# nacla REPORT on AMERICAS. WINTER 2017 | VOL. 49, NO. 4 | NACLA ORG

# Fossil

# Fille

Toxic

Landsca



Routledge

## Winter 2017 vol. 49, NO. 4

## Contents

## Editors' Note

385 Fossil Fuels and Toxic Landscapes COLE FABRICANT, BRET GUSTAFSON, AND LAURA WEISS

## Around The Region

387 Cashing in on the Quakes DEBORAH POOLE AND GERARDO RENIQUE

391 After the Earth Shook (Photo Essay)
JONATHAN TREAT

398 Haiti: Pushed Out and Pulled Away KEVIN EDMONDS

 $402 \;\; \text{In Paraguay, All that's New is Old} \\ \text{KREGG HETHERINGTON AND MARCO CASTILLO}$ 

405 The Politics of Peace in Colombia ROBERT A. KARL

## Feature Essay

- 28 Odebrecht's Original Sins: Another Case for Reparations
JONATHAN DEVORE

## Report

4 1 6 **Venezuela:** *La Mancha del Petróleo*MIGUEL TINKER SALAS

421 The New Energy Imperialism in the Caribbean BRET GUSTAFSON

429 **Oil Citizens of the Revolution**GABRIELA VALDIVIA

436 Nicaragua's Golden Rule?

SANDRA CUFFE

441 Revolutionary Oil? Offshore Drilling in Cuba

As The Earth Heats Up, Brazil Digs Deeper 444
ALEXANDRE ARAUJO COSTA

Food Sovereignty, One Occupation at a Time (Interview) 451
ESTER HOFFMANN AND MICHAEL FOX

"The Refugee Movement is the Movement of Today:" from Storming the Wall (Excerpt) 457
TODD MILLER

Patience Protest, and Resignation in Contaminated Communities: Five Case Studies 462

DONNA DECESARE AND JAVIER AUYERO

Fracking and Resistance in the Land of Fire 470 LORENA RIFFO

Reverence, Recognition, Resistance (Photo Essay) 476
DONNA DECESARE

Wind Energy: Toward a 'Sustainable Violence' in Oaxaca 483
ALEXANDER DUNLAP

In Houston After the Storm, *la lucha sigue* (Interview) 489 BRYAN PARRAS AND BRET GUSTAFSON

### Arts and Reviews

"The Native Speaks of Toxins" (Poetry) 495 CRAIG SANTOS PEREZ

**Madhouse: Psychiatry and Politics in Cuban History by Jennifer Lambe** 498

ANASA HICKS

Comics and Memory in Latin America, ed. Jorge Catala Carrasco, Paulo Drinot, James Scorer 500

HECTOR FERNÁNDEZ-L'HOESTE

**"500 Years: Life in Resistance" directed by Pamela Yates, Paco de Onís, and Peter Kinoy (Skylight)** 502
ELIZABETH OGLESBY

Cover Photo by Caroline Bennett/ Amazon Watch

#### LORENA RIFFO

# Fracking and Resistance in the Land of Fire

Struggles over fracking in Northern Patagonia, Argentina, highlight the need to decommodify and democratize energy resources and seek alternatives.

Translated from Spanish by Nidia Bautista and Bret Gustafson

n recent years, the Argentine state, along with oil and gas companies have been looking for ways to increase fossil fuel reserves in the country, given their decline in recent years. In 1989, at-then rates of extraction, it was calculated that 14 years of oil and 30 years of gas reserves remained in the country. By 2009, these estimates had been reduced to 10 and eight years respectively. Given that the national energy matrix is highly dependent on fossil fuels, the state and extractive industries are planning and implementing strategies that push the boundaries of fossil fuel exploitation both in terms of surface territory and territory beneath the earth.

In this context, unconventional hydrocarbons extracted by fracking occupy a central role. Fracking in Argentina has initially been concentrated in the province of Neuquén, in northern Patagonia. This area is home to one of the largest unconventional oil and gas reserves in Latin America and the world: the geological formation known as Vaca Muerta (Dead Cow). In addition, a good deal of infrastructure built for the extraction of conventional hydrocarbons is also located there, which has facilitated the expansion of exploration and drilling associated with fracking.

