece of the Alliance for Progress (Davis, 1985, 3). The Alliance for Progress was an attempt by the US government to associate American foreign policy and foreign private enterprise with progressive social change in Latin America (Rockefeller, 1966, 404). The Alliance for Progress was announced on March 13 1961, by President Kennedy. Though the alliance was seen as an American initiative, Frei (1967) has argued that the origins of the Alliance were in fact Latin American. Traditionally the US had allied itself with the Latin American right. The Alliance for Progress represented a shift in support to the non-Marxist centrist and leftist political parties and was representative of an overall change in the balance of political power as the left began to attract strong support. For their part, the Alliance presented the US with the opportunity to neutralise the strength of the left in Latin America, without resorting to military solutions. 'Alliance aid', however, was later freely given to Latin American dictatorships (Frei, 1967).

The US reasoned that it was necessary to present an alternative to the policies offered by Communist political parties (Lodge, 1966, 175). Accordingly direct relationships with the Christian Democrats were cultivated by the public officials within the United States in an effort to protect US interests. "Today there can be no doubt that the interests of the United States are in jeopardy," argued Lodge (1966, 173) in the journal \textit{Foreign Affairs}. Therefore the US should "cultivate relations with the Church and the Christian Democratic Movement" (Lodge, 1966, 193). With the US ownership of the copper industry at stake, foreign involvement in the 1964 election campaign was substantial. The US government provided more than $3 million dollars in campaign funds to the Christian Democratic Party (Davis, 1985, 20-21), which represented more than half of the finances spent (Boorstein, 1977, 29). Some US funding was also provided to the Radical Party in 1964 (National Intelligence Council, 2000). In addition the CIA supported the Christian Democratic campaign with a significant propaganda offensive to discredit FRAP candidates and trumpet the merits of a Christian Democratic
administration. According to the *Staff Report of The Select Committee to Study Governmental Operations with Respect to Intelligence Activities* (United States Senate, 1975):

The propaganda campaign was enormous. During the first week of intensive propaganda activity (the third week of June 1964), a CIA-funded propaganda group produced twenty radio spots per day in Santiago and on 44 provincial stations; twelve-minute news broadcasts five times daily on three Santiago stations and 24 provincial outlets; thousands of cartoons, and much paid press advertising. By the end of June, the group produced 24 daily newscasts in Santiago and the provinces, 26 weekly "commentary" programs, and distributed 3,000 posters daily.

Like previous elections in Chile foreign involvement in the campaign also extended to private sector policy negotiation. In 1963, at the request of US President John F. Kennedy, David Rockefeller established the Business Group for Latin America74. The organization would form a close link between the US government and US firms in Latin America in order to implement the policies of the Alliance for Progress. The executive committee of the Business Group included C. Jay Parkinson (Board Chairman and CEO of Anaconda; Hersch, 1983, 259). David Rockefeller maintained close contact with Eduardo Frei during this period, advising him of appropriate economic policies that could be adopted by his administration75. David Rockefeller was particularly interested in the copper industry (John D. Rockefeller had owned Anaconda) and advocated the concept of 'Chileanisation' in correspondence with Frei (Rojas, 1975, 57; Uribe, 1974, 16). Rojas (1975, 56) goes further to argue that Frei specifically exchanged political funding for copper policy guarantees. According to Rojas (1975, 56) in late 1963 Robert Halderman, President of Kennecott's Braden Copper held discussions with Frei. In the meeting financial aid was requested from Kennecott by the Christian Democrats in return for a commitment not to nationalise El Teniente, and to instead embark on a process of Chileanisation. The details of these conversations were made public with the discovery of Halderman's personal papers. Some of the papers were published in *Mayoria* in December 1971 and January 1972. Anaconda also developed close ties with the Christian Democrats. For example, Dragomir Tomic, a member of the Christian Democrats and brother of future Presidential Candidate Radomiro Tomic, was also an Anaconda lawyer (Wallis, 1970, 76-7).

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74 In the late 1960s the Business Group became the Council of the Americas. The Council of the Americas "is a business organization whose members share a common commitment to free trade and open markets throughout the Americas...for the benefit of the companies that comprise our membership" (Council of the Americas, 2003).

75 David Rockefeller advised Frei on ways to guarantee measures that favoured US capital (Rojas, 1975, 57). Letters of advice from Rockefeller to Frei were published in *Mayoria* in January 1972. Correspondence between Robert Haldeman (Kennecott) and Frei were also later published in *Mayoria* in December 1971 and January 1972. According to Rojas (1975) the close relations between Frei and the US firms were also published by the Socialist Party and the MAPU (a group that split from the Christian Democrats in 1969) in 1972 as *La Historia Yanqui de un Presidente Chileno*. 

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While the accuracy of such possible arrangements are difficult to determine, 'Chileanisation' had become the preferred policy option for many US foreign policy experts on Latin America, as it presented a workable alternative to outright nationalisation that could proceed under terms agreeable to the companies and their financial backers (for example, in 1964, Charles Cumberland of Michigan State University argued that an ideal system to solve the copper problems would be 'Chileanisation'; Uribe, 1974, 16). It is clear furthermore that political funding of the Christian Democrats by the US was contingent on favourable policies for the US government and the US corporations that had invested in Chile, and that the 'Chileanisation' arrangements, as we shall see, presented a transition to partial state ownership under conditions even more favourable than those of the New Deal.

**The Implementation of 'Chileanisation'**

The positioning of the Christian Democrats as the only option for containing the climate of independence in Chile and the best alternative to outright nationalisation (Lodge, 1966) proved a successful strategy, and the Christian Democrats, under Frei, won the 1964 Presidential elections with a plurality of the votes, a rare feat in Chilean politics. CIA reports concluded that US support for Frei was the deciding factor in winning a majority of the votes (Boorstein, 1977, 30). Representatives of President Frei (1964-1970) met with officials of the US copper companies in May of 1964 in New York and within a month of assuming the Presidency general agreement on the terms of 'Chileanisation' had been reached (Ingram, 1973, 486; Moran, 1974, 128).

Kennecott presented Frei with a proposal to purchase 51% of their Chilean subsidiary Braden. The terms of the agreement strongly favoured Kennecott. Chile paid US$81.6 million for its 51% share in El Teniente while the value of the mine had been written by the company as US$65.7 million, in 1963 (Ingram, 1973, 500; Law 16,425). As part of the agreement Kennecott agreed to a program of expansion, though the Chilean government would guarantee Kennecott's loans with the Export-Import Bank in Washington (Moran, 1974, 128,133-134) and Kennecott would finance its part of the investments with the funds received from Chile for partial ownership (Bello, 1975, 331). In return the Frei administration reduced the tax burden on the company, committed to more than half of the future expansion costs, provided formal 20-year guarantees for the project, and issued Kennecott with a lucrative management contract. Kennecott thus retained a smaller share in a company worth many times its previous value (Moran, 1974, 133, 134)\(^{76}\).

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\(^{76}\) The Christian Democrats had difficulty getting the laws through parliament until they gained a stronger mandate in the congressional elections of 1965. It was not until 1967 that the Chilean State, through CODELCO, purchased the majority share of El Teniente.
'Chileanisation' provided Kennecott with an opportunity to ease the public pressure for nationalisation and, if conducted carefully, strengthen their position within Chile. The company utilised the 'Chileanisation' process to protect their holdings, including guarantees against expropriation from the United States Agency for International Development (US AID) and the Overseas Private Investment Corporation (OPIC). In addition the company wrote long-term contracts with European and Asian customers and sold the rights to collect these contracts to European and Asian banks (Moran 1974, 135). According to Robert Halderman, executive Vice-President of Braden, "The aim of these arrangements is to insure that nobody expropriates Kennecott without upsetting relations to customers, creditors, and governments on three continents" (Moran 1974, 136).

Anaconda on the other hand initially resisted Chilean ownership of their larger mines, though they did agree to the sale of a 25% stake of the small Exotica mine. Anaconda also agreed to invest in an expansion of production (with Export-Import Bank financing) and in return the Frei administration reduced taxation on the expanded output (Moran, 1974, 136-8). The reluctance of Anaconda to 'Chileanise' their operations further increased pressure on the company to be nationalised. In 1969, Anaconda succumbed to Chilean pressure and agreed to 'Chileanise' at book value (Law 16,625). The Chilean government would purchase 51% of Chuquicamata and El Salvador for US$180 million over 12 years, however, the agreement also allowed the Chilean government the options to incrementally nationalise the company from 1973 (Ingram, 1973, 512; this was known as nacionalización pactada or 'negotiated nationalisation'). The terms for the Anaconda agreement were therefore not as favourable as Kennecott had negotiated77.

The majority ownership of the Gran Minería was an important occasion in the history of Chile, though in many important respects the details of the 'Chileanisation' program represented a setback for the aspirations of Chilean sovereignty over their resources. 'Chileanisation' provided the US copper corporations with a programme by which Chile would underwrite future production expansions, while the US corporations could partially extract themselves from Chile in the face of increasing pressures for the mines to be expropriated78. The companies were not required to provide any new capital. Furthermore the tax reductions granted to the US owners of the Gran Minería

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77 A third US corporation, Cerro, was also brought into the 'Chileanisation' process, with it's Chilean subsidiary Andina set to begin production on in a new mine in 1971. Frei negotiated 30% ownership.

78 Carlos Moya (at interview, 2003) concurred with this analysis: "At that time in 1968, 69, and 1970 it was already clear that Chileanisation was a policy that had been arranged among the mining companies to enhance productivity as production had been very stable." Moya was a representative on the Executive Committee of CODELCO; during the period of Nationalisation (the committee included the Minister of Mining, a representative of the President, the Vice president of CODELCO, a representative of The Central Bank, and a fiscal administrator). CODELCO at this time was the Government administration responsible for overseeing the foreign mining companies, and was charged with overseeing the nationalisation process. It would become the future State mining company.
exceeded the share of profits the state would receive as a part owner (Wallis, 1970, 137). The new Copper Corporation of Chile charged with regulating the industry also followed a similar pattern of responding to the needs of the multinational corporations. Wallis (1970, 2) found that Chilean official and private organizations charged with overseeing foreign investment in Chile demonstrated "a common pattern of permeability, amounting in some cases to outright foreign control."

The financing of the Frei administration therefore represented a successful venture for the US government and US corporations, despite the fact that the US owners of the Gran Minería were forced to concede control of their holdings. The 'Chileanisation' programme was successful at limiting wider calls for nationalisation and the restriction of the private sector (including from within the Christian Democrats) as Frei firmly positioned his administration as an opponent of outright expropriation (CIA, 1969, 13). During the Frei administration the CIA spent millions of dollars on programs. They sponsored courses for trade unionists and supported non-communist parties in elections for university student associations and labor organizations (Boorstein, 1977, 31). Frei was dubbed in the press as 'America’s man in Latin America' (Bello, 1975, 336). Nevertheless a strong social movement and broader public support for Chilean control of their copper resources continued to apply pressure for complete nationalisation. While the corporate entities and the US government succeeded in manipulating Chilean policy during this period and detaching it from representing the needs of the Chilean people, they could not completely dominate the final policy outcomes. As we shall see, 'Chileanisation' did not prohibit eventual full Chilean control of the Gran Minería.


The nationalization of basic resources constitutes an historic demand. Our economy could no longer tolerate the subordination implied by having more than 80 per cent of its exports in the hands of a small group of large foreign companies that have always put their interests before those of the countries in which they make their profits.


[Nationalisations] stem primarily from a desire to assert national independence and sovereignty over decisions that affect the country.

United States Central Intelligence Agency, Implications of Economic Nationalism (1972, 3).

We used to be the fuckor. Now we're the fuckee!

Chief Legal Counsel to Anaconda (cited in Moran, 1974, 153).
The 1970 Presidential Campaign

Dr Salvador Allende Gossens again ran for the Chilean Presidency in 1970, however, on this occasion he represented a broader coalition that included Communist, Socialist, and Radical Party members, in addition to a number of former members of the Christian Democrats (Movement for Unified Popular Action; MAPU) who left the party in 1969 over the issue of copper Nationalisation (Wallis, 1970, 166). The coalition, known as Unidad Popular (UP; Popular Unity), campaigned for the immediate nationalisation of the Gran Minería as part of a broader program of reform that included state control of a number of important economic sectors, and significant agrarian reform. The Christian Democratic candidate, Radomiro Tomic also stood on a platform of prompt and complete nationalisation, with the only major difference being on the issue of compensation for the companies (CIA, 1970, 11). The broad political platform of the Christian Democrats under Tomic was in many respects similar to that of Unidad Popular. The image of appeasement that the Christian Democrats had earned from the program of 'Chileanisation' nullified their nationalist credentials among the Chilean electorate, the vast majority of which now favoured the state control of copper (Mellor, 2000, 48). Radimiro Tomic thus attempted to distance his candidacy from the 'Chileanisation' agreements of the Frei administration. Even the Conservative candidate Jorge Alessandri agreed to respect the nationalisation of Anaconda and abide by 'Chileanisation'. CIA intelligence estimates concluded at this time that greater state involvement in the copper industry was inevitable, though the manner and timing would depend on the make-up of the incumbent government. "Even under a rightest administration", the National intelligence Estimate of 1969 concluded, "some additional 'Chileanization,' at least, is likely" (CIA, 1969, 2-3). The CIA's National Intelligence Estimate the following year lamented that there is "scant solace for the future of US-Chilean relations, no matter who succeeds Frei", as the "trend towards more independence of the US is too deeply set to be easily reversed" (CIA, 1970, 17).

Foreign Involvement in the 1970 Presidential Campaign

From the perspective of the United States an Allende administration was not likely to cause any significant international problems, though it was predicted that Allende would chart a more independent domestic path from the US (CIA, 1969, 19). The issue of most contention, according to intelligence reports, was likely to be the ownership and control of the US share of Chilean copper (CIA, 1969, 19) and the broader issue of nationalisation (CIA, 1971, 17). With all of the Chilean candidates supporting state control of the Gran Minería the US government chose not to directly support the

79 The Chilean right withdrew its parliamentary protection of the US copper companies in part over disagreement with the Alliance for Progress push for agrarian reform (Bello, 1975, 328).
election of any particular candidate, opting instead to participate in 'spoiling' the *Unidad Popular* campaign. The CIA was authorised to spend US$425,000 for propaganda during the 1970 election to prevent the election of *Unidad Popular* (Davis, 1985, 21). The Nixon administration expressed their perspective on this issue in a declassified memorandum from Dr Henry Kissinger to President Nixon dated October 18, 1970. Kissinger argued that a future Allende government would influence Latin America to adopt a neutral 'Third World' stance, seek 'linkages' with the Soviet Union and Cuba, expropriate US investments without adequate compensation and act as a successful example to other countries. The memo recommended that an Allende government should thus be considered an 'adversary' (Kissinger, 1970b, 1).

US owned corporations in Chile, however, preferred more direct intervention. Through a number of government channels and contacts the corporations argued for US government support of the Conservative candidate Alessandri. Anaconda's C. Jay Parkinson offered US$500,000 for a pro-Alessandri propaganda campaign at a State Department meeting (held on April 10, 1970), with Assistant Secretary of State for Inter-American Affairs Charles Meyer, organised by the Business Group for Latin America. Records of this exchange appear in a memo between William Stedma of the State Department and US Ambassador to Chile Edward Korry (Powers, 1979). Anaconda owed a substantial amount of money to a group of banks headed by Chase Manhattan of which David Rockefeller now led (Zinn, 1975). Meyer is reported to have obtained his position through the influence of David Rockefeller.

US Ambassador to Chile Edward Korry was not in favour of such a policy, as he believed a pro-Alessandri campaign could backfire. It remains unclear the amount of funds donated and the method by which the funds were transferred from the US corporations. There are reports that offers were made by the International Telephone and Telegraph Company (ITT) to representatives of the CIA. The CIA could not distribute the offered funds but advised ITT on the appropriate channels. Cockroft and Canning (2000) have reported that the eventual donation was US$350,000.

**Track One and Two – The Attempted Blocking of Unidad Popular**

Despite foreign involvement in the campaign the *Unidad Popular* coalition emerged victorious in the 1970 elections. Salvador Allende attracted 36.3% of the vote, outpolling both the Christian Democrat (27.8%) and National Party candidates (34.9%). As was customary in Chilean politics the leading candidate, although not obtaining a plurality during the election, was to be sworn in at a special parliamentary session. Within days of the election of *Unidad Popular*, Henry Kissinger had met with David Rockefeller (by now CEO of Chase Manhattan Bank), CIA Director Richard Helms and
others to formulate a response (Hitchens, 2001, 56). With Unidad Popular all but guaranteed of congressional confirmation and the Chilean Presidency, the United States government and the corporations that now faced nationalisation adopted a 'two-track' strategy to prevent the administration. 'Track One' involved an offensive led by the US embassy to block the inauguration through 'quasi-constitutional' means, with the cooperation of President Frei and Jorge Alessandri. The so-called ‘Alessandri Formula’ consisted of a plan to circumvent constitutional rules about successive terms and re-elect Eduardo Frei. Alessandri stated publicly that if inaugurated (which would require Christian Democrat support) he would subsequently resign, paving the way for a constitutionally eligible Frei to stand as a candidate in a forthcoming election (United States Senate, 1975; Boorstein, 1977, 55; Powers, 1979; National Intelligence Council, 2000). The plan, however, did not succeed due to reluctance by Frei and when the requisite number of Christian Democratic parliamentarians could not be convinced or bribed (Boorstein, 1977, 60).80

The 'Track Two' strategy was to encourage a wave of violence that would lead to a military coup. The CIA began planning a coup d’etat independent of Chilean political parties, though both President Frei and Alessandri had initially participated in discussions with military figures and the US government over plans for a military solution (United States Government, 1971). The Nixon administration, through the Forty Committee, was intimately involved in directing the 'Track Two' strategy. The Forty Committee was an interdepartmental group within the Executive Branch of the US government that reviewed the clandestine activities of the CIA. CIA director Richard Helms recorded orders taken from US President Nixon in a meeting (also attended by Attorney General John Mitchell and Assistant to the President for National Security Affairs Henry Kissinger) on Chile, September 15, 1970 (Helms, 1970):

One in 10 chance perhaps, but save Chile!....worth spending...not concerned risks involved...no involvement of embassy...$10,000,000 available, more if necessary...full-time job-best men we have...game plan...Make the economy scream. 48 hours for plan of action.

The CIA liaised with both military figures and paramilitary groups. The fascist paramilitary organization Patria y Libertad (Fatherland and Liberty) was provided with funds to plan actions with the aim of instigating a broader military response and eventual military takeover (Boorstein, 1977, 61; National Intelligence Council, 2000). Planning within the Chilean armed forces was also encouraged. The CIA made a "vigorous effort to contact, advise, and influence key members of the military in an attempt to rally support for a coup" (United States Government, 1970a). The US

80 US$250,000 was approved by the Forty Committee for these purposes. US corporation ITT offered the CIA US$1 million for use in blocking Allende (Cockroft and Canning, 2000).
government explicitly reminded the Chilean military that if it did not block the inauguration of the Popular Unity administration that US support to the military, in the form of aid, weapons and training, would be curtailed. US Ambassador Korry was ordered by Dr Kissinger to relay this message to prominent military figures (Kissinger, 1970a). The ambassador was also advised to inform the Chilean military that "if the effort to block Allende from taking office is successful, the Chilean military will not be ostracized, but rather can continue to count on [the] US for [Military Assistance Program] support and maintenance of our close relationship." Short of providing troops the US would provide assistance to quell any consequent civil disorder. Potential coup plotters within the Chilean Military were also informed that if a military junta took over, the US could provide food and agricultural bans (United States Government, 1970b).

In a CIA Operating Guidance Cable on Coup Plotting, dated October 16, 1970, CIA director of plans, Thomas Karamessines, conveyed Dr Kissinger's orders to CIA station Chief in Santiago, Henry Hecksher: "It is firm and continuing policy that Allende be overthrown by a coup…it is imperative that these actions be implemented clandestinely and securely so that the [US government] and American hand be well hidden" (Broe and Phillips, 1970). On October 22, 1970 the Commander in Chief of the Chilean Army, General Schneider, was murdered by a group of Chilean military figures recruited and coordinated by the CIA. The group was also provided with weapons and other logistical support (United States Senate, 1975; Hitchens, 2001, 62-63; Qureshi, 2006, 82-89). The elimination of General Schneider was essential to the strategies adopted in 'Track Two' due to his commitment to the Chilean Constitution and his insistence on leaving the parliament to decide the fate of Chile's political future.

A thorough investigation of the declassified documentary record, by the author, has also revealed that at least one copper corporation, Anaconda, participated in the attempt to instigate a coup d'état and block the Unidad Popular administration from taking office. Evidence was uncovered in the Chile Task Force reports (US Government, 1971) of Anaconda recruiting potential coup plotters and passing this information onto the CIA. Research reported in other studies indicates that other US corporations such as ITT and Pepsi were also involved in efforts to spark military intervention (United States Senate, 1975; Palast, 1998). The US government had encouraged private sector participation in the prevention of the UP inauguration. According to Assistant to the President for National Security Affairs Dr Kissinger: "we have also done our best to encourage American firms and financial institution [sic] now

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81 Gonzalez (at interview, 2003) stated that “I don’t have any doubt that the mining companies played a definitive role to destabilize the country, for example, by financing conspirators, because Chilean copper was their main product and source of income.”
to make it clear within Chile the economic and financial consequences that will inevitably flow from an election of Allende" (Kissinger, 1970a).

By mid-October the success of a coup was considered limited and while a significant effort was expended to prevent the inauguration of the Unidad Popular government President Allende was confirmed to the Presidency on October 24, having received 153 votes to Alessandri's 35 votes. Assistant to the President for National Security Affairs Dr Kissinger stated in a declassified cable:

Our capacity to engineer Allende's overthrow quickly has been demonstrated to be sharply limited. The question, therefore, is whether we can take action – create pressures, exploit weaknesses, magnify obstacles – which at a minimum will either insure his failure or force him to modify his policies, and at a maximum might lead to situations where his collapse or overthrow later may be more feasible (Kissinger, 1970b, 2).

During the first year of the administration the policies of the Unidad Popular administration enjoyed wide popular support (CIA, 1971, 1) and the administration implemented a program of import substitution with heavy state participation in the economy, particularly through nationalisations. One of the first policies to be implemented was the nationalisation of the Gran Minería.

The Implementation of Nationalisation

The nationalisation of the Gran Minería passed unanimously as a constitutional amendment in an opposition dominated joint session of congress, on July 16, 1971 (Law 17,450). The joint session of congress required a two-thirds majority for the legislation to pass. This day is celebrated in Chile as the ‘Day of National Dignity.’ The law was signed by President Allende in front of a massive crowd, outside the Presidential Palace (Palacio de la Moneda). The unanimously approved legislation included provisions for the President to determine the amount of compensation owed to the nationalised corporations, including a set of criteria by which instances of 'excess profitability' could be subtracted from the final compensated amount (the majority of the population, however, supported a position of no compensation for the copper companies – ‘Ni un centavo!’; 'not one cent'; Moya, at interview, 2003). The criteria stated that comparison was to be made between the profits enjoyed by the US operations in Chile with the international profitability of the parent companies, and was to take into account maximum profitability clauses included in other Chilean government contracts (Mellor, 2000, 49)\(^\text{82}\). Compensation was then awarded at the book value of the companies (less the re-evaluation of assets after 1964) and excess

\(^{82}\) For a Chilean perspective of the legalities of nationalisation see Uribe (1974, 102-103).
profitability was deducted for the period following the New Deal (1955)\textsuperscript{83}. The *Unidad Popular* administration determined that Anaconda and Kennecott had accumulated more than US$774 million in excess profits, significantly more than the value of their assets (Sweeney, 1977, 2). The companies thus were to receive significantly less than what they considered satisfactory\textsuperscript{84}. The compensation policies of *Unidad Popular* were supported by the National and Christian Democratic Parties (Cockroft and Canning, 2000).

**Figure 4.3** Ours! A Chilean poster published during the Nationalisation of the *Gran Minería*.

While the dispute regarding compensation continued unresolved the nationalisation proceeded relatively well and copper production increased, though there were some technical and management problems. Anaconda and Kennecott in the months prior to nationalisation stopped expenditures for supplies and equipment (Gonzalez, at interview, 2003; Boorstein, 1977, 83). There were also instances of labour unrest, the blocking of replacement parts from the US and obstacles in obtaining parts from other suppliers, deliberate delays in the dumping of mine waste, political problems between supporters of different parties, and an exodus of more than 150 technicians and supervisors as positions were offered to staff in operations abroad (Moran, 1974, 250; Borstein, 1977, 83; Finn, 1998, 59; Mellor, 2000, 50). One particular problem arose when the payment of salaries was changed to the Chilean Peso. Technicians had been paid in US dollars and were commonly referred to in Chile as *'Rol Oro'* - or *'Golden*

\textsuperscript{83} For a detailed analysis of the excess profitability calculations see Ingram (1973).

\textsuperscript{84} The Chilean investments of the Cerro Corporation were nationalised at book value and were not subject to excess profitability deductions. Their mine was jointly brought into production (Moran, 1974, 151).
Status' (Moya, at interview, 2003). There is also evidence of industrial sabotage by the companies, including the exploitation of the high-grade ore for maximum short-term gain (known in Chile as 'Floreo de Minas'; Finn, 1998, 59; Moya, at interview, 2003). Technical reports on the state of the mines in 1971 confirmed deficiencies within the normally well-run operations (Borstein, 1977, 135).

The Destabilisation of Unidad Popular

As a consequence of the nationalisations Anaconda, Kennecott and a number of other US owned corporations employed a campaign of destabilisation designed to bring pressure on the Chilean government. In 1971, Ralph Mencham, Anaconda's Washington representative, suggested to William Merriam, head of ITT's Washington Office, that an Ad Hoc Committee on Chile be assembled from representatives of US corporations in Chile. Meetings of the Ad Hoc Committee included representatives of Anaconda, Kennecott, Bank of America, ITT and others. On the agenda were plans to pressure the Allende government, as well as a strategy to lobby the US administration to actively defend corporate interests (United States Senate, 1973, 236-7). Members of the Ad Hoc Committee met in September of 1971 with US Secretary of State William Rogers to coordinate plans to economically destabilise Chile (Qureshi, 2006, 111-112; Cockroft and Canning, 2000). These efforts resulted in a successful financial blockade of Chile as credit from private banks was suspended (Bello, 1975, 618). According to President Allende the financial blockade was "apparently designed to take revenge on the Chilean people for their decision to nationalise copper" (Allende, 1972).

Kennecott also independently made good on its promise to disrupt the Chilean economy. The Chilean government was put under immense pressure to accept the El Teniente joint venture (including the customers and loans) agreed to in the 'Chileanisation' arrangements. In response President Allende announced in October 1971 that Chile would assume the responsibilities of the arrangements (including debts and contracts) of the nationalised El Teniente mine. Kennecott then brought a series of lawsuits against the Chilean government in the United States and across Europe. The first series consisted of court actions in the United States. The company was successful in forcing an embargo on some Chilean funds in US bank accounts. Furthermore the issue of compensation was linked by the US government to debt refinancing with international institutions such as the WB and Inter-American Development Bank (in accordance with the Ad Hoc Committee recommendations). In February 1972 Unidad Popular agreed to compensate Kennecott in full (equal to the amount the Chilean state had guaranteed for the 'Chileanisation' loans), thus leading Kennecott to drop its legal action, and removing the pressure from OPIC (who had guaranteed the loans for the expansion at El Teniente; Moran, 1974, 148-50).
The second series of court actions began in September of 1972 when Kennecott sent letters to pressure the buyers of Chilean copper (Boorstein, 1977, 106). Kennecott won preliminary court actions in France that blocked payments for copper originating at El Teniente, Kennecott's former mine. They were, however, unsuccessful in placing injunctions on deliveries of Chilean ore in courts in Britain, Italy, Sweden and the Netherlands (Gedicks, 1973, 19). These actions were timed to coincide with a broader offensive (including nationwide strikes) to bring down the UP government.

The complex legal and technical arrangements that Kennecott had negotiated during the 'Chileanisation' agreements therefore provided the company with the necessary leverage to demand monetary compensation for the nationalisation of the Chilean assets. The destabilisation campaign could therefore be considered a partial success. Between 1964 and 1970 Kennecott made US$115 million in profits on an investment of $69 million and took away US$93 million in compensation. Anaconda, however, did not employ the same techniques of risk minimisation in their 'Chileanisation' agreements and lost their Chilean assets without compensation (Moran, 1974, 150).

Meanwhile the US government was coordinating a number of other destabilisation strategies (see Uribe, 1977, 112-113). Prior to nationalisation Chile had attracted the highest level of US investment in the mining industry in all of Latin America. It was the principal supplier of copper to the United States (Sutulov, 1973, 24, 27). The United States government was also well aware that the nationalisation program was not likely to be changed by future Chilean administrations (CIA, 1971, 17) and to complicate matters further other copper producing countries such as Peru, Congo and Zambia were at this time also nationalising their industry or were placing much stronger restrictions on the role of foreign multinationals. Industry journals in the United States responded frankly to the nationalisation of mineral resources throughout Latin America. Sutulov (1973, 27) while assessing the implications of policy change in Latin America on the supply of US mineral resources concluded that the "general trend of national takeover of mineral resources, will seriously cut into foreign investment and profits and probably bring another side effect: a shortage of mineral supplies, with a consequent increase in their prices". The US was gradually losing its natural resource base and from the perspective of the United States a change in policy was needed, "before events take them to irreversible trends" (Sutulov, 1973, 29).

Thus the nationalisation of the copper industry in Chile presented a significant dilemma for the US government and the US copper corporations, particularly as a political solution to the crisis did not seem a likely prospect. The United States was also sensitive to the appearance that a successful elected Marxist government would have
on other Third World Countries, particularly in Latin America. The United States Department of State acknowledged in 1972 that the "Chilean experiment, combining independence from US influence with sweeping social change carried out with a show of legalistic deference to pluralism, has inherent appeal in Latin America" (United States Department of State, 1972, 8). Drastic measures were now necessary.

The strategy adopted by the US government was to simultaneously foment and support domestic opposition to the Allende government and to continue the coup plotting activities initiated during 'Track Two.' President Nixon replaced US Ambassador Korry, a Democrat, with Nathaniel Davis after the failure of the US strategy to block Allende (Qureshi, 2006, 81). In January of 1971 the Forty Committee approved US$1.24 million for the purchase of radio stations and newspapers to support the opposition (Davis, 1985, 21). The conservative newspaper *El Mercurio* for example received US$1.7 million during the three years of the Allende government (Davis, 1985, 308). According to US Ambassador to Chile, Davis, "during Allende’s presidency an ongoing US program gave covert financial support to opposition parties, media and several other opposition organizations" (Davis, 1985, 21). The opposition parties that received funding included the Christian Democrats, the Nationals and splinter groups of the Radical party (Davis, 1985, 308). During the first year of Allende’s presidency more then US$2.5 million dollars was channelled directly into the Christian Democratic Party (Davis, 1985, 21). Funding was provided for the purposes of "sustaining the organization, press organs, political activity, and publicity" (Davis, 1985, 308). Legislation proposed by opposition parties during this period was also written by organs of the US government. Davis (1985, 309) states that "many of the bills prepared by opposition parliamentarians were actually drafted by personnel of [a CIA funded research organization]". Efforts were also made to splinter the Radical party, a member of the *Unidad Popular* coalition (Davis, 1985, 319).

In late 1971 the US approved an additional US$4.7 million dollars for use in the destabilisation campaign (Davis, 1985, 308) and US$1.6 million in funds were available for campaigning during the March 1973 Chilean Congressional elections (NSC, 1973). Despite the significant CIA propaganda campaign the *Unidad Popular* increased its vote in the March 1973 Congressional Elections, gaining two seats, but still remaining a minority in the Congress. The extent and specifics of the coup plotting conducted by the US government and US corporations during this period remains unclear as the declassified documentary record for this period is sparse. Cockroft and Canning (2000) allege that in September of 1971 the CIA set up a 'coup team' at the US Embassy in Santiago. Evidence exists of US funding and communication with coup plotters and while many US programs where cut during the Allende government, military ties
continued (Davis, 1985, 96). A US Senate investigating committee found that "It is clear...the CIA received intelligence reports on the coup planning of the group which carried out the successful September 11 coup throughout the months of July, August and September 1973" (US Senate, 1975, 39). Former US Ambassador to Chile Nathaniel Davis (1985, 309-10) has denied that the covert policy of the United States from 1971 was to foment a military coup, though he frankly admits that: "there are still valid reasons for keeping some secrets" (1985, 359). Instead he argues that after the initial destabilisation program of 1970, US policy changed to one of opposition support. He further argues that during 1973 the US made an effort to avoid bankrolling coup plotters, though as events transpired "the effort became more and more difficult..." (1985, 328-329). Intelligence contact was maintained with the Chilean military, including eventual coup participants (Davis, 1985, 346).

The Chilean Embassy in Washington was subjected to electronic surveillance and in May of 1972 the embassy was ransacked by the 'Plumbers' of Watergate fame (Davis, 1985, 94). In August of the same year the CIA provided the Chilean military with a 300 page economic blueprint for the purposes of planning a post-Allende junta (Schaefer, 2003). There are some suggestions the US government also attempted to manipulate the world copper price in order to further pressure the Allende government (Gonzalez, at interview, 2003). Uribe (1977, 89) has argued that in March of 1973 the Nixon administration placed the US copper stocks on the market in order to drive prices down. The manipulation of world copper prices was earmarked as a potential destabilisation strategy. US National Security Decision Memorandum (NSDM) 93 issued by Kissinger on behalf of President Nixon included an order to review steps to use such a strategy (Davis, 1985, 22). Even Australian intelligence operatives were involved in covert activities in Chile. Australian intelligence (ASIS) operatives worked in conjunction with the United States, though the activities ceased in 1973 at the request of the Whitlam government (Davis, 1985, 329). As the pressure mounted right wing parliamentarians adopted the catch cry of ‘Djakarta se acerca’ ('wait for Djakarta') in reference to the slaughter of more than 500,000 communists in Indonesia in 1965 (Uribe, 1977, 147). By the second half of 1973 a coup was widely expected.

On September 11, 1973 the Unidad Popular government was overthrown by a Military Junta, led by Commander of the Army, Augusto Pinochet Ugarte. The declassified record shows that Augusto Pinochet was involved in US planning as early as 1972 (Qureshi, 2006, 128). A situation report by US Naval attaché Patrick Ryan following the coup, characterised September 11 as “our D-Day”, and referred to the coup as running “close to perfect” (National Security Archives, 2003). The Junta instituted a state of widespread repression, torture and murder. As justification for the coup the junta
concocted the story of an alleged pre-coup plot by leftists to murder military figures. The fake plot was reminiscent of the propaganda that accompanied the coups in Indonesia and Brazil (Davis, 1985, 370). President Allende died during the coup, when military units attacked the Presidential Palace. During the first weeks of the regime the National Stadium was used as a concentration camp for tens of thousands of people. The regime also outlawed all of the parties that had been members of Unidad Popular (Decree Law 77, October 8th 1973) and declared all other political parties in recess (Decree Law 78, October 11th 1973). While there were domestic factors that led to opposition to Unidad Popular, for example middle class strikes over shortages in goods, opposition by some small businesses (particularly in the transportation industry) to the nationalisation of economic sectors, and mining union strikes over pay disputes (particularly from unions affiliated with the Christian Democrats), the destabilisation campaign led by the United States corporations and government was a substantial, if not decisive, factor in the overthrow of Unidad Popular. Foreign domination created the conditions whereby domestic opposition was more effective, while domestic opposition could be used as a justification for foreign intervention.

The destabilisation campaign was also supported by Latin American businesses and dictatorships, though in a comparatively minor capacity. Elements of the Brazilian dictatorship, in addition to Brazilian, Mexican, Venezuelan and Peruvian business groups also participated in the destabilisation of the Chilean government, providing technical assistance to the opposition and funds to Chilean strikers (see Davis, 1985, 331-3). Of particular assistance was the strategic advice from groups within the Brazilian business sector based on their experience of toppling President Goulart in 1964 (Bello, 1975, 620).

The Dictatorship and the 'Chicago Boys' (1973-1990)

It seems likely that only certain strong governments, perhaps only highly authoritarian governments, will be inclined to welcome and protect the private foreign investor over the next decade.

Central Intelligence Agency, Implications of Economic Nationalism in the Poor Countries, Office of National Estimates (1972, 7-8).

The Chilean Military unleashed their reign of terror against the Chilean people in order to protect the interests of the great North American consortia (Anaconda, Kennecott, ITT et al.) as well as the strategic interests of the military-industrial complex in Washington.

Robinson Rojas (1975, ix), academic and former journalist.

The violent overthrow of Salvador Allende’s Marxist regime in September 1973 paved the way for a drastic reshaping of Chile’s political landscape.

The Economic and Investment Policies of the Military Junta

With the installation of a Military Junta (1973-1990), Chile adopted a drastically different set of policies to guide copper extraction. The Junta restored the market and private sector as the main agents of development, opened the economy to foreign investment, reduced import tariffs and removed limits on capital inflow (Lagos, 1997, 52). The Junta also reformed the foreign investment laws issuing Decree Law 600, which provided for minimum intervention by state authorities in investor activities, equivalent treatment of foreign investors and nationals, repatriation of profits with no time limit (after one year of investment), import tax exemptions and a 42% tax rate up to 20 years (Lagos, 1997). While the US government was heavily involved in the installation of the military junta the subsequent liberalisation of the economy opened the country up to foreign investors from the wider economic powers. The new foreign investment laws attracted interest from US, Canadian, British, West German and Japanese mining firms (Muirragui, 1989, 289).

The economic restructuring of Chile proceeded with the guidance of a group of Chilean economists that were the product of a collaboration and exchange program, largely funded by the US government, between economists and students at the University of Chicago and the Catholic University in Santiago (Collins and Lear, 1996, 159; Schaefer, 2003). The program began in 1955, and was guided by the free-market doctrines of Professor Arnold Harberger and Milton Friedman. Harberger is reported to have said in 1974, "I am really surprised that Chile has been able to overcome so great an economic chaos in so short a time and at relatively little cost..." (quoted in Chossudovsky, 1975, 17). On the morning after the US sponsored military coup in 1973 the 'Chicago Boys', as the Chilean graduates of the program later become popularly known, provided each general with an economic blueprint that could guide Chilean policy. The 500-page document was known by its authors as El Ladrillo ('the brick') and was financed under the auspices of the Sociedad de Fomento Fabril, Chile (Federation of Chilean Industry; SOFOFA) with support from foreign corporations (Collins and Lear, 1996, 159).

