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### Gas and Development: Rural Territorial Dynamics in Tarija, Bolivia

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Summary. — Framed by concepts of territorial project, social coalitions, and scalar relationships, we analyze rural territorial dynamics under conditions of rapid expansion in natural gas extraction. Analyzing recent economic, political, and territorial transformations of Bolivia's gas-rich region, Tarija, we argue that pre-existing territorial projects of a diverse set of subnational and national actors have: (i) shaped the influence of the gas industry on local dynamics; (ii) changed the scale relationships between local communities, the state, and companies; and (iii) mediated the transformation of territories in ways determined by the nature and aspirations of these territorial projects. © 2015 Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (http://creativecommons.org/licenses/by-nc-nd/3.0/).

Key words — rural development, social coalitions, territory, extractive industries, Latin America, Bolivia

#### 1. INTRODUCTION

While debates over the role of natural resources in development typically focus on the national scale, tracing links between mineral dependence, the quality of national institutions, and aggregate indicators of growth, poverty, conflict, and democracy (Auty, 1993; Collier & Hoeffler, 2005; Karl, 2009; Sachs & Warner, 2001), recent literature suggests the existence of a specific form of the resource curse that exists at the subnational level (Arellano-Yanguas, 2011, 2012). At the core of this curse are the distortionary effects that large royalty and fiscal transfers to local authorities can have on local economy and politics. The argument that fiscal transfers are damaging may appear counter-intuitive, given that local social movements frequently call for a greater share of the financial resources generated by extractive industries. However, Arellano-Yanguas (2011, 2012) has demonstrated that subnational authorities are frequently unable to invest these transfers in sustainable forms of growth and poverty reduction and that such transfers induce rent seeking among politicians and catalyze a range of socio-political conflicts as different groups contest access to and control over these resources or simply express vocal dismay at their ineffective use. These distortions lead to disappointing indicators of growth and poverty reduction in those regions where extractive industries are located (see also Ponce & McClintock, 2014).

The identification of these sub-national effects as a new form of resource curse is a vital contribution to the literature. Yet, we would also note that the phenomenon is not purely local, nor modern, nor curse. First, the production of (or escape from) the local resource curse is a scaled process involving interactions among sub-national, national, and supranational factors. Second, actors' responses to the availability of rents are very probably rooted in long-standing, historical ideas and projects. Third, the emergence of extractive industries transforms the social, political, and economic life of territories in complex and multiple ways that can remain

unrecognized if the analytical focus is only on whether a "curse" exists or not.

This paper seeks to capture some of the complexity that is at play when an extractive economy becomes consolidated in a territory. We do not argue against the existence of a local resource curse—indeed in some ways the territory we discuss might be said to have suffered a mild case of the resource curse, insofar as it has prospered far less than one might have expected given the scale of resource extraction that it has experienced (just as Ross, 2013, has identified curse like effects at a national scale in those countries that have performed less well than they "should" have given their large resource endowment). Nor is our purpose to argue against generic accounts and to claim that every case is complex and different. Instead we are interested in giving a fuller account of how extractive industries transform territories, and to identify themes that may not be adequately captured by the typical lists of factors that resource curse studies identify: e.g., "government capacity," "corruption," "rent-seeking," "distrust," "violence", etc. We approach this complexity with three hypotheses in mind. First, the local effects of extraction depend considerably on the pre-existing structure of the rural and regional economy. Second, "imaginaries" and ideas regarding appropriate strategies for territorial development and the futures to which residents of these territories might

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aspire are significant in molding the effects of resource extraction, even when the rise of resource extraction also changes these imaginaries (Rodríguez-Carmona, Castro, & Sanchez, 2013). Third, these diverse imaginaries reflect the prior existence of distinct territorializing projects (c.f. Wilson, 2004) that intersect in different ways with the expansion of extractive industries, doing much to determine their final effects on local development. These projects foster, resist, mold and/or take advantage of such extractive investments in pursuit of a certain vision of territory. They are constituted by views on how space should be demarcated, governed, and used, by whom and to what ends, and embrace issues of identity and rules for relations with other territories and with other scales of government (Delaney, 2009). These projects are carried forward by actors—and more generally social coalitions of distinct actors—each pursuing the political and institutional changes required in order to render their projects viable (Berdegué, Bebbington, & Escobal, 2015; Coleman, 1970; Cox & Mair, 1991).

These struggles to define the institutions governing territorial dynamics frequently exceed the boundaries of the territory in question (Allen, 2011) insofar as actors and social coalitions pursuing distinct territorial projects operate through networks that connect them to other actors operating at multiple scales. In this sense, territorial projects are rarely if ever pursued at a single scale, and instead involve efforts to change scalar relationships. Often, and certainly in the case of mining and hydrocarbons, these scalar relations are not independent of the natural resources being mobilized or contested as part of a territorial project.

Likewise these projects exceed the boundaries of "the present." They have long histories and are affected by memories and pre-extraction patterns of economic organization. Indeed, the social coalitions associated with a particular vision of territory can change over time, just as the territorial imaginations of particular actors can also change. The point is that coalitions respond to the arrival of extractive industry through the lenses of these pre-existing projects in ways that affect the impact of extraction on patterns of growth and poverty reduction within a territory.

Framed by these concepts of territorial projects, social coalitions, and changing scalar relationships, this paper analyzes the rural territorial dynamics that have been catalyzed by a rapid expansion in the extraction of natural gas in the Department of Tarija, Bolivia. Through an analysis of recent economic, political, and territorial transformations at both regional and municipal scales, the paper argues that the rise of natural gas extraction has: (i) changed the scale relationships that are inherent in pre-existing territorial projects; (ii) itself been affected by these projects; and (iii) transformed territories in ways determined by the nature of, and the aspirations underlying, a range of prior territorial projects. While the paper is not an assessment of whether Tarija is or is not suffering the local resource curse, we do argue that though development indicators have evolved positively, they have not departed significantly from national trends, and that this relatively muted impact to date has much to do with the three dimensions of transformation noted in the preceding sentence.

## 2. RURAL TERRITORIAL DYNAMICS IN MULTI-SCALE TERRITORIAL PROJECTS

(a) Rural territorial dynamics and large-scale resource extraction

Our study is located conceptually in the debate on *rural ter*ritorial development in Latin America (Boisier, 2005; FAO, 2012; Schejtman & Berdegué, 2004). These approaches emphasize the interactions between economic, political, and institutional factors in defining patterns of resource access and productivity, and the implications for territorially differentiated development outcomes. In a context in which a number of governments in Latin America have been promoting the extraction of minerals and hydrocarbons as an accelerated means of overcoming constraints on fiscal resources and domestic savings and to foster growth and tackle high poverty levels (Bebbington & Bury, 2013; Kaup, 2013), these debates on rural territorial dynamics necessarily have to engage with debates on resource extraction and power relations (Bjorvatn, Farzanegan, & Schneider, 2012).

Extractive industry-based development strategies of the sorts promoted by governments in Latin America imply a dominant role for large-scale investments in determining the organization and use of rural space. Such investments inevitably originate from beyond the territories in which resources are located, and frequently from beyond the countries. Furthermore these resources circulate as commodities in national and international markets. Consequently, the dynamics of such rural territories are affected by scale relations in which these rural territories become important nodes in supra-territorial economic and political networks (Bridge, 2008). Some authors (e.g., Boisier, 2005) have made the more general argument that embedding territories in processes operating at multiple scales can create space for local development within globalization processes, but that for this to occur requires the explicit socio-political construction of territorial projects that deliberately seek such local room for manoeuver. For the specific case of extractive industries, one question, then, is what sorts of territorial project might create conditions that facilitate local development in the presence of large-scale mining and hydrocarbon investments. As the "local resourcecurse" literature suggests, these conditions are not obvious, and frequently local governments and community organizations are unable to make effective use of the significant increase in local financial resources produced by resource extraction, and also lack the political weight to establish more or less symmetric relationships with international companies and national governments (c.f. Arellano-Yanguas, 2011; Bebbington, Hinojosa, Bebbington, Burneo, & Warnaars, 2008; Hinojosa, 2012). Furthermore, as the case in this paper shows, spatial convergence need not only policies that affect the average income of local populations, but explicit policies that address intra-regional and intra-locality structural inequalities (see also Modrego & Berdegué, 2015).

#### (b) Territorial projects

The concept of territorial projects draws attention to the ways in which actors and coalitions negotiate and construct visions of what territories should become, how and by whom they should be governed, the economic activities, patterns of resource access, and public investments on which they should be based, and the ways in which resources and revenues should be controlled (see also Berdegué et al., 2015). In this sense, this concept recalls that of territoriality (Delaney, 2009) which invokes the imaginaries, discourses, and practices that attempt to make one development strategy prevalent over others. Wilson (2004) relates the concept to the ways in which the state seeks to structure and control space through mechanisms such as public investments in infrastructure. For others, territorial projects or territorialities can hinge around the "re-spacing" of rural development (Marsden, 2004) or the emergence of new forms of governance based on the rescaling

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