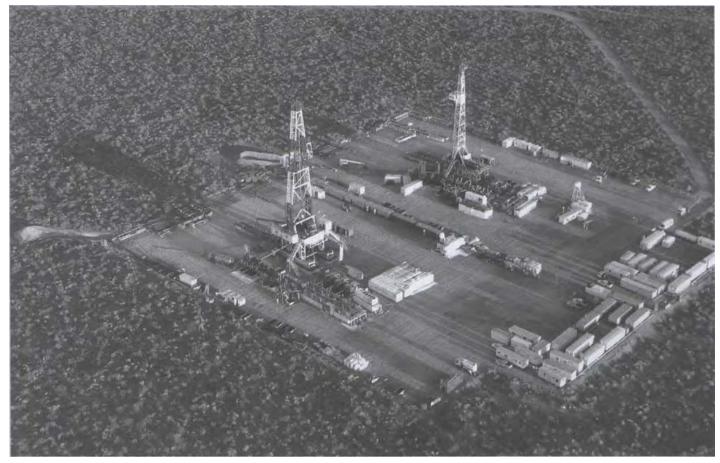
While governments have argued that fracking—and fossil fuels—are crucial to staving off a national energy crisis, social and indigenous resistance to fracking has been on the rise as people become more aware of its threats to health, livelihood, and democracy. Against the tide of national energy security, opponents of fracking have demanded a different approach to the management of natural resources, indigenous self-determination, and the transformation of the energy matrix

itself. Patagonia and Neuquén are at the center of these struggles. What unifies this struggle, at its heart, is the recognition that natural resources must be decommodified, as must energy itself, to build a new relationship between society and nature that breaks with modern capitalist instrumentalism.

In Neuquén, extractive activities related to energy. such as hydroelectric dams and oil, dominate the region. The discovery of oil dates back to 1918, when Neuquén was not yet officially a province of Argentina It is relevant to note that the region was incorporated into the nascent Argentine nation only after it expanded its national boundaries in the wake of the genocidal assault on native peoples known as the "Campaign of the Desert," waged in the latter part of the 19th century. After that massacre, the area became a "national territory" that came to depend directly on the national government. In 1955, Neuquén along with other territories became reorganized as a "province." Oil activities increased in the post-World War II era of import substitution industrialization, when crude oil from Neuquén fueled the development of the country's metropolitan centers, principally in the provinces of Buenos Aires and Santa Fe.

The province's productive matrix, based on oil, consolidated in the 1980s and 1990s. During this time three new oil fields were discovered, adding to some six others. The volume of exports increased, as did the amount of revenue they generated for the provincial budget. In addition to oil, the Neuquén basin also solidified as the country's main producer of natural gas, contributing more than half of total natural gas production.





Fracking infrastructure is being developed in the Vaca Muerta shale formation in Neuguén, Argentina. CEDHASD

## From Conventional to Unconventional Extraction Methods in Neuguén

n the late 2000s, Argentina faced a shortage of conventional oil and gas reserves and the financial consequences of importing most of its gas, primarily from Bolivia. The national and provincial governments announced the discovery of large reserves of unconventional oil and gas in the Neuquén basin as a potential solution. the possibility of surpassing technological and economic limits made fracking appear to be a real alternative for supplying the country's energetic needs. The provincial government of Neuquén searched for investors as social and political organizations amplified their resistance to the expansion of the hydrocarbon frontier into fracking. Still, between March and April 2010, the Houston-based Apache Corporation began the first pilot operations in shale gas wells near the town of Zapala, in the territory of the Mapuce Gelay Ko community.

Unconventional oil and gas fields function distinctly

than conventional ones, because tight or low permeability gas, shale oil, and shale gas are embedded in tight sands or shale. The gas and oil deposits can only be accessed and produced through multiple fractures. This consists of first introducing high explosives far into underground wells to "fracture" the tight rock or shales. Next, high temperature water and various amounts of chemical additives are injected to break the rock or the sands, forcing the hydrocarbons to reach the surface. Wells are drilled first vertically, and then horizontally.

