The Geography of Participation:

The case of Pluspetrol in Pisco, Peru

Master thesis in Development Geography

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Abstract

This study analyses how public participation is shaped geographically in the extractive industry in Peru. Focusing on a special sector of the Camisea Gas Project, I take into analysis the different formal and informal institutions that take part in shaping the process.

Participatory development theory aims towards a transformative process, towards empowering the marginalized. This stage is very difficult to achieve because it implies changes in the power structures, so at the moment it can be found being applied mostly as an informative process. The instrumental use being given to participatory techniques has brought critiques towards the process because it has not managed to confront top-down approaches.

I am structuring the paper around the concept of 'the geography of participation' meaning the inclusion and exclusion of stakeholders together with the creation and delimitation of spaces for developing a participatory process. The case study reinforces some of the critiques brought up against the theory of participatory development but provides some examples of alternatives ways of empowerment which, although differ from the theory, if applied correctly, could get the local participatory process closer to what was aimed when the theory was conceived.

Participation takes place in socially constructed spaces. I analyse how the merging of the processes and negotiations associated with the formal institutions (the legislation), and the processes and outcomes of the informal institutions, or unregulated patterns of behaviour, frame each participatory process creating unique spaces of interaction. I argue that the participation process is being shaped by the combination of both sets of institutions, they condition each others existence and the success of their outcomes, creating a situation which is very difficult to replicate.

This case study represents how even though there are existing intentions to include the concept of participation into the legislation and apply it correctly, there is still a lot of work to be done. Transformation therefore, is a long way ahead.

Resumen

Este estudio analiza como la participación ciudadana está enmarcada geográficamente en el sector de industrias extractivas en Perú. Al enfocarme en un sector especial del Proyecto del Gas de Camisea, analizo como las distintas instituciones formales e informales le dan forma al proceso.

La teoría de desarrollo participativo tiene como objetivo un proceso de transformación que busca empoderar a los marginados. Este nivel es difícil de conseguir ya que implica cambios en las estructuras de poder, por lo que por ahora se puede encontrar principalmente como mecanismos informativos. El uso instrumental que se le está dando a las técnicas de participación ha levantado críticas hacia el proceso ya que no ha logrado desafiar enfoques impuestos desde arriba.

Estoy estructurando este documento alrededor del concepto de 'la geografía de la participación' entendiéndolo como la inclusión y exclusión de las partes interesadas, junto con la creación y delimitación de espacios para desarrollar un proceso participativo. El estudio de caso refuerza algunas de las críticas que existen hacia la teoría de desarrollo participativo pero brinda algunos ejemplos de modos alternativos de empoderamiento, que aunque difieren de la teoría, si son aplicados correctamente podría llevar el proceso de participación local a lo que la teoría considera como correcto.

La participación se lleva a cabo en espacios que son socialmente construidos. Estoy analizando como la fusión de los procesos y negociaciones asociados con las instituciones formales (la legislación), y los procesos y resultados de las instituciones informales, o los patrones de comportamiento que no son regulados, enmarcan cada proceso participativo creando espacios únicos de interacción. Sostengo que el proceso de participación está formado por la combinación de ambos grupos de instituciones, los cuales condicionan la existencia de ellos mismos y el éxito de sus productos, creando una situación que es complicada de replicar.

Este estudio de caso representa como, aunque existe la intención de incluir el concepto de participación en la legislación y aplicarlo correctamente, todavía hay un camino largo por recorrer. La transformación, por lo tanto, todavía es una idea lejana.

Preface

The experiences I've gained during the last two years in Bergen have been part of a great journey. Two years ago I couldn't have imagined being so engaged and committed to something like this. This project reflects my interests in the extraction sector in Peru, and in the different stakeholders involved, making every case unique.

I would like to thank my supervisor, Arnt Fløysand for his help and support during the past two years. Thank you for the guidance and fruitful comments; I have learned a lot. Also, I would like to thank Håvard Haarstad for listening to my concerns and answering my most silly questions.

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x

Abstract

APROPISCO	Asociación de Productores de Pisco S.A.C. / Producers Association of Pisco S.A.C.
DGAAE	Dirección General de Asuntos Ambientales Energéticos / General Directorate of Environmental Energy
DPC	Defensoría para el Proyecto Camisea / Ombudsman Office for Camisea Project
EIA	Environmental Impact Assessment
ERM	Environmental Resource Management
FOCAM	Fondo de Desarrollo Socioeconómico de Camisea / Socioeconomic development fund for Camisea
IDB	Inter-American Development Bank
IMF	International Monetary Fund
ILO	International Labour Organization
MINEM	Ministerio de Energía y Minas / Ministry of Energy and Mines
PERUPETRO S.A.	Agencia Nacional de Hidrocarburos / National Agency of Hydrocarbons
Pluspetrol	Pluspetrol Perú Corporation S.A.
PRA	Participatory Rural Appraisal
SINANPE	Servicio Nacional de Areas Naturales Protegidas por el Estado / Peruvian national system of natural areas protected by the State

Chapter 1: Introduction

Throughout the years, the different governments that have ruled Peru have been promising the development of the poor, including infrastructure projects that should have come with better education and health systems. Despite this, a large portion of the population does not seem to be part of these improvements. Thus, when an extractive company tries to set up a project in an area with unattended population, it has to face all of the problems which have been unsolved by the government, and which are then expected to be solved by them. In many cases the government plays an absent role and the pressure placed on the entrant company creates difficulties with the development of its project. In order to avoid social conflicts, public participation legislation has been designed and needs to be implemented by the company. The existing social conflicts it encounters turn the participatory process into a complex event, which may lead to a late start of a project.

After working for two years in the oil and gas consulting sector in Peru, I began to get interested in the different processes and relations regarding the companies in the sector, the government and the local population. Peru is a country in which conflicts around extraction projects are common. The relations among stakeholders are very fragile because they involve introducing projects of national interest into areas inhabited and used by local population. The government is the entity in charge looking for the best interests of the community, and its way of doing it is by reinforcing the national legislation for each sector. It has to make sure that the population does not get harmed in the process, but must also protect the interests of the company. The government has to guide both of them into living together in a harmonious way throughout the entire lifespan of the project. The role played by the government is contradicting. It is through the Ministry of Energy and Mines that the government promotes investments, but it through the same institution that it monitors Environmental Impact Assessments for new projects and their operations. It is therefore the same entity the one to promotes, controls and decides on the outcome of extractive projects.

Since Fujimori's government in the 1990's, there has been a large interest from the government to develop extractive projects. At the moment, in the oil and gas sector, there is an ongoing publicity campaign to bring more private investment into exploration and exploitation of resources. In 2004 there were 31 ongoing contracts of which 14 were in

exploratory phase and 17 in production. By the end of 2009 there were 87 existing contracts, of which 68 were in exploratory phase and 19 in production (PERUPETRO 2011).

While the government has this rush for investment, local stakeholders feel totally threatened and trampled on because these projects take place in areas in which they rely on for their day to day life activities. Despite the government's protection responsibility over them, they don't feel protected and can end up taking matters into their own hands in order to be heard. There have been several examples around the country where strikes and protests around extractive projects have taken place leaving several victims, including police members and civilians. Local stakeholders involved in areas with extractive resources demand to be heard and to participate in the decision-makings processes because it's their land that is at risk. Their main worries are the impacts that the projects will have on the environment, and therefore on their sources of food and income. With this come claims for compensation, requests for jobs inside the company, request for donations, among others.

In ideal scenarios, the investor should be able to fulfil the requirements in the legislation and develop its project. It should be able to install itself in the area as a new neighbour and try and keep its relations with the other neighbours as calm as possible. However, because of the magnitude of the projects they can't install themselves without being noticed, and therefore have to aim at developing a good relationship with the other stakeholders in the area. This means that the entrant investor has to be able to prove that their presence will not bring damage to the area and that the situation in the area will continue as normal as possible.

As each stakeholder has its own perspective, a good public participation policy is needed. This public participation policy should provide opportunities for everyone to be heard and understood. In practice, public participation is included and legislated during the entire process of implementation and the duration of a project but these formal institutions don't cover the reality of the situation. Due to the way formal mechanisms are designed, they only manage to inform the population about the events taking place, leaving minimum possibilities for a counter-opinion. The local situation which reflects the effects of an absent government will shape the interactions among stakeholders outside these formal spaces. It is from these interactions that different agreements will be created which will condition the way events around the project will be carried out. By combining agreements created under both sets of institutions is that particular participatory processes gain their shape.

The concept of participatory development, understood broadly as the exercise of popular agency in relation to development (Hickey and Mohan 2004a, p.3), has gained strength as a

reaction to the meta-narratives that use top-down approaches as a blueprint to install methods that could have worked in areas where they were developed, but are not necessarily the optimum solution for developing countries. It is now a central topic in the development discourse aiming towards empowering the excluded and marginalized. Those who criticise the participatory process call it 'tyrannical' because it is not managing to create the social transformation embedded in the theory. The instrumental use, in which the application of the concept has fallen into, is not able to challenge power relations and therefore does not achieve the goals it was designed for.

The geographical approach to participation is linked to the concept of space and the way stakeholders interact in these spaces. The spaces were participation takes place need to be understood as social constructions in which a heterogeneous group of stakeholders gets together to interact. They can either be created specially for each particular participation process or could have existed prior to the implementation of participatory mechanisms. Spaces for participation are shaped by the stakeholders taking part in them, by the institutions which frame them and the local situation around each particular case. Behaviours among stakeholders can be regulated or unregulated, and it is through the combination of both of them that each participation process gets its shape.

Applying participatory development is challenging because it implies giving local stakeholders the power to get involved in decision-making situations. Although final decisions are taken by authorities, this still implies a restructuration of already existing top-down structures, together with a thorough understanding that stakeholders that used to be considered unimportant now have a saying in different situations. Although it implies a modification of the way power structures are understood, it is also important to restructure the conditions which local stakeholders face. Changes need to be made also at the local level by authorities in aspects such as the education sector, so that participants can take part under equal conditions. This means they need not only to understand they way the issues under discussion work, but also be able to challenge existing situations with their own knowledge.

I think that the case of the Pluspetrol project in Pisco will help inform the participation process described in the theory by demonstrating that a transformative participatory process requires restructuring the existing power structures. It will also contribute to inform that even though it takes places as an informative process, the different institutions which frame it shape it into being a particular case, difficult to replicate and generalize. Even though the theory implies that participatory techniques need to come as approaches issued from local

stakeholders, this case will show that even though they are an outcome of the local reality, they are still issued and conditioned by authorities, so this could lead to question the validity of the participatory process.

1.1 Case Study

The case study I have chosen for this project is the Pluspetrol project in Pisco, which consists of the Liquid Fractionation Gas Plant of the Camisea Project, in Peru. It is located 231 Km. south of Lima in the district of Paracas, province of Pisco, in the Ica region. The plant, consisting of onshore and offshore facilities, is located inside the Paracas Bay and in the buffer zone of the Paracas National Reserve, and until 2009 the only coastal-maritime protected area in the country.

The reason for my choice is that the Camisea Project is at the moment the leading gas exploitation project in Peru. At a national level, it is an important component of the national energy field because it is a low-cost energy source. At an international level, it has important contributions to the export sector of the country's economy. I consider the segment of the Camisea Project I'm focusing on to be an anomaly in the hydrocarbon sector because although it is a transformative industry, it is considered under a legislation that places more emphasis on extractive activities. Public participation legislation is standardised for the whole country but has managed to consider special situations as is the case of the consultation law which aims to include indigenous and tribal population. Unfortunately, it does not include other vulnerable groups such as artisanal fishermen, which are an important group of stakeholders in my study area.

It's been nine years since Pluspetrol entered the area of Pisco. Through this time, the population has learned about these types of projects and the legislation around them. Participatory techniques are an important aspect because they are supposed to manage the interactions between stakeholders. Since operations started in August 2004, the project has undergone two expansions (2007 and 2011), each one with an approved Environmental Impact Assessment (EIA). During the three participatory processes the population has demanded compensation money from Pluspetrol, who created different compensation funds in 2004 and 2007. Among all the stakeholders involved with the Paracas Bay in the area of Pisco, the artisanal fishermen are the most vulnerable group. They use the bay and the ocean

around the Paracas National Reserve as their main source of income, being therefore a group which demands special attention.

In August 2007 a major earthquake hit the region of Pisco, and now in 2012, more than four years later, the area still looks the same as it did right after the earthquake. This event has left a very important footprint in the region. Pisco before and after the earthquake are two different places. The earthquake also has had an effect on how the population sees Pluspetrol. Helping out after the disaster was the company's opportunity to re-gain its legitimization with the population.

It's been already seven years since the project started operating. During these seven years it has gone through two expansion processes and changes in the legislation. Throughout this time Pluspetrol has managed to insert itself in the Paracas Bay and be recognized as one of the many stakeholders who interact in the area. Despite this, resentment still exists among the population but as an unspoken problem. Before the earthquake they were getting organized for a major strike against the company while the first expansion was going on. Now, with the second expansion under construction, the situation has not brought up any major disrupts.

1.2 Research Questions

In this master thesis I want to centre the discussion on the geography of participation regarding the Pluspetrol project in Pisco, Peru. I want to understand how the interactions which take place among socially constructed spaces allow or constrain the dynamics for the arena of participation. I want to show how the new spaces created for the different stakeholders in the study area will lead to particular ways of interaction. For this, I have designed the following research question:

How is participation shaped geographically?

To understand the scenario in which this particular participatory process takes place I need to increase the understanding of the case and the events taking place around it. For this purpose I have designed the following sub research questions:

- *What characterises the context of the Pluspetrol project in Pisco?*

- *What are the formal and informal institutions that shape the process of participation and the relationship between stakeholders?*

- *How can the Pluspetrol Project in Pisco inform the national legislation regulating projects of this type and the theory of participatory development?*

1.3 Structure of the thesis

In order to answer my research questions, I have structured the thesis into seven different chapters. I start by introducing the topic in **Chapter 1**, as well as presenting the research questions which are guiding my work.

Chapter 2 contains the theory used for the analysis. Through an understanding of participatory development as a reaction towards development theories, I explain how empowerment of the marginalised should be the aim of the process. Critiques to participatory development have led to a more thorough look into the topic to realise that reality portrays a different face, in which participation is given an instrumental use aimed towards gathering and presenting information. This has been accepted by different authors as a process with good intentions and which should eventually lead towards transformation. After discussing the creation of spaces for participation as social constructions I have designed my analytical framework. It is based on the concepts of formal and informal institutions, how they take place in these spaces, and frame the process of participation through their procedures and outcomes.

In **Chapter 3** I describe the methodology used for fieldwork, during the analysis, and also explain the reason for my choices throughout the different stages of my research. This chapter also includes my own experience during fieldwork, recounting the different situations, good and bad that took place. As working with case studies could create controversies, I explain why I have chosen to do so. I finish the chapter with a mention of the importance of biases and validity, which has been a significant challenge while writing this thesis.

The description of my case study can be found in **Chapter 4**. By presenting the Paracas Bay as the magnet that groups all the stakeholders together in the area, I present the local situation as a conflicted environment invaded by contrasting activities. The Pluspetrol project in the area is one more stakeholders that has chosen to be in the Bay, and as the 'rich neighbour', is expected to fill out roles that don't necessarily correspond to it. I also present here the events of the 2007 earthquake which has divided the history of the Pisco region. The chapter ends with the description of the participation mechanisms applied by the Peruvian government which as I will show, are created in a standardised form, and thus not covering local aspects.

Chapter 5 and **Chapter 6** contain my results and analysis. In Chapter 5 I present an analysis of participation as a top-down approach. I present the formal institutions (the legislation) created to deal with public participation issues which take place in official spaces. These have several lose ends which leave untreated issues related to the particular situations presented by the case of Pluspetrol in Pisco. Stakeholders are aware, even before participating, that they will end up interacting under unregulated situations. I define these unregulated behaviours as the informal institutions which take place in the unofficial spaces. This will be my discussion for Chapter 6. Framed by local situations which are an outcome of the lack of presence of the government in the area, the negotiations are an outcome of the claims posed by local stakeholders, but with a large influence of national authorities. I will show how local stakeholders as well as government authorities will condition some of the outcomes of the informal institutions into having a successful formal participatory process. With this, I will reveal how the unstable boundaries of participation facilitate the mobility between spaces.

Chapter 7 brings an end to the discussion by looking back towards understanding participatory development as a method for empowerment. I will go back to the starting point and present in a summarized way the discussion which has been taking place along the different chapters. I will then move on to place a concrete answer to the different research questions which have guided this thesis. I have left an unanswered question for this chapter in which I will look at presenting the value of this case towards informing not only the national legislation, but the theory of participatory development. As a final comment I go back to the concept of the geography of participation in order to close my thesis with the ideas which moved me to create it.

Chapter 2: Theoretical Framework

Through this theory chapter I am going to describe the concept of participatory development in the participation discourse. With empowerment as the main goal, I will show how different authors have placed it as a central topic in development agendas. I am also going to remark the fact that the transformation process implied in the participation discourse is not easily achieved, leading some authors to critique the process and claim that it is not being used for what is was intended to. Instead of leading to empowerment, participation has been given an instrumental use, without creating significant changes in decision-making processes.

The second section of this chapter is centred on the creation of spaces for participation. By understanding spaces as social constructions, and accepting that participation leads to the creation of spaces for interaction, I am introducing the concept of geography into the participation topic. These spaces define the arena for the implementation of institutions, which I am using as a central topic in my analytical framework.

Participatory processes are shaped by both formal and informal institutions. Formal institutions are pre-defined rules and regulations designed and implemented by external entities, framing the concept from a macro level. Informal institutions on the other hand, are endogenously enforced and are the 'unregulated' patterns of behaviour and roles of conduct which exist in every society.

The way I have designed my research and sub research questions will help me understand the dynamics taking place in these spaces for participation. I will argue that participatory processes are shaped by combining the outcomes of each set of institutions and therefore are not easy to replicate.

2.1 The development discourse

The concept of participatory development needs to be understood as an approach that surfaced against the meta-narratives which accompanied the development discourse. These, based usually on Eurocentric ideas, have given shape to the discourse and are presented by Potter, et al. (2008) as four meta-narratives. The first one, a classical approach to development, calls on economical aspects. It is based on a dualistic speech "between what is seen as traditional, indigenous, underdeveloped sector on the one hand, and a modern, developed and

Westernised one on the other" (Potter et al. 2008, p.83). While development is seen as economic growth, 'underdevelopment' is seen as a primitive stage from which the developed countries have evolved. Developing areas will grow on the fact that they will try to copy and imitate what developed areas are doing. The historical-empirical approach is based on real examples and experiences in the world and bases its arguments of the effects of colonialism. Here, Myrdal (in Potter et al. 2008) with his theory of cumulative causation points out that the growth of a strong state will only cause an enlargement of the differences with the less developed regions. A third approach mentioned by the author is the radical-political economy-dependency approach. The ideas in this approach were actually coming from examples in the Third World and not from western ideas and shows how developing countries, even though they were working by themselves, were still dependant of the west for aspects such as capitalism and the management of surpluses.

All these development approaches have a topic in common: they were not being able "to improve conditions for the poorest and weakest sectors of society" (ibid p.115). With this idea is that the alternative, bottom-up approach rose. According to this approach, development should be need oriented, geared to meet material and nonmaterial needs; "it should meet the basic needs of the people" (ibid p.114). It also should be endogenous, by coming out of each society and defining what it wants for the future; it should be self-reliant and ecologically sound. It should not rely on experiences from the west, but it should focus on local participation targeting the poor and working on small-scale, community-based projects. Development, according to this approach, should reduce dependency from outside and promote sustainability.

It is through the alternative development approach that the topic of participation is introduced in the development arena. It started around the 1970's with the ideas of Paulo Freire and was enhanced with Robert Chamber's argument "that 'putting the last first' was the only way to achieve rural development" (Mohan 2001, p.50). They helped spread the use of the term into what it is now: a central topic in development issues.

2.1.1 Achieving participatory development

Empowerment, understood as "the ability of actors and groups to mobilize their resources in order to successfully press their claims against assumed stronger actors and groups" (Haarstad and Fløysand 2007, p.294), is seen as the final aim of participation. After analyzing particular

cases, we can ask if this is a stage achievable by everyone. Allowing people to use their free agency in decisions that affect their life looks like a promising situation in which everyone wins. But, can it actually work this way? Is it possible in every situation to have the population completely involved in making decisions?

Participation as empowerment, being a bottom-up approach, has its main focus on marginalized groups or communities, which have been left behind by process of development and by unequal power relations that exist between the state and these groups. Local people have been 'stepped-on' by development approaches which have tried to impose ways of improvement that have not necessarily worked properly. Top-down development approaches have merely ignored the local people, their traditions and knowledge of their area, because of a pre-assumption that they don't have the proper mechanisms to create a valid opinion. There has been a misconception that power can only be found in central or macro organizations which left people at the micro-level powerless and marginal.

In order to achieve participatory development, transformation has to take place. People at the top of the power chains, as well as development practitioners and policy-makers have to accept and understand that decisions will not be able to come only from the top, but they need to be combined by local knowledge and experiences. Hickey and Mohan (2004a) talk about the importance of institutional and structural transformations accompanied by a long process of education that have to go beyond the individual and the local. I am referring to a process that needs to be accepted as political, and therefore involve everyone. It has to happen as an inclusive process rather than focus only in particular situations that rise from individual conflicts. The authors do emphasize that with the transformation they are proposing, socio-political structures are still important but there needs to be recognition that there is room for local intervention "and that not all local elites and power relations are inherently exclusive and subordinating" (ibid p.15).

They claim that participation has to be tied to a coherent theory of development, for which they reconceptualise participation as citizenship, claiming it "is an inherently political perspective on participation, arguably the chief requirement of contemporary approaches to participation" (Hickey & Mohan 2004b, p. 71). They say that from this angle, participation is seen as a political right for everyone, including the marginalized, which gives the possibility of focusing on people's agency in "relation to the politics of inclusion and exclusion" (ibid p.70).

Gianella (2011) talks about participation as empowerment and emphasizes it as a way towards social justice. Her understanding of participation provides agency to the stakeholders and works towards social transformation. Citizens participate and can challenge decisions made by authorities, and the relation that exists between these groups is horizontal. For Cáceres (2004), this type of participation, which he calls participation as a right (vs. participation as a mechanism), has a binding character between citizens and authority and has to work under the concepts of transparency, accountability, equity and non-discrimination. This nomination brings to the term an intrinsic value and places it in a priority setting.

This understanding of participation falls under the concept of deliberative democracy. According to Palerm (2000) the elements of deliberative democracy have been said to be the pillars of public participation when making decisions about environmental issues. However, they have not been converted into guiding principles in the practice. The ideal for deliberative democracy as Ballard (2008, in Gianella 2011, p.3) says, is that "in addition to a well-functioning electoral system, citizens should have opportunities to challenge and debate policies and their implementation on an ongoing basis". Decision making must not be left to representatives, but it must be done through discussion and consensual decision making (Barnes, Newman, & Sullivan 2007).

Participatory development "seeks out the diversity which allows the differences between people and between communities to be realised rather than treating everybody as uniform objects of development" (Mohan 2001, p. 6). This concept is now widely accepted and included in different national and international legislations. Using Paulo Freire's ideas of Participatory Rural Appraisal (PRA), Robert Chamber has managed to promote this methodology which now is increasingly being "seen as a means of validating local knowledge and empowering local populations" (Cleaver 2001, p. 76). Designed as a bottom-up approach in which the views of the stakeholders are to be prioritized over the observers, with techniques to understand representativeness and verification, it focuses on differences rather that in absolute measures, and privileging the visual over the verbal (ibid).

With this methodology as a basis, institutions like the World Bank, the International Monetary Fund (IMF), or the Inter-American Development Bank (IDB), have taken the topic of participatory development into their agendas, making it a central issue in projects they are supporting. With this measure, the concept of participation has taken a standardized shape and needs to be included as part of the EIA of projects in areas such as resource extraction. An EIA is a "more or less complex process of analysis aimed at getting the implicated agents to

form a prior judgment as objectively as possible, about the environmental effects of a human action, (which we will call project), and about the possibility to avoid, reduce to an acceptable level or compensate them" (Gómez-Orea 2002, p. 218; my translation). The changes in the way of thinking of the people, and the increased access to information that is taking place, has made the governments insert these techniques into their policies. In the natural resource extraction arena for example, the topic of participation rose because there was an increased awareness that the environment was being damaged, and this together with the growth of human population, was having severe implications in people's daily life. This, combined with an increase of human and political rights, got people interested in participating in issues of development that could have adverse effects on them (Barton 2002). Most extraction projects take place in remote areas, or in areas which are being used by local population so there are different obstacles to go through before a project can develop.

The participatory process is country specific, shaped by the local situation and the national legislation. As an addition, these processes should follow a universal understanding of how they should take place. Palerm (2000) describes a set of best-practice guidelines. He claims that an effective communication is the basis for a good and trustworthy process in which the information is portrayed in a way that can be understood by everyone despite their background or origin and it must be correctly divulged. It has to be transparent and accessible for everyone. Stakeholders have to be clearly identified since the beginning of the project because broad-based inclusion is crucial.

2.1.2 Critique

When participation is taken outside the theory frame and looked at in concrete examples, it is difficult to describe it as a process looking for social transformation. Reality shows that it is being assigned an instrumental value, where it is used as a tool or a strategy to arrange good terms between governments, companies and the local population involved. The process calls for consultation as its main objective, with a space in which authorities share and explain their decisions and the population can have an opinion and provide inputs. This does not imply that their opinions are going to define the way decisions are being taken, but can be taken into consideration. To veto a project is not an option.

Hickey and Mohan (2004a, p.11) criticize the process of participation because it is being used "as a technical method of project work rather than as a political methodology of

empowerment". They claim that power relations are not being challenged. Other authors, such as Cooke and Kothari (2001), have even called the process 'tyrannical'. Despite the fact that there is a claim that these processes are coming from the bottom, they are actually still influenced by the power structures that government and development professionals represent. The tools being applied as participatory techniques are not being implemented by the local population, but by higher sectors, which implies that when people are invited to participate, they are being set up in pre-defined spaces and following a set of pre-accepted norms which may not necessarily be present in reality. Criticisms around PRA I believe sum up the ideas that are disliked about the participatory methodologies which are being applied. Kothari (2001, p.149) claims that "PRA requires a particular type of performance to be played out on a specified stage using methodological props, thus producing a contrived performance". This means, acting out a situation in which they have been placed in.

On this basis, Hickey and Mohan argue that participation needs to be transformative, it needs to create changes towards improved development strategies and it has to have very radical changes towards "the social relations, institutional practices and capacity gaps which cause social exclusion" (Hickey & Mohan 2004a, p.13). It has to create challenging situations aiming at real change. If it works around local forms of power, if it does not confront existing ways of development, it might work for a small time frame, but it won't create the significant changes it was designed for. A large critique to the process is that, in most cases, it takes place only at local levels. With this method, it doesn't confront any immanent processes of development or challenge "wider structures of injustice and oppression" (Mohan and Stoke 2000, p. 11). There is only so much that can be done towards imminent forms of development, but for situations to really transform in the long term there need to be bigger achievements (ibid, 2005).

Gianella (2011) grasps the instrumental use given to participation and shifts it in favour of participatory methodologies. She refers to the process of participation as a continuum having empowerment as its final goal, but claims that still it is not a stage that has been reached, especially not for Peru, the context she writes in. The author does not consider this to be a problem, but understands it as being a necessary part of a process. At the beginning of this continuum, she places the implementation of participation as a tool or a strategy, or as Cáceres (2004) calls it, a methodology with an instrumental use. "The main objective of participation under this perspective is that policy makers get a better input from the

community" (Gianella 2001, p. 3) and needs to be seen as a starting stage when looking to include local knowledge in decision-making processes.

Public participation as an instrument falls into the category of representative democracy. The policies applied in representative democracy don't want to use participation as a form of social transformation, but as a way of consulting the population about decisions taken by the authorities and getting inputs from them. These, as elected representatives of the civil society, will decide when and if to use the information gathered during the participation processes (Gianella 2011). Representative democracy therefore is "a way of complementing and strengthening public decision making through the introduction of new voices and modes of engagement" (Barnes, Newman, & Sullivan 2007). This is still a way of inviting the population to take part, but it does not provide the same level of engagement as the empowerment concept, although having participation as a tool is an important phase in the path towards empowerment. It is an important step taken by authorities to listen to people's opinions and hopefully use them during decision-making processes.

The options for people to have an opinion, get together and organize themselves are very important as a way of guaranteeing their agency. This is not easily achieved when participation is given an instrumental use, but as part of a process aiming towards empowerment, it needs time to adapt and change. As a part of the process of development, participation needs to be used to make larger changes in the societies it is working on. In the end, "the meaning of participation derives from what is achieved" (Cáceres 2004, p. 11).

Despite the instrumental use given to participation, there are cases in which the stakeholders have managed to grasp power from it and change the course of the case. An example of this is the mining project in Tambogrande, Peru, which found a great opposition since the start. The stakeholders around this project managed to organize themselves and stop operations in the area for good. This project was working under a legislation that understood participation "as 'concerns' being 'listened to' by the company, not active participation" (Haarstad and Fløysand 2007, p.298), which led to their claims going unheard by the extractive company and the government. Despite this, the stakeholders managed to get national and international attention.

On a national scale, with the help of NGOs, they managed to develop a narrative claiming that the Peruvian identity was being threatened by the project. They managed to contest the image that the company was portraying of Tambogrande as poor and underdeveloped by proving their agriculture potential. On an international scale, again with the help of NGOs, they

managed to attract attention by positioning the case "in the context of global struggles for democracy and associate the conflict with 'broken democratic principles'" (ibid, p.303). This organization led the stakeholders to gain power, and by transforming their claims, gained legitimacy at different levels, and managed to change the course of the situation.

2.1.3 Challenges and problems

"If participation is to (re)establish itself as a coherent, viable and transformative approach to development, a more adequate theory of representation, and/or of alternative ways of conceptualizing the ways in which popular agency is legitimately conferred to higher level agents, is required" (Hickey & Mohan 2004a, p. 20).

Achieving participatory development is not an easy task. In the previous section I have pointed out the critiques that it faces, related to the difficulties encountered when aiming towards the change implied in the theory. Looking to empower the excluded and marginalized is a very challenging task because it implies changes at several levels. First, it implies a properly informed and educated population. For local stakeholders to be able to participate in decision-making situations, they need to be able to understand how processes work so that they can make informed decisions. They need to be able to validate their local information to contrast it with new information provided by other parties. The intrinsic value of local knowledge has been previously ignored, but it is crucial because it brings large insights and new and real perspectives to development attempts. The truth is that "knowledge is culturally, socially and politically produced and is continuously reformulated as a powerful normative construct" (Kothari 2001, p. 141). Involving local knowledge in decision-making processes therefore is a way of strengthening the marginalized and giving them the opportunity to use their power in situations that affect their life.

As I've mentioned before, another important challenge that needs to be surpassed in order to achieve participatory development, is to re-think existing power structures. Development has been, since the beginning, a top-down approach where decisions were taken at higher levels and then imposed on local populations without the possibility of questioning them. Changing the way of thinking of people at the top of these power structures is a very difficult aspect because it means removing levels of power from their hands. I find it necessary to repeat that this process does not imply that power structures are disabled, authorities will still have a final say in the decisions, but these need to include local knowledge. A bottom-up approach can be

thought of an optimum condition for the participatory process to develop. Introducing local knowledge by the people who produce it means that there is more interaction and a larger exchange of ideas between stakeholders.

Another challenge that needs to be overcome is that, as Cleaver (2001) points out, participatory methodologies tend to homogenize the community without taking into consideration the sub-divisions that exist inside them. This is a problem because a community needs to be understood as heterogeneous, not because they all belong to the same group it has to be assumed that they can receive the same denomination (Hickey & Mohan 2004b). They could be ignoring the existence of any other forms of decision-making that could be more important; for example family level decisions. Power structures found inside these sub-organizations have to be considered in order to understand that decisions taken by communities may not necessarily be representing the whole group; decisions could be hiding internal differences that may exist among its members. One needs to be aware though, that although differences exist, there is always "the recognition that relational identities require multiple others so that the identity of one depends upon other, which gives groups a mutual stake in one another's existence" (ibid p. 64). It also has to be taken into consideration that the needs expressed by the community may be influenced by this heterogeneity and also by the type of project in which the participatory tools are being used in.

An important reflection topic when thinking about the challenges posed towards the implementation of participatory development is to focus on the stakeholders involved. The concept behind participation is to include everyone who wants to take part. The theory talks about the empowerment of the marginalized, but is important to define who it is talking about. Taking as an example the ILO Convention No. 169 (ILO, 2012), it talks about the rights of consultation and participation of indigenous and tribal population. It has been the ratification of these types of conventions and agreements which has led countries like Peru to include participation topics into their legislation. This may present problems to the process as it is specifically including some groups and overlooking others. Some of this fault can be blamed on the entities which represent stakeholders. NGO's for example are the organizations which will represent marginal population at large conventions such as ILO, and most of them are focusing their work and help towards indigenous and rural population, and not necessarily taking into consideration groups with more access to an urban way of life.

The stakeholders that are being included in participation and consultation topics may face problems of homogenization. It is assumed that a representative is working towards the best

interests of the group and acting upon a unanimous group decision, but this is not necessarily the case. These methods also tend to fall into the fault of being too rigid and end up fixing "people's lives through processes of identification and framing of social interaction and activities" (Kothari 2001, p. 148). Because participatory processes are followed as structured and planned events, they end up creating linear situations, ruling out the possibilities of anomalies or irregularities (ibid).

Everyone should be allowed to participate, despite their situation, and as Cleaver (2001, p. 48) points out, it is assumed that everyone will want to participate. Her reasons are either because they will benefit from the situation, because they feel it is in their responsibility to do so or because it is in the interests of the community as a whole. She even mentions that some policies even tag non-participation as irresponsible. But this does not mean that everyone wants to get involved, or has the possibility of doing so. Palerm (2000) points out that it is very important to consider the willingness and capacity of the stakeholders to participate. He poses the example of cases in which there are stakeholders that wish to participate but can't afford to leave their daily duties or are afraid to participate because of fear of repression.

Among the stakeholders who do participate, it is necessary to make the distinction between active and passive. Active stakeholders are the ones making the action, while the passive ones just permit or deny the active ones to carry them out. The author poses the example of a citizen (the active stakeholder) who wishes to participate in a scoping process but the local authority (passive stakeholder) does not allow him to do so. They can change their role on different situations and become temporarily active or temporarily passive (ibid p. 590). On the other hand, considering that some people don't want to participate, Kothari (2001, p. 151) points out that "exclusion can be empowering and even necessary".

Besides the challenges already mentioned above, one aspect that is of high importance and that presents itself as a big problem when referring to participatory development is tokenism. Mohan (2001, p. 9) points out that "some agencies use the rhetoric of participation with only limited empowerment". They will use the term in a symbolic way in order to attract funding or legitimacy, which has led to an abuse of the term and could be causing it to lose legitimacy.

2.2 Spaces for participation

Understanding how participation is shaped geographically means that we need to understand the concept of space in the dynamics of participatory techniques. By understanding space as a

social construction, it can be said that participation consists on the creation of spaces for the participatory process to take place. Because these include people that have been usually excluded from decision-making processes, the arenas for them to participate have not existed before. Even if, as Cornwall (2004, p. 77) says, it is also "about enlarging spaces where previously there were very limited opportunities for public involvement, and about allowing people to occupy spaces that were previously denied to them", these spaces are now being adapted and 're-created' for new stakeholders to take part. The author calls these 'invited spaces' in which a group of heterogeneous stakeholders get together to represent their particular interests. She contrasts these with the 'popular spaces' where people with similar interests gather.

Spaces are defined by the people that interact in them, but can also be defined by the people who create them. According to the author, these spaces are never neutral because they will always be guided by the relations of power that exist among the participants. Some authors, like Kothari (2001), suggest that these spaces are also used as a form of control, of constraining the population into assigned spaces that will limit their power. By gathering stakeholders to participate under pre-set rules, discussion topics may be managed and thus avoid certain topics, or organize the agenda so that some topics receive more attention than others, and therefore managing to evade subjects which may raise problems. In order to have a participation process which transforms and empowers the local population, these hierarchies and inequalities must be challenged.

To understand the way these spaces work, we have to differentiate among Cornwall's official and unofficial spaces, which I understand as the arenas for formal and informal institutions to develop. "The contrast here between spaces that are chosen, fashioned and claimed by those at the margins – those 'sites of radical possibility' – and spaces into which those who are considered marginal are invited, resonates with some of the paradoxes of participation in development" (Cornwall 2004, p. 78). