



Sovereignty and subterranean resources: An institutional ethnography of Repsol's corporate social responsibility programs in Ecuador



Emily Billo

Goucher College, Environmental Studies Program, 1021 Dulaney Valley Rd., Baltimore, MD 21204, United States

ARTICLE INFO

Article history:

Received 12 September 2013

Received in revised form 20 November 2014

Available online 27 December 2014

Keywords:

Corporate social responsibility

Institutional ethnography

Ecuador

Post-neoliberal

Sovereignty

Indigenous rights

ABSTRACT

State mandated corporate social responsibility (CSR) programs emerged in Ecuador in the 1990s, following indigenous protests rooted in social and environmental impacts of oil extraction. CSR programs aim to deflect blame for a company's operations, by providing development or infrastructural improvements in indigenous communities, including micro-credit projects, potable water systems, and electricity. Through an institutional ethnography of CSR programs of the Spanish owned multinational oil company, Repsol, I explore how companies intervene in transformations of social life challenging the roles of the state in securing its territorial sovereignty linked to subterranean oil resources. Drawing on interviews, participant observation, and textual analysis of company and state documents, my analysis demonstrates how CSR programs allow companies to secure their presence in the region, even in the face of shifting regimes of governance. In this article, I provide more insight into Ecuador's transition from neoliberal to post-neoliberal eras, by calling attention to social processes that seek to legitimize expansion of corporate capital in spaces of sovereignty. If state control over subterranean resources is still crucial to understanding forms of sovereignty, then the extension of that control via CSR programs represents new relationships of power that construct the company as an expert in the region. Exploring the everyday processes of these legal relationships of sovereignty through an institutional ethnography of CSR programs uncovers the programs' impacts and effects that seek to consolidate power in the company, undermine indigenous rights, and discipline the state.

© 2014 Elsevier Ltd. All rights reserved.

Sovereignty and subterranean resources: An institutional ethnography of Repsol's corporate social responsibility programs in Ecuador

When I arrived in Ecuador in October 2008, the Spanish-owned multinational oil company Repsol was close to being forced out of the country over contract disputes with the state (Ehuenguime, 2008). Production contracts had dictated a 50–50 split between the state and private companies for windfall profits from extraction; the state, in the midst of restructuring its oil extraction policies, was seeking to take 99% of those profits, leaving private companies with 1%. Repsol was still reeling from this political stance against the company when I met with Samuel, a community relations officer, at Repsol's offices in Quito on November 8, 2008.¹ Samuel immediately showed me a copy of *El Comercio*, a national newspaper in Ecuador, from a few days prior. On November 4th

NAWE (*Nacionalidad Waorani del Ecuador*)² the Waorani indigenous organization had written a quarter-page declaration (*Manifiesto de la Nacionalidad Waorani del Ecuador – NAWÉ – Al Gobierno Ecuatoriano y a la Opinión Pública*) pressing the state to prevent Repsol from leaving. NAWÉ cited the company's help through corporate social responsibility (CSR) programs in local communities, and stated that without Repsol's help Waorani people could not survive.

CSR programs are premised on turning corporations into “good citizens” and their pursuit of profit into “compassionate capitalism” (Shever, 2012: 157; Hawkins and Emel, 2014; Rajak, 2011). However, as scholars (Watts, 2005; Zalik, 2004) have noted, CSR programs also give companies the “social permission” to operate in “socially exploitative and environmentally destructive fashion” (Shever, 2012: 157). They operate with few guidelines and little

E-mail address: emily.billo@goucher.edu

¹ All names in this paper are pseudonyms.

² In English, this organization is the Waorani Nationality of Ecuador. When the organization was founded in 1990, it was the Organization of Huaorani Nationalities of Amazonian Ecuador (ONHAE). The new spelling of Waorani reflects the shift to non-Hispano origins of the name.

accountability through voluntary codes of conduct and self-monitoring and reporting, making it difficult to enforce or regulate corporate operations through legal means. The programs are often premised on providing development or infrastructural improvements. In Ecuador, these include micro-credit projects, potable water systems, and electricity. Yet, even when these projects rarely achieve their stated aims, companies produce real effects that influence local populations' subject formation (Shever, 2012).

Waorani support for Repsol's CSR programs raises vital questions about the relationships between private multinationals and the Ecuadorian state's territorial sovereignty tied to its subsurface resources.³ Hydrocarbons played important roles in nation-building in Ecuador through the 20th Century, "shaping visions of boundaries, potentialities, and character of the nation-state" (Perreault and Valdivia, 2010: 3; Watts, 2004). However, in more recent years, neoliberal reforms, adopted in the 1980s in Ecuador, reduced public spending, and favored private investment in the hydrocarbons industry (Perreault and Valdivia, 2010). These shifts in control over the oil industry suggested that state responsibility over the industry was reduced, "weakening its role as an effective sovereign" (Perreault and Valdivia, 2010: 5). Indigenous protests during the 1990s contributed to undermining state sovereignty, as indigenous groups fought for recognition and rights in the state, rooted in claims to territory and environmental harms produced by oil extraction. In response, CSR programs were legally mandated in all multinationals' contracts with the state, diluting indigenous protests through processes of gift-giving, and 'social development' programs, while responding to social and environmental criticism of corporate operations.