There is still no exhaustive study of the potential consequences for the environment and health of the communities close to these extraction sites. But data on environmental risks reported around the world have included: water pollution with carcinogenic chemicals such as uranium and mercury; increased emissions of greenhouse gases that contribute to climate change; expansive use of territory for fracking infrastructures; and the stimulation of tectonic plate movement that generates micro-earthquakes, due to the re-injection of toxic,

used fracking fluids into empty wells.

For this reason, fracking, besides requiring greater investment, poses enormous risks for territorial degradation, with greater socio-environmental consequences than those caused by the traditional hydrocarbon extraction system. This exemplifies how far strategies of capitalism have gone to overcome any historical obstacles to the radical mercantilization—or commodification—of all spheres of life, even when that commodification affects human life itself. Such technological innovations have proven key to making continued extraction possible and profitable in order to drive the reproduction of the capitalist system. In Argentina, fracked hydrocarbons are marketed as the only salvation from the national energy crisis—the argument being that fracked oil and gas will lead the nation to self-sufficiency. Such rhetoric resembles the U.S. discourse of "energy independence" as a justification for the radical expansion of fossil fuel frontiers and drilling.

## Legitimating Fracking: The State, YPF-S.A., and Public Relations

he state, alongside oil companies and cultural industries, has developed an apparatus to legitimate fracking, combining public policy and public relations strategies. For one, the state has pushed policies that incentivize investments in fracking and guarantee their juridical security. For example, in May 2012, the legislature enacted the Hydrocarbons Sovereignty Law. The law declared that national gas and oil self-sufficiency was a public interest, among other important actions. As a result, then-president Cristina Fernández de Kirchner re-nationalized 51 percent of the shares of the oil company Repsol-YPF, which had been privatized in the 1990s. This policy returned the YPF portion of the venture to the state as Yacimientos Petrolíferos Fiscales S.A. (Fiscal Oilfields S.A.) or YPF-S.A.

In 2013, the legislature created new regulations to achieve the law's objectives, such as National Decree No. 929, which established a "Framework for the Promotion of Hydrocarbon Investment." The decree granted tax, economic, and financial advantages to companies that directly invested at least \$1 billion within five years. This decree also provided special benefits for "unconventional" exploration: the extension of concession periods to 35 years, the merging of underlying concession areas in the same geological formation, and permission to develop complementary conventional hydrocarbon

exploitation. The governor of Neuquén, Jorge Sapag, implemented these promises in the province—in July 2013, YPF-S.A. signed an agreement with Chevron. This agreement had a number of secret clauses that generated discontent within various sectors of the population. Even so, the provincial legislature endorsed it by the end of August 2013, passing a law to confirm the initial decree.

In 2014, the national government promoted the reform of the National Hydrocarbons Law to incorporate unconventional operations into law based on decree No. 929, that promotes hydrocarbon investment. At stake were legal and jurisdictional disputes about the power of provinces versus the national government over subsoil resources. Also at stake, as questioned by social movements and organizations, was the stipulation granting preferential conditions to companies, who could receive incentives even with lower investments than the \$1 billion required in the decree. These conditions included the possibility of paying lower royalties, facing no limits on how much area they would control, and the absence of any environmental conditions.

Massive mobilizations led to a legal impugnation of the Chevron-YPF-S.A. pact with Neuquén Province, followed by state repression in August 2013. After facing such resistance against unconventional hydrocarbons, the government and companies began to use other strategies to gain support: namely, public relations. For example, a special edition of National Geographic was dedicated to the Vaca Muerta shale formations. A character who plays an engineer working in the region joined the cast of a popular soap opera called Vecinos en Guerra (Neighbors at War). And YPF-S.A. financed theatrical production for schools in the region. The onslaught also included YPF-S.A. television, cable, and internet advertisements. These publicity campaigns increased in 2014 during the World Cup in Brazil. And finally, YPF-S.A. launched a tour featuring a fracking simulator—with free admission—around popular tourist destinations and festivals across the nation. The simulator is housed in the Museum of Energy in the center of Neuquén, which opened in October 2015.