In 1976 the Junta also reformed copper policy and consolidated the nationalised copper mines in to the Corporación del Cobre de Chile (CODELCO). The consolidation was in response to debates within the Junta over the future of the nationalised mines. Due to the unanimity of the nationalisation decision and the widespread community support for state ownership of the Gran Minería, the Military Junta opted against the immediate privatisation of CODELCO, though privatisation was vigorously debated. The 'Chicago Boys' favoured immediate privatisation of the mines while more nationalistic elements within the Junta preferred to keep the mines in state control.
Agreement was reached to keep the mines as state owned enterprises though the Junta adopted a strategy of long-term denationalisation by firstly restricting the ability of CODELCO to invest in production initiatives and secondly by opening exploration and investment to foreign corporations under very favourable terms (Bande and French-Davis, 1989, 77). The regime also agreed to compensate Anaconda and Kennecott in full and adopted the 'reserved copper law' whereby 10% of the value of Gran Minería annual exports where diverted directly to the military.

While the Gran Minería was kept under state control a number of medium sized mines were returned to the market including Compañía Minera Disputada de Las Condes (Disputada) that had been nationalised in 1972 and managed by the Empresa Nacional de Minería (ENAMI), a state body concerned with small and medium scale mining. Disputada was sold in 1978 to Exxon Minerals Chile. Elsewhere in the economy the Junta oversaw a broad program of privatisations and re-privatisations (where expropriated operations were returned to the market) and by 1980 the Chilean state had offloaded over 365 companies at discounted rates leaving just 45 in public hands. Further privatisations occurred throughout the 1980s, despite the entities reporting surpluses. Private sector losses, however, were nationalised during periods of economic recession (for example between 1982-1983; Mellor, 2000, 76-78, 149-50).

The change of policy inspired significant exploration for new deposits by multinational corporations (Suttil, 1991b, 40). The announcement of actual investment projects, however, was much slower. In 1982 the Junta revisited their copper policy due to less than expected foreign investment in the sector. Again the 'Chicago Boys' were influential in shaping policy and promoted the concept of 'concesion plena' (full mining concession), which guaranteed a virtual property right to concession holders (Moya, at interview, 2003). Expropriation of assets though still possible under this system was subject to judicial overview rather than administrative authority (Bade and French-Davis, 1989, 86-7), and indemnification was to be based on the market value as opposed to excessive profit calculations (Lagos, 1997, 60-61). Losses could be indefinitely carried forward for depreciation. The 1982 Mining Law did not contain a provision for a mining royalty with the only state benefits to be derived through a tax regime weighted heavily toward the multinational corporations. The Law was opposed by opposition parties. The opposition argued that the legislation removed Chile’s right

85 CODELCO opened two mines, Radimiro Tomic and El Abra (jointly with Cyprus-Amax), however did not significantly invest in exploration until 1995 (Largos, 1997, 58). CODELCO maintained its share of world copper production (10-12%) until 2000 (Largos, 1997, 57). The lack of investment in new production by CODELCO has been exploited by contemporary advocates of neoliberalism as evidence of the necessity of liberalisation (they argue that State run industries fail to properly invest in future production), despite the fact that it was neoliberal policy that restricted CODELCO’s investment in the first instance.

86 One of the major discoveries during this period was that of La Escondida. The deposit was announced in 1981 by joint a venture between Getty Oil and General Electric (Brewis, 1983).
to determine mining policy by restricting the rate by which reserves could be exploited and the terms for financing mining investments. Opposition to this law also prompted the formation of the National Committee for the Defence of Copper in 1983 (Lagos, 1997, 61). Mining Unions also opposed the new policy orientation of the Junta and led strikes against the regime in the early 1980s (see Figure 4.4).

**Figure 4.4.** Mural depicting striking miners, Antofagasta Chile. Mine workers have engaged in sustained strike action on a number of occasions over Chile’s history. As early as 1920 the Chile Copper Company had been accused in Congress for having pressured the government to use the military to suppress industrial discontent (Ingram 1973, 416). In late 1965 a strike shut down the copper industry for 37 days. The action ended when a state of emergency was declared and the military occupied Chuquicamata mine and detained labour leaders. In January of 1966 a strike at the El Teniente mine ended with military suppression, described by some as a massacre. The military offensive included future coup-plotters of ‘Track Two’ fame, Colonel Roberto Viaux and the 7th Infantry Regiment involved in the attack was commanded future dictator Augusto Pinochet (see Steenland, 1974). Discontent over political appointments of mine management and the cost of living fuelled a series of strikes during 1973 at El Teniente and Chuquicamata. In the early 1980s copper miners at Chuquicamata led opposition to the Pinochet regime by promoting the first national work stoppage under the dictatorship. The work stoppage was quashed by more state violence, though widespread protests did occur (Finn, 1998). Photos by the author.
While economic reform progressed the Pinochet dictatorship received substantial support from international financial institutions. The IMF provided loans tied to neoliberal economic restructuring and austerity measures (Bello and Kelly, 1983). The WB also resumed lending to support the regime. The support of these institutions was particularly important during the periods of recession and was in stark contrast to their approach to the Allende administration. The economic reforms of the Pinochet regime led a substantial increase in export growth but a sharp decline in other social and economic indicators. While much has been written of an ‘economic miracle,’ according to Patricio Mellor (2000) the export of primary resources is the only area where the Pinochet regime outperformed previous and subsequent administrations\(^87\).

**Denationalisation and Copper Boom (1990-2005)**

My position is very simple: I really do not care what percentage of equity the government has in the copper industry…


If the government does not have the capacity to develop policies to protect its own natural resource endowment then this is clearly colonialism because only those who control the financial resources to exploit the resources are the ones that can set the rules of the game.

José Sanchez (at interview, 2003).

**The Economic and Investment Policies of the Concertación**

In 1990 democratic elections were held in Chile after 17 years of dictatorship, following a plebiscite where the majority of the population supported a return to civilian government. The return to democracy in 1990 was followed by a series of administrations from the centre-left *Concertación por la Democracia* (Coalition of Parties for Democracy)\(^88\). The first was that of President Patricio Aylwin Azócar (1990-1994) from the Christian Democratic Party. Whilst Aylwin moderated the free market policies of the Junta by introducing social programs that favoured poorer segments of Chile (Lagos, 1997, 53) he did little to change the investment strategy with regard to mining. Likewise, President Eduardo Frei Ruiz-Tagle (1994-2000) of the Christian Democratic Party and President Ricardo Lagos Escobar (2000-2006) of the Socialist Party have kept the Mining Laws of 1982 as the principal pieces of legislation that guide the extraction of copper.

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\(^{87}\) Mellor (2000) compared the average value of a number of different economic and social indicators across the different Chilean administrations between 1958 and 1989.

\(^{88}\) The *Concertación* initially consisted of the Christian Democratic Party, the Socialist Party, the Radical Party, the Greens, the Humanist Party, the Christian Left and the Social Democrats (the Greens, Humanist and Christian Left have left the coalition). The main opposition during this period has been the right wing Democratic Union and National Renewal parties.
Industry publications regard Chile as having one of the most favourable mining tax regimes in the world (Parsons, 1998, 4; South American Metals, 1999). With the return to democracy these conditions began to be exploited and the significant expansion in mining exploration that began with the junta resulted in a ‘boom’ in investment projects. While in the first decade of the dictatorship around US$60 million was spent on copper exploration, this rose to approximately US$300 million dollars for the following decade and US$700 million in the 1990s (Cabello, 2001, 20; see Figure 0.3).

The first major investment was that of La Escondida. In 1988 BHP (Australia) and Rio Tinto (UK) negotiated a foreign investment agreement with the Junta and invested US$1.14 billion. Production began in 1990-91 (Largos, 1997, 54)\(^89\). Around the same time as La Escondida began production, Disputada opened the Los Broncos mine, Placer Dome opened the La Coipa silver mine, and Phelps Dodge's La Candelaria also came online signalling a significant increase in foreign mining investment. By 1998, 8 major copper deposits had gone into production, representing an investment of US$6.8 billion, while 12 discoveries had yet to be developed (Cabello, 2001, 21-22). In the 15 years that have followed the return to democracy Chile has exponentially increased its copper production, tripling it to over 5 million tons of copper per annum, making it again the world’s biggest producer. However, the policy of public non-investment has meant that all but two of these new mines are owned by private companies (the exceptions are El Abra: 51% Phelps Dodge, 49% CODELCO; and Radomiro Tomic: 100% CODELCO). By 2003 more than 60% of copper production in Chile was controlled by private foreign companies (OLCA, 2003a; Caputo, 2003a). Most of this investment has originated from North America, though a significant percentage is derived from other sources. Foreign mining companies active in Chile include: Homestake (Australia), BHP-Billiton (Australia/UK), Phelps Dodge, Cyprus, Minnesota Mining (United States), Placer Dome, Barrick, Falconbridge, Noranda, Potash Corporation of Saskatchewan (Canada), Mitsubishi, Sumitomo, Nittesu, Nippon Mining (Japan), Anglo American (South Africa), Rio Tinto (UK) and Norsk Hydro (Norway; information from the Chile Foreign Investment Committee; Caputo and Soto, 2006).

Between 1974 and 1999 38% of foreign investment in mining originated from the US, 26% from Canada, 9% from South Africa, 8% from the UK, 8% from Australia, 7% from Japan and 4% from other sources (RENACE, 2002, 21). The majority of this investment was in copper extraction projects.

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\(^{89}\) Rio Tinto holds a 30% stake in La Escondida bought from Texaco who acquired Getty Oil in 1984. BHP acquired Utah, also in 1984, and now holds 57.5% (with the remainder held by Mitsubishi Corp. and the International Finance Corp).
Denationalisation and the Return of Widespread Appropriation

While production increased during this period returns to the state plummeted under the Concertación governments. This is due to a combination of low prices, partly as a result of over production, and the denationalisation of the industry. As demand during the decade of the 1990s did not respond at the same rate as Chile's massive expansion real prices sank (Caputo, 2003b). The international price of copper dropped 31% between 1996 and 2001 (Sunkel and Miller, 2002, 9). In 1989, the final year of the military dictatorship the state received nearly US$2 billion dollars from copper mining. In the ten years that followed production increased three fold, yet the total returns to the state in 1999 plummeted to US$300 million dollars (Alcayega, 1999, 17). Price falls due to overproduction also had the effect of reducing the earnings of CODELCO, the state copper company. The drop in the value of copper was also accompanied by widespread and well-documented tax minimisation by the multinational corporations. Schemes include running at a loss, taking loans from parent companies at rates higher than the market rate, the purchasing of equipment from parent or related companies at prices above market value, the charging of Chilean subsidiaries for the consulting services of the parent company, and the registering of large sized mines as ‘medium' to avoid some forms of taxation (Riesco, 2005, 16; Luna, Padilla and Alcayega, 2004, 25; UNEP, 1999, 21). According to OLCA (2003a) of the 37 foreign mining projects operating in Chile only 3 pay income taxes.

The poor returns to the Chilean state are the consequence of a mining policy that facilitates the appropriation of resources. The statistics are telling. In the decade between 1991 and 2001 foreign mining corporations paid around US$1.9 billion dollars in taxes to the Chilean state. Eighty percent of this figure consisted of contributions made by just two companies, La Escondida and Mantos Blancos (Marvis Corporation and Anglo American – South Africa; Arias, 2003)90. In a similar time period the state mining company CODELCO contributed US$8.7 billion with a fraction of the production of the foreign miners. In 1995 for example private mining out produced CODELCO (see Figure 4.5) yet contributed only around a tenth of the income to the state by some estimates (Lagos, 1997, 62). Copper ventures such as La Disputada de Las Condes (Exxon – USA) and Compañía Minera El Indio (Barrick Gold – Canada) had not paid one single dollar in corporate tax in their more than two decades of mining exploitation in Chile (Comité de Defensa y Recuperación del Cobre, 2003; Riesco, 2005, 3). In 2002, Exxon sold La Disputada de Las Condes for $US 1.3 billion and accrued US$575 million in (gross) tax credits to be used up when the company reaches profitability.

90 In light of Chile's past history of copper Nationalisation, Escondida was wary of a repeat of expropriation and thus opted to depreciate their capital linearly rather than the in an accelerated form, thus making them one of the few corporations currently paying taxes (Balmaceda, at interview, 2003). The company, however, has been accused in the Chilean Senate in 1999 of selling copper 20% below market prices (Alcayega, 1999, 79).
(ABC, 2004; Riesco, 2005, 13, 14). Alcayega (1999) has estimated that in the period up to 1999 Chile failed to collect in excess of $US 11 billion dollars in revenue taxes due to manipulation of the mining laws.

![Denationalisation of Chilean Copper Production](image)

**Figure 4.5** Graph depicting the denationalisation of the copper industry in Chile. The dark shading indicates production by private corporations (the vast majority foreign owned), while the light shading indicates state production. Source: COCHILCO (2002).

In 2005 copper prices recovered significantly in value in response to higher demand, mainly from China. Caputo and Soto (2006) have deduced from company declarations that after tax profits for multinational copper miners in Chile were approximately US$10 billion in 2005. Caputo and Soto (2006) also argue that according to the Chilean Foreign Investments Committee:

> investment in the mining sector for the period 1991-2004, that is to say the democratic period, was US$16 billion in round figures. That figure is practically the same as the earnings for 2006. In just one year the multinationals will earn the same amount that they invested over 14 years, and the investments in the democratic period represent more than 80% of the investment in copper Big Mining since 1974.

The copper extraction boom has also had a significant impact on communities in the vicinity of mining developments resulting in a drastic increase in the number of conflicts and disputed projects. Padilla (in CERLAC, 2003, 20) reports that the number of conflicts recorded by the Chilean government rose from just 3 incidents in 1990 to 16 in 2000. The projects have mostly impacted agricultural and indigenous communities with significant consequences (discussed in detail in Chapter Five).

The Chilean government, in close association with the mining industry, has also negotiated the Mining Integration and Complementation Treaty with Argentina that
creates a special investment zone along the border region (this agreement will be discussed in more detail in Chapter Six with reference to the *Pascua-Lama* project). Similarly Chile has signed FTAs with Canada, Mexico, the United States, the European Union, South Korea, New Zealand, China and Singapore. These 'quasi-constitutional' agreements lock in place the neoliberal investment conditions that have permitted the multinational copper miners to appropriate Chile's resources. Furthermore they establish regulatory conditions that are beyond the influence of non-corporate bodies (CERLAC, 2003, 28).

**Historical Analysis of Landscape Domination and Detachment – Chile**

Through the historical periods defined in the previous section we may analyse the landscapes that have influenced the case studies with respect to the Landscape Consumption Model. **Table 4.1** outlines the dominant, subaltern and emergent landscapes and the type of domination and detachment interpreted for each historic period. As is evident from the table landscape domination has involved a number of different social landscapes (multinational corporations, First World states, free trade agreements, academic institutions and international financial institutions) and taken various forms (ranging from funding of political parties and the overthrow of governments, to debt leverage). The subaltern landscapes experiencing domination likewise have varied throughout the historic period (Chilean society; social groups and political parties associated with *Unidad Popular*; and communities and indigenous groups in the vicinity of extractive resource projects).

The Landscape Consumption model hypothesises that domination and detachment are intimately linked, such that domination by resource appropriators necessarily detaches subaltern landscapes from the social systems (political institutions, regulatory bodies etc.) that express the life-ways of the people and that the appropriators themselves are detached from the consequences of their domination. During the period of the New Deal and Chileanisation arrangements the multinational corporate owners of the *Gran Mineria* achieved their domination of Chilean society through their ability to detach Chileans from their political parties and democratic institutions. Public expression of policy was subverted by corporate and United States government manipulation of the parliamentary system. With time the effectiveness of these methods were nullified with exposure and policies more favourable to the Chilean society (in this case Nationalisation) were pursued. The emergent social movements for Nationalisation defined appropriation within the context of Chilean society and sought to reduce the intensity of appropriation through taxation and eventual state control of the copper resources.
Table 4.1 Summary of Landscape Domination and Detachment for Copper in Chile.

<table>
<thead>
<tr>
<th>Historical Period</th>
<th>Period of RA?</th>
<th>Dominant Landscapes (non-sovereign landscape that shapes appropriation)</th>
<th>Emergent Landscapes</th>
<th>Subaltern Landscapes (sovereign landscapes dominated for resources)</th>
<th>Type of Domination and Detachment</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Deal (1955-1964)</td>
<td>Yes–Substantial</td>
<td>Multinational corporations: Anaconda, Kennecott</td>
<td>NA</td>
<td>Chilean society</td>
<td>Corporate: funding of political parties and manipulation of policy (favourable investment climate) control production rate that may or may not be in the interest of Chile disproportionate accumulation of the returns of extraction</td>
</tr>
<tr>
<td>Chileanisation (1964-1970)</td>
<td>Yes–Partial</td>
<td>Multinational corporations: Anaconda, Kennecott First World state: United States government</td>
<td>Social movements for Nationalisation</td>
<td>Chilean society</td>
<td>Corporate: funding of political parties and manipulation of policy (favourable conditions of partial divestment) capture of regulatory authorities disproportionate accumulation of the returns of extraction</td>
</tr>
<tr>
<td>Dictatorship (1973-1990)</td>
<td>Yes–Moderate</td>
<td>First World state: United States government Multinational corporations: Exxon, BHP, Getty Academic institutions: University of Chicago International financial institutions: World Bank International financial institutions: IMF</td>
<td>NA</td>
<td>Chilean Democratic government (Unidad Popular) Chilean society Social sectors and political parties associated with Unidad Popular</td>
<td>Corporate: exploration and construction of copper mining projects purchase of privatised mines United States government support of dictatorship to: restrict economy and society to re-establish conditions of appropriation violently suppressed opposition suspend parliament and elections International financial institutions: economic support and loans to the regime professional economic advice and discursive support</td>
</tr>
<tr>
<td>Denationalisation (1990-2005)</td>
<td>Yes–Substantial</td>
<td>Multinational corporations: Anglo American, Falconbridge, Air Resources, BHP Billiton etc. Free trade agreements: Canada, United States etc. International financial institutions: World Bank, IMF</td>
<td>Social movements for the defence of copper</td>
<td>Chilean society Communities and indigenous groups located in the vicinity of extractive projects</td>
<td>Corporate: exploitation of conditions established by dictatorship extraction at the expense of communities and indigenous groups discrediting of community opposition pressure on political parties to retain conditions established by dictatorship and consolidate by signing FTAs control production rate that may or may not be in the interest of Chile disproportionate accumulation of the returns of extraction construction of extractive projects exploitation of associated resources (for example, water) Free trade agreements: foreign investment protection and consolidation of conditions of appropriation, beyond the influence of non-corporate actors. International Monetary Fund: leverage of debt to entrench conditions of appropriation promotion of continuation of neoliberal conditions World Bank: funding and insurance of multinational extractive resource projects</td>
</tr>
</tbody>
</table>
With parliamentary manipulation no longer an effective option the landscapes of the multinational corporations and their First World state supporters shifted to remove the parliament as the determiner of political outcomes to reinstate domination. These methods too involved a fundamental detachment from the subaltern landscapes. While attempts were made during the period of Nationalisation to achieve appropriation, multinational corporate landscapes and the US government can be described as emergent during this period. When the Military Junta violently re-established the conditions of appropriation it did so divorced from the rest of Chilean society. Institutions were dismantled, the constitution suspended and social groups repressed. While few copper extractive resource projects reached the production stage by the time of the transition to democracy, the Military Junta facilitated the conditions for multinational corporations to appropriate future resources. Thus copper RA during the period of the dictatorship can be described as moderate, even though the methods used to support appropriation were extreme\textsuperscript{91}.

The return to democracy led to an increase in the number of extractive resource projects that exploited the conditions established by the dictatorship and a diversification of the origin of the multinational corporations. RA thus became more substantial and widespread. The unprecedented increase in the scope of copper mining in Chile brought a new dimension of domination over subaltern landscapes. Where RA could be seen in earlier periods to be dominating Chilean society (since domination was framed as ownership and appropriation of the returns of the Gran Minería – which consisted of a small number of mines in remote regions) denationalisation and expansion exposed other more regional landscapes at project specific scales to domination. Mining extraction now impacted agricultural communities and indigenous Peoples leading to a substantial increase in conflicts. Domination in these instances included the physical presence of the projects such as roads and tailings dams, and the redefinition of the uses of the landscape as a whole (discussed in more detail in Chapter Five). The subaltern landscapes in this situation challenged the existence of the projects in addition to the distribution of the associated benefits.

The changing types of domination and detachment suit a landscape approach because if we were to define appropriation through a particular method we may misinterpret the broader relationships at play. This is particularly relevant with reference to the continuance of the policies of the Military Junta by the Concertación governments. While the extremity of the types of domination diminished, the situation of detachment remained, and the extent of domination substantially expanded. International

\textsuperscript{91} This statement is not true of all types of resources.
agreements, such as FTAs, consolidated the conditions of appropriation outlined in the
mining laws and insulated these conditions from renegotiation. RA during this period
can be considered substantial even though the methods by which appropriation was
supported were more benign than earlier periods. Thus it is not domination \textit{per se} that
facilitates appropriation but also the detachment that domination brings.

One final point of interest with reference to the case study is that Chilean sovereignty
of the prosperous mining region in the north is itself in question (including a number of
the mines of the \textit{Gran Minería} such as El Salvador and Chuquicamata). The Chilean
state annexed this region from Bolivia during the War of the Pacific (1879-1884).
Though these events fall outside the historical period chosen for the case study they
demonstrate the relativity of sovereignty (discussed in Chapter One). Bolivia continues
to seek reparations for the annexation of their former territory.

\textbf{Comparison with other Theories of Resource Appropriation}

A large body of critical theory literature (Galeano, 1973; Moran, 1974; Girvan, 1976;
Muirragui, 1989) have framed the appropriation of Chile's resources over the past half-
century as exploitation by a First World state (the United States) of a resource
producing Third World country, facilitated through the economic penetration of
multinational (US) corporations. This conclusion is supported by a number of political-
economic indicators, at least during the early period of the case study. Theorists from
the imperialism, corporate imperialism, minerals imperialism and the dependency
schools have all described Chile as a typical example. During the time period of the
New Deal (1955-1964) and the Chileanisation agreements (1964-1970) both Anaconda
and Kennecott demonstrated behaviour that can be described as 'monopoly' consistent
with imperialism theory. The corporations and US government also contributed to the
construction of a political apparatus that facilitated appropriation during these periods,
as well as during the period that led to the Military Dictatorship (1973-1990). Similarly,
as predicted by corporate imperialism, multinational corporations appropriated surplus
Chilean capital with the aid of their host government, and consistent with minerals
imperialism intervention and diplomacy by the imperial power (in this case the United
States) was in part motivated by the necessity to support mineral producing
corporations.

Dependency theory also provides some relevant insights. Dependent
underdevelopment of the periphery (Chile) by the core (initially the United States, later
more broadly) can be interpreted to have occurred in the management of the \textit{Gran
Minería} where production corresponded to the goals of the US and the multinational
corporations (particularly during the period of the New Deal) rather than the
development of the Chilean state. Theodore Moran's (1974) 'balance of power' model predicted outcomes consistent with the case study and this is largely because the model was developed through a detailed analysis of Chilean RA between the 1950s and 1970s. The model argues that a transfer of power occurs away from foreign corporations as resource projects proceed and host countries develop the skills necessary to renegotiate conditions. This premise can be seen in the increasing assertion of Chilean sovereignty over resource extraction in the Chileanisation and Nationalisation periods. According to our interpretation of the model, RA would then occur when there are lapses in the inevitable power shift toward greater host country control over resource projects. However, the wholesale reinstatement of conditions of RA, as represented by the dictatorship, is not accounted for in the 'balance of power' model.

The characterisation of Chile as representative of imperialism, corporate imperialism, minerals imperialism or dependency, however, becomes more difficult to justify in the later periods of the Chilean case study. Increasingly corporate globalisation theory becomes more relevant in the period that followed Nationalisation. International financial institutions and agreements played important roles in supporting, guiding and consolidating the economic transition undertaken by the Military Junta. Furthermore appropriation broadened to include other First World states and multinational corporations. Even as early as 1972 this process was evident. President Allende, for example, recognised the changing international relations when he argued that: "Latin America, as part of the developing world, has waged many battles in the last few years to change the structure of the economic and commercial relations with the capitalist world, to replace the unfair and discriminatory economic and monetary order created in Bretton Woods at the end of World War II" (Allende, 1972).

Similarly the colliding ecologies model provides more insights in the later half of the case study, particularly during the period of Denationalisation (1990-2005). Prior to Denationalisation and the copper boom the conflict between the Chilean polity and the resource appropriators centred on the issue of the control and ownership of the mines rather than more fundamental rejections of the existence of projects or the ecological and social ramifications of resource extraction. Cultural loss associated with ecological deterioration is evident in a number of examples as part of the massive expansion of multinational mining and will be discussed in detail in Chapter Five. The colliding ecologies model does not provide explanations for how relationships of appropriation develop or how two systems of resource exploitation come to occupy the same geographical space. The model is better suited to providing explanation of the ramifications of such circumstances.
Part B: Testing the Landscape Consumption Model

The outcomes of the Chilean case study do not support many of the predictions of the resource curse model. The state run mining company (CODELCO) efficiently provided for Chilean controlled resource extraction counter to the claims of the model, and the Chilean state managed property rights, law and order and development under both social democratic as well as neoliberal administrations. The Chilean case furthermore sits outside of the typology of geography and resource conflict outlined by Billon (2001). The typology suggests that resource conflict in the form of a coup is generally apparent in cases where point resources (such as copper deposits) are located proximate to the location of state power. Chile's copper resources are located on the margins of controlled territory (predominantly in the far North of the country) and according to the typology should be prone to being captured by dissenting or succeeding social groups, rather than state overthrow.

The domination apparent in the case study also is not supportive of the conclusions of the business conflict or ecological imperialism models. The domination, as far as can be ascertained, was not influenced by conflict between corporate entities as predicted by the business conflict model (though state interventionist policy did reflect corporate interests) nor was it facilitated by biological and agricultural support systems as described by ecological imperialism. Fourth World theory, while broadly applicable to the case study, offers little substantive insight in relation to the domination outlined. While indigenous nations within Chile do experience domination due to copper appropriation (see Chapter Five), the methods and processes applied by the appropriators to dominate indigenous nations in relation to copper extraction in Chile during the time period of the case study are not explained through Fourth World theory. The insights of Fourth World theory, with its descriptions of occupation and annexation of Fourth World territory, transmigration and acculturation, and state oppression in support of resource producing corporations, does not fit the case of copper in Chile during the time period discussed. Occupation of indigenous lands in Chile largely, though not exclusively, occurred prior to the copper projects that have dominated indigenous Chileans. Such occupation, however, continues to be supported to facilitate appropriation. Contemporary Chilean society consists of a large percentage of people who identify themselves as Mestizo (mixed indigenous and European heritage).

The Landscape Consumption model is applicable to the case study across the historic period. The model provides the opportunity to analyse how different social groups appropriated resources through various types of domination and how this domination detached these groups from the sovereign subaltern landscapes. The landscape approach permits an analysis of the changing relationships, power and methods of the actors. As hypothesised by the model the method and actors in the Chile case study
were not consistent across the case study period. The domination ranged from the funding of political parties to the destabilisation and overthrow of governments and occurred at various scales. What was consistent across the case study was that each type of domination contributed to the creation of a situation of detachment that facilitated appropriation. The model also differentiates between attempts at domination and the effectiveness of such attempts in detaching sovereign social groups. The model acknowledges that while a single resource may be the focus of RA, in practice the appropriation of that resource can lead to broad domination of the social and political landscapes of those who retain sovereignty of the resource and the physical landscapes where the resource is situated.

Conclusion

This chapter undertook a historical analysis of copper RA in Chile during the period 1955-2005, and considered the relevance of the case study to the Landscape Consumption model through an investigation of the themes of Domination and Detachment. Five historic phases were identified: the political manipulation of the New Deal, the Chileanisation and Nationalisation of the copper industry, the installation of the dictatorship and the denationalisation of copper after the return to democracy. The chapter found that a number of dominant social landscapes contributed to RA throughout the period of analysis including: multinational corporations, a First World state, academic institutions, international financial institutions and free trade agreements. The case study identified the main social landscapes experiencing domination as: a Third World state, Chilean political parties and social sectors, and communities and indigenous groups located in the vicinity of extractive resource projects. The processes by which resources were appropriated also varied across the case study period. The domination ranged from the funding of political parties and the destabilisation and overthrow of governments to the legislation of foreign investment protection and the conditions of appropriation. The chapter found that what was consistent across the case study was that each type of domination contributed to the creation of a situation of detachment that facilitated appropriation. The chapter also found that while a single resource may be the focus of RA, in practice the appropriation of that resource can lead to broad domination of the social and political landscapes of those who held sovereignty of the resource and the physical landscapes where the resource is situated. In the following chapter I ask whether the Landscape Domination and Detachment outlined in this chapter has facilitated a broader deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated.
Chapter Five

Landscape Consumption
Case Study One — Chile

The people of Argentina, Chile and Peru are seeing their territories plundered. They are also confronting serious environmental problems, which, if not stopped immediately, will prevent future generations from exercising their right to an adequate quality of life…


Introduction

This chapter asks whether the political ecological circumstances of Resource Appropriation, that is Landscape Domination and Landscape Detachment, have facilitated a broader deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated. The chapter will investigate the direct consequences of the Landscape Domination and Detachment described in the previous chapter and the political ecological context in which these consequences have arisen. In doing so a range of issues will be addressed in relation to the social and environmental impacts of copper extraction. The main task of the chapter will be to determine whether the theoretical model outlined in Part A of the thesis is applicable to the case study.

The analysis in this chapter corresponds to the periods defined in Chapter Four as the Dictatorship (1973-1990) and Denationalisation (1990-2005). Both of these periods were argued to be periods of RA, though with varied landscapes, methods and intensity. The main social landscapes included multinational corporations, international financial institutions and free trade agreements, the Chilean government and the communities in the vicinity of extractive resource projects.

The copper mining industry has long been an important component of the Chilean economy and appropriation has brought far-reaching implications. Copper played a decisive role in the domination outlined in the previous chapter, including the destabilisation of the democratic Chilean government, and the dismantling of Chilean political institutions. As an example of the pivotal role of copper appropriation in these events the military junta conducted a string of extrajudicial executions in the early weeks of the regime in Chile’s northern copper regions (La Serena, Copiapo, Antofagasta and Calama) targeting prominent figures of the newly nationalised copper mines in what has become known as the ‘Caravan of Death.’

While the human rights
Part B: Testing the Landscape Consumption Model

atrocities of the Pinochet Regime are stained with the bright green tarnish of copper, they cannot be exclusively attributed to copper appropriation and will not be the focus of this chapter. Consistent with the research methodology this chapter questions the social and ecological consequences of RA that can be directly attributed to the appropriation of copper. In the case of Chile the consequences of the appropriation of copper are multi-scaled. The chapter begins with a broad discussion of the political ecology of the Chilean copper industry during the periods of appropriation, before introducing a number of examples at the scale of individual extractive resource developments and their socio-ecological impact on sovereign Chilean Landscapes. An analysis of Landscape Consumption in Chile and a comparison to the other theories of RA conclude the chapter.

Consumption of Chilean Landscapes

The investment policies of the Pinochet dictatorship were accompanied by a deregulated approach to foreign participants of the Chilean economy. The neoliberal economic policy adopted by the regime had the effect of “placing a larger emphasis on short-term gains” and in response “production systems were intensified and there was a trend towards increased exploitation of natural resources” (UNEP, 1999, 18). Radical economic liberalisation produced widespread environmental deterioration in Chile, as deregulation led to the externalisation of the costs of extraction onto the Chilean people and environment (Taylor, 1998, 423; Lagos and Velasco, 1998; Martínez and Hauwermeiren, 1996, 160; Silva, 1996, 1; Sanchez, at interview, 2003). According to Lagos and Velasco (1998) "It is not by chance that in the mid-1980s, an influential economic advisor to the government, who later became the minister of finance, told a meeting of North American business people that they would find investing in Chile to be advantageous because they would not have to comply with any environmental law."

During the 1980s civil society cautiously organised to respond to such environmental deterioration, however, the regime “either ignored the environmental impact of its development model, or when pressure mounted, gave it a very low priority” (Silva, 1996, 9). Under civil society pressure the military regime included the right to a clean environment in the 1980 constitution and created the National Commission of Ecology in 1984 to provide advice to the President on environmental matters (by decree law 680 of the Ministry of National Assets; Martínez and Hauwermeiren, 1996, 22).

The state copper company CODELCO also responded to the priorities of the dictatorship. As revealed in Chapter Four, revenue generated by CODELCO was
directed toward the armed services rather than spent on improvements to the
operations. Under such circumstances CODELCO did not have the ability to direct its
resources as it saw fit (José Sanchez, at interview, 2003). As a state company
CODELCO responded to the priorities of the Junta. "It was only after the Aylwin
government came to power in 1990" say Lagos and Velasco (1998) "that the state
companies joined in the discussion of environmental legislation." While this
characteristic of state organisations can be beneficial under democratic circumstances,
where economic priorities can be supplemented by social and environmental goals,
under dictatorship CODELCO adopted the regimes policy of environmental and social
neglect.

The return to democracy brought a transition to a policy regime that attempted to
address the environmental and social implications of the Chilean development model,
though the legacy of the policies of the Dictatorship “imprinted indelibly on Chile's
environmental laws, institutions, policy processes and popular participation”
(Carruthers, 2001, 354; Sanchez, at interview, 2003). The National Environment
Commission (CONAMA) was created in June 1990 by decree 249 of the Ministry of
National Assets (Martínez and Hauwermeiren, 1996, 25) and the Environmental
Framework Law was introduced to congress in 1992, passing into law in March 1994
(Law No. 19.300; Carruthers, 2001, 348; Silva, 1996, 13). The laws established an
Environmental Impact Assessment (EIA) system, with industry produced impact
statements compulsory from 1997 (Silva, 1996, 13; Martínez and Hauwermeiren, 1996,
27). Regional commissions called COREMAS were also established (Carruthers, 2001,
348).

The Concertación adopted an administrative rationalist approach to environmental
policy. They promoted the ‘polluter pays’ principle, and ‘end of pipe’ solutions and
introduced a regulatory framework for the mining industry (Carruthers, 2001, 349;
Silva, 1996, 14-15, 20; Martínez and Hauwermeiren, 1996, 25). However, the success
of the administrative rationalist approach is predicated on a level pluralism that was
absent from Chilean democratic institutions as the country transited from decades of
dictatorship. The dominance of elitist and market practices undermined the efficacy of
the legislative framework and failed to significantly alleviate the environmental
problems associated with the expansion of natural resource extraction (Carruthers,
2001, 349). Manuel Jara, the research director of an environmental organisation that
works closely with communities impacted by the extractive resource industry, has
argued that this situation is a function of priorities rather than the inadequacy of the
existing legislative platform:
There are different instruments at this moment to control mining companies and to make (sic) that they pay taxes...[to] control the environmental impacts and the impacts on workers, and to protect other activities affected by mining like agriculture. It is all available if you really want to do it but the democratic government chooses to protect investment (Jara, at interview, 2003).

Some authors have argued that the environmental reforms adopted by the democratic administration were a direct consequence of the influx of foreign mining firms into Chile. These authors, consistent with neo-liberal theory, argue that the foreign private firms operate at higher environmental standards than state enterprises, such as CODELCO, and employ more environmentally benign technology. They point to the adoption of the system of EIA by a number of new copper ventures before such a system was mandatory as evidence of the transfer of their higher First World standards to Chile (Borregaard and Duffy, 2002, 16; Borregaard, Blanco and Wautie, 1998, 9, 11). They also point to the clean up of air pollutants from mineral smelters after the return of foreign mining investment, using sulphur emissions as an indicator of change (Lagos and Andia, 2002; Borregaard, Blanco and Wautie, 1998). While the policy of EIA did not strictly become mandatory until 1997, legislation introducing EIA was originally introduced into the Chilean Parliament in 1992, before the significant increase in foreign participation in the mining industry. The use of sulphur emissions from copper smelting as an indicator is also misleading. Most foreign produced copper is exported in the form of copper concentrate (that is pre-smelting). Sulphur emissions from state run smelting operations were significantly reduced over the decade of the 1990s, but these improvements were the result of efforts by the democratic government to address the environmental legacy of state run operations. For example, Supreme Decree No. 252 (1992), 132 (1993) and 189 (1994) presented plans to reduce pollution at Chuquicamata, and provisions for the reduction of sulphur and arsenic emissions at CODELCO facilities. Major investments were made to reach compliance of these decrees (Silva, 1996, 20). These measures were adopted prior to the large influx of foreign mining enterprises and can be more satisfactorily attributed to the return to Democracy and the administrative rationalist approach to environmental policy adopted by the democratic administrations (under pressure from Chilean environmental organisations). In any case, the comparison of the environmental and social standards of modern mining firms with the legislative legacy of the dictatorship cannot be sustained as an argument in support of the ecological and social efficacy of the neo-liberal policy employed to facilitate copper RA.

There is also no evidence to suggest that the uptake of new technologies is more pervasive in foreign private firms in Chile, or a function of foreign direct investment.
Currently the technology used by CODELCO and the foreign owned companies is largely equivalent (Borregaard and Duffy, 2002, 15). In contrast there is now substantial evidence to suggest that the massive expansion of copper extraction in Chile has resulted in a consequent deterioration of environment and social parameters. Borregaard and Duffy, (2002, 10) while maintaining the argument that technology improvement and better environmental management by multinationals has improved environmental standards in Chile, acknowledge that the scale effects of foreign direct investment in the mining industry in Chile are large, stating that “more investment will necessarily imply more environmental effect regarding the expansion of production”. The demand for water by the mining industry in Chile for example has increased substantially over the decade of the 1990s. Mining consumes between 60 and 70% of the total water used in Regions II and III. Demand for water from copper mining is by far the largest source of increased demand (Lagos, Andia and Guzman, 2006, 244).

Rubén Bustamente, President of Agricultores Calama (in OLCA, 2001) argues that:

...we farmers are up against these trans-national companies, who want to take all the water. They want to use the water here, when they have the resources to bring it from elsewhere...if the foreign mining companies take the water which the farmers use now, farming will die...we will be left with romantic memories of our agriculture, which we could not defend.

Moreover, there are strong indications of a worsening of the environmental and social performance of the Chilean copper industry in relative as well as absolute terms. Figueroa, Calfucura and Nuñez (2002, 236) used a green national accounting approach that takes into account the depreciation of natural resources. They concluded that the Chilean mining sector demonstrates “an unsustainable pattern of natural resource exploitation” that is “possibly worsening in recent years.” Joaquin Ferrero (at interview, 2003), former head of a Chilean environmental agency, described the relationship between mining operations and communities in Chile as having deteriorated in recent times. He believes this is “the result of the way the industry is conducting its operations lately”, as there is a “very unequal relationship between the mining companies and the rural societies." Access to water is of particular concern as the water that private companies purchase for their mining operations is the same water used for farming and grazing. "In the north of Chile," says Ferrero, "the mining companies have been using huge amounts of water and the communities around the mines are disappearing."

Padilla (in CERLAC, 2003, 20) has pointed to the fact that the number of conflicts between mining companies and communities recorded by the Chilean government has risen from just 3 incidents in 1990 to 16 in 2000. OLCA (2003b) detailed 15 mining
conflicts, including Aldebarán (Placer Dome, Arizona Star Resources, Bema Gold – Canada); Altonorte (Noranda – Canada); Carmen de Andacollo (Aur Resources – Canada); Collahuasi (Falconbridge – Canada, Anglo American – South Africa); Pascua Lama (Barrick – Canada, Homestake – US); and Pelambres (Antofagasta – Chile; Japanese investment capital). The projects have mostly impacted agricultural and indigenous communities with significant consequences. Both Carmen de Andacollo and Pascua Lama will be discussed more in proceeding sections.

Waste generated by copper mining in Chile has also increased dramatically between 1989 and 2000. Tailings (mining waste produced at the end of the production process) increased by 127% (to 250 million tons per year in 2000) during this period. Waste rock increased by 199% (to 1.7 billion tons per year in 2000) and heap leach tailings by 926% (to 250 million tons per year in 2000; Lagos and Andina, 2002, 321). Most of the production of tailings and heap leach tailings occurred in Northern and Central Chile (Regions I to IV, particularly Region II; Lagos and Andina, 2002, 321). The combined waste (tailings, slag, waste rock and heap leach tailings) rose from around 700 million tons per year to 2200 million tons per year (214%), while copper production only increased from 1.6 million tons to 4.6 million tons per year (187%). The ratio of copper produced to waste generated therefore rose from 1:437 to 1:478 (Lagos and Andina, 2002, 321). In short, waste generation by copper mining between 1989 and 2000 increased in both absolute and relative terms. Based on these waste figures the argument that the influx of foreign investment in Chile has favourably impacted the environmental performance of the copper mining industry cannot be sustained. These figures also suggest that the democratic government, while making important environmental reforms, has failed to mitigate the impacts of the expansion of copper extraction in Chile. To further investigate the outcomes and causal mechanisms associated with the consequences of RA in Chile three examples will be explored: El Salvador, Carmen de Andacollo and Pascua Lama.

**El Salvador and Chañaral**

The El Salvador copper mine was opened by the Anaconda corporation as replacement for the nearby Potrerillos mine in 1959. El Salvador is a porphyry copper

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93 Part of this increase is due to the poor waste/production ratio of the increasingly popular heap leach method. For each ton of copper produced, 80 ton of tailings are produced from flotation methods, and 190.5 tons of tailings are produced from heap leaching (lixiviación) methods in Chile (Lagos and Andina, 2002, 320). Tailings deposits are widespread throughout Chile. In 1989, 275 tailings deposits were operational (covering nearly 6000 hectares), 243 not in operation (covering nearly 2000 hectares) and 106 abandoned (covering just over 100 hectares; Lagos and Andina, 2002, 323). Abandoned tailings deposits have caused contamination of beaches and the alteration of habitat (Lagos and Andina, 2002, 323). UNEP (1999, 37) reported the existence of 717 tailings dams with liquid wastes and 149 sites with solid wastes, 299 are unstable and are leaching into local watercourses.
deposit and is located in the Atacama Desert, 100km north east of Copiapo, in Region III. The mine is located at an elevation of 2600m and approximately 120km from the coast. The mine is an underground operation, with ore separated through flotation methods. From 1938, Anaconda disposed of its untreated tailings waste from the Potrerillos/El Salvador operations into the Pacific Ocean via the Salado River. The Salado River drains from the base of the Andes to the coast, with water flows generated by Andean ice fields (Castilla and Correa, 1997, 72). Between 1938 and 1975, 150 million tonnes of untreated copper tailings were disposed into the river, making their way to the beach at Chañaral Bay (Ramirez et al., 2005, 62; Castilla and Correa, 1997, 71). This waste has affected the communities of Diego de Almagro, El Salado and Chañaral (Castilla and Correa, 1997, 72).

After the nationalisation of Anaconda in mid 1971 the Chilean state progressively assumed control of the El Salvador operations and the nationalised companies were consolidated into CODELCO in 1976. In 1975 the tailings waste from El Salvador blocked the harbour in Chañaral and the tailings disposal site was moved 10km north to Caleta Palito (Castilla and Correa, 1997, 72; Bohorquez, 1989, 252). Between 1976-1989 an additional 130 million tonnes of tailings were disposed at Caleta Palito (Farina and Castilla, 2002; Castilla and Correa, 1997, 72). The copper concentration of the tailings was between 6000-7000ug/l (Ramirez et al., 2005, 62-63; as a comparison the relevant contemporary Australian guidelines – ANZECC – set a trigger value for slightly to moderately disturbed marine ecosystems of 1.3 ug/l; ANZECC 2000).

In 1983 UNEP listed Chañaral as one of the most serious examples of industrial marine pollution in the Pacific (UNEP, 1997). The tailings have resulted in severe changes to coastal ecosystems including the “dismantling of the benthic intertidal communities” (Correa et al., 1999, 58). In addition they have caused beach degradation and progradation, an increase in copper concentration of the seawater, elimination of invertebrates and algal species, a reduction in biodiversity, and disruption of ecosystem chains (Ramirez et al., 2005, 70; Castilla and Correa, 1997, 72). Biodiversity in the rocky intertidal areas and the sandy beach remain low, and “the lower diversity and density is directly correlated with the wastes carried by the mining effluents,” principally heavy metals and sediment (Ramirez et al., 2005, 70). The highest concentrations of copper are present at the beaches that consist entirely of tailings (Lee et al., 2006, 1393). These sites also correspond to the most impacted sites biologically (Lee et al., 2006, 1394; Ramirez et al., 2005, 62). Approximately 70% of the tailings remain trapped in the bay.
Residents of the coastal fishing city of Chañaral launched a public campaign to highlight the impact of the tailings and in 1987 filed a legal suit against CODELCO. The Citizens Committee for the Protection of the Environment and Development of Chañaral joined the action along with 70 citizens of the town (Bohorquez, 1989, 252). The legal case alleged that Chañaral’s development prospects were "destroyed and delayed or aborted due to the progressive poisoning of its coasts and its population by the daily bombardment of corrosive water and substances sent to the sea" (Bohorquez, 1989, 251). The case claimed that the tailings caused “the death of abundant and diverse quantities of fish that inhabited what is today a marine desert," and spoke of the “burial of bays and the environment, of life and the future” (Bohorquez, 1989, 252-3). CODELCO argued that the disposal system was well studied, that the contamination had been overstated and that studies had revealed that the current system was technically and economically preferable to land disposal. They furthermore argued that the disposal was subject to a detailed monitoring program (Bohorquez, 1989, 256-7).

The court found that the pollution extended over an area of 200 km² (Bohorquez, 1989, 262), based on CODELCO reports. The court acknowledged a series of scientific studies that demonstrated contamination of fisheries and other amenities (Bohorquez, 1989, 262-267) and ordered an end to tailings disposal at Chañaral. Invoking the 1980 constitution, the court found that the "situation violates the right of the inhabitants of the city of Chañaral to live in an unpolluted environment" (Bohorquez, 1989, 257). In 1998 the appeals court of Copiapo enjoined CODELCO to cease and desist dumping. CODELCO took the matter to the Supreme Court, which upheld the lower courts decision (Silva, 1996, 29). The court ruling prevented further disposal, ordering a settlement dam be constructed between the mine and the coast with only ‘clear’ tailings (that is, without sediment) permitted to be discharged (Ramirez et al., 2005, 62-63). Tailings have since been directed to the Pampa Austral impoundment (Dold and Fontboté, 2001, 8). CODELCO was held responsible for the actions of the Anaconda copper company due to the fact that CODELCO was the legal successor.

The contamination at Chañaral remains unremediated and the community has argued that the contamination has lead to significant health problems and prohibited fishing and tourism development (Rebelión, 2001). In the case of the Chañaral beach where the original habitat was smothered by tailings "there is little evidence of recovery 25 years after dumping ceased" (Lee et al., 2006, 1394). “The evidence indicates that the devastating ecological impact of the mining tailings on the coastal benthic communities…has not fully disappeared” (Correa et al. 1999, 66). Clear water tailings discharge continues, though Lee at al. (2006, 1393) argue that the current discharge of
clear water tailings does not seem to be having a large environmental impact. The dumping of untreated mine tailings into coastal areas is now prohibited by Chilean environmental legislation (Castilla and Correa, 1997, 71).

**Carmen de Andacollo and Chepiquilla**

The Andacollo Copper project is operated by Carmen de Andacollo, with Canadian mining company Aur Resources the majority shareholder (minority shareholders include: Minera del Pacifico – 27%, and the state company ENAMI – 10%)\(^{94}\). The mine is located in the community of Chepiquilla, around 2 km from the city of Andacollo and 55 km from La Serena, in Region IV. Chepiquilla is within the city limits of Andacollo. Work on the mine began in 1996. The project is a ‘heap leach’ copper operation that processes copper oxide and supergene (weathering produced) sulphide ore. The processing consists of mining the top layer of ore material in an open cut operation and arranging this ore into a surficial ‘lixiviación’ pile where an acid spray is applied. The acid filters through the ore material and dissolves the copper minerals before the copper-rich liquid is collected for further processing. Heap leach operations have recently increased in popularity in Chile. This type of operation takes advantage of the enriched (due to weathering) secondary ore layers on the surface of primary sulphide copper deposits. These types of mines generally have a short mine life. The Carmen de Andacollo mine has an expected mine life of around 11 years (Padilla, 2005; Carmen de Andacollo, 2003). A substantial proportion of Chilean copper production now comes from the heap leaching of copper ores, like that of Carmen de Andacollo\(^{95}\).

The leaching piles of the Carmen de Andacollo project are located just 200m from homes in Chepiquilla (see Figure 5.1). They cover an area of 520,000 m\(^2\) and have a height of 60m (Juntos de Vecinos – Chepiquilla et al. 2001). The leaching process uses sulphuric acid to saturate the ore. A single year of leaching at Andacollo used more than 54,000 t of sulphuric acid (OLCA, 2001). The community of Chepiquilla has complained of health problems as a result of the mining operations, particularly respiratory illnesses due to the contamination of the community by dispersion of the sulphuric acid spray that is applied to the ore piles to dissolve the ore minerals (Neighbourhood Committee, at interview, 2003). The health impacts of the spray have been confirmed by the Coquimbo Health Service (Corvalán and Alvear, 2003, 63-66).

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\(^{94}\) At the time of writing Aur Resources is increasing its shareholding to 90% through the purchase of the Minera del Pacifico shares. Teck Cominco has also begun acquisition of Aur Resources.

\(^{95}\) In 2004 the ratio of copper concentrate production to ‘electrowon’ production from the leaching of copper ores in Chile was 3,776,200: 1,636,300 tonnes respectively. This ratio is significantly higher than the World figures (11,900,000: 2,700,000; Edelstein, 2004).
Figure 5.1 a, b & c. The Andacollo Copper Project. From top to bottom: photo of Andacollo showing the Andacollo copper project (top left) and adjacent Dayton gold project (top right); photo of Chepequilla showing the proximity of the heap leach piles; and the heap leach piles. Photos by the author.
Other environmental concerns include the impacts on vegetables and soils and the noise pollution from blasting so close to the community. The community has argued that pollution from the mine has caused their trees to dry up and for the fruits to become ill and acidic (Neighbourhood Committee, at interview, 2003). Mirtha Vicentello, President of the Neighbourhood Committee of Chepiquilla has said:

The mining company has caused pollution in the area. We are the people who have been harmed. All the trees began to die, the fruit is useless...Previously, everyone here had trees and fruit and could enjoy a healthier life. Not now. You can't plant trees or vegetables because they are all burnt by the acid from the Carmen Mining Company (in OLCA, 2001).

Similarly Chepiquilla resident Roberto Vicentello has argued:

The heaps of rock were not here until 6 years ago. It was flat here. As soon as it arrived, the company started to pile this rock above the town. And the authorities did not worry about the harm it might do to the people...The company worries even less... And now we have enormous pollution, because the authorities didn't worry about the companies working right on top of the towns. That's why life is more unbearable in Andacollo (in OLCA, 2001).

Before the mine arrived the community considered Chepiquilla the ‘greenhouse’ of Andacollo, “We had nice fruits and trees, clean water and people from other places used to come and relax and sightsee” (Neighbourhood Committee, at interview, 2003)\(^96\). This is no longer the case. In 1997 heavy rains caused the heap leach piles to collapse (Padilla, 2005), causing groundwater pollution in the adjacent residential areas, as confirmed by a number of studies (including one by the Coquimbo Health Service; Padilla, 2005; Corvalán and Alvear, 2003, 63; Juntos de Vecinos – Chepiquilla et al. 2001). The impact of the air pollution had also begun to be felt by the community and the situation was brought to the attention of the company and Chilean government authorities without resolution\(^97\).

On March 30, 2001 the Neighbourhood Committee of Chepiquilla petitioned CONAMA under the framework of the Canada-Chile Agreement on Environmental Co-operation (CCAEC), a complimentary agreement to the Canada-Chile FTA. The petition claimed that the Chilean government failed to effectively enforce its environmental legislation regarding the approval of the project and the subsequent environmental pollution. The Andacollo Copper project submitted a voluntary EIA in 1994 by the then owners Canada Tungsten. The project was approved under the Environmental Framework

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\(^96\) Other areas of Andacollo contain the remnants and wastes of historic small-scale mining operations.

\(^97\) A leaked internal Carmen de Andacollo document obtained during the visit to Andacollo confirmed breaches in the environmental criteria for air pollution in Chepiquilla. The document was titled ‘Prevencion de Riesgos y Medio Ambiente’.
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Law, however, the regulations to guide the approval process had yet to be adopted by the state when approval was granted by the authorities (COREMA, Coquimbo region). A number of environmental criteria were thus not applied in this case, including public participation in the EIA process. The petition argued that the COREMA in light of the absence of the EIA regulations did not have the authority to approve the project (Padilla, 2005; Juntos de Vecinos – Chepiquilla et al., 2001).

The location of the heap leach piles was also given approval despite the fact that part of the area was within the city limits and zoned as residential. The municipal authorities were notified of this illegality by the Neighbourhood Committee of Chepiquilla. While the authorities acknowledged the illegality of the location of the mine, the city master plan was modified to administratively resolve the issue without resolving the environmental and social impacts of the illegality (Padilla, 2005; Juntos de Vecinos – Chepiquilla et al. 2001). The petition furthermore argued that the residents of Chepiquilla suffered from water and air pollution as a result of the inaction of the Chilean authorities (CCAEC, 2001a). The Chilean government in response argued that the submission was inadmissible because it is outside the scope of the agreement; that the asserted violations of Chilean law do not constitute an omission by the government to enforce environmental legislation; that the submitters had not exhausted all domestic opportunities for recourse and that the arguments for non-compliance to the legislation were unfounded (CCAEC, 2001b). The Commission for the Environmental Accord dismissed the case finding in favour of the Chilean government submission (Padilla, 2005; CCAEC, 2002). In short, the CCAEC and the Canada-Chile FTA did not provide legal protection for the environmental, social and cultural losses experienced by a Chilean community as a result of extraction by a Canadian company.

Carmen de Andacollo has suspended the use of the urban area and has attempted to mitigate the impacts of the sulphuric acid application by using a drip system instead of the original spray system. The suspension of the spray system was on the order of the Coquimbo Health Service (OLCA, 2004). According to the Neighbourhood Committee:

Obviously, in the beginning the scale of the environmental impact was larger than nowadays, as the mining company didn’t have any care to dispose its waste, they used to irrigate the mine with very fine droplets, and the wind carried further away the pollution…As a result one day all the trees got burnt overnight and neither did they accept responsibilities nor they did anything about it….Nowadays, at least they are a little bit more controlled and the pollution is less dramatic (Neighbourhood Committee, at interview, 2003).

The community of Chepiquilla is also resigned to the continuation of mining by Carmen de Andacollo:
The ideal scenario would be for them to stop operating, but we acknowledge that they are a source of jobs for the people. So if they would comply with the Chilean environmental law, the contamination would be insignificant, but as the lixiviation tanks are already operating it is impossible to move them somewhere else (Neighbourhood Committee, at interview, 2003).

The mining operations have substantially reduced the quality of life in Chepiquilla. Mining pollution has resulted in health problems and restricted the activities the community is able to pursue. Irregularities in the approval process contributed to the development of the pollution problem at Carmen de Andacollo. Community mobilisation, however, has pressured the Chilean authorities to mitigate the scale of the contamination.

**Pascua Lama and the Huasco Valley**

Pascua Lama is a proposed gold, silver and copper mine on the border of Chile and Argentina, 150km to the Southeast of city of Vallenar in the Commune of Alto del Carmen, Province of Huasco, Region III. The developer of the mine is Barrick Gold, Canada (through its Chilean subsidiary Minera Nevada). Barrick acquired the property in 1994 and plans to invest US$1.6 billion to develop the mine. The mine has a proposed mine life of 20 years (Environmental Resources Management, 2006, 14). The deposit is estimated to contain up to 18 million ounces of gold, with annual production in the vicinity of 5000 tonnes of copper concentrate, 30 million ounces of silver, and 615, 000 ounces of gold (Environmental Resources Management, 2006, 2; Fields, 2006; OLCA, 2005b). The mine will be located in the Andes at an elevation of 4400 metres (Luna, Padilla, and Alcayaga, 2004). The processing facilities will consist of combined floatation method (to remove the copper ore) and leach processing (to remove the gold/silver ore).

Pascua Lama will be the worlds first ‘transnational mine’ and will straddle both Chilean and Argentinean territory. According to OLCA (2005b) Barrick lobbied the Chilean government to approve the Chile-Argentina Mining Integration and Complementation Treaty. This treaty, enacted on the December 29 1997, opens previously inaccessible territory along the border of the two countries to mining investment. The treaty states that no party to the treaty may “subject the investors from the other Party to a treatment less favourable than the one given to their own nationals and societies” (Republic of Chile and Republic of Argentina, 1997). Luna, Padilla, and Alcayega (2004) argue that the treaty creates a ‘virtual country’ along the border of Argentina and Chile, with a new kind of ‘supranational jurisdiction’ to whom the countries yield sovereignty. They point to the continued and additional protections for foreign investment in this new region.
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and the lack of corresponding increased protections for environmental matters. The treaty instead relies on the application of existing national environmental legislation and thus preferences investment over environmental and social matters (Luna, Padilla, Alcayega, 2004). The correctness of this analysis can only be assessed with the passage of time.

The Huasco Valley downstream of the mine is populated by around 70,000 people (Rohter, 2006). Water for the Huasco valley comes from the summer snow-melt runoff in the Andes and runoff from the Andean glaciers at the headwaters of the valley. The run-off is important for the survival of the mainly agriculturists in the valley (Environmental Resources Management, 2006, 18; Patterson, 2006; OLCA, 2001). Barrick conducted an EIA that was submitted to the Chilean government for approval in the year 2000. The EIA proposed the relocation of glaciers overlying the deposit (Environmental Resources Management, 2006, 4). The company planned to use bulldozers to merge the removed pieces of the Toro 1, Toro 2 and Esperenza glaciers onto the larger Guanaco glacier (around 816,000 cubic metres of ice were planned to be moved; Walker, 2005). The EIA, including the plans to relocate the glaciers, was approved in 2001 (Environmental Resources Management, 2006, 4). The project, however, was put on hold due to low gold prices (Barrick, 2006). During the exploration phase, exploration drilling and roads were cut through the Esperenza Glacier (OLCA, 2005a). A report of the General Water Directorate of Chile in 2005 found that between 1986 and 2000 there was a 50-70% reduction in the area of the glaciers. The relative influence of the exploration activities and other factors, such as climate change, are unknown (Patterson, 2006).

The community was only informed of the removal of the glaciers in the EIA of 2000 (OLCA, 2005b). The community fears that the mining project will impact negatively the source waters of the valley. Due to concerns about the continued quality of their water resource community resistance was generated particularly amongst the farmers and the Christian Churches in the valley (OLCA, 2005b; Walker, 2005). "As residents of the Huasco Valley, our interest is maintaining a permanent ecological balance so that people and farming can develop and prosper," said Mauricio Ríos, president of the Committee for the Defense of the Huasco Valley, a civic group in Vallenar, the provincial capital (Rohter, 2006). Lucio Cuenco, from OLCA has argued that, "a glacier isn’t just a chunk of ice you can pick up and move…it’s part of a water basin, and if you move it, you’ll disrupt that ecosystem" (Walker, 2005).

In addition to the removal of the glaciers community groups expressed concern in regard to the use of cyanide in the processing of the ore, the safety of tailings
impoundment facilities in the earthquake prone region, and the potential for acid rock drainage (ARD) from waste rock disposed at the headwaters of the Estrecho River (1.2 billion tonnes of rock plans to be disposed; Patterson, 2006; OLCA, 2005b). In an open letter to the Chilean President Ricardo Lagos the Comunidades del Valle del Huasco et al. (2004) stated:

We consider that the risks involved in these mining activities threaten the economical, social, cultural and environmental sustainability of the valley, to the quality of life of its inhabitants and to their traditional activities... We live in an agricultural valley that has proved to be viable, economically profitable and with a promising future for the population. We will defend this sustainability against the aggressive activities that threaten the valley and its people.... Mining at the headwaters of the river basins will pollute our water and will destroy our invaluable glaciers, while the mining agreement with Argentina tries to tie our hands... the air we breathe, the water we drink and the land we cultivate have more value than the gold coveted by the multinationals...

The mine is also located on traditional lands of the Diaguita People, who are opposed to the project. Their concerns are for the environmental, cultural and social impact of the project on their communities. They have described the potential impact of the project as “cultural genocide” (Evans and Kent, 2006, 2). The Diaguita leadership, according to Evans and Kent (2006, 1) “felt they have not been consulted and fear they will have few opportunities to protect and preserve their culture in the event that the mine is approved”.

In 2004 Barrick sought Chilean government approval for modifications of the project and made plans to begin development (Barrick, 2006). On the 21st March, 2005, 500 people demonstrated in Vallenar against the project. The demonstration was the first public demonstration in the city since 1973 (OLCA, 2005b). In June 4 of the same year around 2000 people demonstrated in Santiago and an even larger number in Vallenar. One protest slogan read: “We are not a North American colony!” (Walker, 2005; OLCA, 2005b). In response Barrick conducted a public relations campaign to generate broader support for the project. A $US10 million community development fund was announced. Barrick also negotiated a $US60 million dollar compensation fund with the Junta de Vigilancia for the water users in the valley, in return for their support of the project (OLCA, 2005b). The 2,000 strong Junta de Vigilancia has the authority to regulate water use for users in the Huasco Valley and was originally opposed to the project (Praamsma, 2006; Environmental Resources Management. 2006, 5). Some of the fund will be used for improved irrigation facilities. The community mobilisation, however, pressured the democratic government to place higher environmental

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98 The El Indio mine, also owned by Barrick, released contamination from its tailings dam (Padilla, 2005).
restrictions on the project. During her successful Presidential Campaign Michelle Bachelet pledged to stop the removal of the glaciers (Patterson, 2006).

Barrick argues that the project will generate a large number of jobs and will not negatively impact any other activities in the valley, that the project is designed without discharge of water to the environment (on a routine basis) and is designed with leak collection and recovery systems. They say that any acid rock drainage (ARD) production will undergo treatment before it would be discharged and that the low rainfall in the area will limit the amount of ARD produced (Environmental Resources Management, 2006, 3). Furthermore the company states that while some water will be required for ore processing most of this water will be derived from the Argentinean side (Environmental Resources Management, 2006, 4). The water taken represents 16-34% of the baseline flow of the Río Taguas (Argentina) and 39% of the base line flow of the Río Estrecho (Chile; Environmental Resources Management, 2006, 4). When compared to the flow downstream within the valley the percentage is much smaller.

![Figure 5.2](image)

**Figure 5.2** Aerial photo depicting the Pascua Lama project site and the outline of the mining pit of the modified project approved by CONAMA (Barrick, 2006).

The regional environmental regulatory body for the region COREMA granted conditional approval for the modified project in early 2006 (resolution RCA 024/2006; Barrick, 2006). The approval was endorsed by CONAMA, the national regulatory body in June of 2006. The approvals, however, are subject to the condition that no glaciers
are to be removed. Barrick has subsequently redesigned the surface mine outline to avoid the glaciers as required by the CONAMA approval (see Figure 5.2; Environmental Resources Management. 2006, 4). A number of community groups still fear that the mining activity will hasten the melting of the glaciers and impact the hydrologic systems (Rohter, 2006). The Diaguita People are pursuing ongoing legal proceedings in relation to the project.

**Analysis of Landscape Consumption – Chile**

These three examples in the context of the political ecological transformations outlined at the beginning of the chapter provide the means to assess whether the combined consequences of Landscape Domination and Detachment have facilitated a deterioration of the landscapes experiencing RA. The Landscape Consumption model posits that the process of consumption relates not only to the resources appropriated by dominant social groups (in this case copper) but also the deterioration of the function, abundance and diversity of the broader landscapes of which the resources were a part. The Landscape Consumption model also argues that subaltern social groups may assert power to renegotiate the landscapes imposed by the powerful. The political relationship between the social groups thus provides important location specific circumstances necessary when analysing the case study and the applicability of the model. This section will describe the social landscapes involved in each of the examples introduced above and discuss their relationship to the biogeophysical landscapes. The section will conclude by comparing this analysis of the Chilean case study with the other theories of RA outlined in Chapter Two.

**Pinochet Dictatorship**

The Pinochet dictatorship presided over an investment strategy that prioritized the intensified extraction of natural resources, including copper. Environmental policies were avoided and social policies were deprioritised as the regime sought to transform the Chilean economy into an example of free-market libertarianism and facilitate the return of foreign owned resource extraction. Revenues from the state copper corporation were diverted toward the armed services, thus strengthening the security apparatus of the regime. This provided a further incentive for the dictatorship to direct CODELCO to maximize the proceeds from the extraction of copper at its existing mines. The landscape resources valued by the dictatorship were multiple (agriculture, forestry, mining etc) though the regime was particularly reliant on extractive resources such as copper. Natural resource development provided the capital needed to consolidate the regime. The success of the copper industry and the new legislative framework would establish Chile as a stable investment location. Environmental
regulation was viewed in this context as a barrier to potential resource investment. The regime failed to provide a regulatory framework to protect the communities impacted by the operations formerly owned by foreign multinational corporations and now the responsibility of the Chilean state. The regime also failed to provide a framework to regulate future investments. The government and CODELCO neglected to reform the operating procedures that were contributing to environmental and social deterioration in the vicinity of the mines. Under civil society pressure the dictatorship did introduce the right to a clean environment into the constitution, thus providing the legal foundations for the judicial decision to halt the disposal of tailings at Chañaral. CODELCO and the Chilean government, however, fought against these changes to the waste management strategies at El Salvador, arguing that the pollution problem was overstated.

The authoritarian character isolated and detached the regime from the subaltern social and biogeophysical landscapes in the vicinity of copper projects. The regime was complacent toward the deterioration of the landscapes at Chañaral and not responsive to the community concerns. The separation of the dictatorship from the circumstances, and divestment from the outcomes of the communities impacted by the CODELCO and foreign operations facilitated the loss of the social and ecological resources on which they were dependent. The legislative and policy orientation of the dictatorship has left a continuing legacy. It has facilitated the return of large-scale foreign ownership of Chilean copper extraction projects under circumstances argued in Chapter Four to constitute appropriation and contributed to a situation of low environmental standards and enforcement.

**Democratic Government of Chile**

The Chilean democratic governments used the new political space offered by the end of the dictatorship to reform the environmental and social policies of the state. They opened the political and governmental institutions of the state to make the government more responsive to the Chilean electorate. The landscape resources valued by the Chilean government are also multiple but still heavily reliant on natural resource extraction, especially copper. The motivations of the Chilean governments were to continue the development model installed by the dictatorship and further facilitate the extraction of copper, yet also to mitigate the environmental and social implications of this development model. The success of this approach, however, has been modest. Environmental and social reform only progressed insofar as it did not significantly interfere with the primary natural resource extraction orientation of the Chilean economy. Thus end-of-pipe solutions and an administrative rationalist approach to environmental policy were promoted, though the enforcement of environmental
regulation has been mixed. The democratic government ordered a clean-up of CODELCO operations and implemented a system of EIA, however, multinational corporate domination of the Chilean political institutions has continued. The democratic administrations continue to be underpinned by the neoliberal policy alignment of the dictatorship. Resource extractors have maintained a disproportionate influence over the Chilean government as demonstrated by the ineffective enforcement of environmental legislation (such as at Carmen de Andacollo and Pascua Lama) and the introduction of agreements consolidating investment protection.

The drop in copper prices as a result of the massive expansion of copper output in the mid-late 1990s reduced the state’s tax revenue, and crucially also reduced the income the state received from its own mining facilities. This increased the reliance of the Chilean government on the new multinational projects and the necessity to further expand the industry. The income generated per tonne of copper extracted plummeted and consequently the environmental impacts as a function of revenue generated substantially increased. As the taxation system is structured around the profitability of the mining operations (which is the cause of the widespread tax minimisation strategies) the state has an incentive to promote large scale projects with maximum output or operations, such as heap leach facilities, that are highly profitable.

This analysis is supported by a number of environmental indicators that demonstrate a worsening in both relative and absolute terms since the return to Democracy, particularly in relation to the wastes generated from copper extraction and the pressure on water resources. The massive expansion of the copper mining industry has led the industry to encroach on rural communities in semi-arid environments. Copper mining in Chile is no longer restricted to isolated locations in the Atacama Desert. Competition for water, and the local/regional impacts of extraction have transformed rural communities.

In the case of Carmen de Andacollo the Chilean environmental agencies approved the project prior to the introduction of the EIA guiding regulations and did not permit public participation in this process. The approval was also made despite the location of the mine within the city limits zoned as residential. The EIA furthermore failed to foresee or prevent the pollution that would impact the residents. These irregularities exacerbated the magnitude of the contamination experienced by the community at Chepiquilla. It was the location of the mining processing operations that contributed to the deterioration of the quality of life for the Chepiquilla community. The Chilean government preferred extraction and failed to protect the Chepiquilla community from an inappropriate mine so close to the residential area. After years of
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contamination the Coquimbo Health service did, however, order a change in the systems (from spray to drip) used by the mining company that mitigated the impacts of the mine. This, however, only occurred after community mobilisation. In this respect the Chilean government demonstrated that it was partially responsive to the interests of the community. This feedback, while limited, was absent during the period of the dictatorship and is thus an important reduction in the scale of Landscape Detachment.

When under pressure from constituent organisations and communities the Chilean government has enforced environmental policy (though inconsistently) to modify the impact of some operations. In the case of Pascua Lama the government placed restrictions on the project (such as the non-removal of glaciers overlying the deposit) that will mitigate the potential impact of the mine. Prior to the mobilisation of community members from the Huasco valley, however, the government had approved the removal of the glaciers as part of an earlier EIA. In response to political pressure from the electorate the government has also introduced a mining royalty, though again with mixed outcomes as the policy does not apply to existing operations.

These changes, however, have failed to fundamentally reform the conditions of RA reintroduced by the dictatorship. In fact due to a number of circumstances the scale of appropriation and the scale of the transformation of the impacted communities in Chile have increased markedly since the return to democracy. Copper extraction in Chile has resulted in greater landscape impacts in relative and absolute terms, as projects have expanded into rural communities. The sovereign landscapes dominated by the multinational copper mining projects, described above have experienced a loss of their landscape resources. Renegotiation of the conditions of appropriation by the democratic government has reduced the scale of consumption in some instances, but not others. This discrepancy between the scale of domination and the scale of consumption (such that domination was greater under the dictatorship, yet consumption was most evident after the return to democracy) illustrates the importance of the concept of detachment. It is not domination per se that leads to the consumption of landscapes but also the detachment that domination facilitates. The post-junta democracy did not fundamentally reattach Chilean landscapes to decision making of government institutions. Laws supporting appropriation remain unreformed. Democracy has only provided opportunities for incremental and partial reform and only after coordinated and targeted mobilisation. It must be remembered, though, that Chilean democracy prior to the dictatorship functioned to progressively reduce the degree of resource appropriation (despite significant political manipulation and bribery), which is

99 We could speculate that upon the eventual melting of the glaciers (due to a combination of climate change and the probable impact from the mining operations) extraction will again be permitted in the areas formerly covered by the glaciers.
the very reason for the *coup d'état*. We could speculate that the vast and fundamentally unjust reorientation of the Chilean economy would not have been possible under a democratic situation, but once made the form of democracy that resulted in post-junta Chile (in the context of the international economic system) protected these conditions from reappraisal. This is a significant finding that invites further examination and future research.

**Multinational Corporations – Anaconda, Aur Resources, Barrick**

Multinational resource corporations such as Anaconda, Aur Resources and Barrick have a primary objective to return shareholder value through the mining, processing (and in the case of Anaconda, refining) of copper and other metals. Their operations consist of the extraction of a single resource (metal sulphides) in an intensive process. The presence of these corporations in the landscape only continues while extraction of the resource is economic. The companies do not rely on the broader ecosystem conditions, or the longer-term landscape resources beyond those utilised in the extraction process. The management strategies of each of the operations respond to the demands of the market, the internal economics of the company as a whole, and the capacities of the corporations.

In the case of the El Salvador Mine, Anaconda employed traditional underground operations. The large scale of the mine corresponded with the size and experience of the corporation and Anaconda’s reliance on the El Salvador and Chuquicamata deposits. Anaconda’s Chilean operations helped to support their relatively less profitable US mines. Tailings waste was not disposed of in a dam but discharged into the Salado River and eventually the Pacific Ocean. While this strategy was more cost effective for Anaconda the company was generating substantial profits from their Chilean operations and had the financial capacity to implement a more suitable disposal option (though the company at times faced uncertainty over the future of the operations; see *Chapter Four*).

The Carmen de Andacollo deposit, owned and operated by Aur Resources, in contrast uses a heap leach process to extract the desired metal ore. As a medium sized company the scale of Aur Resource’s mine is modest, focussing on the enriched secondary mineralogy on the surface of the primary deposit to develop the operations. The size and capacity of the company influenced the choice of processing given the available technology. The innovative heap leach method provided the company with an opportunity to develop the deposit, due to the cost effectiveness of the technique and the relatively low development costs. The heap leach method, however, was inappropriate for a mine located so close to residential areas. The environmental
considerations were secondary to the core motivations of the company, which is to economically develop the resource to generate shareholder returns.

Barrick, on the other hand, plans to develop the very large copper, gold, silver deposit at Pascua Lama. The company currently controls the largest global reserves of gold and operates scores of mines in South and North America, Australia/Pacific, Asia and Africa. The Pascua Lama project will use open cut methods, where economies of scale will reduce the operating costs. Copper will be processed through flotation, and silver and gold through an internal leaching process (not heap leaching). The company has delayed and modified its proposals to increase the economic profitability of the project. Ore located underneath Andean glaciers was considered necessary for the project as the company maximised the extraction of all the available ore of economic grade. The water resources provided by these glaciers and others were considered incidental to Barrick’s primary objective. The Chilean government’s eventual opposition to this strategy placed the protection of these bodies as a condition of the approval of the project. Without active regulatory enforcement and community opposition Barrick’s glacial removal plans were originally approved. Other secondary considerations became important to the successful approval of Pascua Lama as a result of community opposition. Barrick mobilized its economic resources to address these issues, offering a community development fund and compensation to the water users of the valley. By addressing these concerns Barrick ensured that its landscape future would prevail, though in a modified form.

The secondary status of environmental and social issues means that multinational mining companies will operate at different standards in different policy environments. While companies do maintain some consistency across operations in different locations, due to internal policies, technology and management systems, economic efficiency propels organizations to adopt the most cost effective options. The Neighbourhood Committee (at interview, 2003) explained this trade-off:

[TNCs] might have better standards than the national ones, but when they come to Chile they don’t care and they don’t apply them, they just take the mineral resources and leave. At least the Chilean mining companies realize that they are impacting the environment and they try to impact less.

In Chile, the inconsistent enforcement of environmental policies has contributed to communities loosing valued landscape resources as a consequence of the appropriation of copper. The consumption of these resources by Andaconda, Aur Resources and potentially by Barrick will be further described below.
Communities of Chañaral, Chepiquilla and Huasco Valley

Copper mining in Chile, once set in the remote Northern regions of the country has expanded and now increasingly impacts rural communities, competing for water and other landscape resources. Communities such as Chañaral, Chepiquilla and the Huasco Valley utilise multiple and extensive landscape resources for agricultural development, recreation, fishing, tourism and cultural identity. These resources, in the examples outlined above, were risked by the appropriation of copper.

The disposal of mining waste in Chañaral bay consumed the marine resources valued by the community. The development prospects of the community were negatively impacted by the contamination of the marine environment. The community considered that the burial of the bay by tailings was also accompanied by a burial of ‘life and the future’ and linked the environmental impact with the associated social and cultural impacts. Tailings disposal into Chañaral bay resulted in a marine pollution that undermined both the fishing industry and tourism development in the city. The Chañaral community successfully challenged the waste disposal in the Chilean courts as political solutions were shut down by the dictatorship.

The community of Chepiquilla also experienced a consumption of their landscapes due to the Carmen de Andacollo mine. Sulphuric acid and groundwater contamination brought health and environmental problems for the community. The contamination and other environmental impacts, such as noise from blasting, reduced the quality of life and inhibited the practice of small-scale agriculture, reducing the quality of the environmental resources relied on by the community. The Chepiquilla community mobilized to defend such resources from consumption and successfully reduced the scale of impact of the pollution from the mine.

Community organizations in the Huasco Valley mobilized to defend their agriculture from the potential impacts of the Pascua Lama project. These organizations claimed that the project threatens to transform the biogeophysical environment in ways that have the potential to reduce the sustainability of their lifeways. The indigenous traditional owners in the vicinity of the Pascua Lama project, the Diaguita People, have also expressed concerns for the potential impact on their communities, and have opposed the mine. They have argued that the project will result in a loss of their culture. Mining at the headwaters of the valley has the potential to reduce the quality and quantity of water reaching the valley. Water quantity is impacted by the extraction of water for use in mining processing and the potential for disturbance of the hydrologic system, including impacts on surrounding glaciers due to mining. Water quality may be impacted by release of contaminants from ARD and tailings (though tailings are
planned to be contained on the Argentinean side). The organizations placed their rejection of the proposal by Barrick in the context of the scant returns Chile has received from mining multinational corporations in the previous decades, despite the much promoted employment possibilities at the mine. Barrick’s plans to remove glaciers overlying their deposit, as detailed in their EIA, were approved in 2001. Community mobilization forced the Chilean government to reconsider their policy and place conditions on the project when it approved the resubmitted EIA in 2006. While the impacts of the project are as yet unknown the democratic forum, during the Presidential election campaign, provided a platform for the renegotiation of Barrick’s dominant landscape. This is an important point of difference to the circumstances under dictatorship.

The multinational mining corporations compete for landscape resources, particularly water, with the existing sovereign landscapes. These corporations possess economic and political power that ensures that the resources required are attained. The Chañaral, Chepiquilla and Huasco Valley examples, however, demonstrate that subaltern landscapes can challenge the dominance of imposed landscapes in ways that can mitigate the potential deterioration of valued resources. While mitigation is possible such landscapes are forced to accept the existence of resource extraction projects, and negotiate for the minimization of the impacts (as in the case of Carmen de Andacollo and Pascua Lama), and the maximization of the community benefits (as in the case of the community development fund, and water compensation at Pascua Lama). The residents of Chepiquilla succeeded after years of mobilisation to pressure the authorities to mitigate contamination from mining. Water users in the Huasco Valley chose to negotiate a water compensation package in the face of an inevitable project, while other community groups chose to mobilize to pressure the government to enforce legislation. These landscapes in attempting to reduce the scale of Landscape Consumption face few alternatives but to mobilize to pressure the Chilean government and/or to consult with the company.

**Free trade agreements**

A number of trade agreements negotiated by the Chilean government have also influenced the consumption of landscapes in Chile. These agreements are the culmination of the neo-liberal policy environment fostered by the dictatorship and continued by the democratic administrations. The Chile-Canada FTA in particular was shown to have influenced the outcome of the Carmen de Andacollo case. While the Chile-Canada FTA provides protection for Canadian extractive corporations its associated environmental agreement the CCAEC did not provide protection for the community of Chepiquilla from the environmental impact of the Carmen de Andacollo
operations. The irregularities of enforcing Chilean environmental law were not found to be an adequate trigger under the agreement. The agreement failed to protect communities from environmental pollution arising from a Canadian development. The Chile-Argentina Mining Integration and Complementation Treaty was also shown to be influential in the Pascua Lama case by providing the foundations on which the development could proceed. Prior to this agreement developments could not occur along the border of Chile, nor straddle both territories. The treaty did not strengthen community protection from the impacts of such developments.

**State Copper Corporation – CODELCO**

According to the definition of Resource Appropriation and the analysis in Chapter Four, CODELCO as a Chilean state organisation cannot be considered a dominant landscape. The operations of the company and the legislative and political conditions under which it operated, however, have been significantly influenced by the domination practiced by other landscapes in their pursuit of resources in Chile. The destabilization of the democratic government by the United States government, the Anaconda Copper Corporation and Kennecott led directly to installation of the Pinochet dictatorship. Such landscape domination had broad implications for the newly nationalized mines. The former operations of Anaconda and Kennecott were consolidated into CODELCO and as mentioned CODLECO responded to the policy orientation of the dictatorship. CODELCO exists to extract and refine a single resource (metal sulphides) using an intensive process. But unlike private corporations CODELCO is responsive to the other priorities of its single shareholder the Chilean government. CODELCO’s presence within a particular landscape will only continue until the resource is exhausted economically, again subject to the priorities of the Chilean government. Management policies also follow this pattern and respond to the demands of the market and the demands of the state.

At El Salvador CODELCO continued the poor waste management strategies of the Anaconda Corporation by disposing of tailings waste into the Salado River. The accumulation of mining waste in Chañaral bay was the responsibility of both Anaconda and CODELCO, and the impacts can thus be attributed to both entities. However, the practices of domination employed in the events that led to the end of democratic rule in Chile certainly influenced the orientation and priorities of the dictatorship and the future circumstances and outcomes of copper extraction in Chile. The practices of domination employed by Anaconda, Kennecott and the US government can than at least be considered a factor in the continuance of the El Salvador mine’s disregard for the deterioration of the environmental and social landscapes surrounding the mine. While the environmental performance of the El Salvador mine under the dictatorship, is well
established it is difficult to assess how the nationalised El Salvador mine would have operated under the continuation of a democratic Chilean government. The question of whether the waste management strategies of the mine would have changed to accommodate the concerns of Chilean cities downstream of the mine is unknown. Such an experiment was terminated abruptly in 1973. The improvement in CODELCO’s environmental performance since the return to democracy, including major investments to address the environmental legacy of state run operations may indicate the potential for reforms under the continuation of democracy. The actions (or inactions) of CODELCO emphasise that RA is not the only political-ecological situation where the processes of domination and detachment exist and it is possible that the state institutions employed to extract copper in Chile may also exhibit these features independent of RA. Further analysis of the extent of Landscape Domination and Detachment beyond the definition of RA is outside the scope of this research project. Though for the reasons argued above the state institutions do respond to the interests of the Chilean government (and indirectly the electorate) in ways the foreign multinational corporations do not.

**Comparison with other Theories of Resource Appropriation**

The theories of imperialism, minerals imperialism, corporate imperialism, dependency, the business conflict model and the resource curse do not provide an analysis of the broader environmental and social impacts of RA, though they do describe some direct and indirect consequences. Imperialism describes the exploitation of labour and the political and economic loss of autonomy that accompanies the forced expansion of the capitalist economic system. Minerals and corporate imperialism account for impacts such as subordinate development and political oppression, as does dependency theory with its description of dependent underdevelopment and the loss of economic and political autonomy. The business conflict model describes the social and political consequences of intervention by business groups and states, while the resource curse accounts for the poor economic, social and political outcomes of resource extraction related to looting, state repression and civil war.

Corporate globalisation theory does account for the direct environment and social impacts of appropriation, particularly associated with megaproject development, neoliberal economic restructuring, and the protection of export orientated foreign investment. The theory describes the relationship between the disempowerment of local economies and the poor environmental and social outcomes of neoliberal policy settings. The theory is applicable to aspects of the case study during the periods described above. Fourth World theory also incorporates an analysis of the broader impacts of appropriation, including political and economic oppression, and the loss of
social, cultural and environmental resources. The theory, however, discusses these impacts within the context of occupation of Fourth World nations which, as discussed in Chapter Four, is not cognisant with the Chile case study. The appropriation in Chile is not directed at unrepresented indigenous nations and is not characterised by annexation of territory or transmigration.

Ecological imperialism also includes an analysis of the ecological and social impacts of appropriation though like Fourth World theory the circumstances described by the theory are not applicable to the case study. The theory argues that appropriation is accompanied by agricultural support systems that displace existing ecologies. While this may provide insights into other case study periods or resources it is not relevant to our understanding of appropriation for copper in Chile. Davis’s (2001) analysis of the ecological ramifications of imperialism is largely applicable where social and environmental vulnerability may result from the forced incorporation of local economies into international trading networks that are insensitive to local conditions. The insensitivity of distant capitalist markets can be thought of as one example of the concept of Landscape Detachment, whereby dominated social groups are excluded from the economic decision making that influences their landscapes. Though as evident in the case study above, the environmental and social consequences of appropriation are also attributable to the direct political, economic, social and ecological domination practiced by dominant social groups.

The colliding ecologies model is also consistent with the Chile case study as it accounts for the broader ecological and social deterioration associated with the appropriation of resources. The model describes the fate of Peoples experiencing socio-ecological change as a result of appropriation and the cultural loss associated with ecological deterioration. It describes how a more powerful social group may impose a system which transforms the environment in ways that limit the effectiveness of the original system. The model highlights the cultural loss associated with environmental deterioration and while the social and cultural impacts of environmental transformations are evident in the case study above they also result directly from the domination practiced to establish and consolidate the conditions of appropriation. The colliding ecologies model also lacks detail on how landscapes are contested over and transformed. The Landscape Consumption model provides this detail by investigating the processes of Landscape Domination and Detachment and their relationship to Landscape Consumption. In the Chile case study the intensity and scale of domination and detachment led to individual circumstances of consumption. For example, the return to democracy eased the intensity of domination yet facilitated greater consumption due to the continuance of the situation of Landscape Detachment and the
increased scale of resource extraction. The Landscape Consumption model also accounts for the observed reduction in the scale of consumption as a result of Subaltern landscapes mobilising to challenge Landscape Domination and Detachment and renegotiating the conditions of appropriation.

**Conclusion**

This chapter questioned whether the political ecological circumstances of Resource Appropriation, that is Landscape Domination and Landscape Detachment, have facilitated a broader deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated. The chapter undertook an analysis of the political ecology of copper extraction in Chile during periods defined in Chapter Four as the Dictatorship (1973-1990) and Denationalisation (1990-2005). The chapter found that during both of these periods landscapes impacted by the extraction of copper experienced a deterioration of environmental and social resources, according to a number of indicators. Examples of individual extractive resource developments at El Salvador, Carmen de Andacollo and Pascua Lama confirmed this overall trend. Communities such as Chañaral, Chepiquilla and the Huasco Valley utilise multiple and extensive landscape resources for agricultural development, recreation, fishing, tourism and cultural identity. These resources were risked by the appropriation of copper. The chapter outlined the circumstances and consequences of detachment of the dominant landscapes: multinational corporations, the dictatorship, the democratic Chilean government and, IFI and agreements. The political conditions in Chile, as a result of the Landscape Domination and Detachment outlined in Chapter Four, have permitted the multinational resource corporations to impose their version of landscape development at the expense of sovereign landscapes. Resource Appropriation in Chile has facilitated a broader deterioration of the sovereign and biogeophysical landscapes where the copper was appropriated. However, the chapter also demonstrated that subaltern landscapes can mitigate the potential deterioration of valued resources, and reduce the scale of Landscape Consumption, by mobilising to challenge the dominance of imposed landscapes. While Landscape Consumption can be reduced in this manner, elimination will require the resolution of the circumstances of RA.
Chapter Six

Landscape Domination and Detachment

Case Study Two — West Papua

Introduction

This chapter undertakes a historical comparative analysis of RA in West Papua for the historic period of 1955-2005. Like the previous chapters the case study will focus on the appropriation of copper. The chapter will introduce the main actors and historical events that have shaped the appropriation of resources in West Papua and will consider whether the concepts of Landscape Domination and Detachment are indeed applicable. The chapter also undertakes an analysis with reference to the theories of RA reviewed in Chapter Two. In Chapter Seven I will then address the theme of Landscape Consumption, asking whether the appropriation of resources can be linked to the broader deterioration in the condition of social groups and environments experiencing appropriation. This chapter begins with an overview of the circumstances of appropriation in West Papua and the main historic periods under analysis.

Overview of Resource Appropriation: West Papua

West Papua is located on the Western half of the island of New Guinea and has been under Indonesian occupation since 1963. West Papua is geared as an extractive economy by the Indonesian government and hosts extensive mineral deposits of nickel, gold and copper and vast timber reserves (Elmslie, 1995). The region is home to 312 distinct indigenous Peoples (Survival International, 2002, 21) that have, within a number of political fora, collectively referred to themselves as Papuans. The Free West Papua movement (OPM; Organisasi Papua Merdeka) and its military arm, the West Papuan National Liberation Army (TPN; Tentara Pembebasan Nasional), have practised both non-violent and violent resistance to the occupation for more than forty years.

At the First National Congress of the TPN, on the 16th November 2006, the Supreme Commander reiterated that his army should prepare "for the war against colonialism, imperialism and global exploitations which is about to begin in West Papua" including foreign workers who were given one year to "leave the land of the bird of paradise" (West Papua News, 2006). The low intensity conflict that has waged between the Indonesian military, the OPM, and the security personnel of large natural resource corporations promises to escalate as West Papuan demands for self-determination in
the form of non-violent political organisations such as the Papua Presidium Council (PDP; *Presidium Dewan Papua*) have been met with the explosive combination of silence and fierce repression, including the assassination of pro-independence leader and head of the PDP Theys Eluay by Indonesian security forces in 2001.

West Papua is also the location of the Grasberg mining complex. "The Grasberg minerals district is one of the world's greatest geological ‘treasures’" (Freeport McMoRan, 2006b, 4), and hosts the world's largest reserves of both copper and gold (Adkerson, 2006). Grasberg is owned by Freeport McMoRan Copper and Gold (US), in association with Rio Tinto (UK) and the Indonesian government, and is operated by Freeport's Indonesian subsidiary PT Freeport Indonesia. With concessions totalling around 1.8 million ha (WALHI, 2003, 18) the scale of Freeport’s Papuan operations are enormous. The Grasberg mine is situated in the Jayawijaya Range at an elevation of approximately 3700m (Miller et al., 2003) and the impact of the operations are felt from the Mountains to the Arafura Sea. Since its discovery was announced in 1988, Grasberg has produced 19.4 billion pounds of copper and 30.7 million ounces of gold. In 2005, Freeport-McMoRan Copper and Gold made the Fortune 500 list with revenue of US$4.2 billion (Associated Press, 2006) solely from the mining and processing of ore derived from Grasberg. These operations account for 2.4% and 58% of Indonesian and West Papuan GDP respectively (PT Freeport Indonesia, 2006, 1). PT Freeport Indonesia is regularly Indonesia's largest taxpayer. The Grasberg mine is also among the principal copper producers along with the Chilean mines of Escondida, Chuquicamata, Collahuasi and El Teniente, and the largest gold producer alongside Newmont's Yanacocha mine in Peru (Adkerson, 2006). Freeport McMoRan has contributed US$3.9 billion in taxes, royalties, dividends and fees since 1992 to the Indonesian government (Freeport McMoRan, 2006b, 17). Papuans have seen little of these funds, though since the mid-1990s Freeport has stepped up its development efforts, community relations and spending within Papua.

Freeport began construction of its mining operations in West Papua at the adjacent Ertsberg resource in 1967, and the company's passage into the territory has been intimately associated with the Indonesian occupation. Freeport did not seek nor receive prior consent from the Papuans themselves and the company has cooperated closely with the Indonesian military to violently suppress opposition. Freeport's mining operations in West Papua have generated deep resentment, particularly within the Amungme and Kamoro Peoples whose land was forcibly confiscated for the mining operations. Like West Papuan resistance in general, opposition to Freeport's mining

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100 Contract of Work (CoW) A 10,000 ha, CoW B 1.3 m ha, PT Irja Eastern Minerals Corporation 490,000 ha (WALHI, 2003, 18).
operations also boasts a forty-year history of both violent and non-violent struggle that has claimed the lives of thousands of Papuans that continues to this day. Papuan demonstrations have ranged from demanding immediate closure of the mine, to the attainment of greater community involvement in the decision-making of the operations, mitigation of the social and environmental costs, and greater distribution of the accrued benefits (see Figure 6.1). Recent academic reports have questioned whether the situation in West Papua and the Freeport contract of work should be described as genocide (Wing and King, 2005; Brundige et al., 2004).

Figure 6.1 'Freeport must stop destroying the environment in Papua'. Demonstration outside of the Freeport offices in Indonesia, Jakarta, November, 2003. Source: West Papua News (2003).

This chapter details the circumstances of RA in West Papua during the period of 1955-2005. Resource Appropriation in West Papua since 1955 has manifested as a number of distinct phases. The first phase (1955-1962) described in this chapter is that of the colonial occupation of the region by the Netherlands East Indies. During this period of time the region was known to the Dutch as Netherlands New Guinea or West New Guinea. The Dutch presence in West New Guinea was relatively benign, though commercial plantations, oil and nickel extraction were established and missionary activities supported. Following the decolonisation of Indonesia the Dutch retained West New Guinea and began to prepare the Papuan people for independence. Papuans assumed government administration positions and elections were held for the Papuan

The Republic of Indonesia did not support Dutch claims to the region and agitated diplomatically (predominantly within the UN General Assembly) and militarily to 'liberate' what they called *Irian Barat* (West Irian). The Republic of Indonesia sought an end to Dutch colonialism and to expand Indonesia to cover the entire territory of the former Netherlands East Indies. In 1962 the US government brokered an agreement between the Republic of Indonesia and the Netherlands, under the auspices of the UN. The 'New York' agreement stipulated the transfer of the administration of West New Guinea to Indonesia in 1963 after a temporary UN presence and subject to a determination of the wishes of the Papuan population before 1969. This agreement led to the second (1962-1965) and third (1965-1969) phases outlined in the case study where Indonesia and the UN had joint responsibility for the region. Indonesian annexation of West Papua was carried out by the Sukarno government in 1963. The UN only relinquished its responsibilities after the so called 'Act of Free Choice' (also known as the *Penentuan Pendapat Rakyat* or PEPERA) in 1969. Interrupting this second phase the Indonesian military moved to overthrow the Sukarno government with the support of the US in 1965. This third phase opened Indonesia and its newly annexed colony to foreign investment, which had been precluded under the previous administration. The first investor to take advantage of the new favourable investment environment was US mining firm Freeport Sulphur. Freeport planned to exploit copper reserves in West Papua. The company wrote its own Contract of Work (CoW) and began construction of the mine prior to the Act of Free Choice, while West Papua was still the responsibility of the United Nations.

The 'New Order' regime of General Suharto in Indonesia showed little interest in genuinely determining the wishes of the Papuan people and with the collusion of the UN and US government, instituted a fraudulent and farcical plebiscite in 1969 that unanimously declared loyalty to Indonesia. The fourth phase (1969-1991) integrated the colony into Indonesia with the Act of Free Choice and the opening of the Freeport Sulphur Ertsberg mine. Freeport employed the Indonesian military to protect the operations from the Papuan landowners. At the official opening of the mine General Suharto again changed the name of the colony to *Irian Jaya* (Victorious Irian). In 1980 Freeport Sulphur merged with US oil company McMoRan, and in 1988 Freeport McMoRan announced the discovery of a large copper and gold deposit (Grasberg) within two kilometres of its original mine. The fifth phase (1991-1998) consists of the expansion of Freeport and the negotiation of a new, so called 'frontier' CoW with the Suharto regime. The expansion was jointly funded by UK firm Rio Tinto. The expansion
generated substantial revenue for the corporate owners of the resource and to a lesser extent the Suharto regime (through taxes, royalties and minority ownership). Papuans received scant benefits from the appropriation of their resources. The period ends with the fall of the Suharto regime following the mass demonstrations of the Reformasi movement and the East Asian financial crisis that spread to Indonesia in 1997-1998.

The successors of the Suharto regime, including the Habibie government and the democratic Wahid, Sukaroputri and Yudhoyono administrations relaxed the intensity of oppression in West Papua, though continued the strong military presence. The return to democracy is the sixth phase (1998-2005) outlined in the case study. West Papuans simultaneously developed a number of political institutions that demanded independence, including the PDP. Papuan proposals for ‘special autonomy’ were accepted, though the laws were significantly watered down (to the extent that they lack widespread Papuan support) and have yet to be properly implemented. The Indonesian government again changed the name of its province, this time to Papua. During this period Freeport began to address some of the community concerns with its mining operations, however, has maintained its close association with the Indonesian military.

**Domination and Detachment of West Papuan Landscapes (1955-2005)**

**Decolonisation of West New Guinea (1955-1962)**

**Dutch Colonisation of West New Guinea**

The Dutch East India Company (*Vereenigde Oostindische Compagnie*), while dominant in other parts of Indonesia between the Seventeenth and Nineteenth centuries, had a relatively benign presence on the island of New Guinea and it was not until after the break-up of the company that the Netherlands established permanent colonies on the island. Even then Dutch rule in West New Guinea (WNG) prior to the Second World War was nominal (Webster, 1999, 8). In 1885 the colony established boundaries with Great Britain and in 1910 with Germany, and the Dutch government established its first post in WNG in 1898 (Chauvel and Nusa Bhakti, 2004, 80). Permanent Dutch administration centres were set up in Manokwari, Fakfak and Merauke at the beginning of the Twentieth Century, though administration of the region was limited in intensity and geography, restricted to the coastal regions (Drooglever, 2005). In 1939, fewer than ten government posts were established in WNG and up until the Second World War only 5% of Netherlands New Guinea was under Dutch government control (Verrier, 1976, 205-6; Poulgrain, 1999a, 206). Of much greater
impact and intensity were the significant missionary ventures of both Protestant and Catholic faiths.

'Commercial' activity expanded in New Guinea after the Second World War, particularly rubber and coffee plantations. The arrival of Allied troops to WNG, ostensibly with benign intentions, was accompanied by teams of geologists to assess the resource potential of the region (Budiarjo and Liong, 1988, 8). The *Nederlandsch Nieuw Guinee Petroleum Maatschappij* (NNGPM) also commenced commercial petroleum production post-war, the result of successful exploration work initiated in the 1930s (Garnaut and Manning, 1974, 9-10).

The limited scope of Dutch colonialism in WNG may be one reason why the anti-colonial movements present in other parts of Indonesia were relatively muted. Anti-foreigner movements, however, were not absent from WNG history and around the time of the Japanese occupation (1942-1944) and the subsequent American presence, movements including the Koreri millennial movement and the Mansren movement were active in asserting indigenous sovereignty (Webster, 1999, 8; Feith, 2000, 18).

**The Decolonisation of Indonesia**

During the Japanese occupation of World War Two, Indonesian anti-colonial Nationalists cooperated with the occupiers. The anti-colonial movements, particularly in Java, had been strong prior to the occupation and a Japanese withdrawal would provide an opportunity to create an independent Indonesian Republic, though only after a war of national liberation against the Dutch. Prior to Japanese surrender the occupying forces setup in Java the Committee for the Study of the Preparation of Indonesian Independence (BPKI; *Badan Penjelidik Kemerdekaan*). Two prominent members of this committee were Sukarno and Mohammed Hatta (Gietzelt, 1985, 23). Part of the committee's task would be to decide the shape of the new state. At a meeting of the BPKI in July 1945 proposals for the territory of the new Indonesia were discussed. Three options were considered: a) the territory of the former Netherlands East Indies in addition to Malaya, British Borneo, Portuguese Timor and New Guinea, similar to the Majapahit Empire (this proposal was supported by 39 members out of 64, including Sukarno); b) the territory of the Netherlands East Indies, without WNG (supported by 6 members out of 64, including Hatta), and; c) the territory of the Netherlands East Indies (supported by 19 members out of 64; Gietzelt, 1985, 23).

The question of the inclusion of WNG in the territorial claims of the Indonesian nationalists was at this stage uncertain, though a clear majority of the founding nationalists supported the inclusion (Gietzelt, 1985, 23; Chauvel and Nusa Bhakti,
2004, 5-6). The desire to include WNG may in part have been motivated by a special relationship developed with the region by anti-colonial fighters that were imprisoned in the Boven Digul (Tanah Merah) camp in WNG, constructed in 1928 in response to a revolt in Java in 1926-27. The prominent Indonesian nationalist Hatta was one of these prisoners (Garnaut and Manning, 1974, 11; Gietzelt 1985, 21; Elmslie, 1995, 7) though Hatta himself did not during these early stages support WNG's inclusion\(^{101}\). The more obvious motivation was that WNG represented the extent of the territory of the Dutch colony. For example, a pro-independence slogan from the Indonesian anti-colonial revolution, 'Indonesia merdeka, dari Sabang sampai Merauke' (a free Indonesia, from Sabang to Merauke – that is Aceh to WNG) was borrowed from the Netherlands East Indies slogan of, 'Van Sabang tot Merauke'\(^{102}\).

On August 17 1945, Sukarno declared independence. Papuans themselves, however, were ambivalent about the unfolding events in Java. While Indonesian independence did generate some resistance to the Dutch in WNG and motivate the formation of a pro-Indonesian Papuan political party (Partai Kermerdekaan Indonesia Irian; Irian Party for Indonesian Independence), the scope of these feelings was limited. Other pro-Dutch parties (Gerakan Persuatuan Nieuw-Guinee; New Guinea Unity movement) were also active (Gietzelt, 1985, 24; Webster, 1999, 8). In any case, at the Round Table Conference between the anti-colonial Nationalists and the Dutch government that finally led to Indonesian independence (after a War of Independence), Dutch negotiators refused to yield WNG to the new Republic. Support in the Netherlands for the retention of WNG came from: political leaders needing to dispel the appearance of accommodating to all the former colonies demands, conservatives wishing to maintain international prestige, the Catholic party's desire to support missionary activity, Dutch business leaders who hoped to maintain access to potential natural resources, including oil and minerals (copper, gold, nickel etc)\(^{103}\), and Eurasian leaders in the Netherlands who viewed the area as a potential refuge for emigration (Verrier, 1976, 39-41; Markin, 1996, 23; Webster, 1999, 7; Drooglever, 2005). The Dutch position to retain WNG was resolved at a Cabinet Meeting on June 7th 1949, in the interests of maintaining the 2/3 support required in the Dutch parliament for the decolonisation of Indonesia (Kahin, 1952, 444; Markin, 1996, 24). This position was taken to the Round Table Conference in The Hague and Article Two of the eventual agreement stated that WNG would continue under Dutch control, and the issue of its future would be addressed by negotiation after one year (Chauvel and Nusa Bhakti, 2004, 6).

\(^{101}\) Hatta is reported to have said: "I recognize that the Papuans have the right to be an independent nation" (quoted in Webster, 1999, 7).

\(^{102}\) Another independence slogan emphasised unity in diversity ("Bhinneka Tunggal Ika"; Gietzelt, 1985, 25).

\(^{103}\) Some Dutch business interests, however were critical of the retention of WNG as it jeopardised their position within Indonesia (Brackman, 1963, 195). Nevertheless the "mining opportunities offered by New Guinea" were a key factor in the retention of the colony (Drooglever, 2005).
Sukarno was appointed the first President of the Republic of Indonesia on December 16 1949, with Mohammed Hatta appointed Prime Minister. Hamengku Buwono IX (the Sultan of Jogjakarta) was appointed the Minister of Defense and Sumitro Djojohadikusmo the Minister for Trade and Industry (Kahin, 1952, 448). In 1955 Indonesia held it's first general elections. The left-leaning Indonesian Nationalist Party (Partai Nasional Indonesia; PNI) of President Sukarno received the strongest support with 22.3%. The conservative Consultative Council of Indonesian Muslims (Majelis Sjuro Muslimin Indonesia; Masjumi) also polled well with 20.9%, as did the Muslim Teachers Association (Nahdatul Ulama; NU), which polled 18.4%. The Indonesian Communist Party (Partai Komunis Indonesia; PKI) polled a respectable 16.4% of the vote. The remaining parties accounted for 22% (Brackman, 1963, 218; Pauker, 1967, 507; Markin, 1996, 33-34).

Sukarno embodied a neutralist, non-aligned foreign policy and received domestic support from the PNI. In the same year as the general elections the PNI, who sought to build a strong Third World block, hosted the Bandung conference of Asian and African states. The conference was a pivotal moment in the development of the Non-Aligned movement and Afro-Asian solidarity, with Sukarno emerging as a prominent leader (Verrier, 1976). These roles, however, did not endear Sukarno to the United States government and the CIA contributed significant campaign funds to the Masjumi (Blum, 1995). At the municipal elections of 1957 the PKI polled strongly at the expense of the nationalists (PNI) with the Islamic parties, Masjumi and the NU, static (Brackman, 1963, 238-39). The PKI was a nationally focused party and the largest communist party outside the communist block. The strength of the PKI and the growing anti-Sukarno sentiment in Washington led the CIA to support an uprising of Sumatran and Sulawesi (anti-communist) rebel officers in 1958 that was backed by regional political parties (the so called Revolutionary Government of the Republic of Indonesia; Pemerintah Revolusioner Republik Indonesia; PRRI) and religious groups that attempted to unseat Sukarno. US support for the uprising was largely under the leadership of Director of the CIA Allen Dulles. CIA involvement was exposed with the grounding of a CIA pilot over Ambon. The rebellion was, however, crushed and martial law was proclaimed. The events also triggered the end of democracy under Sukarno and the beginning of the period of 'guided democracy' (Demokrasi Terpimpin; Markin, 1996, 38; Simpson, 2003, 23). The failed rebellion discredited the anti-communist parties, leaving the PKI and the Army as the two major forces in Indonesia. The leadership triangle of the army, the PKI and Sukarno formed the balance of power under 'guided democracy' (Utrecht, 1972, 61).
The West Papuan Declaration of Independence

Meanwhile, Queen Juliana of the Netherlands announced that WNG would be prepared for self-determination (Markin, 1996, 29). In the early 1950s geologists and agronomists were dispatched to investigate the region. Oil extraction and nickel mining were already well established and there was a general feeling that the region had significant economic potential (Verrier, 1976, 40-41). Aside from their motivations the Dutch developed a rationale for retention of WNG that was based on the different national character of the Papuans, the absence of nationalist impulses toward the republic and the presumed unpreparedness of the Papuans to decide their own fate (Drooglever, 2005). These arguments would develop into a Dutch desire to prepare the region for independence and come to dominate debate over the future of WNG. The promotion of the Papuan right to self determination was used by the Dutch to serve their own ambitions and policies in the region, though genuine steps were made toward this end (Drooglever, 2005).

Talks between Indonesia and the Netherlands broke down following the Round Table Conference and the Netherlands retained defacto control over the territory. Indonesia responded by taking the issue to the United Nations General Assembly in 1954, arguing that Papuans were a cultural group and thus the right to self-determination did not directly apply to their circumstances; that is, it was the shared history of the peoples of the Netherlands East Indies that bound them together as a nation (Verrier, 1976; Webster, 1999, 11; Chauvel and Nusa Bhakti, 2004, 8). A vote on the issue failed to attain the 2/3 majority required in the General Assembly due to a number of abstentions, despite Communist block and Afro-Asian support. The US was one of those states that abstained maintaining a neutral position on the issue (Brackman, 1963, 197, 198; Markin, 1996, 27). The US government planned to wait for a more opportune time to support transfer of the territory when Indonesia was in the hands of a leader deemed more favourable to US interests (Brackman, 1963, 198).

Between 1954 and 1957 Indonesia brought the issue before the United Nations General Assembly on three separate occasions, each time unsuccessfully (Webster, 1999, 13). In 1957, after the final attempt, rallies were held by the government body the Action Committee for the Liberation of West Irian, while the PKI led a series of strikes that commandeered Dutch enterprises in Indonesia (Brackman, 1963, 242; Markin, 1996, 37). The closure of Dutch consulates and expulsion of the Dutch followed. The seizure of Dutch businesses and estates led later to outright expropriation of US$2 billion of Dutch assets (Brackman, 1963, 242, 243; Garnaut and Manning, 1974,12; Markin, 1996, 38). Management of the enterprises was handed to the Army (Webster, 1999, 13).
The campaign to 'liberate' West Irian provided Sukarno with an opportunity for a nationalist revival (Brackman, 1963, 194; Webster, 1999, 2). Mohammed Hatta, though previously not a supporter of the inclusion of WNG in Indonesia argued in Foreign Affairs that: "The claim to West Irian is a national claim backed by every Indonesian party without exception; but the most demanding voice, apart from that of President [Sukarno] himself, is that of the Communist Party of Indonesia" (Hatta, 1958, 487).

During the early days of the republic the PKI used West Irian militancy to increase their nationalist credentials and public support, and to nurture their relationship with President Sukarno in opposition to the conservative and Muslim parties that controlled policy making (Webster, 1999, 10; Markin, 1996, 42). The PKI organised Irian liberation rallies from the mid-fifties and in 1957 PKI Chairman Aidit called for 'direct armed attack' on Irian. Sukarno, acknowledging the efficacy of this strategy turned to Soviet Arms to prepare for forcible seizure of the territory (Brackman, 1963, 196-198, 241).

During this period the Netherlands began preparing the Papuans for the goal of self-determination, which included the establishment of Papuan political institutions and Papuan representation in the administration of government (Pouwer, 1999, 169). A ten-year plan was released for Papuan control in 1960, though it did not include a date for independence (Webster, 1999, 18). According to one government pamphlet the "authorities are deliberately striving towards integration of the many small groups of the native population and endeavouring to get them to realize that in actual fact they are one people" (quoted in Webster, 1999, 26). A number of Papuan political parties also expanded in support including the Democratic Popular Party (Democratische Volkspartij; DVP) and the National Party (Partai Nasional; PARNA). PARNA demanded Independence within 10 years, though did not rule out collaboration with Indonesia to achieve this goal (Pouwer, 1999, 168)104. The New Guinea Council (Nieuw-Guinea Raad) was announced in 1960, with elections held early the following year (Verrier, 1976, 132; Webster, 1999, 27). The council consisted of a majority of elected members to advise on governance (Chauvel and Nusa Bhakti, 2004, 9-10). Around 100,000 of the population of 800,000 participated in the vote (Elmslie, 1995, 7). Papuans won 22 of the 28 seats along with five Dutch and an Indonesian.

Simultaneously a group of Papuan leaders (Nicolaas Jouwe, P. Torey, Markus Kaisiepo, Nicolaas Tanggahma and Eliezer Jan Bonay) organised a meeting of Papuans to contribute to the debate on self-determination and to demonstrate Papuan ambitions. On October 19 1961, the Komite Nasional Papoea under the leadership of New Guinea Council members issued a manifesto that demanded Papuan sovereignty. On December 1, in the presence of the New Guinea Council, Papuan independence

104 For more on Papuan political parties prior to annexation see Verrier (1976).
was proclaimed (Chauvel, 2001, 7; Chauvel and Nusa Bhakti, 2004, 10-11). The event recalled a declaration of Independence by the Mansren movement that had actually predated that of the Indonesian Republic. *Papua Barat* (a Malay name meaning West Papua) was adopted as the official name and the Morning Star the official flag (Gietzelt, 1985; Webster, 1999, 28).

The Dutch also attempted to resolve the WNG dispute using the forum of the UN General Assembly. Dr Joseph Luns, the Dutch Foreign Minister championed a plan in the UN General Assembly in late September 1961 that proposed UN administration in West Papua until a plebiscite could be held to decide the fate of the region. Dr Subandrio, Indonesia's Foreign Minister opposed the plan, arguing that self-determination in this instance would deny the Indonesian state its rights as the legitimate successor to the Netherlands Indies (Chauvel and Nusa Bhakti, 2004, 10). The plan attracted majority support but failed to gain the 2/3 majority required and was withdrawn (Brackman, 1963, 286; McLeod, 2002, 5). As we shall see in the following section, it was not until Indonesia stepped up its military pressure on the Dutch and the United States moved away from its position of neutrality that a final resolution was reached. Tragically the resolution would be finalised without a Papuan voice.

As Indonesia and the Netherlands wrestled over control of West Papua a Dutch company, the East Borneo Company (Oost Norneo Maatschappij; OBM), came across a 1939 report written by Jean-Jacques Dozy, a young geologist from Royal Dutch Shell following an expedition in 1936. Dozy reported the presence of a large resource of outcropping copper ore in the WNG highlands that he named Ertsberg. OBM took out a concession for the deposit with the Dutch government in 1959. In the early months of 1960 American mining firm Freeport Sulphur led a joint expedition with OBM to explore the resource (Wilson, 1977; 1981). The location of this deposit along with the adjacent Grasberg resource (announced in 1988) would see West Papua become host to one of the largest known reserves of both copper and gold.

**The Indonesian Annexation of Irian (1962-1965)**

Freedom is the right of all peoples and therefore colonialism should be wiped out from the face of this earth because it is opposed to humanity and justice.

Preamble to the Indonesian Constitution, quoted in Hatta (1958, 487).

**Trikora and the background to the New York Agreement**

While strict diplomacy failed to deliver West Irian to Indonesia, the combination of diplomacy and increasing military pressure brought results. On December 19 1961, Sukarno made a speech known as the Trikora (*Tri Komando Rakyat*) in Jogjakarta
where he called for the liberation of Irian. The three aims of Trikora were to prevent the formation of a 'puppet Papuan state,' to raise the Indonesian flag over West Papua, and to mobilise in order to achieve these aims (Gietzelt, 1985, 30-1; Chauvel and Nusa Bhakti, 2004, 12). Following the Trikora speech PKI Chairman Aidit pledged the two million members of the PKI for active service (Brackman, 1963, 288; Webster, 1999, 39). The Mandala military command was set up under the operational control of Army Major General Suharto (Markins, 1996, 62). 'Mandala' referred to a conception of sovereignty where power is radiated from the centre to the periphery (Webster, 1999, 39). On January 2, 1962, Sukarno issued Presidential Decree 1/1962 ordering military action lead by Major General Suharto (Chauvel and Nusa Bhakti, 2004, 12).

To complement the military build up Sukarno manipulated insecurities within the United States government over the future direction of Indonesia. With both Soviet Union and Chinese international support for Indonesia's claims to West Papua (Verrier, 1976; Simpson, 2003, 26), and a delicate domestic balance between the predominantly non-communist and anti-communist Army and the PKI, Sukarno pressured the United States to resolve the issue or else push Indonesia toward the Communist bloc. Sukarno sent Foreign Minister Subandrio to Washington to make clear the stakes of their involvement on the future of Indonesia. "Go and meet [President] Kennedy...give him the benefit of answering my single question. Which one does Kennedy prefer: [General] Nasution or [PKI Chairman] Aidit?" (quoted in Webster, 1999, 41).

US Attorney General Robert Kennedy toured Indonesia and the Netherlands in February 1962 to encourage talks between the Netherlands and Indonesia. In the preparation for Robert Kennedy's trip to the Hague the State Department advised Kennedy to inform the Dutch that the only satisfactory solution would be the effective transfer of WNG administration to the Indonesians, "in a form which would preclude alternative solution such as [an] Independent Papuan state, or any solution other than ultimate transfer of administration to Indonesia" (Bundy in Markin, 1996, 101, 104). The position taken by the State Department, according to Markin (1996, 101), may have been influenced by the views of John D. Rockefeller who wrote to Secretary of State Dean Rusk arguing that "unless a settlement is reached soon we are gambling with the future of Indonesia in a way which to me is needless and tragic" and that the US should "lay the situation on the line with the Dutch almost to the point of an ultimatum." Dean Rusk was President of the Rockefeller Foundation prior to his appointment as Secretary of State and the Rockefeller Council of Foreign Relations was the most powerful lobby group advocating the transfer of West Papua to Sukarno (Poulgrain, 2002). At least one oil company, Pan American Oil (an independent subsidiary of Standard Oil of Indiana), pressured the US government into supporting Indonesia's
annexation of West Papua. The company was subsequently treated favourably by the Sukarno government (Simpson, 2003, 171-172).

But even at this early stage there was some dissent within the US government about the morality of such a position. Harlan Cleveland, the Assistant Secretary of the Bureau of International Organization Affairs wrote to Dean Rusk arguing that:

> A transfer of people from one alien rule to another, without consultation with them and without their consent, is contrary to a traditional American concept of how dependent peoples should be treated. Beyond our own view, it is contrary to the spirit of the UN Charter and to the prevailing ethics of the second half of the Twentieth Century, at least in the West (Cleveland, quoted in Markins, 1996, 106).

For some in the US administration, such as Robert Komer of the US National Security Council Staff, the situation was more straightforward: "West Irian or even all of this Neanderthal island under Indonesian sovereignty...would be an infinitely smaller threat" than a Communist Indonesia (quoted in Simpson, 2003, 77). Even Australia shifted its position in light of American policy changes to support the transfer of WNG to Indonesia. Australia had been a strong ally of the Netherlands on the issue of WNG and the Dutch and Australian governments even considered the idea of a Melanesian Federation of WNG and Australian Administered New Guinea (Verrier, 1976, iii; Markin, 1996, 465)\textsuperscript{105}.

**The New York Agreement**

President Kennedy offered to facilitate negotiations between Indonesia and the Netherlands. In a climate of threatened Indonesian invasion talks were held in March of 1962 in Middleburg, Virginia between Dutch Ambassador to the US Van Roijen and Indonesian Minister of Trade Adam Malik and mediated by US Ambassador Ellsworth Bunker. The talks ended without success after a few days. Bunker then proposed a formula by which the Dutch would transfer administrative authority to a transitional UN administration, which would in turn transfer authority to Indonesia after one to two years. Indonesia would then assist the UN with an exercise of self-determination. President Kennedy wrote to Sukarno and Dutch Prime Minister De Quay with the proposal. Dutch Foreign Minister Luns was 'shocked and dismayed' at the proposal arguing that any determination of Papuan wishes after Indonesian control would be hollow (Simpson, 2003, 86-87). Talks resumed in Middleburg in July, 1962, only this time Indonesia was actively building up military in West Papua. A preliminary agreement was reached and formal negotiations began in August in New York that led

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\textsuperscript{105} For a discussion of Australia's policy towards West New Guinea see Haupt (1970), Verrier (1976) and Doran (1999).
to the signing of the so called 'New York' agreement at UN Headquarters in New York, 15 August, 1962 (Verrier, 1976; Markin, 1996; Simpson, 2003).

The New York Agreement stipulated that the Netherlands would transfer administration to the United Nations Temporary Executive Authority (UNTEA) on October 1 1962, with UNTEA to then transfer administration to Indonesia on May 1, 1963. An 'Act of Free Choice' was to be held by 1969 (Garnaut and Manning, 1974,13; Chauvel and Nusa Bhakti, 2004, 13). Prior to the agreement the UN had taken a strong stance on the self-determination of Peoples. In 1960 the General Assembly adopted the Declaration on the Granting of Independence to Colonial Countries and Peoples (Resolution 1514 of the XV Session of the General Assembly), which upheld “the need to pay regard to the freely expressed will of the peoples” (in Budiardjo and Liong, 1988, viii). The UN presence in West Papua would provide a test of the United Nations resolve to uphold the rights of the Papuans.

Well-organised demonstrations in West Papua followed the New York agreement, particularly in the capital Hollandia (Chauvel, 2001, 7), while Indonesia celebrated the transfer of administration as the final stage in the struggle for independence declaring in 1963 a 'Year of Triumph' (Tahun Kemenangan; Chauvel and Nusa Bhakti, 2004). Fearing Indonesian repression and manipulation of any future plebiscite the Regional Council of Biak-Numfor passed a resolution to the UN Administrator in late 1962 calling for a 'free plebiscite' to be held in 1964 (Feith, 2000, 22). This petition was one of hundreds passed to the UN envoy during the transition period, the majority of which called for independence (Saltford, 2000). Upon Indonesian annexation the New Guinea Council was replaced by the Peoples Regional Council, which declared loyalty to the invading forces (Verrier, 1976, 232). On January 7, 1965, Indonesia withdrew from the UN and in April 1965 Sukarno announced that self-determination would not be implemented (Verrier, 1976, 253; Chauvel and Nusa Bhakti, 2004,15). Shortly following this apparent betrayal the OPM launched its first military action against the Indonesian National Army (Tentara Nasional Indonesia; TNI), on the 26th of July, near the coastal town of Manokwari (Kirksey, 2002, 13, 42). The so-called Kebar incident was the beginning of a low intensity military conflict that continues to this day. The OPM has since grown into a broad independence movement with widespread appeal.

The Prize: Freeport and the Generals (1965-1969)

With Freeport...I all but said 'Where is the dotted line for me to sign on?' They were ready to invest even before we had an investment law under which to sign the agreement.

Dr Mohammed Sadli, former Chairman of the Technical Team of Foreign Investment and Indonesian Minister for Mining (in Winters, 1996, 75).
Background to the Overthrow of Sukarno

The Kennedy administration expended significant influence to facilitate the transfer of West Papua and risked "strained relations with old and close allies in order to encourage peaceful settlement favourable to Indonesia" (Rusk, 1964b, 66). The hope was that US accommodation toward Indonesia would neutralise a PKI issue, preserve ties with the army, encourage a more pro-western alignment, and at worst buy time until Sukarno was no longer President and a more dominant role could be played by the Army (Verrier, 1976; Markins, 1996; Simpson, 2003). Following the transfer longstanding issues surrounding the conditions of foreign investment that had caused friction between the governments, particularly in the oil industry, began to show signs of resolution, and for a moment it seemed as though the Sukarno government may respond by realigning toward American interests as hoped. Back in August of 1960 Sukarno had released an eight year economic plan for Indonesian development that called for state led development and the subordination of foreign capital to national goals, and in September of the same year Indonesia released draft regulation (No. 44) on the oil industry, announcing that foreign oil companies would be forced to form joint ventures with Indonesian state owned oil companies and that revenue sharing would favour the Indonesian government (60-40 split; Simpson, 2003, 50-51, 169-170). The proposals made by Indonesia were unacceptable to the major oil companies, and negotiations between Indonesia and Stanvac, Caltex and Shell related to this new policy continued unsuccessfully for more than two years. US foreign policy, particularly in relation to US Aid, became linked to the outcomes of the negotiations with US companies Stanvac and Caltex (Simpson, 2003, 174, 178)\(^\text{106}\), with the State Department describing the impasse as the 'most serious turn' in US-Indonesian relations since independence (quoted in Simpson, 2003, 180). Following the transfer of West Papua and with the intervention of the Kennedy administration in May, 1963, an agreement was finally reached based on the 60-40 split. Furthermore, in 1963 Indonesia, under pressure from the Kennedy administration, accepted an IMF sponsored stabilisation program (a precursor to the Structural Adjustment Programs of the 1980s) and the program was seen by the US as evidence of a reorientation of the Indonesian economy toward the West (Simpson, 2003, 183, 190).

However these 'encouraging' signs were fleeting. The initiation of confrontation (Konfrontassi) with the British formation of Malaysia and the administrative takeover of British companies again strained Western relations with Indonesia and forced a rethink

\(^{106}\) Poulgrain (1999a, 206-207) alleges that American oil interests (Standard Oil), linked to CIA head Allen Dulles, concealed their knowledge of a large oil field discovered in West New Guinea on the eve of the Japanese invasion from the Indonesians and some members of the Dutch government. The information was withheld by the Nederlandsch Nieuw Guine Petroleum Maatschappij (NNGPM) owned by Standard Oil and Royal Dutch Shell, apparently until a more stable political climate resulted. The field was later exploited, after the arrival of Suharto, by an Oppenheimer subsidiary.
of the US policy of accommodation. The change to the Johnson administration, upon President Kennedy's assassination, accelerated this trend and US policy toward Indonesia became increasingly focused on Sukarno's ouster and the neutralisation of the PKI as a political force. Writing in the journal *Foreign Affairs*, Guy Pauker (1962, 621) of the Rand corporation predicted three possible developments in Indonesia: the continuation of the status quo with Sukarno, the appearance of "a group of field-grade officers, identity unknown, [that] may organize covertly and take over from their less dynamic seniors", or the succession of power to the Communists. As we shall see Pauker's second prediction proved prescient.

The US government interest in the fate of Indonesia was related to a number of factors. These included the country's endowment of resources, its size as a potential market, and it's political alignment during the 'cold war.' The US Joint Chiefs of Staff, for example, noted Indonesia's size, resources and location when referring to the potential of the country as a "major prize" in the East-West struggle (Joint Chiefs of Staff, 1961, 443). The US President's Special Assistant for National Security Affairs Bundy confirmed this line of thought when writing "we are contending for the long range future of a country of 100 million with great resources in a strategic location" (Bundy, 1964, 13). Sukarno’s independence, whilst a stumbling block to US ambitions, also provided a sufficient pretext for a 'realignment'. According to US Secretary of State Rusk, "...it seems to me that Indonesia's mounting difficulties offer us an opportunity to obtain the long term advantages of an expanded Western equity in the Indonesian economy..." (Rusk, 1964a, 22).

Consistent with the more aggressive policy toward Sukarno, Rusk (1964b) urged US Ambassador to Indonesia Jones to use 'capital' with the Indonesian military to influence the government of Indonesia. Ambassador Jones then met with General Nasution, Indonesian Minister Coordinator for Defence and Security, in the following days to discuss a military takeover and to suggest "US support in [a] time of crisis," though Nasution "avoided like the plague any discussion of possible military takeover" (Jones, 1964a, 67). United States diplomatic traffic began to talk of 'new leadership' in Indonesia originating from within the army, but lamented that although the Indonesian military was prepared to react to PKI moves they as yet had "no other plans for taking over and improving [the] nation" (Jones, 1964b, 72, 75). Follow up discussions with Nasution confirmed that any attempts by the PKI to exploit the situation would result in heavy military retaliation (Jones, 1964c, 81).

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107 According to US Secretary of State Rusk: "As far as [the] US [is] concerned, we [are] being driven to point at which we recognise [the] growing possibility [of] parting ways with Indo(nesia)...US government and people cannot be expected [to] put up with this forever and must react strongly if our interests damaged by GOI [Government of Indonesia] or PKI" (1964b, 66).
By March, 1964, US aid had been scaled down to such an extent that it consisted of 'little more than training,' though according to US Secretary of State Rusk training of the Indonesian Military by the US was "actually more beneficial to us in terms of influencing the next generation than it is to Sukarno" (Rusk, 1964c, 76). Sukarno's Independence Day speech in August of 1964 confirmed the worst fears of the US government and foreign corporations in Indonesia. "I wish to confirm" stated Sukarno "that basically and eventually there will be no imperialist capital operating on Indonesian soil" (CIA, 1964a, 135). The government planned to move immediately to take control of British businesses. By late 1964 American owned rubber plantations had been seized by the government and oil companies had been threatened with expropriation. Facing the prospect of the loss of 15 years of investment in the Indonesian government the US National Security Council's number one objective was to "keep our foot in the door for the long term stakes...to play it cool..and to make a fast pitch to our real pals, the Indo[nesian] military" (Thomson, 1964, 140).

By September the US had significantly expanded their covert action program in Indonesia to target the PKI and the Sukarno government and to support "potential leader types," non-communist and anti-communist groups (CIA, 1964b, 163). The British government through its Foreign Office and Ministry of Defence also conducted a covert action program (beginning in 1963; Simpson, 2003, 263). The US saw the Army as having "succession potential" and the only organised entity capable of creating a government favourable to US interests (CIA, 1964c, 182). The US covert action program made detailed plans to cultivate potential leaders upon Sukarno's removal and to create an environment in which the PKI would come into conflict with the Army. According to the CIA (1964c): "on the death or removal from power of Sukarno, a power struggle will ensue, with the PKI and the Indonesian Army as principal protagonists". The covert action plan worked to facilitate the Army to take "obstructive action" to remove the influence of the PKI (CIA, 1964c, 183). Doubts, however, had existed for some time regarding the resolve of General Nasution's ability to be a strong post-Sukarno head of state (Pauker, 1962).

In February of 1965 Sukarno ordered the closure of the United States Information Service (USIS) facilities in Indonesia and announced the administrative control of US Rubber and Goodyear plantations, and in March Indonesia announced the direct government control of Caltex, Stanvac and Shell (Simpson 2003, 274, 276). CIA Director John McConne sat on the board of Rockefeller controlled Standard Oil, which owned half of Caltex (Simpson, 2003, 276). The Rockefellers were also involved in the ownership of Good Year Tire and Rubber. By May of 1965 Indonesia had decided not to permit foreign investment (Simpson, 2003, 290). A major report on Indonesian-
American relations by Ambassador Ellsworth Bunker in April, 1965, concluded that the fundamental reasons for the poor state of US-Indonesian relations were Sukarno's attempts to rally Afro-Asian nations against established states, the characterisation of the West as neo-colonists, the influence of the PKI, Sukarno's intention to abandon capitalism, and to a lesser extent confrontation with Malaysia (Bunker, 1965, 255-256). In particular the US was concerned that foreign private ownership would disappear to be replaced by production-profit-sharing arrangements (Bunker, 1965, 257).\footnote{108}

US Ambassador to Indonesia, Jones, was privy to plans by the Indonesian military for a *coup d'état* as early as April 1965 by sympathetic non-communist figures (United States Department of State, 2001, 254). The US covert action program in Indonesia is yet to be declassified, however, on March 10 1965, Ambassador Jones, whilst attending a Chiefs of Mission Conference in Baguio, Philippines, remarked that "From our viewpoint, of course, an unsuccessful coup attempt by the PKI might be the most effective development to start a reversal of political trends in Indonesia" (in Kahin and Kahin, 1995, 225).\footnote{109} In June of 1965 Ambassador Marshal Green was appointed new US Ambassador to Indonesia. Green's experience during the overthrow of Korean leader Syngman Rhee may have provided some preparation for the events to follow (Pilger, 2002, 31).\footnote{110}

**Gestapu and the Elimination of the PKI**

On September 30, 1965, middle ranking military officers loyal to Lieutenant Colonel Untung staged an alleged coup in which six generals from the Army High Command were taken to Halim Air Force base and killed. One of the murdered generals was Armed Forces Commander General Yani. An attempt was also made to kidnap General Nasution who managed to escape, though his daughter was mortally wounded. General Suharto, Commander of the Army's Strategic Reserve (KOSTRAD), launched a successful 'counter-coup' and regained control of the Army (Utrecht, 1972, 62; Simpson, 2003, 306, 307). There are a number of alternative theories to what actually transpired. The 'failed' coup attempt has become known as the September 30 movement (*Gerakan September Tigahpuluh*), or the Gestapu.

The traditional version, as told by General Suharto and the US government, contends that the PKI and left leaning Generals staged the *coup d'état* and kidnapping under the pretext of protecting President Sukarno from an impending coup by a CIA aligned

\footnote{108} The CIA National Intelligence Estimate of 1965 concluded that a communist Indonesia would not pose a large international threat but would domestically pose a threat to Western interests (quoted in Simpson, 2003, 297).

\footnote{109} UK Assistant Secretary of State in the Foreign Office, Edward Peck, also reportedly suggested that "there might be much to be said for encouraging a premature PKI coup during Sukarno's lifetime" (Subritzsky in Simpson, 2003, 263).

\footnote{110} Interestingly Marshal Green was US Ambassador to Australia during the Whitlam Labor government. The Whitlam government was controversially dismissed on November 11, 1975.
'Council of Generals.' General Suharto then successfully restored order, but not before the kidnapped Generals were murdered, with their bodies mutilated by female PKI members and dumped down a well. After the Army had regained control of Jakarta it shut down all media outlets, with the strange exception of the PKI affiliated newspaper Harian Rakjat, which published an edition endorsing the September 30 movement. This account, however, has proven increasingly hollow. PKI involvement in the Gestapu is now, by most accounts, considered spurious and declassified Australian documents reveal that at the time Western embassies did not believe that the PKI had orchestrated the events of September 30, believing it more likely to be an internal army dispute (Jenkins, 1999). The scant evidence for a PKI role has been largely discredited and focuses on the editorial noted above (though the editorial was published on October 2, after the coup had already 'failed') and the circumstances surrounding the publishing of this piece are suspect (see Dale Scott, 1985, 262). Furthermore Gestapu co-conspirator, Colonel Latief, later alleged while imprisoned for his role in the events, that Suharto had been well informed of the planned coup prior to September 30 (Poulgrain, 1999b).

Dale Scott (1985) claims that a more plausible account of the events is that right-wing military leaders induced the Gestapu coup, thus eliminating their rivals in the army's centre, and paving the way for the purging of the left blamed for the attempted coup and the establishment of a military dictatorship. Members of the loyal pro-Sukarno faction led by Commander of the Army General Yani were eliminated by forces loyal to Suharto, leaving the anti-Sukarno faction to take advantage of the events. General Nasution thus may have been targeted because of his inaction or reluctance to move against Sukarno and the PKI. Planning for Gestapu as a premature communist coup that was designed to 'fail' and to thus provide a pretext for the destruction of the PKI, may have started as early as 1964 (Maxwell in Dale Scott, 1985, 252). In this account the US positioned its covert action program to provoke the coup. The extent of US covert planning in this regard, however, is still unclear. Ralph McGehee, a former CIA operative has confirmed CIA participation in a deception operation. Furthermore McGehee alleges that the CIA provided forged documents incriminating the PKI in the September 30 events, which were used as justification for their subsequent repression (McGehee, 1990a, 1990b). Interestingly, detail of the forgeries and the action program were officially censored from McGehee's articles (McGehee, 1990b). Other studies such as Brands (1989) paint the US role as one of confused bystander, though Brands acknowledges US government enthusiasm for the transpiring events. Given the comments of Ambassador Jones prior to the coup, quoted above, it is most probable that the US covert action program and Gestapu were designed to facilitate the ascension of the anti-Sukarno Generals led by Suharto.
Foreign companies also played a role in undermining Sukarno. Beginning in 1957, but accelerating after 1963, Stanvac and Caltex paid royalty payments directly to state oil companies Permina and Pertamin rather than through Sukarno (Dale Scott, 1985, 254-255). There has been some suggestion that General Ibnu Sutowo, while head of Permina, played a role in the funding of the Suharto led coup (according to a 1973 article in Fortune Magazine; Dale Scott, 1985, 254-255). It is possible that the diverted royalty payments formed part of this support. Indeed, Simpson (2003, 350) has alleged that in early February 1966 Caltex, Goodyear and US Rubber, upon requests from Suharto and the Army, diverted royalties to unnamed bank accounts controlled by the Army (Simpson, 2003, 350). Caltex and Stanvec were owned in part by the Rockefeller controlled Standard Oil. Japan, Britain and Germany are also thought to have played a supporting role in the accession of Suharto (Dale Scott, 1985).

Immediately following the coup the US moved quickly to influence events. US Ambassador Green argued that the best assistance the US could provide the Indonesian Army would be to "spread the story of PKI’s guilt, treachery and brutality...if we can find way to do it without identifying it as solely or largely [a] US effort" (Green, 1965a, 307-308). Emerging as strong leaders post-Gestapu both General Nasution and Suharto began to move against the PKI leadership and membership. It is clear from the declassified record that General Suharto, however, was calling the shots. US Undersecretary of State Ball was confident that through inter-service relationships and regular assurances to General Nasution that the coup leaders could rely on the US for help (Ball, 1965, 309). President Sukarno, however, officially remained in his position as President and in the months that followed his power was slowly eroded as the Generals consolidated their ascension.

The US government provided both diplomatic and material assistance to General Suharto. The Indonesian Army was supplied with medical supplies, a telecommunications system, small arms, and food aid to help in the elimination of PKI members (United States Department of State, 2001). Initial aid was indeed contingent on such action (Simpson, 2003, 324, 327). The enthusiastic support for the slaughter is summed up by US Ambassador Green who stated that the "Army has nevertheless been working hard at destroying [the] PKI and I, for one, have increasing respect for its determination and organization in carrying out this crucial assignment" (Green, 1965b, 330). Furthermore the CIA, approved by Ambassador Marshal Green, supplied the names and locations of as many as 5000 Communist Party Members to the military through an aide of Minister of Trade Adam Malik during the massacres. United States officials reportedly checked off the names as they were murdered (Kadane, 1990, 12, 13; Wilkinson, 1999; United States Department of State, 2001, 386-387). Adam Malik
had been identified in intelligence memorandums prior to the coup as a potential post-Sukarno leader (CIA, 1964d, 189). The US provided covert funds to Malik's Kap-Gestapu movement, a civilian body with close Army ties that aided in the repression of the PKI (Green, 1965c, 379). Kap-Gestapu has been described by some press accounts as a civilian death squad (Ecclesten, 2001). Declassified Australian government documents have also revealed Australia's encouragement for, and silence of, the massacres of the PKI. Under instruction from the Indonesian Military, Australian Ambassador Mick Shann, and future Australian Ambassador's Gordon Jockel (in his role as First Assistant Secretary) and Richard Woolcott (in his role as Public Information Officer) successfully pressured Radio Australia news media (that is transmitted into Indonesia) to censor material so as not to jeopardise the Army's push for power and elimination of the PKI (Jenkins, 1999).

Reliable studies into the number slaughtered were never conducted, though most accounts refer to between 500,000-1,000,000 people brutally massacred in the months that followed Gestapu. Declassified US documents at the time referred to the events as a "systematic campaign of extermination" of 300,000-400,000 people (Rusk, 1966, 450; Humphrey et al., 1967, 484). The CIA wrote that "In terms of the numbers killed the massacres rank as one of the worst mass murders of the 20th Century" (CIA Directorate of Intelligence, 1968). Not a single US official ever expressed concern publicly about the slaughter (Simpson, 2003, 329). Indeed the US government worried that the killings would not go far enough, and leave open the opportunity for the PKI to regroup and for the nationalist Sukarno to re-emerge as an effective leader.

During the massacres of late 1965 and 1966 Suharto steadily eroded Sukarno's hold on power. Student protests gave a pretext for forces loyal to Suharto to surround the Presidential Palace in March of 1966 during a cabinet meeting and force Sukarno to declare Marshal law, thus empowering Suharto and effectively conducting a 'courteous constitutional coup' as Marshal Green put it (Simpson, 2003, 353). On July 25, 1966, a new cabinet was announced by General Suharto, which further marginalised President Sukarno. The cabinet included Suharto as Chairman of the Presidium and Minister of Defense and Security, Adam Malik First Minister of Political Affairs and Foreign Minister, the Sultan of Jogjakarta Hamengku Buwono IX First Minister for Economics and Finance (all supportive of Suharto) and two other representatives (supportive of Sukarno) from the NU and PNI (Hughes, 1966, 448). Sukarno, however, still remained the nominal President and during early 1967 an effort was made to finally unseat him from power. 'Revelations' surfaced during the trial of Air Force Marshal Dani for his involvement in the September 30 movement that Sukarno had tacitly endorsed the alleged coup, thus increasing pressure on Sukarno to resign. On February 20, 1967,
Sukarno formally handed authority to Suharto, who became acting President (Simpson, 2003, 401-402).

**Planning the Return of Foreign Investment**

Under Suharto’s leadership the Indonesian economy was transformed. The reorientation was a particularly sensitive issue due to the fact that "even most anti-communist Army leadership are strongly imbued with [the] conviction that Indonesians must control their own natural resources" (US Embassy quoted in Simpson, 2003, 341). With Suharto at the helm, however, the transformation was swift. The IMF was welcomed back in July, 1966, while the WB mission was invited the following month (Winters, 1996, 53). Like the military coup itself the economic transformation of Indonesia was the result of years of careful planning by a number of US agencies, institutions and universities. Of particular importance was the education of Indonesian economists in the United States as part of a Ford and Rockefeller Foundation strategy to build an Indonesian 'modernizing elite' (Ransom, 1975). These economists would form the backbone of Suharto’s economic team.

The Ford Foundation funded a graduate program in economics at the University of Indonesia, Djakarta, run by Sumitro Djojohadikusmo, a former Minister of Trade and Industry in the early post-colonial governments and Dean of the Faculty of Economics at the University. The graduate program had connections to the University of California Berkeley (Ransom, 1975) and a similar program was run by the Rockefeller foundation. These programs were part of the broader US government policy to realign Indonesia and course content reflected this ambition. A number of Indonesian students of Sumitro had attended a CIA-funded summer seminar run at Harvard by Henry Kissinger in the 1950s. One of these students was Mohammed Sadli who had developed a friendship with Guy Pauker, later of the Rand corporation. Another of Sumitro’s students was Widjojo Nitisastro (Ransom, 1975; Sadli, 1993, 36-37). Following summer courses with Henry Kissinger, Sadli went on to study postgraduate economics at MIT under a US government scholarship and completed a further year at the University of California Berkeley (Sadli, 1993, 36-37). Widjojo was at the time studying at the Faculty of Economics in Indonesia. Sadli returned to Indonesia in 1957 to the Faculty of Economics to become Director of the Faculty of Economics Institute of Economic and Social Research, a position previously held by Widjojo (Sadli, 1993, 37). By this time Sumitro was in exile in Singapore due to his conflicting views with President Sukarno. According to Sadli (1993, 38) most of the members of the faculty during this period were Americans.
Upon returning from a position as visiting fellow at Harvard University in 1963-64 (Sadli, 1993, 38) Sadli was invited by Colonel Suwarto, Commander of the Staff and Command School of the Army (SESKOAD), to teach at SESKOAD along with Widjojo and another US trained economist Emil Salim. Colonel Suwarto had trained in both Fort Leavenworth in the United States and at the Rand Corporation offices. In fact, by 1966 around 2800 members of Indonesia's Officer Corps had received training at US service schools (Simpson, 2003, 36). Importantly, one of the students of the Indonesian economists at SESKOAD was General Suharto (Sadli, 1993, 39). "The institutional links between the military and the academics which developed as a result of these courses" according to Sadli (1993, 39), "became an important part of the military-civilian alliance" of the new regime.

On April 12, 1966, the Sultan Hamengku Buwono IX announced an economic policy that signalled a new orientation for Indonesia. The policy was authored by Widjojo and Sadli (Ransom, 1975). In August of 1966, following the appointment of the Suharto dominated cabinet, General Suwarto of SESKOAD organised a seminar to plan the economic and political policies to be pursued by the 'New Order' (Orde Baru) regime that had begun to take shape (Sadli, 1993, 40). From this seminar and others an economic plan was created by the members of the Faculty of Economics in association with General Suharto. The close association between the Generals and the academics led to their appointment as Suharto's economic advisors (Sadli, 1993, 40). This group became known as the 'Berkley Mafia,' though their formal name was the Team of Experts for Economic and Financial Affairs. Other members included Miriam Budiardjo (who had been part of an MIT study group with Guy Pauker), and her husband Ali Budiardjo, at the time head of Indonesia's National planning Bureau (Ransom, 1975). In the June 1968 cabinet Sumitro was appointed Minister of Trade and Commerce, Widjojo the Chairman of the National Planning Board (with Emil Salim Vice President), and Mohammed Sadli was named Chairman of the Technical Team of Foreign Investment (Ransom, 1975).

With Suharto's 'New Order' firmly in control, the end of Konfrontasi and new attitudes toward foreign investment and economic reform, more substantial US and international aid began to flow. The Intergovernmental Group on Indonesia (IGGI), consisting of states that backed the regime including the United States, Canada, Australia, and a number of European states, as well as the IMF and the WB, met in Paris in December 1966, where they rescheduled Indonesia's foreign debts (Winters, 1996, 54). While a multilateral approach to the economic transformation of Indonesia, including substantial involvement by the IMF, WB, Western Europe and especially Japan was preferred by the United States (US Department of State, 2001, 22, 342, 343, 472, 518, 531), a
Part B: Testing the Landscape Consumption Model

The number of US corporations were set to gain from Indonesia's about face over foreign control of their resources. Principal among these was Freeport Sulphur.

**The New Order and the Arrival of Freeport Sulphur**

At the time of the repression of the PKI Freeport executives arrived in Jakarta to negotiate a contract for the exploitation of the Ertsberg deposit in West Papua. Freeport was one of a number of firms interested in mineral prospects previously identified during Dutch colonialism (van Leeuwen, 1994, 17). Freeport had unsuccessfully negotiated with the Dutch and had been blocked by Sukarno after coming to a preliminary arrangement prior to the coup in April 1965 with the Ministry of Mining (Dale Scott, 1985, 257; Simpson, 2003, 392). It is worth noting that at this stage Freeport was negotiating with Generals who did not yet have control of a government that did not yet have official control over the territory that Freeport wished to exploit.

Langbourne Williams, the CEO of Freeport Sulphur, was approached in late 1965 by two Texaco executives, Augustus Long, former Chairman of the Board of Texaco and a member of the US President's Foreign Intelligence Advisory Board, and Julius Tahija. These men provided Freeport with much needed contacts to the Generals (Wilson, 1981; Leith, 2002, 70, 71; Pease, 1996). Tahija arranged a meeting in Amsterdam between Freeport executives and General Ibnu Sutowo, who was allegedly involved in the funnelling of money from Caltex to Suharto (Caltex was jointly owned by Rockefeller's Standard Oil and Texaco). Tahija also suggested Ali Budiardjo as a potential government contact for the negotiation of a contract of work. As mentioned above Budiardjo was one of the 'Berkeley Mafia'. Budiardjo founded a legal firm and took on Freeport as his first client. He would later become President of Freeport Indonesia (Leith, 2003, 63; Ottouw and Demi, 2000).

While these meetings served as important contacts between Freeport and the military, Freeport had already developed strong connections to the Whitehouse and the Washington establishment and was no doubt well informed about the unfolding events. The former Chairman of Freeport Sulphur, John Hay Whitney, had previously worked alongside Nelson Rockefeller in the Office of Strategic Services (OSS). Freeport Board Member Robert Lovett was Assistant Secretary for War under Roosevelt, Undersecretary for State under Truman, Deputy Secretary for Defence under Eisenhower, advisor on appointments to Kennedy, and member of Kennedy's secret Executive Committee of the National Security Council (Leith, 2002, 70, 71). Robert Lovett had also been a member of the US Committee to Strengthen the Security of the Free World that was initiated by President Kennedy in December of 1962 and included companies invested or interested in investing in Indonesia (Simpson, 2003, 159). The
Board of Freeport also included two Rockefeller family members, Jean Mauze and Godfrey Rockefeller, in addition to Benno Schmidt a Rockefeller associate. Tahija, Long, Hay and Lovett all had close links to the Rockefeller family (Leith, 2003; Pease, 1996). Furthermore in early September of 1965 Freeport's Information Director James Moyer joined the Whitehouse Staff (Simpson, 2003, 392). These links were influential particularly with the uncertainty of events during the months following the Gestapu.

Following Freeport approaches, Suharto sent the Minister of Oil, Mining and Minerals Bratanata with Adam Malik to West Papua to visit the proposed concession area. Official negotiations began in mid-June, 1966 (Sadli in Winters, 1996, 75; Simpson, 2003, 393, 394). At this stage a foreign investment law had yet to be written. In late 1966 an American consultant, David Cole, along with Widjojo and Mohammed Sadli drafted the new foreign investment bill, while the US embassy in Jakarta was forwarded early copies for comment. The State department contributed detailed suggestions for modification that were included in revisions of the bill (Ransom, 1975; Simpson, 2003, 397). The foreign investment law was approved by the Presidium on December 24, 1966. The law was the New Order's first major piece of legislation (Law 1/1967). During this period the New Order also signed an Investor Guarantee Agreement with Washington, accepted IMF stabilisation measures (Simpson, 2003, 399) and drafted the Basic Provisions of Mining Law (No. 11/1967).

Freeport signed its contract with the Ministry of Mining in April, 1967, 'outbidding' Dutch and Japanese investors who were also interested in the Ertsberg resource (Leith, 2003, 60). Freeport was the first company to invest in the Suharto regime. In Sadli's words:

> When we started out attracting foreign investment in 1967 everything and every one was welcome. We did not dare to refuse...The first mining company [Freeport] virtually wrote its own ticket. Since we had no conception of a mining contract we accepted the draft written by the company as basis for negotiations and only common sense and the desire to bag the first contract were our guidelines (cited in Gietzelt, 1985, 168).

The so-called 'first generation' or 'pioneer' Contract of Work (CoW) drafted and signed by Freeport was unsurprisingly very favourable to the company. Freeport was the only company to be granted the terms of the ‘first generation’ contract (van Leeuwen, 1994, 17). The agreement included a three-year tax holiday, a concessionary tax rate of 35% for an additional 7 years and an exemption from all other taxes or royalties (except for a sales tax of 5%; Sadli, 1993, 46). The original CoW gave full control of mining and exploration activities to Freeport and did not include provisions for Papuan consent or consultation, environmental reclamation or community development (Gietzelt, 1985,
89; JATAM, 2003; van Leeuwen, 1994, 17). There was no mention that technically the territory was the responsibility of the UN. Furthermore the CoW system made renegotiation of the terms of resource extraction more difficult than a general mining law.

The Suharto regime provided the basis for Freeport to initiate mining operations in the new colony. The success of the Freeport contract and the favourable investment conditions of the New Order regime attracted other investors into Indonesia. The crescendo of this reversal of fortunes was a non-publicised conference of around 70 representatives of potential foreign investors from Europe, the United States, Japan and Australia organised by the Time Life Corporation, and held in Geneva in November 1967. The New Order regime sent a high level delegation to Geneva for the event headed by Adam Malik, Minister of Foreign Affairs, Sultan Hamengku Buwono IX, State Minister for Economic, Finance and Industrial Affairs, and the economists of the 'Berkeley Mafia' (including Emil Salim and Mohammad Sadli; Government of Indonesia, 1967). Suharto even issued a Presidential decree that authorised the Indonesian delegation to the Time Life Conference to act with the full authority of the government (Winters, 1996, 58). The delegation was there to sell the regime's new foreign investment laws and to demonstrate its credentials to potential investors, including provisions for no restrictions on profit transfer, tax holidays of up to 5 years, tariff reductions and extra incentives for pioneer investors, 100% foreign equity ownership, absence of exchange controls, and the opportunity of exploiting Indonesia's abundant natural resources \(^{111}\). The presence and authority of the delegation also provided a forum to plan the future development of Indonesia and an opportunity for corporations to outline the terms in which they would make their investments. Representatives to the conference included David Rockefeller of Chase Manhattan, Burke Knapp Vice President of the World Bank, George Ball US Undersecretary of State, and Robert Hills of Freeport Sulphur (Winters, 1996, 68, 72, 73; Pilger, 2002, 37).

One by one the delegation offered Indonesia, its people and environment to the leaders of the business world. The Minister of Foreign Affairs Adam Malik opened proceedings by stressing the return of political stability to Indonesia that came from "the presence of a dominant military-civilian group; a determined leadership committed to economic reconstruction, the rule of law and the upholding of constitutional practices; the good will of, and adequate amounts of aid from, friendly countries" (Government of Indonesia, 1967, 11)\(^{112}\). Emil Salim, the Deputy Chairman of the

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\(^{111}\) The regime also announced that it had returned to their original owners all non-Dutch assets that had been expropriated, while Dutch assets had been compensated (Government of Indonesia, 1967, 17).

\(^{112}\) Malik reiterated these sentiments in a 1968 issue of *Foreign Affairs* stating that "Indonesia's great natural potential and its large domestic market can be developed effectively by private enterprise, and in this foreign capital can play a
Planning Council explained that Indonesia "has the advantage of being still unexploited. Its natural resources are still in the ground. The problem is to make the cost of exploitation so low that it becomes attractive enough to lure foreign capital" (Government of Indonesia, 1967, 20-21). The Sultan was even more direct emphasising the "abundance of cheap labor" and the "treasurehouse of resources...waiting for you to bring your advanced technology, your experience, your capital and your entrepreneurial spirit" (Government of Indonesia, 1967, 18). Between 1967-1975 more than 787 foreign investment projects took advantage of the conditions offered by the New Order, totalling US$3.9 billion, with Japan (US$1605 million), the United States (US$861 million) and Hong Kong (US$445 million; figures for 1967-1974) the dominant investors (Government of Indonesia, 1975). The mining industry attracted the largest source of investment, quite possibly attracted to the 'treasurehouse' while the 'cost of exploitation' was still so low.

The Integration of 'Victorious' Irian (1969-1991)

The conditions in our home country are beyond describing. It is a complete chaos. Murder, oppression, looting, maltreatment, and again maltreatment, looting, oppression and murder are the things the Indonesian Army gives us to swallow every day...The Papuan people is [sic] being purposefully and systematically exterminated by the Indonesians! Compatriots, our sorrow is to great, we cannot bear it any longer. Do for us what you can and rescue us.


It was just a whitewash. The mood at the United Nations was to get rid of this problem as quickly as possible ... Nobody gave a thought to the fact that there were a million people there who had their fundamental human rights trampled.

Former UN Under Secretary-General for the Act of Free Choice, Chakravarthy Narasimhan (quoted in Lekic, 2001).

The New Order and the Act of Free Choice

The New Order regime was reluctant to hold the Act of Free Choice. Foreign Minister Adam Malik told journalists during his August 1966 visit to West Papua that according to the New York Agreement a plebiscite was required but that implementing this agreement would contradict the wishes of the population who had rejected the

very important role" (Malik, 1968, 300). While Indonesia favors joint ventures with the government, Malik said, "it will not insist on these in the beginning" (1968, 300-301). The CIA National Intelligence Estimate, of 1968, said "An essential part of the Suharto government's economic program, therefore, has been to welcome foreign capital back to Indonesia. Already about 25 American and European firms have recovered control of mines, estates, and other enterprises nationalized under Sukarno. In addition, liberal legislation has been enacted to attract new private foreign investment...The prospects for private foreign investment in extractive industries are fairly good, but it will take several years before survey and exploration work can pay off...Nevertheless, there is substantial foreign interest in new investment in relatively untapped resources of nickel, copper, bauxite and timber" (1968, 571).

113 The conference also broke up into a series of workshops based on economic sector, where companies had the direct audience of the Indonesian economic team. Most of the interest centered on the Mining, Oil and other extractives sector. This workshop included representatives of Shell Oil, Bechtel, Union Carbide, Alcoa, Freeport Sulphur, Standard Oil, and International Nickel of Canada among others (Winters, 1996, 68-69). The Indonesian delegation stressed that only 5% of the country had been geologically mapped, and therefore remained unexplored.
necessity of the plebiscite as demonstrated by the Kotabaru Charter (Chauvel and Nusa Bhakti, 2004, 19). The Kotabaru Charter was a document presented by a small number of Papuan leaders to the Indonesian administration during Sukarno rule that rejected the necessity of self-determination because Papuans supported Indonesia. With Indonesia's decision to rejoin the UN, however, Suharto decided to go ahead with the plebiscite to strengthen the international relations credentials of the new regime (Verrier, 1976, 262; Budiardjo and Liong, 1988, 22).

Prior to, and following, the Act of Free Choice Papuans have overwhelmingly rejected Indonesian rule and this presented a difficulty for the Suharto regime. Papuans in exile, such as the Papuan National Front and the Freedom Committee for West Papua, strongly campaigned against the Indonesian occupation from the outset (Verrier, 1976, 254-255). The United States and Australian governments were also fully aware prior to the Act of Free Choice that Papuans overwhelmingly backed independence (Green, 1967a; United States Department of State, 1967; Balmain, 1999). Marcus Kaisepo, President in exile of the government of West Papua, met with officials from the US State Department in December of 1967 informing them that both “the Netherlands and Indonesia are foreign countries and so regarded by the Papuan nation and people.” He described the grim reality of oppression by the Indonesian military and informed the US government that “the foreign Indonesian rulers tell the [Papuan] people bluntly not to put any hope in a 1969 referendum” (US Department of State, 1967).

Violent repression by the up to 10,000 Indonesian troops (Green, 1968c, 17), mobilised to occupy Papua during the Act of Free Choice, was used to influence the outcome of the vote. Military operations in West Papua between 1964 and 1968 were given the name Operation Tumpas (Operation Annihilation; OPM, 1984). In 1968-69 an uprising in the Arfak mountains area was followed by the strafing of civilians by the Indonesian Air Force, among other incidents (Geitzelt, 1985; Verrier, 1976, 263-266). Indonesian Commander in Irian Jaya, Sarwo Edhie, reported to Suharto that, “The people themselves had to be prepared and guided so that they would win the Act of Free Choice” (Chauvel and Nusa Bhakti, 2004, 20).

A consular officer of the US Embassy visited West Papua in January-February, 1968, including the Freeport Mine. The report of the trip found that “it is the opinion of most observers in the area that Indonesia will not accept independence for West Irian and will not permit a plebiscite which would reach such an outcome” (Green, 1968c, 2). Furthermore, the Indonesian government planned to hand pick representatives to “endorse union with Indonesia” (Green, 1968c, 15). As Thomas Hughes, the Director of Intelligence and Research at the US Department of State, explained, the difficulty was
not that the vote be designed for a fair outcome but that: “the Indonesian government faces the delicate task of designing a form of ‘self-determination’ which will ensure its retention of West Irian and yet not appear as a flagrant violation of its international obligations and of the rights of the Papuan inhabitants” (Hughes, 1968, 1). The Indonesian government chose the ‘mutual consultation’ system of *musjawarah*, with the consultation to be undertaken by carefully selected representatives (Garnaut and Manning, 1974)\(^{114}\). Technically, however, the New York Agreement stipulated that all adults were eligible to participate in the proceedings “in accordance with international practice” (Saltford, 2000, 3). US National Security Advisor Henry Kissinger advised President Nixon, in preparation for an official Presidential visit to Indonesia in 1969 and prior to the vote, that “You should tell [Suharto] that we understand the problems they face in West Irian” (Simpson, 2004). Kissinger furthermore endorsed the chosen procedure of ‘consultations’ arguing that “[direct election] would be almost meaningless among the stone age cultures of New Guinea” (Kissinger, 1969, 7).

The Indonesian government successfully delayed the arrival of Ambassador Ortiz Sanz, the UN Secretary General's Representative to West Irian, and reduced the capacity of his entourage (Green, 1968d). Upon arrival in West Papua, Ambassador Ortiz Sanz is reported as saying that his impressions were that Indonesia held little interest in a free election and that “if in his opinion he cannot assure to the residents of the area a completely free election, he will resign rather than ‘preside over a farce’” (Pedersen, 1968). Alarmed at Ortiz Sanz's comments US Ambassador Green wrote to the US Secretary of State and suggested that the US should “do anything we can indirectly to make him aware of political realities” (Green, 1968e). The UN mission seems to have heeded to American pressure with one prominent UN official even suggesting to the Indonesians that they record some negative votes to give the outcome at least the appearance of legitimacy! (Markins, 1996, 480).

Over three weeks ending on August 4, 1969, 1024 Papuans (of the population of around 800,000) unanimously voted for integration with Indonesia. In-depth critiques of the running of the Act of Free Choice can be found in Saltford (2000) and Blay (2000). Two West Papuan politicians and members of the West Irianese provincial assembly, Willem Zonggonao and Clemens Runawery, attempted to travel to the UN to expose the unfolding farce. Whilst the plane they had boarded stopped to refuel on Manus Island in Australian-administered New Guinea the Australian government detained the pair at the request of Indonesian Foreign Minister Adam Malik (Balmain, 1999; McLeod, 2002, 7; Wing and King, 2005, 1). A UN resolution (No. 2504) jointly

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\(^{114}\) Indonesia also sent a C-130 aircraft with gifts to entice the selected candidates to support integration (Green, 1968a, 1968b).
submitted by the Netherlands and Indonesia to the General Assembly ‘took note’ of the Act of Free Choice on November 19, 1969 (by 84 votes to 0 with 30 abstentions), thereby ending UN involvement in the territory and transferring WNG officially to Indonesia. An unsuccessful amendment to the resolution proposed by a small group of 15 sympathetic African states led by Ghana was the only official protest over the farce (McLeod, 2002; Chauvel and Nusa Bhakti, 2004, 20; Drooglever, 2005).

**Freeport and the Annexation**

In March 1967, just two months after Suharto officially became President and while the UN remained officially responsible for the region, Freeport equipment began to arrive in West Papua (Harple, 2000). Bechtel was contracted to provide engineering and construction services alongside the J.H. Pomeroy Company (Wilson, 1977, 35). Steve Bechtel was known at the time to have joint business ventures with CIA Director John McCone and close connections with the Export-Import Bank (Pease, 1996; Leith, 2003, 62). The rugged terrain and lack of infrastructure meant that construction of the mining operation was challenging, and the project took five years to complete. The first shipment of ore to Japan was made in late 1972 (Wilson, 1977, 36) and full-scale production began in 1973 at ~7500 tpd (tonnes per day; MMSD, 2002b, 16).

Financing for the project came from Japanese and German smelters and Japanese trading companies (including MITI, a Japanese government agency), the German Development Bank (KFW), and American banks and insurance companies. Guarantees for loans were provided by the Agency for International Development and the Export-Import Bank of the United States (Wilson, 1977, 35-36). At the opening ceremony of the Ertsberg mine in 1973 President Suharto named the newly constructed mining town, Tembagapura (meaning Copper Town), and as a demonstration of the importance of the project to Indonesia's annexation of West Papua Suharto renamed the territory *Irian Jaya* or 'Victorious Irian.' Up until this point Indonesia had referred to West Papua as *Irian Barat* (West Irian; Budiardjo and Liong, 1988, 33).

In 1973 the Indonesian government set up its first formal presence inside the Freeport project area and the first spontaneous non-Papuan migrants arrived (Harple, 2000, 209-210). The close relationship between Freeport and the Indonesian government meant a blurring of lines between the corporation and the state. According to Leith (2003, 4) “To all intents and purposes Freeport became a quasi-state organisation for Jakarta in West Papua as the principal developer and administrator of its project area and surrounds.” Freeport infrastructure showed the typical signature of 'enclave
investment’, for example telecommunications were not integrated into the provincial network (Garnaut and Manning, 1974,57).

The Indonesian military was mobilised to provide protection for the operations and was involved in repression of Amungme demonstrations of dissatisfaction with Freeport during the early stages of construction and operation (Harple, 2000). Traditional *em-sinong* sticks were placed around Freeport’s base camp in 1967 by the Amungme to spiritually contain the operation and there were periodic local attacks on the mine camp during the construction phase. *Em-sinong* sticks are traditional crosses of wood that indicate trespass beyond their point of placement (Garnaut and Manning, 1974, 74; McLeod, 2002, 24; Ballard, 2002). In 1974 agitation pressured the company to undertake a formal arrangement with the Amungme (the traditional owners of the highland region). The 1974 arrangements exchanged 19 buildings for indigenous approval of the mining activities (Abrash, 2001, 41; Ballard, 2001, 24). However, only in 1995 did community members understand that this agreement ceded control of nearly one million hectares of land and they have since alleged that they signed the 1974 agreement under government and military duress (Harple, 2000, 212; Ballard, 2001, 24). Furthermore in signing the agreement the Amungme ‘authorised’ the provision of Kamoro land to Freeport (Leith, 2003, 11).

In early 1977 the OPM began to undertake operations against the Ertsberg mining operations. These early operations resulted in retaliatory bombing of villages in the Tembagapura area by the Indonesian military in early May 1977 (Elmslie, 1995, 31). Undeterred on the 23rd of July 1977 the OPM damaged the pipeline carrying copper concentrate to the coast, thus halting mine production (Gietzelt, 1985, 136; Tonkin, 1997, 48-49). Military retaliation for this action was fierce. Official Indonesian government figures of the repression that followed indicate 900 killed in the town of Tembagapura. Papuan estimates are twice to three times this figure (Elmslie, 1995, 31; JATAM, 2003). Amnesty International reported that the Army used steel containers on Freeport’s mine site to detain 30 men for three months (Gietzelt, 1985, 51; Budiardjo and Liong, 1988). The actions of the OPM in July 1977, that included the sabotage of the pipeline, were conducted with the participation of a substantial number of Amungme People (more than 25% of the entire ethnic group; Harple, 2000, 215). As part of the severe repression in the Central Highlands in 1977, indigenous leaders thought to be sympathetic to the OPM were dropped from helicopters as examples (Survival International, 2002, 24).

The Institute for Human Rights Study and Advocacy in West Papua (ELS-HAM; *Lembaga Studi dan Advokasi Hak Asasi Manusia*) has estimated that around 2000
Part B: Testing the Landscape Consumption Model

Papuans have died in the vicinity of Freeport mining operations since 1976 (Dummett, 2002), though many more perished before this date. The Amungme allege that thousands of people have been murdered, tortured or arbitrarily arrested by security forces around the mining operations including by Freeport security personnel (WALHI, 2003, 6). According to one expatriate worker of the mine:

This place is a war zone. Used to be whenever [there was a fight with local people, the soldiers] would fly over some village in a helicopter gun ship and wipe it out with Napalm. The soldiers would shoot tribals for sport and get pictures of themselves resting a foot on the chest or head of the kill, like trophy hunters” (in Kennedy et al., 1998).

Freeport has also cooperated closely with the Indonesian government in the implementation of its Transmigration Program as transmigration has created a source of potential employees for the operations (Davis, 1992; Leith, 2001, 11). According to the OPM "Transmigration is really the world's largest colonisation programme in history carried out by the Indonesian government and largely funded by international agencies" (OPM, 1985). Transmigration was initiated in 1905 by the Dutch to relieve the population pressures in Java and as a means to 'develop' the outer islands (Elmslie, 1995, 83). During US Ambassador Green's first official meeting with the new leader, Suharto already outlined his plans for transmigration of Javanese to outer islands (Green, 1966a, 431, 432). Between 1969 and 1982, 8,831 families officially transmigrated to West Papua (Gietzelt, 1985, 103). World Bank funding of transmigration in Indonesia was US$160 million for the period 1976-79 (Gietzelt, 1985, 105) increasing to a total of $US400 million by 1984. Smaller contributions also came from the UNDP, European Economic Community, Asian Development Bank and the United States, amongst others (Gietzelt, 1985). The World Bank spent as much as US$630 million on transmigration in Indonesia (Pilger, 2002, 20). Estimates of the number of spontaneous and official migrants to Papua are in the vicinity of 700,000 people (47,565 official transmigrant families; Leith, 2003, 206; Chauvel and Nusa Bhakti, 2004, 3)\(^{115}\). This has led Papuans to become minorities in some parts of their homeland, including the capital city Jayapura. In the Freeport concession approximately 20,000 migrants live in camps around the lowland town of Timika. The Amungme and Komoro argue that the existence of these camps is with the support of the company (Leith, 2003, 207). Under enormous international pressure the World Bank has ceased its involvement with the programme.

\(^{115}\) In 1960, just 18,800 Indonesians (that is ~2.5%) lived in West Papua. By the year 2000, 772,684 Indonesian official and spontaneous settlers had migrated to West Papua (that is, ~35% of the population; Chauvel and Nusa Bhakti, 2004, 3).
Freeport has also forcibly relocated indigenous Papuans within its concession area, though the company has denied such relocations were by force (Leith, 2003, 207). Some reports have suggested that the relocations were not voluntary (Harple, 2000, 216, 217). The resettlement by Freeport and the Indonesian government has assisted some communities to violate the territorial rights of others (Harple, 2000, 222). The township of Timika was established from the relocation of both Amungme and Kamoro peoples after the 1977 OPM offensive.


We have a chance to have a real slot machine here.

James Moffett, Former CEO of Freeport McMoRan, describing the Grasberg mine if copper prices rose (quoted in Barker, 1995).

Indonesian government policies in Papua - whether in transmigration, mining, logging, agriculture, or tourism - have just been new forms of colonialism. Jakarta see's Papua as its El Dorado, its Siberia full of resources out on the periphery, a place to make money and leave almost nothing behind.

John Rumbiak, Former Supervisor of ELS-HAM, the West Papuan Institute for Human Rights Study and Advocacy, 'From the Ashes of Empire', *Inside Indonesia* (2001, 4).

**The Discovery of Grasberg and the 'Frontier' Contract of Work**

In 1988 Freeport McMoRan announced the discovery of the Grasberg copper/gold ore body (adjacent to Ertsberg) and their intention to exploit the resource. Grasberg is a porphyry copper deposit, crosscut by a second stage mineralisation enriched in gold (Mathur et al., 2000, 7). Production from the ore body began in December 1989 at a rate of 32,000 tpd, rising to 57,000 tpd in 1991 (MMSD, 2002b, 16; Padgett, 2001). Grasberg is the largest known porphyry copper-gold deposit (Mathur et al., 2000, 8). The mine is a combined underground and open cut operation. The life span of the underground deposit is thought to be around 40 years (Padgett, 2001).

The development of Grasberg required the renegotiation of the CoW. Former US Secretary of State and National Security Advisor Henry Kissinger was employed by Freeport to assist in the negotiations with the Suharto regime (Hitchens, 2001). The CoW was finalised in December 1991 and superseded the 1967 contract. The 1991 CoW included provisions for Block A (the original Ertsberg site) and an additional Block B (that included Grasberg). The terms of the agreement were for 30 years with two optional ten year extensions. Like in the 1967 contract the confiscation of indigenous Peoples’ land did not require compensation and there are no provisions for environmental reclamation or mine closure (JATAM, 2003). The 1991 contract,

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116 Kissinger would later become a board member of Freeport McMoRan, serving from 1995-2001.
however, does include higher payments to the Indonesian government, including an effective tax rate of 45%, royalties on production and incorporation of the company in Indonesia (PT Freeport Indonesia). Freeport also committed to build a smelter in Java. While these conditions are more beneficial to the Indonesian government than the 1967 agreement, Freeport was able to negotiate the agreement on significantly better terms than other foreign investors at the time. The agreement was the first of the so-called fifth generation 'frontier' CoW, where investments in peripheral regions of Indonesia were granted preferential treatment. Instead of minority joint venture ownership Freeport was permitted to retain its majority ownership of the resource (Tonkin, 1997, 36; Leith, 2003, 64, 66-68).

Following the signing of the CoW Freeport underwent a massive expansion program for the Grasberg deposit in conjunction with UK mining giant Rio Tinto. The May 1995 joint venture gave Rio Tinto a 14% interest in PT Freeport Indonesia (that Rio Tinto has since sold), a 40% interest in future prospects found in Block A, B and the 'Eastern Minerals' exploration block (negotiated with Indonesia in 1994), a 40% interest in Grasberg reserves found after 1994, and 40% of Grasberg production above 125,000 tpd. Rio Tinto invested US$1.7 billion dollars in return for these interests (MMSD 2002b, 3-4, 16; Leith, 2003, 76). After expansion production increased to 220,000 tpd in 1999 (MMSD, 2002b, 16)\textsuperscript{117}. Freeport also built a luxurious town, Kuala Kencana, for its US and Indonesian expatriate workers in 1995. The town features a cinema, bowling alley, olympic size swimming pool and an 18-hole championship golf course (Walters, 1998).

Freeport and Community Development

In 1989, after the announcement of the Grasberg discovery, Freeport opened a Community Affairs Department. While the scope of the initial department was modest, the effort signalled a change from the twenty-year old policy of official neglect. Freeport spent US$87 million on social and development programs between 1989 and 1996. These programs, however, were undertaken without adequate consultation with the supposed beneficiaries of the efforts, apart from a small number of Freeport selected 'representatives', and were thus largely ineffective (Leith, 2003, 99, 100). In 1994 the company finally recognised the Kamoro People by signing an agreement for the use of the port area and lowland areas for disposal of the mine waste, called tailings (discussed at greater length in \textbf{Chapter Seven}). In exchange the Kamoro received new housing and a commitment for employment training (Leith, 2003, 110-111).

\textsuperscript{117} In comparison the Ok Tedi mine in Papua New Guinea has an average throughput of 80,000 tpd, while the Porgera mine had a throughput of only 17,000 tpd (Ballard, 2001, 23).
In 1992, a number of Amungme built a bonfire on the Timika runway in response to the expropriation of their land (Feith, 2000) and significant demonstrations occurred throughout 1994 and 1995. The Australian Council For Overseas Aid (ACFOA) produced a report referring to some of these events (in June 1994 and February 1995) and identified at least 16 detailed examples of murder and other incidents of torture within the contract of work, including within Freeport shipping containers (ACFOA, 1995; Bryce, 1996). The incidents in June 1994 began with the raising of the Morning Star Flag in a number of villages, a practice strictly prohibited by the Indonesian military. According to Kelly Kwalik an Amungme leader, the flags were raised partly as a symbol of protest against Freeport’s expropriation and exploitation of lands (Tonkin, 1997, 59).

In March 1996 riots were triggered after the death of a villager from a Freeport vehicle (Press, 1996, 32; Tonkin, 1997, 66). The riots again shut down Freeport operations with millions of dollars in lost revenue and damage (Press, 1996, 32; Perlez and Bonner, 2005; Estrade, 1996). Significant numbers of Amungme and Kamoro were, however, not involved in the rioting (Leith, 2003, 106). A statement by the demonstrators was released saying “We fight against [CEO] Jim Bob Moffett, Freeport and the Government...We fight because our rights are not recognized, our resources are extracted and destroyed while our lives are taken” (Press, 1996, 32). The same year, hundreds of members of the Amungme and the OPM kidnapped 24 internationals stating that their release was conditional on the granting of West Papuan independence and the closure of Freeport (Leith, 2003, 226).

After the publication of a number of NGO reports, particularly the ACFOA report in 1995, that exposed human rights abuses and environmental problems within the project concession area, and the subsequent community rioting in 1996, Freeport was forced to include greater community involvement and investment in their social and development programs (Mokhibeer, 1996; Leith, 2003, 102, 103; Perlez and Bonner, 2005). The company pledged a 1% Community Development Fund and a Land Rights Trust Fund. The Land Rights Trust Fund acknowledged the Amungme and Kamoro as customary land owners of the project area, however, required landowners to officially recognise that the issue of land rights had been comprehensively addressed by the agreement (Leith, 2003, 112). Both funds attracted mixed support. The Amungme Traditional Council (LEMASA; Lembaga Masyara Adat Amungme), a well-supported organisation of the Amungme People, rejected both programs. In response Freeport supported the founding of an alternative Amungme organisation, AMUNGKAL, through which the funds could be channelled (Leith, 2003, 108). Freeport, furthermore, prematurely announced that agreement had been reached with LEMASA. This event
triggered Thom Beanal, one of the leaders of the LEMASA, to launch an ultimately unsuccessful US$6 billion class action lawsuit against the company in the United States Federal Court in New Orleans in April 1996 (Mokhiber, 1996; Leith, 2003). Another unsuccessful class action was launched by Yosefa Alomang in the District Court of Louisiana in June of the same year. Both suits charged that Freeport had engaged in 'ecoterrorism' and 'cultural genocide' (Beanal et al., 1996, 1997; Alomang et al., 1996; Bryce, 1996; Abrash, 2001, 41). Between 1996 and 2000 around US$70 million was committed to the 1% Community Development Fund (Leith, 2003, 103).

**Democracy and 'Special Autonomy' (1998-2005)**

**The Fall of Suharto and the Papuan Peoples Congress**

The East Asian financial crisis in 1997/1998 severely weakened the Suharto regime. The Indonesian currency was devalued and the role of corruption in the economy was debated within public discourse. According to a secret WB report, authored in August 1997, up to 20-30% (that is, US$10 billion) of WB loans to Indonesia were channelled as informal payments to government staff and politicians (Pilger, 2002, 20). In early 1998 Suharto was forced to sign an IMF letter that committed his government to fiscal austerity in return for continued IMF support (BBC, 1998). The austerity measures further eroded the standard of living and swelled government opposition. The Reformasi and democracy movements capitalised on the situation and on May 21, 1998, Suharto was forced to resign as President of Indonesia. Vice President Bueharradin Jusuf Habibie (May 1998 – October 1999; Golkar Party; Sekretariat Bersama Golongan Karya) assumed the Presidency and prepared the country for democratic elections in 1999.

The fall of Suharto was accompanied by renewed hope in the Papuan independence movement. President Habibie received a delegation of 100 Papuan leaders on February 26, 1999, to discuss the relationship of the province within the Republic, but was shocked when the leaders demanded independence (Chauvel and Nusa Bhakti, 2004). The democratic election of Abdurrahman Wahid (October 1999 – July 2001; National Awakening Party; Partai Kebangkitan Bangsa) to the Indonesian Presidency continued such hopes. President Wahid, though still supportive of the territorial integrity of the Indonesian state, developed a policy of accommodation with the Papuan Independence movement in spite of the unpopularity of such a policy among Indonesian political parties (Chauvel and Nusa Bhakti, 2004).

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118 The amount of foreign debt generated during the Suharto regime is staggering. In 2006 the Indonesian government paid Rp 76.6 trillion (around $US8 billion) in debt installments while Rp 64.2 trillion (around $US7 billion) was spent on health, education and public services (Mariani, 2006).
On February 23-26, 2000, the Papuan Independence movement held the Papuan Mass Consultation (Musyawarah Besar Papua) to discuss the future of West Papua. The Consultation founded the Papuan Presidium Council (Presidium Dewan Papua) and proposed the Second Papuan Congress (Kongres Papua II), the first congress having been held by the West New Guinea Council on the 1st December, 1961. The Second Papuan Congress, held between May-June 2000, included 501 representatives from all the districts in West Papua and was attended by 21,000 people. The Congress issued a declaration that affirmed that the Papuan people had asserted national sovereignty on 1 December, 1961. The Congress also issued a declaration rejecting the Act of Free Choice stating that "it was executed under threat, intimidation, sadistic killing, military violence and immoral acts which are beyond any limit of human decency" and called on the UN to revoke UN resolution No. 2504 (Almahid et al. 2000). The massive attendance at the Second Papuan Congress gave a political mandate to the Papuan Presidium Council. Theys Eluay was elected Chairperson of the Presidium and Amungme leader Thom Beanal was elected Vice Chairperson (McLeod, 2003, 25)\(^\text{119}\). Both President Wahid and Freeport McMoRan provided support to the Congress (Smith, at interview, 2003; Chauvel and Nusa Bhakti, 2004; King, 2006, 8). The bold declaration of Independence issued at the event, however, was deeply embarrassing for the Indonesian government.

Following the Congress President Wahid modified his approach to Papua. The raising of the Morning Star Flag was no longer tolerated. The PDP was marginalised and leaders of the Presidium were arrested for treason, including Chairperson Theys Eluay. To neutralise the issue of an independent Papua President Wahid announced that Papua would be granted 'Special Autonomy' within the Republic. Shortly after this announcement, on November 11, 2001, PDP Chairperson and Papuan Independence Leader Theys Eluay was assassinated by members of Kopassus (Army special forces; McLeod, 2003, 14; Chauvel and Nusa Bhakti, 2004; King, 2006, 8). The Indonesian government had ended their short lived tolerance for Papuan independence.

Special Autonomy for Papua

The Special Autonomy proposals were drafted during the term of Presidential Wahid (King, 2006, 7). The initial proposals for Special Autonomy were made with the assistance of academics from the Cenderawasih University in West Papua\(^\text{120}\). The interpretation of Special Autonomy adopted by the Indonesian government was restricted. It included a Papuan Peoples Assembly (MRP) to assist in the development of policy in the province, an increased share of the revenues from natural resource

\(^{119}\) The Congress also encouraged the formation of the Papua Customary Council (Dewan Adat Papua).

\(^{120}\) For a history of the development of Special Autonomy see Sumule (2002).
development (70% of oil and gas royalties and 80% of mining to the province – there is uncertainty over whether Freeport royalties will be included; McLeod, 2002, 13), and the incorporation of selected Papuan symbols into the provincial identity (Kirksey, 2002, 47). Special Autonomy also proposed Papua as the new name for the province.

President Megawati Sukarnoputri (July 2001-October 2004; Indonesian Democratic Party – Struggle; Partai Demokrasi Indonesia Perjuangan), daughter of Sukarno, allowed the Special Autonomy laws to pass in October 2001 (UU No. 21/2001) and the Papuan Special Autonomy bill became law on the 1 January, 2002 (Kirksey, 2002, 47; Chauvel and Nusa Bhakti, 2004). Megawati implemented the revenue increase component of the law though other parts of the legislation were not implemented (King, 2006, 8). President Sukarnoputri also proceeded with plans to partition the territory, issuing decree Inpres 1/2003 to implement Law 45/1999. Law 45/1999 was first passed by President Habibie, however, was never fully implemented. Internal government documents state that partition will weaken the independence movement and there is widespread scepticism regarding the motives of Special Autonomy (McLeod, 2003, 14; Chauvel and Nusa Bhakti, 2004, 39). Papuans successfully undermined the establishment of the province of Central Irian Jaya, but a province of West Irian Jaya was created. Indonesian President Susilo Bambang Yudhoyono (October 2004-Present; Democratic Party; Partai Demokrat) has continued the slow implementation of the Special Autonomy legislation by creating the consultative body the Papuan Peoples Assembly (MRP) in November, 2005 (King, 2006, 3). The Papuan Peoples Representative Council (DPRP) remains the main Indonesian governmental body.

Freeport After Suharto

After the fall of Suharto Freeport restructured its development program, initiating the Peoples Development Foundation – Irian Jaya (LPM-Irja; Lembaga Pengembangan Masyarakat – Irian Jaya). This body incorporated company, government, church and community leaders, including the Kamoro traditional council (LEMASKO; Lembaga Adat Masyarakat Suku Kamoro) and LEMASA (Leith, 2003, 116). Community development has taken a village based and sustainable development approach that has aimed to foster independence. The approached has shown some signs of success (Leith, 2003, 117). In 1999, Freeport also offered Freeport Board positions to a number of prominent Papuans, including the head of LEMASA, Thom Beanal. In 2000 LEMASKO and LEMASA signed a memorandum of understanding with Freeport, with the goal of the future recognition of land rights, and in 2001 community leaders signed a letter of mutual acknowledgment that replaced the Land Rights Fund (Leith, 2003, 137).
As Freeport was building stronger relationships with the indigenous landowners of their concession they simultaneously strengthened their ties to the military. In response to the March 1996 rioting Freeport spent US$35 million on military infrastructure and equipment. Freeport also hired former CIA and US Military Officers to coordinate the new Emergency Planning Operation to manage security (Perlez and Bonner, 2005). Freeport has also admitted to providing millions of dollars in annual contributions to the military to secure their operations (US$5.8 million in 2001 and US$5.6 million in 2002; Powell, 2003; Global Witness, 2005). This has lead to continued Papuan opposition to the mining operations. A large coalition of community groups, led by the Alliance of Papuan students and the Koteka Tribal Assembly (DEMMAK; Dewan Musyawarah Masyarakat Koteka) demonstrated outside of Freeport Offices in Jakarta in November 2003. A statement was made on behalf of the demonstration demanding: PT Freeport establish an independent investigation of the social and environmental costs of their operations, immediate withdrawal of the military presence in the mining area, an end to Freeport funding of the military presence, and dialogue between Papuans, the Indonesian republic and Freeport (West Papua News, 2003). In 2006 the Freeport mining operations were again the focus of demonstrations in Jakarta in February and August, and Timika and Abepura in March. The protests in February 2006 by local miners shut down operations. The March demonstrations outside a university in Abepura led to the deaths of five Indonesian security officers and the subsequent disappearance of a number of West Papuans (Jackson, 2006). The August demonstrations outside the US Embassy in Jakarta by members of the United Front for the Struggle of West Papuan People called for the closure of Freeport (Tapol, 2006).

**Historical Analysis of Landscape Domination and Detachment – West Papua**

Through the historical periods defined in the previous section we may analyse the landscapes that have influenced the case study with respect to the Landscape Consumption model. The analysis of the case study will consist of three parts. First I shall examine the themes of Landscape Domination and Detachment. This analysis will be followed by a comparison with the other theories of RA introduced in Chapter Two. The chapter will end with a comparative analysis of the Landscape Domination and Detachment themes of the two case studies outlined so far.
<table>
<thead>
<tr>
<th>Historical Period</th>
<th>Period of RA?</th>
<th>Dominant Landscapes (non-sovereign landscapes that shaped present or future appropriation)</th>
<th>Emergent Landscapes</th>
<th>Subaltern Landscapes (sovereign landscapes dominated for resources)</th>
<th>Type of Domination and Detachment</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>The Netherlands government</td>
<td>Republic of Indonesia and the Indonesian Military</td>
<td></td>
<td>Nederland government: facilitated the discovery of Ertsberg by granting permits for exploration.</td>
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<td></td>
<td></td>
<td>[Multinational Oil Corporations]</td>
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<td>provided the platform by which future dominant landscapes could appropriate resources. began negotiations to develop the Ertsberg resource.</td>
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<td>Annexation-Sukarno (1962-1965)</td>
<td>Yes–Limited</td>
<td>Third World state: Republic of Indonesia (Sukarno) [The Republic of Indonesia], Indonesia Military [Indonesia], Indonesian Political Parties [Indonesia], First World state: United States [United States], The United Nations [The United Nations]</td>
<td>West Papuan Nationalism</td>
<td>Indigenous Papuan Peoples</td>
<td>Republic of Indonesia (Sukarno), Indonesian Political Parties, and the Indonesian Military: appropriated the Ertsberg deposit through a combination of diplomacy and military escalation (the annexation created the conditions by which the Ertsberg deposit could be exploited).</td>
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<td>International financial institutions: RDIF [RDIF], ABI [ABI], Inter-Governmental Group on Indonesia [The Republic of Indonesia], US and Indonesian academic institutions: Rockefeller Foundation [Rockefeller Foundation], Ford Foundation [Ford Foundation], University of California [University of California], MIT [MIT], University of Indonesia-Djakarta [University of Indonesia-Djakarta]</td>
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<td>sponsored negotiations with the goal of annexation. United Nations: auspiced the New York Agreement and facilitated Indonesian occupation prior to the determination of the wishes of the Papuan people.</td>
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<td>International financial institutions: IMF [IMF], WB [WB], Inter-Governmental Group on Indonesia [The Republic of Indonesia], US and Indonesian academic institutions: Rockefeller Foundation [Rockefeller Foundation], Ford Foundation [Ford Foundation], University of California [University of California], MIT [MIT], University of Indonesia-Djakarta [University of Indonesia-Djakarta]</td>
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<td></td>
<td>United States government and the CIA: undertook covert operations to promote a coup d’etat in Indonesia that facilitated the arrival of foreign investors to Papua and created the conditions for RA.</td>
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<td>financial and logistic support to conspirators and military regime.</td>
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<td>assisted in drafting new foreign investment legislation. United Nations: provided economic support to ensure survival of the New Order regime. Freeport Sulphur: cooperation with New Order Regime to gain access to West Papuan resources during occupation and prior to a determination of the political status of the region, and began construction of operations.</td>
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<td>US and Indonesian academic institutions: conducted programs that helped to orient the Indonesian economy and establish conditions of appropriation in West Papua.</td>
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<td>devised and held a fraudulent plebiscite on independence (the Act of Free Choice) under conditions of violence and intimidation.</td>
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<td>created a program of transmigration to weaken Papuan peoples and provide employment support for natural resource developments.</td>
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<td>continued the military occupation of West Papua and widespread oppression. United States government: provided diplomatic support to ensure the success of the fraudulent Act of Free Choice.</td>
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<td>United Nations: collided with the Indonesian and US governments to provide diplomatic cover for the fraudulent Act of Free Choice and thus expose West Papua to the New Order regime and conditions of RA. Freeport Sulphur/Freeport McMoRan: began resource extraction in colony and provided financial support to occupiers.</td>
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<td>cooperated with the Indonesian military to protect mining operations and violently suppress Papuan opposition. International financial institutions: supported Indonesian transmigration program.</td>
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<td>supported Freeport mining operations.</td>
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<td>provided economic and logistic support to the Indonesian military to secure operations.</td>
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<td>International Financial Institutions: leveraged debt to entrench conditions of appropriation.</td>
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</tbody>
</table>
Table 6.1 outlines the dominant, subaltern, and emergent landscapes for each historic period and the type of domination and detachment interpreted from the chapter. As is evident from the table, landscape domination has involved a number of different social landscapes (a Third World state, multinational corporations, First World states, the United Nations, military and intelligence organisations, and international financial institutions) and taken various forms (ranging from military annexation, to the overthrow of governments). The subaltern landscapes experiencing domination likewise are interpreted to have varied throughout the historic period (the Papuan independence movement and the indigenous Amungme and Komoro Peoples). The Landscape Consumption model hypothesised that domination and detachment are intimately linked, such that domination by resource appropriators detaches subaltern landscapes from the social systems (political institutions, regulatory bodies etc.) that express the life-ways of the people and that the appropriators themselves are detached from the consequences of their domination.

During the occupation of WNG by the Netherlands government colonial domination facilitated the RA of oil, nickel, timber and other resources, but copper had yet to be extracted. The RA experienced by the indigenous Papuan landscapes as a function of copper extraction was thus limited. The colonial administration undertook geological mapping and expeditions and provided the conditions by which the Ertsberg copper deposit was 'discovered' in 1936. The colonial administration also granted an exploration permit to the East Borneo Company, who in conjunction with Freeport Sulphur explored the resource in 1960 and began preparations for development. Colonial domination thus provided a platform on which future dominant landscapes could appropriate copper resources in West Papua. The political entity of the Netherlands East Indies also created a template from which Indonesian 'nationalists' could continue the domination project of the Dutch. The emergent landscape of Indonesian 'nationalism' agitated to undermine the establishment of an independent Papua despite Dutch efforts to nurture Papuan 'nationalism' and guide the Papuans toward independence.

The social landscapes in Indonesia that pressed most strongly for the annexation of WNG were the PKI (Indonesian Communist party) and the Sukarno government. But annexation by the Sukarno government could not have proceeded without the timely intervention of the United States. The United States government used the dominant position it held following World War Two to pressure the Dutch to relinquish their WNG colony. The United States sponsored negotiations between the Netherlands and Indonesia with the goal of Indonesian annexation. Crucially the final agreement (the
New York Agreement) was signed under the auspices of the UN. The UN provided the transfer with a cover of legitimacy that disguised what was an overtly colonial project. The New York agreement was arguably designed to limit the possibility of a future independent Papuan state by transferring the administration of WNG to Indonesia prior to the determination of the wishes of the population. This analysis is supported by the controversial role UN played in the proceedings of the Act of Free Choice. Furthermore, the New York agreement, which provided the basis for the Indonesian domination of West Papua, was created without input from the Papuans themselves. The agreement and outcome was thus totally detached from the Peoples of WNG that were affected.

While West Papua was now under the occupation of the Indonesian state, the region was not yet exposed to resource exploitation by multinational corporations due to the restrictive foreign investment policies of the Sukarno government. In 1965, however, this situation changed. The United States CIA undertook a covert action program that promoted a coup d’etat in Indonesia and assisted members of the Indonesian military to the overthrow of the Sukarno government. The New Order regime of General Suharto facilitated the arrival of foreign investors to Papua and created the conditions for RA. It is not clear what direction the Sukarno government would have taken with regard to resource extraction in West Papua following annexation, though preliminary arrangements were made with Freeport and ‘development’ of the region was a priority. In any case the appropriation of West Papua's copper resources during this short period did not proceed. Thus RA for copper in West Papua by the Sukarno government was limited.

The Suharto government on the other hand continued the military annexation of West Papua and negotiated a Contract of Work with Freeport Sulphur to exploit the Ertsberg resource. The Republic of Indonesia thus became the victim and the perpetrator of Landscape Domination. The establishment of the Freeport mining operations occurred prior to a determination of the political status of West Papua. Freeport provided both diplomatic and material support to the New Order regime. International financial institutions such as the IMF, WB and the Inter Governmental Group on Indonesia also provided economic support to the regime, and the reorientation of the Indonesian economy was actively assisted by US and Indonesian academic institutions. Freeport's mining operations were supported by German, Japanese and US financial institutions and corporations.

With Indonesia now aligned toward US interests, and US corporations beginning resource developments in West Papua, the Act of Free Choice could have only one
logical outcome. Both Indonesia and the United States would only tolerate integration. As the declassified record shows the United States was completely aware of the fraudulent nature of the event prior to its conclusion but actively encouraged the transfer to its 'great prize' in Asia. The UN colluded with the Indonesian and US governments and provided diplomatic cover for the 'Act of Free Choice' in contradiction to General Assembly resolutions. The actions of the organisation exposed West Papuans to the continued brutality of the occupation and the new foreign investment conditions of the military regime. Again Papuans were totally excluded from these decisions.

The Freeport mine assisted the integration of West Papua into the Indonesian economy with the revenue generated by the mine centralised to benefit the Indonesian state. The Indonesian military was employed to secure the operations. This involved the murder and torture of Papuan opponents of the mine, including Amungme and Kamoro indigenous landowners whose land was forcibly confiscated. The transmigration program, administered by the New Order regime, funded by international institutions such as the WB and the UNDP and for the benefit of natural resource developments like the Ertsberg mine, also worked toward integration. The expansion of Freeport's mining operations to exploit the Grasberg resource continued this trend. A new 'frontier' Contract of Work was signed with the occupiers that continued the conditions of appropriation and again was detached from the Papuan landscapes. The frontier contract of work is evidence of the importance of Freeport and the mining industry in general to the integration of territory within the Indonesian Republic. Freeport and their new partner Rio Tinto maintained a close relationship with the Indonesian military and the domination of the indigenous Papuans within the Contract of Work continued. The transition to democracy in Indonesia provided some respite to the subaltern Papuan landscapes. Papuan institutions flourished and independence was again proclaimed. The respite, however, was short lived and the repressive conditions imposed by the Indonesian military returned, including the assassination of Theys Eluay.

In this period Freeport negotiated land rights agreements with the indigenous owners of the land after decades of marginalisation and domination. The agreements, while a positive sign, did not provide the Amungme or Komoro substantial decision-making input into the future of the mining operations, nor the ability to cease production if they so wished. The agreements were limited to an increase in the distribution of the benefits of the project. Thus the agreements arguably still represent a situation of appropriation and detachment, even while the intensity of domination eased. In the same way the Special Autonomy legislation enacted by the democratic Indonesian
governments, while potentially providing an increase in the returns from resource development in Papua, does not provide Papuans with control over the future of their resources, including the ability to determine resource policy and the presence or absence of the Indonesian military. The laws do, however, provide for the future possibility of a decrease in the intensity of appropriation. The Special Autonomy provisions do represent a reform in the direction of better attachment, though the provisions remain largely unimplemented.

Resource Appropriation in West Papua thus consists of domination by a multinational corporation (Freeport McMoRan) and Third World state (Indonesia) over Fourth World nations (West Papua). This domination was assisted by a First World state (United States) and other international and academic institutions (including the UN). The case study also demonstrates the complexity of Landscape Domination as the Third World state (Indonesia) was also subjected to domination. The case reveals how the methods of Landscape Domination, for example the destabilisation and overthrow of the Indonesian government, the military occupation and annexation of West Papua, and the torture and repression of indigenous Papuans, provided the foundations for the reorientation and institution of policies in support of RA. That is, Landscape Domination contributed toward the creation of a situation of Landscape Detachment, whereby the sovereign Papuan landscapes were excluded from the decision making processes. Even after the intensity of domination had receded detachment continued to underpin the conditions of appropriation. While the subaltern landscapes mobilised to challenge appropriation they have done so with mixed success. The concessions they have won have reduced the intensity of appropriation without fundamental resolution of the problem.

**Comparison with other Theories of Resource Appropriation**

As discussed above, the case study revealed that RA in West Papua predominantly consists of domination by a Third World state of Fourth World nations, facilitated by the resource extraction of multinational corporations and the timely intervention of a First World state. Imperialism, corporate imperialism and minerals imperialism theory can assist in the analysis of aspects of this situation. In broad terms imperialism theorises the development of exploitative inter-state relationships for the benefit of capital, and some elements of the relationship between the Indonesian and US states can be explained by the theories. Imperialism, however, provides little by way of explanation of the annexation of indigenous land. Corporate imperialism and minerals imperialism append an understanding of the methods by which multinational corporations facilitate the appropriation of resources from Third World states and adequately explain the interplay between Freeport, the US and Indonesia, but again have little to say in regard
to Fourth World nations. The role of capital in general in the events that led to the initial annexation of West New Guinea by Indonesia is problematic for these theories. The actions of the PKI (the Indonesian Communist Party) and Sukarno (a prominent leader of the non-aligned movement) cannot be easily explained by the quirks of the capitalist system. Similarly the explanations of dependency theory, where the periphery is underdeveloped at the expense of the core is applicable on a broad scale to the case study but dependency theory also suffers the methodological limitations of anchoring RA to the capitalist system alone. Moran’s balance of power model, though, can help to explain the beneficial shift in the terms negotiated by Indonesia for the Freeport CoW, but it cannot explain the fact that from the perspective of the Papuans all the negotiated contracts represented poor deals.

The business conflict model may provide insight into how some of the foreign policy decisions were arrived at by the Dutch government (for example, the different business positions regarding the decision not to decolonise WNG with the rest of Indonesia) and the US (for example, the perspectives of the various oil companies regarding US policy toward Indonesia in the early 1960s) but business conflict does not seem to have been an overwhelming feature of the main events that led to RA in West Papua. The resource curse model also provides some partial insights. The model may explain how natural resource development provided an opportunity for corruption within the Indonesian state that perpetuated the existence of the dictatorship, however, the theory does not explain the circumstances that led to the arrival of the regime, or the annexation of Papua, and incorrectly positions West Papuan ‘separatism’ as the result of growing dissatisfaction regarding the nature of resource development in the territory. The regions’ peoples believed themselves to be ‘separate’ prior to Indonesian resource development. In addition the case study does not support the ecological imperialism model where appropriation is facilitated by biological and agricultural support systems that displace existing ecologies.

Over the time period under analysis the case study demonstrated a shift from direct nation state domination (Dutch colonialism) to more complex forms of domination that have involved international financial institutions, the UN, First World states, Third World states, multinational corporations and the annexation of indigenous territory. Corporate globalisation theory thus is relevant to the case study, particularly following the overthrow of the Sukarno government in Indonesia. Both the IMF and WB played leading roles in the reorientation of the Indonesian economy. Indeed the UN played a direct role in the domination of Papuan landscapes, despite having not been identified as an actor in RA in any of the theories previously reviewed. Corporate globalisation theory, however, does not adequately account for state intervention and nationalism.
The motivations and actions of nation groups within Indonesia and the implications of the annexation of West Papua, including the associated political and cultural oppression, are not described by the theory.

The explanation, by Fourth World theory, of the expansion of states, led by detached elite subnational groups, to occupy and annex the territory of nations not represented by a state is also directly applicable to the case study. Through the methods of transmigration, acculturation, military occupation and natural resource development the Indonesian state appropriated the resources of indigenous Papuan nations. The colliding ecologies model similarly provides some insights into the case study by explaining the cultural loss that accompanies domination, though neither Fourth World theory nor the colliding ecologies model specifically address RA between states, such as represented by US support for the overthrow of the Sukarno government.

The Landscape Consumption model, however, is applicable across the time period of the case study. The landscape approach allowed an analysis of the changing circumstances of RA. Various dominant landscapes contributed to creating the conditions of appropriation throughout the time period, ranging from states, financial institutions, political organisations and corporations to academic institutions and military bodies. The common factor linking all of the landscapes of domination is not a particular method or motivation but that they in some way created the conditions of detachment from the landscapes of those social groups who are experiencing RA.

**Comparison with Case Study One**

Now that both case studies have been introduced some comment can be made about the similarities and differences of the cases with reference to the themes of Landscape Domination and Detachment. Resource Appropriation in both cases has involved a range of different methods, motivations and actors that have varied over the time period analysed. In both cases clandestine operations were undertaken by a First World state and Transnational Corporations to destabilise a Third World state that had opposed foreign investment and resource control, to support the installation of a military regime, and to re-orientate the economy to allow RA. The United States government was the dominant actor in both cases. This is reflective of the dominant role the US had played in international affairs in the post war period. The role the US played in both cases significantly influenced the character and similarity of the interventions. The United States invested heavily in cultivating relationships with Third World militaries and provided crucial logistical, planning and training support. Both interventions featured political and economic destabilisation that ultimately instigated the military overthrow of the existing government. The role of the United States and the
multinational corporations were kept secret from the public and media exposure of the events was limited. Multinational copper mining corporations in both cases actively participated in the major political events. The cases demonstrate the close relationship between political and business leaders. Multinational copper corporations lobbied politicians, funded political parties, destabilised governments, wrote legislation, and even undertook covert operations to ensure access to copper resources.

Both case studies were characterised by a major violent event and rapid policy shift followed by the consolidation of the new conditions. Landscape Domination in both cases began with political pressure and manipulation and was followed by destabilisation and violence. Landscape Domination provided the platform by which policies in support of appropriation and reflective of Landscape Detachment were implemented. The cases show that after consolidation of such policies the intensity of domination can be rolled back, while appropriation continues. That is, the more violent methods of Landscape Domination were important during the establishment of the conditions of RA, while institutional and discursive domination later consolidated appropriation. In both cases subaltern landscapes incrementally increased the benefits of extraction with time and in some situations successfully reduced the intensity of appropriation.

The case studies also both demonstrated a shift over the time period from strict nation state domination (colonialism and neo-colonialism) to more complex forms of domination described in Chapter One as the becoming of Empire. The Brettons Wood institutions and other international financial and academic institutions provided important logistical and discursive support. Neoliberal policies created the conditions by which RA was possible. Both cases highlighted the importance of discourse as a method of domination as evidenced by the important role played by the ‘Chicago Boys’ and the ‘Berkeley Mafia’. The case studies also confirm the primacy of resource considerations in international political events. The ideological struggle between Communism and Capitalism informed the rhetoric of actors in both of the cases overviewed yet declassified planning documents revealed that the control of strategic resources was considered of equal or greater consequence. In West Papua and Chile a major expansion of copper extraction followed Landscape Domination and between them the regions now host the world’s principal copper projects and reserves.

A number of major differences between the case studies are also evident. Firstly the type of landscapes experiencing RA differed between the case studies. In the example of Chile appropriation was from a Third World state, while in West Papua the subaltern landscapes consisted of both a Third World state and indigenous nations. This
difference also affected the methods by which RA occurred. In the case of Chile domination took the form of parliamentary manipulation, the funding of electoral campaigns and propaganda before ultimately the military overthrow of the government. In West Papua, however, domination also took the form of the annexation and military occupation of indigenous land by the Indonesian Third World state, with the assistance of the United States, United Nations, international financial institutions and multinational corporations. In West Papua violent domination continued well beyond the initial annexation while the Indonesian government and Freeport annexed new territory and established new extractive projects. In the case of Chile Landscape Domination consisted of securing already existing resource extraction projects and re-establishing the conditions for future extraction. In Chile state violence declined after the initial consolidation of the regime and individual mine sites did not require ongoing violent repression as they did in West Papua. This difference is accounted for by the accompanying colonisation and annexation project of the Indonesian government. The different circumstances in West Papua and Chile emphasise the diversity of methods and outcomes of RA.

Finally, while the theories of RA overviewed in Chapter Two provide important insights into different aspects of the case study, in both cases no one theory could adequately explain the relationships of domination that led to the appropriation of resources. The Landscape Consumption model, however, was applicable to the case studies throughout the historic periods. The landscape approach permits a comprehensive analysis of the changing relationships, power and methods of the actors. The model provided the opportunity to analyse how different social groups appropriated resources through various types of domination and how this domination detached these groups from the sovereign subaltern landscapes.

**Conclusion**

This chapter undertook a historical analysis of copper RA in West Papua during the period 1955-2005. A number of distinct periods of appropriation were identified ranging from Dutch colonialism, Indonesian annexation and integration of West Papua, the overthrow of the Sukarno government, the expansion of the Grasberg mine, and the introduction of West Papuan Special autonomy. An analysis was made of the relevance of the case study to the Landscape Consumption model through an investigation of the themes of Domination and Detachment. The chapter identifies the dominant social landscapes as a multinational corporation, a First World state, a Third World state, the United Nations, academic institutions, and international financial institutions. The case study identifies the main social landscapes experiencing
domination as a Third World state and Fourth World nations. The case study demonstrates the complexity of appropriation as Indonesia was both the victim and perpetrator of Landscape Domination

Furthermore, a comparative analysis was undertaken with the other models of RA and between the two case studies to further develop the theoretical foundations. The analysis found that while none of the existing theories could adequately explain the relationships of domination that led to the appropriation of resources, the Landscape Consumption model was applicable to the case studies throughout the historic periods. The analysis found that Landscape Domination provided the platform by which policies in support of appropriation and reflective of Landscape Detachment were implemented. The cases show that after consolidation of such policies the intensity of domination can be rolled back, while appropriation may continue. In both cases subaltern landscapes incrementally increased the benefits of extraction with time and in some situations successfully reduced the intensity of appropriation. The case studies also both demonstrated a shift over the time period from strict nation state domination (colonialism and neo-colonialism) to more complex forms of domination described in Chapter One as the becoming of Empire. In the following chapter the theme of Landscape Consumption will be explored by examining the relationship between the dominant and subaltern landscapes at the scale of an individual extractive resource project during periods described already as constituting RA.
Chapter Seven

Landscape Consumption
Case Study Two — West Papua

Introduction

The Landscape Domination and Detachment chapter identified a number of different landscapes that experienced and contributed to RA. In this chapter I shall investigate further the consequences of such domination and detachment. This chapter will traverse a range of issues (including culture, ecology, economics, and mining science) to achieve this aim. In the case of West Papua the consequences of the RA of copper are mostly at the scale of an individual extractive resource development, the Grasberg copper/gold mine. This is because Grasberg and its predecessor Ertsberg are the only significant copper projects that have operated in West Papua. The analysis in this chapter corresponds to the historical periods defined in Chapter Six as the Freeport Expansion (1991-1998) and Special Autonomy (1998-2005). It was argued that substantial RA characterised both these time periods with the main social landscapes Freeport/Rio Tinto, the Republic of Indonesia and the Amungme and Kamoro Peoples. A number of the social impacts of the mining operations have already been discussed in Chapter Six, including the human rights violations perpetrated by security forces within the mining concession, and the transmigration program. This chapter will focus on the other social and ecological consequences of the mine. An all-inclusive account of the environmental and social impacts of the mining operations is not within the scope of this research\(^{121}\). The chapter instead investigates a number of the most important consequences and the political context in which these consequences have arisen. The chapter asks whether the political ecological circumstances of RA, that is Landscape Domination and Landscape Detachment, have facilitated a broader deterioration of the function, abundance and diversity of the landscapes where the resources were appropriated. The chapter is as much interested in the consumption of cultural and social landscapes as it is physical and biological landscapes.

The Grasberg mine is located at an elevation of around 3700m and the mining concession and project site stretch from the highland location of the mining and processing infrastructure to the lowland areas and Arafura Sea where mining waste is disposed, and metal concentrates transported for refining (see Figure 7.1; MMSD,\(^{121}\)

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\(^{121}\) A detailed social impact study of the Grasberg mine can be found in UNCEN-ANU (1998a; 1998b), though the reports remain unavailable to the public. A copy of these reports was requested directly from the author without success. An analysis of the environmental impacts can be found in WALHI (2006) and Leith (2003).
The chapter will first study the consumption of highland landscapes. This section will investigate the impact of project infrastructure and waste rock disposal on the Amungme traditional owners. The chapter will then focus its attention on the lowland landscapes and the impact of the tailings waste disposal on the Kamoro People.

Figure 7.1. Map of the Freeport mining operations in West Papua. Source: Leith (2003, xxvi).
Grasberg – Consumption of Highland Landscapes

The Amungme and the Grasberg Mine

The Grasberg mining and processing facilities are predominantly located in the highland regions, the traditional lands of the Amungme People. As previously described the Amungme (like the lowland Kamoro) live in a clan and village-based society, practice customary land ownership and stewardship, and rely on a traditional subsistence economy that consists of agriculture, forest products, fishing and hunting (Abrash, 2001, 38; ICCA, 2005, 12). With the Indonesian annexation and the arrival of Freeport, the Amungme and the Kamoro lost the rights to their land and resources (Leith, 2003, 109). According to a recent audit of the mining operations conducted by the International Centre for Corporate Accountability (ICCA, 2005, 102), full-scale mining development has brought a tremendous social shock to the local tribal communities. The social shock experienced by the Amungme can be attributed to the combined loss of land and renewable resources, the influx of people attracted to the employment opportunities of the mine, the repressive security apparatus, the introduction of a cash-based economy, the displacement and relocation of the Amungme to lowland areas, and the effects of mine pollution (Beanal et al., 1996; Ballard, 2002; Leith, 2003; ICCA, 2005; WALHI, 2006).

To fully appreciate the impact of the mining operations on the Amungme people an understanding of the relationship between the Amungme and their land is necessary. Papuan cultural understandings of land contrast sharply with Western perceptions. Land is considered an integral part of culture and religion (Labat-Anderson, 1997, 6). Thom Beanal (1996) speaking while head of the Amungme Tribal Council (LEMASA) recounted this relationship in a speech to Loyola University. An extended extract will serve to emphasise the significance of the landscape transformations that have associated mining at Grasberg:

When the earth was first created, it is believed that the Amungme people occupied land which was still swamp. The story goes that there was a mother with four children, two boys and two girls. They lived in the middle of the swamp where there was a dry land. One day the dry season came. There was famine and many people died. This also affected the mother and her four children. They began to suffer from hunger, when the food they had stored was used up. The mother said to her children, "Instead of all of us dying, it is better if just I die." She ordered her children to kill her. She asked them to cut off her head and throw it to the north. She asked for her body to be cut into two, with the right side being thrown to the east and the left side to the west. Her feet were to be thrown towards the river so that they would be brought south by the current. Her children carried out this task with heavy hearts.

After they had done what their mother had asked, the four children fell asleep. When they awoke, they were surprised to see a mountain in the north, where they had thrown their mother's head. In the east and west there grew a great garden with all kinds of things to eat. In the south as well, there was a broad expanse of land. This story tells us that if the mountains and nature are harmed, our mother is hurt as well. The mountain we see as our mother is sacred. It is where the souls of men go when they die. We keep this place holy and worship it in our traditional ceremonies. The Amungme live on the land thought to reach from the mother's neck to her navel. This is the place closest to her. It is near her milk, and is
where the people can lean on and be protected by her shoulder. It is where children can sleep in her lap. We also consider the area of the mother’s feet, meaning the coastal plain, a sacred place. We can look for food here and hunt but we must then return to our home. This is the feeling of the Amungme, that the land is our mother.

But modern, clever people, came into the area. And what happened as a result? It began with the coming of Catholic missionaries. They brought Amungme out of the area and settled them near our mother’s feet which we had always thought of as a holy place. Many people died there in what is now called Akimuga. The places we left such as Waa, Arwa and Tsinga began to be taken over by big companies like Freeport. They began by making a base camp then suddenly built up the area without saying one word to us. All of the places which were once just camps are now big towns. Our question now is, what about the indigenous people?

These companies have taken over and occupied our land. Even the sacred mountains we think of as our mother have been arbitrarily torn up by them and they have not felt the least bit guilty. We have not been silent. We protest and are angry. But we have been arrested, beaten and put into containers. It is also said that, with our own country’s soldiers acting as go-betweens, we have been tortured, even killed. Many of us have also been accused of being OPM separatists. Our environment has been ruined and our forests and rivers polluted by waste. The sago forests which serve as our primary food source have become dry, making it hard for us to find food.

The animals we have hunted in the past have disappeared so we no longer know where to hunt. Our settlements are covered with so much sand that our people have been scattered apart. One moves here, one moves there. Our water is contaminated by chemicals so we can no longer drink it. The land in the higher elevations has disappeared because it has been piled high with huge rocks. Gold and copper have been taken by Freeport for the past 30 years, but what have we gotten in return? Only insults, torture, arrests, killings, forced evictions from our land, impoverishment and alienation from our own culture. We have become strangers in our own land and this has been going on for the past 30 years!

The identity of the Amungme is thus grounded in the physical features of the highland landscape. The Amungme cosmography intimately bonds the physical and social landscapes. Mountains are the cosmological locations of the spirits of patrilineal ancestors, while female earth spirits inhabit other landscape locations (Ballard, 2002, 18). The transformation of the Amungme landscape by the mining operations and processing infrastructure has thus “been quite literally an assault upon the body of Amungme belief and the foundations of Amungme identity” (Ballard, 2002, 18). For the Amungme “Disturbance to or loss of the earth symbolizes the loss of their body, their root, their identity and/or their life” (Beanal et al., 1997). LEMASA (1997) has explicitly communicated the significance of the interrelation between Amungme social and physical landscapes and the impacts of the disturbance of Amungme land: "The deterioration of the environment which is an important basis of the indigenous people's culture cause also the deterioration of the culture" (LEMASA, 1997). Thus the Amungme speak of "the profound sense of loss which has traumatized us for such a long period of time" and ask why “it was deemed necessary to sacrifice the interests of the local people?” (LEMASA, 1995).

The Amungme have alleged that the mining operations have resulted in the ‘destruction’ of the natural waterways, widespread deforestation due to mine tailings pollution, contamination of surface and groundwater, and despoliation of highland valleys and lakes from waste rock (LEMASA, 1995, Beanal, 1996, 1997). The
Amungme argue that these violations, which will be more specifically addressed in the following sections have "resulted in the purposeful, deliberate, contrived and planned demise of a culture of indigenous people whose rights were never considered, whose heritage and culture were disregarded and the result of which is ultimately to lead to the cultural demise of an unique pristine heritage which is socially, culturally and anthropologically irreplaceable" (Beanal et al., 1996). The interrelation between the environmental and social impacts of the operations has led the Amungme to consider the aforementioned violations as acts of eco-terrorism (Beanal et al., 1996; Alomang et al., 1996). Furthermore the Amungme consider the Indonesian government complicit for providing the political conditions by which Freeport could appropriate Amungme resources: “The Fact that Freeport has been allowed to operate here in Irian Jaya and dig up and exploit our mineral resources, to destroy the very means of our existence, to drive us out of our ancestral lands, to impoverish us and kill us on our own territory, is all the result of a policy which has been determined at the centre in Jakarta” (LEMASA, 1995).

Public statements by Former CEO and now Chairman of the Board of Freeport McMoRan James Moffett, demonstrate the insensitivity Freeport has at times shown toward traditional Papuan communities. At the 1997 AGM Moffett described the Grasberg mine as like "a volcano that's been decapitated by nature, and we're mining the esophageus, if you will" (Kennedy et al., 1998, 14), having earlier described the operations as “thrusting a spear of economic development into the heartland of Irian Jaya" (Schwarz, 1991, 47). Moffet is also reported to have said, while showing a slide of a smiling Papuan youth in a bellhop uniform that "I guarantee you this sombitch is glad we found a copper and gold mine…[before Freeport arrived] the young man was raising vegetables or doing whatever on the mountain with his parents" (Project Underground, 1997).

Freeport has since demonstrated a renewed commitment to addressing the concerns of the traditional owners after decades of mining in West Papua. The company has made an effort to improve the health, education and business opportunities of Papuans and has fulfilled commitments to increase the number of Papuan employees (ICCA, 2005, 22). Importantly the company negotiated a village recognition program for three Amungme villages in the highlands (to supplement the disputed 1974 January Agreement) and a similar development program with the Kamoro to provide compensation for the impacts of the tailings deposition (discussed in detail below; PT Freeport Indonesia, 2006a, 9). The so-called ‘1% fund’ (also known as the Freeport Fund for Irian Jaya Development) was transformed into the Freeport Partnership Fund
Freeport McMoRan’s guiding principles for Indonesian operations also signal a change in approach toward community relations:

Extractive industries, by their nature, have significant impact on the physical environment and people of the region...Inaccessibility and remoteness of the region has fostered communities that are essentially self-contained, surviving at subsistence level and without meaningful contact with outsiders...These cultures risk serious challenges, and in some cases, harm when confronted with new people, new technologies, new modes of production and employment, new community structures, and new lifestyles and standards of living...No country, especially a poor developing country, can afford not to harness its resources to support its growing population and improve its economic well-being. It is, therefore, inevitable and unavoidable that large-scale mining operations...will bring about major changes in the lives of the local people and their surrounding environment (Guiding Principles for Indonesian Operations - People and the Community; Freeport McMoRan in ICCA, 2005, 26).

While such statements fall short of recognising Papuan sovereignty or granting Amungme and Kamoro control over the fate of their resources, and are embedded with the assumptions of development and modernisation discourse, they do represent a belated recognition of the potential for the operations to dramatically alter the sovereign landscapes in ways that undermine their very existence. Whether such pronouncements translate into more benign management policies remains to be seen. The recent increase in the distribution of the benefits of the mining operations for indigenous Papuans needs also to be matched with a decrease in the ecological and social costs. Due to the adopted waste management practices at Grasberg a number of serious environmental challenges remain. One such challenge is the fate of waste rock disposed in highland valleys and the consequent mobilisation of pollutants into surface and groundwater.

**Waste Rock and Acid Rock Drainage**

Open cut mining operations such as Grasberg generate large volumes of excavated rock that do not contain the desired minerals at grades high enough to be considered ore. This rock is often termed overburden or waste rock. Overburden at Grasberg is disposed of in the valleys and lakes surrounding the mining operations, including the Carstensz Meadow, West Grasberg and the Wanagon Valley (Leith, 2003, 171). Some of this rock consists of non-mineralised overburden such as limestone, while a large proportion also consists of mineralized rock at grades not considered worthy of processing by the company. The metals of economic interest (copper, gold, silver) are
often associated with generations of non-ore bearing sulphide minerals formed at high temperature geological environments. At Grasberg the mine has adopted relatively high cut-off grades, so that waste rock containing significant concentrations of copper rich metal sulphides is also routinely discarded as overburden (WALHI, 2006, 52).

Waste rock containing metal sulphides presents particular challenges for responsible waste management. The excavation and exposure of metal sulphides (such as pyrite and chalco-pyrite) to the vastly different surficial hydrogeologic conditions causes the minerals to oxidize and decompose. This process is the inevitable result of the re-equilibration of minerals formed at high temperatures to weathering conditions on the surface. During this process potentially toxic metals are released and mobilised, particularly in the acidic environment created during the dissolution of the sulphides. This process is commonly known as Acid Rock Drainage (ARD). It should be noted that acidic conditions are not necessarily the only conditions under which metals in dissolution are mobile. The neutralisation of the acid by dilution or reaction with, for example carbonates (limestone) may not halt the mobilisation of the metals. ARD at Grasberg is particularly sensitive due to the combination of the large amount of overburden waste, the high landscape position, the steep and rugged terrain, and the leaching effect of between 3000 and 5000 mm of rainfall per year, an average of 10mm per day (Miller, Andrina and Richards, 2003, 111). The consistency of the rainfall means that leaching of the overburden is a continuous process (Miller et al., 2003, 133).

Overburden waste is produced at a rate of around 550 000 tpd or 200 million t per year at the Grasberg mine. Around 3 billion t of waste rock is projected to be produced during the life of the project, most during the open cut stage of the operations that will continue until 2014 (Neale et al., 2003, 107-108). When combined with the tailings material generated after milling of the ore (a further 3 billion t), the scale of the waste generation makes the Grasberg project potentially the largest source of waste of any single industrial project in human history (WALHI, 2006, 26). ARD was first observed at Grasberg in 1993 (Neale et al., 2003, 109). Almost all of the waste rock excavated to date has been Potentially Acid Forming (PAF; Neale et al., 2003, 107) and the waste rock dumps currently create significant quantities of ARD (Miller et al., 2003, 133). Freeport has established a treatment program for ARD or ‘leachate’ generated in its waste dumps, however, due to the karstic limestone conditions that underlie the waste, the fate of much of the leachate is unknown (Leith, 2003, 172).
Figure 7.2 a & b. The Freeport mine and processing facilities. Source: Podgett (2001; top) and Otraco (2007; bottom)
Miller et al. (2003) reported on laboratory and field based programs of ARD and potential mitigation strategies at Grasberg. It is clear from the results of the studies that depending on the mitigation strategy employed the potential for very significant ARD production and metal loads, particularly copper, is high. In fact the concentration of copper within the waste dumps is such that Freeport has considered extracting ore from its waste dumps through a mining process called heap leaching (Davis, 1992). Copper concentration of leachate generated from the ARD test pad peaked at 7000 mg/L before declining to 50 to 100 mg/L over six years (Miller, Andrina and Richards, 2003, 117). These concentrations are such that contact of this fluid with ground and surface waters would result in serious contamination issues. Andrina et al., (2003) also recorded significant generation of ARD from preliminary experiments on Grasberg overburden stockpiles. The experiments noted that "some of the Grasberg overburden rock types are reactive under standard overburden stockpile construction techniques as witnessed by the ...rapid decreases in leachate pH" (Andrina et al., 2003, 131). The study also reported that blending of the waste with limestone, a standard mitigation strategy, demonstrated limited benefit (Andrina et al., 2003, 132). WAHLI (2006, 110) has obtained data from Freeport quarterly reports that noted that ARD that was collected for treatment with lime had an average pH of 3. Neale et al. (2003) has also measured ARD at a spring called the 'east stream' with copper concentrations averaging between 1200 mg/l and 800 mg/l over a number of years. For a useful comparison the ANZECC freshwater ecosystems guidelines for the protection of 95% of species is 1.4 µg/L, or 0.0014 mg/L (ANZECC, 2000).

The unconsolidated nature of the waste rock also poses erosion and stability problems. For example, a landslide of 400 t of waste rock in May 2000 caused the deaths of four contractors and resulted in the overflow of Lake Wanagon with hazardous waste rock into the Wanagon river (WALHI, 2003, 19). The continued disposal of waste rock into Lake Wanagon has resulted in the burial of the Lake, a site of significance to the Amungme. A number of other lakes have disappeared or are threatened by the mining operations (Leith, 2003, 175; WALHI, 2006, 111). Erosion from the waste rock dumps also increases the sediment load of rivers draining the region that are already impacted by the riverine disposal of tailings. As will be discussed in the following section the increased sediment load compounds the impacts of the mining operations on the lowland landscapes, and the Kamoro People who rely on the river ecosystems.
Grasberg – Consumption of Lowland Landscapes

Riverine Tailings Disposal

Tailings are the waste rock material produced at the tail end of the mining process. Tailings consist of crushed rock that has had the majority of the desired ore minerals removed. The composition of tailings thus reflects the composition of the original ore material, though the ore minerals rich in copper and gold are obviously present at lower concentrations. Average ore composition at Grasberg consists predominantly of silicate minerals, Fe-oxides, and pyrite (FeS$_2$). Other metal sulphides such as pyrrhotite (Fe$_{1-x}$S), chalcoprite (CuFeS$_2$), digenite (Cu$_4$S), covellite (CuS) and bornite (Cu$_5$FeS$_4$) are present at lower concentrations (Simpson et al., 1998, 206). Best practice management of tailings is to contain the waste within engineered dams and to restrict the interaction of this material with the natural environment. Since 1972 Freeport has disposed of the tailings from its Ertsberg and Grasberg mines directly into the Aghawagon–Otomona–Ajkwa river system. Tailings from the Grasberg mine began at 32,000 tpd. In 1997 a production rate of 300,000 tpd was approved by the Indonesian government (Montgomery Watson, 1999, 14). The current load of tailings disposed by the mine is in the vicinity of 240,000 tpd (Freeport McMoRan, 2006c). Between 1972 and 1997, 253 million tonnes of tailings were directly disposed of into the river system. Around 114 million tonnes has deposited in the lowlands, 8 million tonnes settled in the estuary and 131 million tonnes settled in the Arafura Sea (WALHI, 2003, 20). Since 1997 approximately 650 million tonnes of tailings have been added to these ecosystems according to production figures.

Riverine tailings disposal is not common practice within the mining industry. Only a small number of mines currently practice this method of waste management. The Ok Tedi and Panguna mines in Papua New Guinea both either practice or have practiced this type of disposal. Both of these mines have generated serious river pollution problems as well as local opposition. The Ok Tedi mine disposes around 80,000 tpd of mine waste into the Fly River. The Panguna mine on the island of Bougainville disposed of 140,000 tpd of tailings into the Kawerong – Jaba – Panguna Rivers (Leith, 2003, 166; Salomans, 1995, 14-17). There are number of differences in the individual circumstances of each of these mines that may limit direct comparisons. For example, Ok Tedi disposed overburden and tailings into the relatively long Fly river and initially used an extraction process that utilised cyanide. Grasberg on the other hand does not use cyanide and disposes only its tailings into the river. The Aghawagon–Otomona–Ajkwa river system is also significantly steeper and shorter than the Fly and thus has a

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122 After milling and processing up to 30% of the copper in the tailings is present as non-sulphide phases (Simpson et al., 1998, 207).
smaller sediment retention capacity, that is, there is less room for the sediment to accumulate (Morrison and Delaney, 1996, 331). Grasberg also experiences a stronger signature of orographically, or mountain, induced rainfall (Weiland and Cloos, 1996, 1445). These differences aside, the experiences at Ok Tedi and Panguna should provide a cautionary tale to the possible problems associated with disposal of mine waste directly into natural ecosystems, particularly the potential for broader impacts on the people who rely on the wider resources that such ecosystems provide.

Few studies are publicly available to assess the environmental impact of riverine tailings deposition at Ertsberg/Grasberg. The literature consists of a number of environmental audits commissioned by Freeport (Dames and Moore, 1996; Montgomery Watson Indonesia, 1999; and Montgomery Watson Harza, 2006), that rely on company generated data; Freeport McMoRan sustainable development reports (2002, 2006c); and a PT Freeport Indonesia pamphlet on Riverine Tailings Transport (2006a). An Environmental Risk Assessment commissioned by Freeport and conducted by Parametrix, in 2002, remains inaccessible to the public. An additional report, commissioned by the US federal government Overseas Private Investment Corporation (OPIC) and authored by Harvey Himberg and David Nelson, also remains unavailable to the public as a result of legal proceedings undertaken by Freeport. Just three published scientific studies are available with relevance to Grasberg tailings management. Ilahudee et al. (2004) reported on the oceanography of coastal and riverine waters around Timika, Brunskill et al. (2004) investigated the sediment and trace element depositional history of the Ajkwa River estuarine mangroves, and Banks et al. (2005) used remote sensing to assess the extent of tailings deposition. WALHI (2006) summarised data from a number of publicly inaccessible sources including the Environmental Risk Assessment prepared by Parametrix, Freeport in-house monitoring reports, and internal Indonesian Environment Ministry reports.

The decision not to contain the tailings within an impoundment facility or dam in the highlands is argued by Freeport to be due to the topography, high rainfall and the seismic activity of the area (PT Freeport Indonesia, 2006a). Downstream of the mine Freeport argues that high groundwater levels, the lack of 'cross-valley' locations, and the absence of suitable embankment material preclude the impoundment of tailings on the coastal plain (MMSD, 2002b, 5). As supporting evidence Freeport cites the environmental audits commissioned by the company to argue that the tailings management plan is the best alternative considering the local geotechnical, 

123 A censored version was released (Perlez and Bonner, 2005). The report was part of an investigation by OPIC that resulted in the cancellation of PT Freeport Indonesia’s political risk insurance in 1995 (Perlez and Bonner, 2005). The cancellation of the insurance was due to the “substantial adverse environmental impacts” that resulted from the expansion of the project and the consequent “massive deposition of tailings in the Ajkwa River...[that posed] an unreasonable or major environmental, health, or safety hazard in Irian Jaya” (OPIC, 1995).
Part B: Testing the Landscape Consumption Model

topographic, climatological, seismic and water quality conditions (PT Freeport
Indonesia, 2006a, 4-5; Freeport McMoRan, 2002, 17). Montgomery Watson (1999)
conducted a review of possible tailings disposal options and found direct discharge into
the river to be the best option. Montgomery Watson Harza (2005, 12) furthermore
concluded that, "the riverine tailings management system represents the most
appropriate method to transport and deposit the volume of tailings produced at the
mine." A review of Montgomery Watson (1999) by NW Corporate Accountability,
however, found that a reduced mining rate was overlooked as an option to dramatically
reduce impacts (MMSD, 2002b, 7). Critics of the mining operations have pointed out
that regulators worldwide commonly hold the view that an industrial venture should not
be permitted to operate in circumstances in which it is not able to safely contain its
wastes (WALHI, 2006). For its part the Indonesian government has recently requested
that Freeport should construct a tailings containment dam and tailings pipeline to the
lowlands. This request conforms with the Indonesian Water Quality Management and
Water Pollution Control Regulations (2001) that expressly prohibit riverine tailings
disposal (WALHI, 2006, 8). Original landholders have also expressed the desire to end
riverine disposal of tailings (Abrash, 2001, 41).

While the company has not built a traditional tailings impoundment facility, it has
undertaken a number of engineering solutions to mitigate or limit the impact of the
tailings. Levees have been built along the eastern and western flanks of the Ajkwa
River to prevent the lateral flow of tailings to the Timika population to the West, and the
forest to the east (PT Freeport Indonesia, 2006b). The bounded area is currently
known as the Modified Ajkwa Deposition Area (ModADA; PT Freeport Indonesia,
2006a, 4; see Figure 7.3). Levee construction began in 1991 (Brunskill, 2004, 2547)
and in 1997 the first stage of the construction of the Ajkwa Deposition Area was
complete. The levees have since been extended on a number of occasions (Freeport
McMoRan, 2002, 16). The levees are spaced between 3 and 9km apart for the length
of the Ajkwa river (around 40km). The levee walls along the Ajkwa river will average
10m and range up to 25m in height (Leith, 2003, 168). The Ajkwa estuary, which
represents the lower Ajkwa Deposition Area, is a further 20km in length though is not
bounded by levees (MMSD, 2002b, 6; WALHI, 2006, 63).

Freeport states that it uses a “dedicated river system” to transport the sediment to "a
designated deposition area in the lowlands and coastal zone, which is an engineered,
managed system for the deposition and control of tailings" (Freeport McMoRan, 2006c,
35). The company argues that the tailings are non-toxic and that the Environmental
Risk Assessment conducted by Parametrix found no significant environmental risks
outside the ModADA (PT Freeport Indonesia, 2006b). While acknowledging that the
ModADA is significantly affected by tailings the company argues that the Ajkwa river system is traditionally a sedimentary deposition area and carries a high natural sediment load (PT Freeport Indonesia, 2006a, 5). They also state that:

Extensive sampling of water quality in the tailings management system evidences that the water in the river which transports the tailings from PT Freeport Indonesia's mill in the highlands to the lowlands tailings deposition area meets the Indonesian and US Environmental Protection Agency drinking water standards for dissolved metals. Data from biological sampling continue to demonstrate that the estuary downstream of the tailings deposition area is a functioning ecosystem based both on the number of species and the number of specimens collected of nektonic, or free-swimming, organisms such as fish and shrimp (Freeport McMoRan, 2006, 35).

Figure 7.3 Riverine Tailings Disposal in the lowlands area of the Grasberg project. This area is described by the company as the 'Modified Ajkwa Deposition Area.' The area is bounded by levees to contain the waste and the overflow of sediment into forest ecosystems that results in dieback. Source: PT Freeport (2006a).
When one considers that the ModADA consists of the entire Ajkwa River system the finding that there are no significant environmental risks outside of the ModADA appears to discount the major impacts on the river system itself. Dieback of vegetation will affect 230km$^2$ of the Ajkwa Deposition Area (MMSDb, 2002, 9). The choice of language also gives the impression that the sacrifice of the area within the ModADA is a reasonable consequence of the operations. With the natural sediment carrying capacity of the river under normal conditions in the vicinity of 15,000-20,000 tpd (6-8% of the current daily load; Cloos, 1997, 26; WALHI, 2006, 26), tailings disposal has increased the sediment in the river by an order of magnitude. Furthermore in describing the water quality of the Ajkwa River the choice of words adopted by Freeport and their consultants may also conceal a number of other areas of environmental concern. While river water may meet the Indonesian and US Environmental Protection Agency drinking water standards for dissolved metals, the river water may not meet the more stringent regulations and guidelines for freshwater ecosystems that are environmentally relevant. It is also unlikely that Ajkwa river water meets environmental or drinking water criteria for other parameters such as total suspended solids, as will be discussed shortly, and by emphasizing that the estuary downstream of the tailings deposition area is a functioning ecosystem, this statement may conceal the condition of the Ajkwa River ecosystem upstream of the estuary and the actual impacts on the estuary. The evidence used to justify this claim may also be questionable as very mobile species such as fish and shrimp are less likely to suffer the impacts that other less mobile organisms will experience.

Due to the nature of the tailings the parameters of most relevance to the Ajkwa system are the dissolved copper concentrations and the Total Suspended Solids (TSS). Aquatic animals are sensitive to elevated concentrations of dissolved copper, particularly those with gills as copper interferes with enzymes responsible for electrolyte exchange (WALHI, 2006, 42). The Indonesian Water Quality Management and Water Pollution Control Regulations (2001) set a limit for freshwater ecosystems at 50 mg/L TSS and 20 µg/L for dissolved copper. The more strict Australian and New Zealand Environment Conservation Council (ANZECC) guidelines for the protection of 95% of fresh water species (the recommended value for moderately disturbed systems), adjusted upward to account for the hardness of the Ajkwa river water, is 5.5 µg/L (WALHI, 2006, 33).

WALHI (2006) has summarised water quality monitoring data published in Parametrix and from Freeport internal studies. They concluded that “Freshwater aquatic life has been largely destroyed through pollution and habitat destruction in the watercourses which receive tailings” and that “metals from tailings are contaminating the Ajkwa
Estuary food chain" (2006, 111-112). The summarised data demonstrates widespread contamination of the Ajkwa River and Estuary:

**Aghawagon and Otomona Rivers:** TSS data for the Aghawagon and Otomona Rivers, close to the mine, demonstrated elevated data across a number of studies in comparison to Indonesian legal limits. The breaches of TSS are many tens of thousands times the allowed levels (with Freeport's own studies reporting TSS at 732,000 mg/L at an Aghawagon River site; the legal limit is 50 mg/L; WALHI, 2006, 36).

**Lower Ajkwa River:** The maximum values of dissolved copper for the lower Ajkwa River exceed both the Indonesian legal limit and the ANZECC guidelines across a number of studies (including internal Freeport data). Furthermore two of the studies from Parametrix reported elevated mean values. The mean values for the internal Freeport data were slightly under the legal limit, but higher than the ANZECC value. The values for dissolved copper in an equivalent 'control' river were substantially lower. The load of total suspended solids is orders of magnitude higher than the legal limit (WALHI, 2006, 35, 37).

**Ajkwa Estuary:** Dissolved copper concentrations in the upper Ajkwa Estuary demonstrated elevated maximum concentrations (up to three times the legal limit) and mean values that also breached the Indonesian legal levels (again in Freeport's own data; WALHI, 2006, 35, 37). The marine water quality in the lower Ajkwa estuary follows the same pattern of elevated concentrations of dissolved copper and TSS in comparison with reference control sites, Indonesian legal limits and ANZECC recommendations. The legal limit for dissolved copper for marine biota in mangrove environments, according to Indonesian Ministerial Decree 51/2004 is 8 µg/L and for TSS 80 mg/L. The ANZECC standards for marine water (again using the 95% protection of marine species standard) is 1.3 µg/L for dissolved copper (no value for TSS is recommended). Again Freeport's own internal data demonstrates a breach of all of these guidelines, with severe breaches of TSS (WALHI, 2006, 38, 39). Tailings have also been shown to lower the salinity and light transmission within the estuary (Ilahudee et al., 2004, 2518). The deteriorated conditions from tailings deposition have resulted in around 35% fewer species of fish, shellfish, crabs and polychaetes present in the Ajkwa estuary (WALHI, 2006, 112). Estuary sediment quality, of which there are no binding legal guidelines, also demonstrate elevated copper concentrations in comparison to reference control sites and Australian (ANZECC) and American (USEPA) standards (WALHI, 2006, 41). Brunskill et al. (2004, 2535, 2546-7) confirm these findings. They found that copper concentration in sediments from the Ajkwa river estuary showed a 40 fold increase within sediments deposited after mine tailings deposition began, and that the sediment mass accumulation
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rate for Ajkwa river estuary sites affected by mine tailings are more than twice that of relatively unaffected sites.

Arafura Sea: As the ModADA is an open system tailings also impact the Arafura Sea. Up to a third of the tailings disposed into the river are expected to be transported to the Arafura sea (Montgomery Watson, 1999, 14). The Environmental Risk Assessment by Parametrix found that a plume of dissolved copper from tailings is measurable up to 10km offshore (WALHI, 2006, 99). Turbidity is also affected. Ilahudee et al. (2004, 2515) found that "Extremely high turbidity near the mouth of the Ajkwa River is likely due to the discharge of mine tailings." The impact of tailings in the Ajkwa estuary, including the nearshore Arafura sea, according to the Parametrix study has resulted in 40%-70% fewer families of bottom-dwelling animals, with biomass per area half that of reference estuaries (WALHI, 2006, 112).

From the limited scientific data that is publicly available it is clear that a pollution problem does exist in the Ajkwa River and estuary as a result of riverine tailings disposal. The scale of the transformation of these ecosystems is large and significantly impacts the communities that rely on the river. The transformation of the river ecosystem is particularly relevant for lowland Kamoro communities. According to the Environmental Risk Assessment:

Kamoro people have a great dependency on rivers to sustain their way of life. This can be seen in the many Kamoro communities (lowland and estuary) that construct their traditional villages near rivers or the sea to allow for easier access to transportation (that is, via canoes), to various foods (fish, molluscs, sago), and to a source of water for bathing, recreating and drinking (Parametrix in WALHI, 2006, 33).

Riverine tailings disposal has destroyed tropical forest, including Sago forest, that the Kamoro People rely on for food (Sumule, 2002, 9). Tailings have disturbed food gardens, hunting and fishing grounds. Culturally and nutritionally important molluscs from the estuarine area are now difficult to find (WALHI, 2006, 11). The deposition area has excised a significant part of the customary land of the Koperapoka subclans of the Kamoro and divided the Kamoro People from their lands and resources to the east of the tailings (Harple, 2000, xv)124. The Kamoro villagers of Nawaripi Lama, Koperapoka Lama and Negeripi have referred to the tailings material that has impacted their rivers as "toxic chemical waste" (Operawiri et al., 1997). They argue that, "The sago palms and the trees which provide wood for our homes and canoes are dead; the animals we hunt have fled; the traditional medicine plants have gone. Our culture is starting to die

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124 Harple (2000) recounts a meeting in which he informed Freeport management of the impact of such a restriction and the possibility of the consequent violation of the UN Charter on Human Rights. 'Development' east of the levee system was not part of either Freeport or Indonesian government plans, in part to provide a buffer between the Freeport tailings and the Lorentz Nature Reserve (2000, xv, xvii). Freeport introduced a Recognition Program in 1996 that includes a resettlement program for the Koperapoka (Sumule, 2002, 9).
out and we are suffering from increasing[ly] serious health problems" (Operawiri et al., 1997). The future of the Ajkwa River estuary will thus determine the extent to which the Kamoro will be able to practice customary traditions that rely on healthy ecosystems. Freeport plans to turn the ModADA into a "thriving economic development zone in the future" that includes aquaculture ponds and cash crops (PT Freeport Indonesia, 2006b). While such a program may or may not be desirable to the traditional landowners, the loss of some of the ecosystem services provided by the Ajkwa river system, estuary and surrounding forest as a result of tailings has important cultural ramifications. The landscape transformation imposed by the mining operations inhibits the Amungme and Kamoro communities from determining their own culturally relevant futures. In the following section I shall analyse these transformations with respect to the Landscape Consumption model.

**Analysis of Landscape Consumption – West Papua**

The Landscape Consumption model poses that the combined effects of landscape domination and detachment facilitate a transformation and deterioration of those landscapes experiencing RA. I have argued that the process of consumption relates not only to the resources directly sought by dominant social groups but also the consequent deterioration of the function, abundance and diversity of the broader landscapes that are transformed in the pursuit of such resources. The process of consumption is not, however, the simple marginalisation of a passive people. Subaltern social groups can and do assert power to renegotiate landscapes that dominate political decision-making. The political relationship between these social groups thus is very important in determining the future outcomes as RA proceeds. Another important factor is the relationship between the social groups and their environment. Resources and indeed the biogeophysical world are socially interpreted and mediated in different ways by different social groups. These interpretations and the relationship between them provide important location specific circumstances for landscape consumption. The analysis will describe the social landscapes of the case study with reference to their relationship with each other and the biogeophysical landscapes, and ask whether the Landscape Consumption model adequately describes the case study. The section will conclude with a comparison of the case study to the other theories of RA and to case study one.

**Freeport McMoRan/Rio Tinto**

Freeport's relationship with the Amungme, Kamoro, Republic of Indonesia and the environment is primarily influenced by the company's core objective, which is to return shareholder value through the mining, extraction and processing of copper and gold.
The operations are an intensive process focused on a single resource (metal sulphides). Copper is desired in the global marketplace for its conductive properties and is used mainly in communications. Gold on the other hand is now used predominantly for jewellery. The combined gold and copper resources make the project economically attractive. Freeport’s presence within the landscape will continue until the resource is exhausted in an economic sense. The company has no long-term investment or reliance on the broader ecosystem conditions, and will leave once the resource is exhausted. Grasberg is Freeport’s major investment and therefore the company relies on the resource for their accumulation of wealth (in 2007 Freeport purchased Phelps Dodge and thus expanded their mining assets). Rio Tinto, however, holds extensive global deposits of a multitude of resources.

Management policies also respond to the demands of the market. Economics dictates the cut-off grade for the overburden waste and the concentration of the metals in the tailings. Economies of scale dictate the large size of the mining operations and the reliance on open cut mining methods (with the consequence of high levels of mining waste). The movement of large amounts of waste rock is only economic during the resource recovery phase. Upon depletion the mine pit and mine dumps cannot be significantly altered. Increased returns come from a high throughput of ore and the minimisation or externalisation of costs. For example, Freeport has adopted the relatively inexpensive riverine disposal of tailings rather than a pipeline or dam. The location of the mine is dictated by the geological history rather than other landscape factors and therefore the site may be inappropriate for tailings containment and normal mining operations under current technology. The problem of tailings and waste rock disposal is particularly difficult for porphyry and epithermal metal deposits. Due to their ‘volcanic’ geological origins they are commonly found in high and steep landscape positions, as is the case at Grasberg. The broader environment surrounding the operations is assigned value according to the amenities that these areas provide toward metal extraction. The mountains are valued for their ore, the steep valleys for their capacity to store waste rock and the Ajkwa river system is valued for its ability absorb the tailings waste. Hence, Freeport has transformed the river system into an "engineered, managed system for the control of tailings."

There are a number of secondary objectives that allow the company to fulfil its primary goal of resource extraction. Freeport must maintain cordial relationships with the Republic of Indonesia. The Indonesian government provides the political conditions under which the mine may operate and in return Freeport has negotiated part ownership of the mine and economic returns from royalties, taxation and flow on effects. As a result of the precariousness of the Indonesian annexation of Papua, the
Indonesian government and Freeport have arranged for military protection of the mine and thus an additional objective is to provide the means for the military to fulfil their task. With the discovery of Grasberg and the end of the Suharto dictatorship Freeport came to the realisation that their presence in the region would be extended and that better relationships in Papua were also a necessary objective. This prompted a reassessment of the company’s investment in the local landowners and to a lesser extent the management of the environment. A more concerted effort was made to distribute some material benefits to the landowners through a number of funding arrangements. Even the Papuan Independence movement received funding in recognition of their possible future political role in the territory. Environmental monitoring began after decades of operations and significant effort has been expended on the production of environmental discourse to explain the chosen waste management strategies from an environmental perspective and to develop mitigation options that are consistent with the core economic objectives of the operations.

These objectives, however, are only of value to the extent they aid the primary objective to return shareholder value through the mining, extraction and processing of copper and gold. Freeport remains detached from the major environmental, social and political costs of their mining operations. The company is responsive to market forces and intensive production objectives and has made waste management decisions that demonstrate these priorities. The militarised zone surrounding the mine site inhibits possible connections between these social groups. The separation of the management within the luxury accommodation at Kuala Kencana also perpetuates the detachment of these decision makers from the consequences of the mine downstream and from the existing landscapes of the region. The environmental and social deterioration of the Papuan social and biogeophysical landscapes has relatively little impact on the core objectives that motivate the project. The detachment exhibited by the company has facilitated the consumption experienced by those sovereign landscapes dominated by the project. Recent efforts to ameliorate the social costs of the project, through increased economic benefits to landowners, and to mitigate the environmental costs of the operations, through increased environmental management, demonstrate a reduction in the circumstances of detachment and ultimately consumption. The company has integrated progress on these fronts into the normal day-to-day operations and has moved closer to closure of the feedback loop. The intrinsic nature of these objectives as secondary to the core goals of intensive resource extraction will ensure that some degree of consumption will continue as evidenced by the large pollution problem that looms at the site and the unresolved social problems.
Republic of Indonesia

The involvement of the Republic of Indonesia is an important element of the Grasberg project. The motivations of the Republic with respect to Grasberg are to strengthen the political and economic future of the government within the disputed province. During the early stages of mining at Ertsberg Freeport represented a concrete demonstration of the new investment policies and credentials of the Suharto regime. The project though modest in scale was important for the broader economic development of Indonesia and the consolidation of the annexed province. With Grasberg Freeport developed into Indonesia’s largest taxpayer and assumed a position as an economically important and vital project to the republic. At the same time, however, the Republic’s dependence on Freeport diminished as the regime established itself as a stable government and other investment projects entered Indonesia. Indonesia was thus able to renegotiate more favourable terms of investment. Indonesia, however, is still heavily reliant on Freeport for the economic and social integration of Papua. As a part owner of the project and a recipient of taxes and mining royalties linked to mining production the Republic has an incentive to continue to facilitate the very large scale of the operations and the current waste management strategies, to the extent that their broader goal of economic development and political integration of Papua is achieved. The Republic also continues to provide troops to secure the mining operations.

The landscape resources valued by the Indonesian Republic are multiple (including agriculture, forestry, mining, and land for transmigration), yet due to the colonial like political relationship with the Papuan province the Republic is particularly dependant on intensive extractive resource projects such as mining and forestry (though this may change somewhat with the passage of Special Autonomy). Indonesia does not recognise customary land tenure in West Papua, other than permanent cultivated lands, and views the indigenous Papuans as in need of development and change in their traditional ways. As policy is determined in Jakarta (though with Special Autonomy this may change in some areas) and hence geographically, politically and economically detached from the impacts of the operations (particularly as the social conditions of Papuans and the non-economic environmental resources are of low priority) the economic benefits of resource extraction are favoured over the costs of such projects to Papuans. The Indonesian government also faces the problem that the "ability of the land to generate additional economic activity, beyond mining operations is limited," in the vicinity of Grasberg (ICCA, 2005, 22).

While the Indonesian government has facilitated aspects of the operation that cause environmental deterioration, they have begun to play a more active role in enforcing environmental regulation. The Indonesian Environment Ministry has repeatedly warned
Freeport of environmental breaches of laws since 1997 (Perlez and Bonner, 2005). The government has also passed environmental laws expressly prohibiting riverine tailings disposal and has recently dispatched an Indonesian House of Representatives working committee team to assess the scale of pollution that has resulted from the dumping of hazardous waste directly into the river system (Taufiqurrahman and Arie Rukmantara, 2006). These changes, in association with Special Autonomy, have decreased the level of detachment of the Indonesian Republic from the sovereign social and biogeophysical landscapes in Papua. Special Autonomy has the potential to bring the decision making closer toward those that are impacted by the decisions. These changes notwithstanding, the Republic of Indonesia continues to provide the political and physical domination required to enable RA. It is these circumstances that facilitate the consumption of sovereign Papuan social and biogeophysical landscapes.

Amungme and Kamoro

For generations the Amungme and Kamoro have practiced a local subsistence economy that includes hunting, foraging and the preparation of food gardens. They practice customary land ownership and stewardship and their landscape is the location of multiple, dispersed, and extensive physical spiritual and cultural resources. Forests are the source of food, including sago and animals, wood for canoes, and medicines. Rivers are the source of fish, molluscs, and water for bathing, transport, food gardens, recreation and drinking. Amungme and Kamoro culture are spirituality invested and embedded in these landscape features.

While these practices continue major changes induced by the mining operations have led both the Amungme and Kamoro to modify their lifeways and adapt to the new circumstances in ways that are both forced and consensual. The highland locations of the mining and processing facilities and the waste dumps have disturbed important parts of the Amungme landscape and have forced a loss of culture. The tailings waste has had a similar effect on the Kamoro by causing widespread deforestation, the loss of endemic species, including food sources, and the transformation of the river system into a tailings dump. The simplification of the ecosystems, with the loss of species and landscape diversity has an associated and consequent cultural loss. The Amungme and Kamoro have been further impacted by the militarisation of their communities, the influx of migrants, forced relocation, social disruption, and the restriction of their local economy. They consider the company to have challenged ‘the very means of their existence’ with the help of the Indonesian Republic.

At the core of the relationship between the Amungme, Kamoro, the Indonesian Republic and Freeport is the domination that has accompanied the situation of RA. The
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hegemony of Freeport and Indonesia’s imposed landscape has left restricted opportunities for the sovereign landowners to assert their lifeway as a possible future. The sovereign landscapes are forced to accept the presence of the project and to engage with the company to negotiate the maximum monetary benefit from the mine as compensation for the ‘impacts’. This is particularly so as other methods of resistance to the operations have been met with repression by the Indonesian security forces that protect the mine. This complicated and compromising situation further entrenches the processes of non-consensual change, yet simultaneously may moderate some of the more brutal aspects of the consumptive process. As there is no alternative to engagement (for example the sovereign landscapes do not have the power to evict Freeport, to cut back or halt production, or alter the waste management strategies) even consensual acceptance of the operations (demonstrated through agreements or acceptance of employment) incorporates some degree of coercion. The restricted terms on which the Papuans are able to engage in decisions that affect their future implicates accommodation into the overarching conditions of domination. Landscapes of course are never static, but when landscape changes are devoid of the agency of those the change is supposedly for then they represent both detachment and domination.

The Kamoro and particularly the Amungme have challenged the inevitability of the project through court cases, demonstrations, confrontation, and the development of alliances with international and Indonesian NGOs. They have made their social condition a concern to the company and forced the company to incorporate their circumstances into the company’s objectives. Their advocacy has prompted Freeport to increase the distribution of the benefits of the project to the Amungme and Kamoro through the provision of education, healthcare and some development opportunities. As earlier described, this change represents a reduction in the detachment and ultimately the degree of consumption. While community development projects have allowed greater community control and input into decision-making other aspects of the project such as mine waste management decisions do not reflect this approach.

The future of the Ajkwa Deposition Area is a case in point. Freeport plans to develop this area into a ‘thriving economic development zone’ of aquaculture ponds and cash crops. The problem here is not whether these are viable or valuable projects (these types of landscape use may indeed be the only viable alternatives for the simplified environment that will remain), but that this landscape future has been decided by Freeport rather than by the people the development is supposed to benefit. Integration into the market economy may or may not be an overwhelming priority for the Kamoro and Amungme. Another example is the continued reliance on the Indonesian Military to
secure the mine. Freeport is at its most detached when the relationship with the communities is mediated by the military with its history of repression and violence. While consumption can be reduced through investment in the circumstances of the sovereign landscapes it cannot be eliminated until the situation of RA is fundamentally resolved. The consequences of the current and historic domination will remain within the landscapes for decades. Continued RA will have the effect of compounding the Landscape Consumption identified in this chapter.

**Comparison to other Theories of Resource Appropriation**

The theories overviewed in Chapter Two, as theories of RA, all correctly describe resource depletion as a consequence of appropriation, however, they provide a limited analysis of the broader environmental and social impacts. Depending on the perspective adopted a range of other consequences are predicted. Imperialism theory predicts the exploitation of surplus labour, production and capital and the political and economic loss of autonomy that accompanies the forced expansion of capitalism. Minerals and corporate imperialism account for impacts such as subordinate development and political oppression. Dependency theory describes stalled industrialisation and underdevelopment while the business conflict model outlines business conflict leading to political instability and the associated social and political consequences of intervention by business groups and states. The resource curse describes the plundering of lootable resources by rebel groups, the development of a rentier state, state repression and civil war. These consequences do not adequately describe the changes experienced in the West Papua case study.

Corporate globalisation theory does provide insights into the political consequences of mega-project development: the disempowerment of local and regional economies, and the centralisation of control to distant centres of power. The theory also accurately describes the impacts of neoliberal economic restructuring, and the protection of export orientated foreign investment. Other aspects, however, are insufficiently explored such as the unique role of state actors and nation groups (including the methods and consequences of state intervention and annexation), and the broader environmental, cultural and social transformations that accompany political domination beyond the immediate impacts of mega-project development. Corporate globalisation theory is also limited historically in the case study to the period following the overthrow of Sukarno.

Fourth World theory also incorporates an analysis of the broader impacts of appropriation on Fourth World nations, including the loss of social, cultural and environmental resources. The theory accurately describes the political and economic oppression, military occupation, acculturation, transmigration, ecocide and ethnocide.
These consequences are relevant and apparent in the West Papua case study. The consequences described arise through the political domination of West Papua and the assistance the natural resource development has provided toward the integration of the new territory. Ecological imperialism also includes an analysis of the ecological and social impacts of appropriation, though the description of appropriation accompanied by agricultural support systems that displace existing ecologies is not an accurate reflection of the case study. Davis’s (2001) account of the ecological ramifications of imperialism is highly relevant. The social vulnerability to ecological change that has arisen due to the incorporation of the social groups into larger socio-economic and political structures is evident within Amungme and Kamoro communities. The colliding ecologies model with its predictions of cultural loss and ecocide, associated with environmental change is also consistent with the case study. The model describes how a more powerful social group may impose a system which transforms the environment in ways that limit the effectiveness of the original system. The cultural and social impacts associated with such a transformation are well described by the model and are highly applicable to the case study. Indigenous Papuan nations suffered a dismantling of their ecologies of subsistence and replacement by ecologies of global production. The case study, however, also revealed that direct social and cultural impacts are associated with the practices of domination employed to appropriate resources. These impacts are not described by the colliding ecologies model.

The Landscape Consumption model also adequately describes the consequences of RA for copper in West Papua. The model correctly predicts the deterioration of the broader sovereign social and biogeophysical landscapes as a result of appropriation and highlights the links between the processes of consumption, detachment and domination. In this vein the model explains the reduction in the scale of the consequences that has arisen through greater investment in the circumstances of the impacted landscapes by Freeport/Rio Tinto and the potential reduction in the detachment of the Republic of Indonesia arising from Special Autonomy. The model predicts that elimination of the negative consequences experienced by subaltern landscapes will require an end to RA.

**Comparison with Case Study One**

In both case studies Landscape Domination and Detachment were demonstrated to have lead to broader deterioration of the social and biogeophysical landscapes of the dominated. Environmental, cultural and social impacts were intertwined and resulted from the direct impacts of Landscape Domination and the indirect impacts of Landscape Detachment. In Chile the analysis focussed on the performance of the copper industry as a whole in the period following the military junta, in addition to the
specific impacts on three copper extraction projects. Copper mining in Chile, once set in the remote Northern regions of the country, expanded following Landscape Domination and increasingly impacted rural communities, competing for water and other landscape resources. In West Papua the analysis centred on one copper extraction project, the Ertsberg/Grasberg mine, the only copper project in the territory.

In both cases the dominant landscapes illustrated Landscape Detachment. The multinational extractive resource corporations demonstrated a primary objective to return shareholder value through mining of copper and gold. Their operations were an intensive process focussed on a single resource with management decisions responding to the demands of the market. Landscapes were assigned value according to the amenities that these areas provide toward metal extraction. These characteristics in the context of appropriation led to broader deterioration in the sovereign social and biogeophysical landscapes. The Indonesian Republic and the Chilean military junta also exhibited landscape visions incompatible with the landscapes from which the resources were appropriated. The Pinochet dictatorship presided over an investment strategy that prioritized the intensified extraction of natural resources, including copper. Natural resource development provided the capital needed to consolidate the regime. The democratic Chilean governments continued the extraction policies and priorities of the junta. The success of the copper industry and the new legislative framework established Chile as a stable investment location. In West Papua the Indonesian Republic had an objective to promote integration and strengthen the future of the Republic in Papua. The Ertsberg/Grasberg mine represented a vital project in this regard. While the Indonesian government valued multiple landscape resources it was dependent on intensive extraction.

The case studies did, however, demonstrate some differences in the type of landscapes that experienced appropriation and this impacted on the type of consumption observed. In Chile the communities impacted by copper extraction utilised multiple and extensive landscape resources for agricultural development, recreation, fishing, tourism and cultural identity. In West Papua the Papuan nations impacted by copper extraction practice a local subsistence economy, where the landscape is the location of multiple, dispersed, and extensive, physical and cultural resources. Copper appropriation has caused the loss of resources in both cases and restricted opportunities to assert their landscapes. In West Papua, however, the particular cultural and spiritual landscape connections meant that the cultural impacts of landscape transformation were more profound and pronounced. Both case studies showed that subaltern landscapes can challenge the dominance of imposed landscapes in ways that can mitigate the potential deterioration of valued resources.
While landscapes may be forced to accept the existence of resource extraction projects the case studies showed that they can negotiate for the minimization of the impacts and the maximization of the community benefits. The community mobilisations described in the case studies were most successful when attempting to renegotiate the distribution of the benefits, or when attempting to reduce the intensity of impacts where a relatively minor management decision was all that was required for resolution. Those that chose to fundamentally challenge the appropriation and its consequences only found success after a coordinated and targeted, often international, campaign that exploited the vulnerabilities of dominant landscapes.

Conclusion

This chapter considered the consequences of the Landscape Domination and Detachment identified in the previous chapter and the political context in which these consequences have arisen. The chapter focussed on the historical periods defined in Chapter Six as the Freeport Expansion (1991-1998) and Special Autonomy (1998-2005). The chapter found that the case study was broadly consistent with the Landscape Consumption model. Resource Appropriation has facilitated a broader deterioration of the function, abundance and diversity of the social and biogeophysical landscapes where the resources were appropriated. The Grasberg mining and processing facilities and the dumping of waste rock were found to have transformed the highland landscape in ways that resulted in social deterioration for the Amungme People. The riverine disposal of tailings has forced a similar situation for the lowland Kamoro. Widespread deforestation and the loss of landscape resources have resulted in an associated and consequent social impact. Recent efforts to ameliorate the social costs of the project through increased economic benefits to landowners and to mitigate some of the environmental costs of the operations through increased environmental management demonstrate a reduction in the circumstances of detachment and ultimately consumption. As RA persists Landscape Domination and Detachment are also predicted to continue to characterize relationships between Freeport, the Republic of Indonesia, the Amungme and Kamoro. While consumption can be reduced through investment in the circumstances of the sovereign landscapes, elimination will require the fundamental resolution of the appropriation of resources.
Conclusion
Towards a Political Ecology of Resource Appropriation

In this thesis I sought to identify the political, social and ecological sources and consequences of the inter-societal appropriation of resources. The thesis developed a political-ecological model of Resource Appropriation, called Landscape Consumption, and used a historical comparative analysis of two case studies to further test, develop and refine the model. In this conclusion I will outline the main features of the model with reference to insights and examples from the case studies and then discuss the implications for future research.

Landscape Domination

Landscape Domination refers to the broader political, social, economic and ecological control imposed by a dominant social group(s) in the pursuit of a resource. While a single resource may be the focus of appropriation in practice broader social and ecological domination is required. Landscape domination is not confined to a particular type of society, culture or economy and in many circumstances dominant landscapes may consist of hybrid, contested and conflicting discourses and agents.

Dominant landscapes may include states, nations, corporations, institutions, or other social groups that employ political, economic, ecological, or social methods to control, oppress, acculturate or manipulate a ‘subaltern’, or dominated landscape. In the case studies outlined in this thesis the social landscapes that participated in Landscape Domination included multinational corporations, First World states, Third World states, academic institutions, the United Nations, military and intelligence organisations and international financial institutions and trade agreements. The subaltern landscapes identified in the case studies included Third World states and societies, nations, movements, and political groups. Dominant landscapes employed methods ranging from political manipulation and the funding of political parties, to the overthrow and destabilisation of governments, debt leverage, military annexation and occupation, and trade agreements.

In West Papua the Indonesian government and mining corporation Freeport Sulphur, supported by the United States and United Nations, annexed and integrated the region into the Indonesian Republic and began the extraction of copper and other resources. The Freeport mining operations took advantage of the annexation and began construction prior to the official transfer of the territory. The transfer of West Papua to
Indonesia was officially the result of a United Nations plebiscite on self-determination called the ‘Act of Free Choice.’ Prior to the plebiscite the Republic of Indonesia had been overthrown by a US backed coup and with Indonesia now aligned toward US interests, and US corporations beginning resource developments in West Papua, the Act of Free Choice was designed to deliver a predetermined outcome. Both Indonesia and the United States would only tolerate integration. As the declassified record shows the United States and United Nations were completely aware of the fraudulent nature of the event prior to its conclusion but actively encouraged the transfer. Freeport established its extractive operations in close collaboration with the Indonesian military who were employed to secure the operations. This involved the murder and torture of Papuan opponents of the mine, including Amungme and Kamoro indigenous landowners whose land was forcibly confiscated.

In Chile successive administrations had sought to increase the returns from copper extraction and reduce the scale of copper resource appropriation through the partial and full nationalisation of the industry. With the assistance of the United States the multinational copper corporations facing nationalisation agitated and destabilised the democratic government of Chile and violently re-established the conditions of appropriation. A military junta was formed, institutions were dismantled, the constitution suspended, and social groups repressed. While few new copper extractive resource projects reached the production stage by the time of the transition back to democracy, the junta instituted the conditions for multinational corporations to appropriate future resources. Thus copper appropriation during the period of the dictatorship was moderate, even though the methods used to support appropriation were extreme. Landscape Domination in this case preceded future Resource Appropriation. The return to democracy led to an increase in the number of extractive resource projects that exploited the conditions established by the dictatorship and a diversification of the origin of the multinational corporations. Resource Appropriation became more substantial and widespread. The unprecedented increase in the scope of copper extraction in Chile and the continuance of the unfavourable policies of the junta brought a new dimension of domination over subaltern landscapes. Where RA could be seen in earlier periods to be the domination of Chilean society (as domination was framed as ownership and appropriation of the returns of the Gran Minería – which consisted of a small number of mines in remote regions) denationalisation and the expansion of copper production exposed other more regional landscapes at project specific scales to domination. Multinational mining extraction now substantially impacted agricultural communities and indigenous Peoples leading to an increase in conflicts.
In both case studies, clandestine operations were undertaken by a First World state and multinational corporations to destabilise a Third World state that had opposed foreign investment and resource control, to support the installation of a military regime, and to re-orientate the economy to allow the appropriation of resources. Multinational copper mining corporations in both cases actively participated in the domination by lobbying politicians, funding political parties, writing legislation, destabilising governments, and even undertaking covert operations to ensure access to copper resources. Landscape Domination in West Papua, however, consisted of domination of both the Indonesian state and indigenous Papuan nations. This difference also affected the methods by which resource appropriation occurred. In West Papua domination included the annexation and military occupation of indigenous land and violent domination continued well beyond the initial annexation while the Indonesian government and Freeport consolidated the territory and established new extractive projects. In the case of Chile, Landscape Domination consisted of securing already existing resource extraction projects and re-establishing the conditions for future extraction. In Chile state violence declined after the initial consolidation of the regime and individual mine sites did not require ongoing violent repression as they did in West Papua.

**Landscape Detachment**

Landscapes of domination are characterised by an isolation or detachment from the subaltern social and biogeophysical landscapes from which they are appropriating resources. Detachment, here, refers to a hierarchical condition of separation from the circumstances, or divestment from the outcomes or feedback, of a particular ecological or social system. Landscape Detachment is an important feature of resource appropriation because it is not domination *per se* that facilitates appropriation but also the detachment that domination brings. Relationships of domination may become embedded within political processes and institutions, discourses and behaviours. As resource appropriation continues, domination can become normalised, such that the intensity of domination is no longer needed to continue appropriation as the dominated are excluded from the shaping of their future.

In Chile, during the period of the New Deal and Chileanisation arrangements the multinational corporate owners of the *Gran Minería* achieved their appropriation of copper through their ability to manipulate the political process. These methods of domination were only effective in so far as they detached Chileans from their political parties and democratic institutions. Public expression of policy was subverted by corporate and United States government manipulation of the parliamentary system. With time the effectiveness of these methods were nullified with exposure and policies more favourable to the Chilean society (in this case Nationalisation) were pursued. The
emergent social movements for Nationalisation defined appropriation within the context of Chilean society and sought to reduce the intensity of appropriation through taxation and eventual state control of the copper resources. Another example of Landscape Detachment in Chile was the continuation of the policies of the military junta by the Concertación governments. While the extremity of the types of domination diminished, the situation of detachment remained, and the extent of domination substantially expanded. International agreements, such as FTAs, consolidated the conditions of appropriation outlined in the mining laws and insulated these conditions from renegotiation. Resource Appropriation during this period can be considered substantial even though the methods by which appropriation was supported were more benign than earlier periods.

In West Papua, the annexation by the Indonesian government centralised decision making away from the indigenous Papuan nations. The Papuan independence movement has fought to re-establish Papuan sovereignty and has been met with fierce repression from the Indonesian military, including the assassination of independence leader Theys Eluay. The Indonesian government has, however, supported the Special Autonomy legislation. Special Autonomy has the potential to reduce the detachment experienced by Papuans nations but the legislation as enacted does not provide Papuans with control over the future of their resources, nor the ability to determine resource policy, or the presence or absence of the Indonesian military. The laws do, however, provide for an increase in the returns from resource development in Papua and the future possibility of a decrease in the intensity of appropriation. The Special Autonomy provisions represent a reform in the direction of better attachment, though the provisions remain largely unimplemented. Freeport has also negotiated land rights agreements with the Indigenous owners of the land after decades of marginalisation and domination. The agreements, while a positive sign, do not provide the Amungme or Komoro substantial decision-making input into the future of the mining operations, nor the ability to modify or cease production if they so wished. The agreements were limited to an increase in the distribution of the benefits of the project. Thus the agreements arguably still represent a situation of detachment, even while the intensity of domination eased.

**Landscape Consumption**

Landscape Consumption hypothesises that the combined processes of landscape domination and detachment facilitate a transformation and deterioration of the subaltern social and biogeophysical landscapes experiencing resource appropriation. The process of consumption relates not only to the resources directly sought by dominant social groups but also the consequent deterioration of the function,
abundance and diversity of the landscapes of which the resources were a part. Landscape Consumption may result directly from the methods of domination, for example, violent oppression, forced relocation, and resource depletion, or it may also result indirectly as a function of Landscape Detachment as decisions are made that disregard valued landscape resources, resulting in their consumption. Dominant landscapes may not rely on the broader ecosystem conditions, or the longer-term landscape resources beyond those utilised in the extraction process, and may make decisions that transform and consume subaltern landscapes.

In the Carmen de Andacollo case in Chile, the management strategies of the mine disregarded the existing social and biogeophysical landscapes and instead responded to the demands of the market, the internal economics of the company as a whole, and the capacities of the corporation. The deposit, owned and operated by Aur Resources used a heap leach process to extract the desired metal ore. As a medium sized company the scale of Aur Resource’s mine is modest, focussing on the enriched secondary mineralogy on the surface of the primary deposit to develop the operations. The size and capacity of the company influenced the choice of processing given the available technology. The innovative heap leach method provided the company with an opportunity to develop the deposit, due to the cost effectiveness of the technique and the relatively low development costs. The heap leach method, however, was inappropriate for a mine located so close to residential areas. The acid spray applied to the ore piles to dissolve the copper minerals polluted the nearby communities, caused health and environmental problems and reduced the lifestyle amenities of the landscape. The environmental considerations were secondary to the core motivations of the company that is to economically develop the resource to generate shareholder returns. The operations resulted in a substantial deterioration of the social and biogeophysical landscapes in the vicinity of the mine.

In West Papua major changes induced by the mining operations have led both the Amungme and Kamoro to modify their life ways and adapt to the new circumstances in ways that are both forced and consensual. The Amungme and Kamoro have been impacted by the militarisation of their communities, the influx of migrants, forced relocation, social disruption, and the restriction of their local economy. They consider the company to have challenged ‘the very means of their existence’ with the help of the Indonesian Republic. The highland locations of the mining and processing facilities and the waste dumps have disturbed important parts of the Amungme landscape and have forced a loss of culture, as important landscape features that were embedded with cultural and spiritual associations have been irrevocably transformed. The tailings waste has had a similar effect on the Kamoro by causing widespread deforestation, the
loss of endemic species, including food sources, and the transformation of the river system into a tailings dump. The simplification of the ecosystems, with the loss of species and landscape diversity had an associated and consequent cultural loss.

The process of consumption is not, however, the simple marginalisation of a passive people. Subaltern social groups can and do assert power to renegotiate landscapes that dominate political decision-making. By making the consequences that were disregarded relevant, through mobilisation, subaltern landscapes can bridge the detachment and reduce the intensity of appropriation. In West Papua, the Kamoro and particularly the Amungme have challenged the inevitability of the Grasberg project through court cases, demonstrations, confrontation, and the development of alliances with international and Indonesian NGOs. They have made their social condition a concern to the company and forced the company to incorporate their circumstances into the company’s objectives. Their advocacy has prompted Freeport to increase the distribution of the benefits of the project to the Amungme and Kamoro through the provision of education, healthcare, and some development opportunities. As earlier described this change represents a reduction in the detachment and ultimately the degree of consumption. However, the elimination of Landscape Consumption will require fundamental resolution of the situation of appropriation, that is, the return of resource control to the sovereign landscapes experiencing domination.

Implications for Future Research

This thesis has presented the beginnings of a Political Ecology of Resource Appropriation and is offered as a snapshot of my ongoing learnings. The Landscape Consumption model was tested and refined using two case studies of resource appropriation. Case study research, however, does not provide the means to definitively confirm theories or hypotheses the way in which a multiple-unit study can and this can limit the generalisability of case study findings. This thesis addressed this limitation by adopting a comparative historical method to examine variations in causal relationships across and within case study units and throughout a given time period. The small sample number limitation of case study research was also methodologically strengthened by the synthesis of existing theory into a hypothesis. That said the Landscape Consumption model would benefit from future verification against a much larger number of cases. Future research might consist of analysis using quantitative methodologies and could build on the work undertaken in this study. For example an analysis of all copper producing countries would provide industry wide conclusions and context on the extent of resource appropriation and the applicability of the Landscape Consumption model.
Further qualitative and quantitative research on Landscape Consumption could also benefit from an expansion of the type of cases researched. For comparative purposes both of the case studies analysed corresponded to the historic period of 1955-2005. Research into other historic periods would test the generalisability of the model and allow analysis outside of political influences such as decolonisation and the Cold War. Different actors could also be explored. The United States played a dominant role in both of the case studies. Analysis of Resource Appropriation involving other First World or Second World states (such as China in Tibet), or appropriation from Fourth World nations in the context of a First or Second World state would methodologically strengthen the analysis of the model. Further examination of the manifestation of Landscape Consumption within democratic situations may reveal areas for targeted policy reform.

This thesis also investigated cases where sovereignty was relatively clear, and the violation of that sovereignty explicit. In situations such as civil wars it can be difficult to determine sovereignty as conflicting social groups form within a sovereign landscape. Consent for resource extraction may be blurred or disputed. The exploration of these situations at the edges of the model may provide important insights and clarify the themes and components of Landscape Consumption.

Future research would also benefit from an exploration of different types of resources. Analysis of the appropriation of other extractive resources such as oil in Nigeria or the Middle East, diamonds in Sierra Leone, natural gas in Timor, Bolivia or central Asia, and uranium in Australia, Africa or the United States. This thesis focussed on a resource that requires significant capital investment for extraction and once the investment is made can not be translocated. Future research might ask what are the specific ramifications of the appropriation of lootable resources such as gems, dispersed resources like timber, or diffuse resources like agriculture.
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