As I started my field research in 2008, however, Ecuador was beginning to receive international attention for its move toward a post-neoliberal era, led by its newly elected President Rafael Correa. A new constitution was drafted that gave rights to nature, incorporated indigenous peoples in the writing of the document, and argued that extractive models of development must end as they undermined, and failed to prioritize ecological and social forms of development (Gudynas, 2009; Radcliffe, 2012). Quite quickly, though, the government argued that in order to maintain the country's stability, resource extraction would continue, but with more control over corporate operations (Bebbington, 2009, 2012). This transitional period highlights a more relational form of sovereignty, wherein a state must make itself attractive to capital, especially when it lacks the technology to extract resources itself (Emel et al., 2011; Ferguson, 2005). While conversations about sovereignty and institutional change happen at the national level, at the point of extraction conflict between state, companies, and in my case, indigenous populations is more pronounced. This paper takes up these conflicting narratives through an institutional analysis of CSR programs. I argue that CSR programs intervene in transformations of social life at the point of extraction, undermining indigenous rights, disciplining state institutions, and consolidating power in the company.

I begin by exploring sovereign relationships tied to subterranean resources, particularly those of state and capital. Next I discuss my methodology, an institutional ethnography of Repsol's CSR programs. My argument is rooted in the discourses and practices of state institutions, indigenous populations, and corporate relationships that make up CSR programs. Through institutional analysis, I pay particular attention to the impacts and effects of those programs on indigenous populations, and shifting roles of

state and company. In the conclusion I tie my ethnographic research to a discussion of Repsol's ability to deflect blame for its effects, ensuring the company's role in continued expansion of global capital.

Sovereignty and subterranean resources

Sovereignty is often discussed in relational terms, as "situated in webs of global relations and flows of capital, knowledge, and power" (Emel et al., 2011: 72). Sovereign power cannot be contained within a territory, and is often unevenly produced leading to social and spatial differences (see Mountz, 2013; Ong, 2006; Agnew, 2005, 2009). In turn, scholarship on sovereignty has extended to more imaginative spaces, for example spaces of detention centers, and offshoring (Bridge, 2014; Mountz, 2013). Discussions of sovereignty have also included nature-society geographies (see Bridge, 2014; Vandergeest and Unno, 2012; Robbins, 2008), and in particular a focus on environmental or resource governance (Bridge and Perreault, 2009; Agrawal, 2005; Liverman, 2004). However, as Emel et al. (2011) argue, sovereignty is under-theorized in these discussions, creating the space for additional scholarship on the relationships between sovereignty and nature-society questions, particularly subterranean resources.

Political ecology explores the ways in which subterranean resources contribute to articulations of territory and nation-state, because those resources are considered territory of the state (Watts, 2004). In Latin America the state also owns the subsoil resources. Therefore, the state plays a significant role in "relationships between extraction, access, nation, sovereignty, and borders" (Bebbington and Bury, 2013: 11; Emel et al., 2011). Furthermore, the territorial characteristics of the subterranean lead to particular decisions about regional development and social life, suggesting local populations should also be included in debates about sovereignty (Bebbington and Bury, 2013; Emel et al., 2011). In many cases the state must actively produce opportunities for capital to invest, inferring that sovereignty is not rooted in any kind of "actual or effective control" over territory (Ferguson, 2005: 207). The legal arrangements that establish favorable situations for capital, including laws that require CSR programs, hint that this is not only a situation that benefits capital, but one that is also dedicated to state power (Emel et al., 2011; Vandergeest and Unno, 2012).

The role of the state is fundamental to the study of resource geographies (see Bridge, 2014: 120; Asher and Ojeda, 2009), yet scholarship (see, *inter alia*, Murray Li, 2005; Ferguson, 2005) has moved away from the production of the authoritarian state characterized by Scott (1998) to the technical projects of rule that continue to govern, calculate, and produce relationships of control over resources. Even when companies acknowledge state control, CSR programs produce spaces of governance with their own rules and relationships. I build on the insights of Foucault's (1991) concept of 'governmentality' and the dispersed forms of power via projects of rule (see Murray Li, 2007) to investigate CSR programs that seek to consolidate power in a multinational company, and contribute to understandings of sovereignty at the point of extraction.

CSR programs as institutions

CSR programs reflect the necessary shifts in institutional relationships that can ensure ongoing oil extraction, and legitimize the industry (Bebbington, 2010). As companies faced increased scrutiny of their operations from an environmental and social perspective in Ecuador in the 1990s by indigenous groups and non-governmental organizations (NGOs), multinationals had to engage in practices that could mitigate these accusations. A multinational

³ In this paper I examine Waorani and Kichwa relationships to Repsol. These are two indigenous nationalities in Ecuador impacted by this company's operations. Occasionally, I use the word indigenous to encompass Repsol's relationships with both Waorani and Kichwa communities, but do not mean to gloss differences between these nationalities and their relationships with the state and oil companies.

Download English Version:

<https://daneshyari.com/en/article/5073990>

Download Persian Version:

<https://daneshyari.com/article/5073990>

[Daneshyari.com](https://daneshyari.com)