These public relations and cultural strategies also allow the media industry to profit from legitimizing unconventional exploration. Consider, for example, the relationship between two central actors in the northern region of Patagonia, Argentina: the newspaper *Río Negro*, and YPF-S.A. *Rio Negro* is the oldest and most widely distributed paper of the area. The newspaper

already had a monthly supplement on energy, but in early 2013, the paper, with financing from YPF-S.A. and other oil companies began to print the supplement on a bimonthly basis. The coverage celebrated changes in regulations to favor unconventional drilling and investment. The energy magazine later became a weekly, and then became a section of the newspaper itself. By then YPF-S.A. had hired journalist Enrique Chávez to run the supplement, who became the company's own press and communications director. Among other tasks, Chávez helped organize visits of national and regional journalists to 'explain' fracking with a new model fracking well. In the last year, Chávez has been promoted to a higher position in the communication office of YPF-S.A.'s refinery in Ensenada, Buenos Aires. The supplement carries on its work at Río Negro, while the newspaper has also become the main outlet for promotional material of the Argentine Institute of Oil and Gas (IAPG), an umbrella organization including YPF-S.A. and a number of multinationals, including Shell, Chevron, Total, Halliburton, Schlumberger, and Exxon, among others.

### Building Resistance, Creating Alternatives

any voices are rising against the advancement of fracking in the region. By the end of the 20th century, increasingly visible pollution of primarily Mapuce communities, especially Kaxipayiñ and Paynemil, near Loma La Lata, and environmental lessons from national and provincial struggles against large-scale mining motivated multiple forms of opposition to fracking. Resistance to fracking coalesces around four axes: the management of natural resources, socio-environmental resistance, intercultural resistance, and the transformation of the energy matrix.



A protest march against fracking in Mendoza, Argentina, in 2014 ELIZABETH GUALTIERI

### Democratizing Natural Resources

Resistance to fracking has centered around the nationalization of common natural resources that have come under control of state companies. Resistors have counter-demanded that management of these goods and control over extraction be democratized, with the final goal to desmercantilizar (decommodify) these goods. Based on this approach, a number of municipalities have passed ordinances to stop fracking in their jurisdictions. Among the most important are Cinco Saltos and Allen, in Río Negro, and Vista Alegre, in Neuquén. In Cinco Saltos and Allen, a regional court deemed company ownership of fracking unconstitutional, declaring the province the owner of subsoil resources. The ordinance of Vista Alegre is currently being debated in the provincial court of Neuquén for the same reason.

### **Defending Nature**

When it comes to environmental struggles, debates have focused on the integrality of nature, and by extension, the defense of water, given the high risks of contamination that fracking poses for watersheds. In terms of water, concerns are not only about pollution but also about degradation. As one activist told me in 2016:

It is important to talk about the water basin both as a water supply and as an area prone to contamination. There are two processes occurring: pollution and the reduction of the water supply in the context of climate change. Thus, it is necessary to speak of degradation, not pollution. There exists a technological solution for every form of pollution. That, or a technological solution to squash dissent. On the other hand, the complex and less obvious process of degradation is more difficult to hide. We can see thousands of processes of permanent degradation even after productivity has declined. Productivity in its broadest sense, as a driver of the water crisis and the climate crisis. And drives environmental justice.

Climate change is also a latent concern, especially for younger people who want to live in a healthly and habitable environment. There are diverse proposals and strategies—between an absolute halt to fracking to regulations that allow real control over companies—and a number of positions in between.

#### Indigenous Resistance

Native peoples in general, and the Mapuce people in Neuquén in particular, have been fundamental to deepening arguments against fracking. Their ideological and political conceptions challenge the modern division of society and nature, instead advocating a cosmovisión that reminds us that we are part of nature, earth, and territory. Collaboration between Mapuce and non-Mapuce organizations has elicited reflection about the historic capitalist instrumentation of nature, and the need to bring the concepts of nature and society closer together to pursue a more harmonious life.

One collaboration between Indigenous and other social groups against fracking is the coalition known as the Multisectorial contra la Hidrofractura (Coalition Against Hydrofracking), which a Mapuce activist described as "the most participatory space that the Mapuce people have built throughout its territory." He continued: "What's particular about the Mapuce people in Neuquén is that we maintain relationships and alliances with social organizations... The Multisectorial's value lies in the heterogeneity of its organizing and approach." He credited the alliance with strengthening resistance against fracking. "It has been a tremendous intercultural experience because it has been a departure from the theoretical to the practical," he said. "We consider it a good experience because it is a concrete way to forge liberation, not only for the Mapuce people but also for the Argentine people."

Indigenous organizing has expanded linkages between distinct spaces of militancy of various people and organizations, enabling a collaborative argument against the instrumentalization of nature for the means of capitalism to emerge. As one activist said, "[We want] to integrate Indigenous communities throughout the country to the debate, to the discussion on hydrocarbon exploitation."

### An Alternative Energy Matrix?

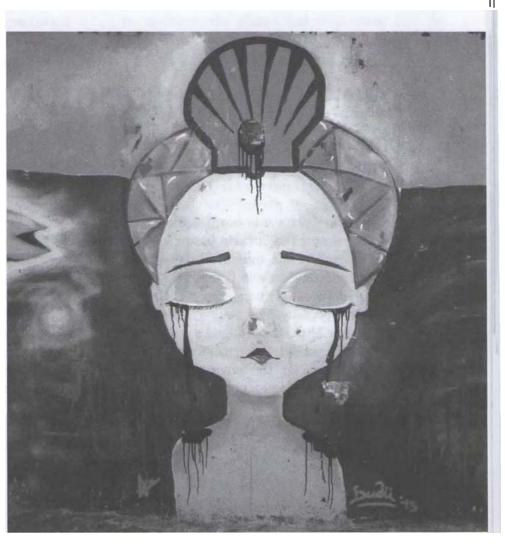
Resistance is also coalescing around the remaking of the energy matrix itself. This is tied to the efforts to bring common goods under economic and environmental control with shared roles for the state, state companies, and workers. As one member of the Multisectoral said, "there is the environmental problem, and then the fundamental problem that the

means of this production are not in our hands. The Argentine state, the workers, and the people in general do not have control over the resources. Production is in the hands of monopolistic groups that move internationally and look for profits." Then there is the question of environmental degradation. "All that remains, after fracking—what is known as flowback—is thrown into unknown reservoirs," he said. "We are not sure that they are sealed. There is no certainty that this material does not infect surrounding communities."

But beyond a more transparent and collective management of extraction is the need to democratize and decommodify energy resources and seek energy alternatives. The state has made small gestures towards pursuing renewable energy, but they are insufficient. According to one activist, Neuquén recently passed a bill for the development of clean, non-polluting energy, but with a minimal budget. "We do not oppose the law because it does encourage the development of renewable energy. But we do denounce its limitations and believe that laws shouldn't be a means to do business." an activist said.

Other doubts animate these debates: is the state search for alternatives due to the limits of oil as a non-renewable resource? Can the current level of energy consumption be maintained with alternative energies? At the same time, a key concern in this struggle centers on consumption within the country: who are the main consumers? One activist noted that beyond the issue of energy, fracking, pollution, or employment, is the fact that these goods often do not reach regular people. The issue, he noted, is "socio-environmental."

In the end, the decommodification of natural resources and energy is key to building a relationship between society and nature that breaks from modern hegemonic capitalism. In this sense, we must modify the concept of "natural resources" in order to understand them as social and community goods, and transform the understanding of the provision of energy into the idea of energy as a right for all. These ideas are emerging from different fronts of the social



Graffiti against Shell in Buenos Aires VINAYAK HEGDE

resistance to fracking in the province of Neuquén and to the rest of the country. The results of these activities, both in undermining of the legitimacy of fossil fuels and in making new proposals for resistance, have yet to be seen.

Lorena Riffo is a doctoral researcher with CONICET with the Patagonia Institute for Humanities and Social Science Research (IPEHCS-UNCo), and part of the research project, "Hegemony and Resistance in Northern Patagonia." She has a B.A. from the Universidad Nacional del Comahue (UNCo) and lectures in Social Communication at the UNCo Law and Social Science School. She is an activist with Tierra Para Vivir (Earth for Life), Marabunta.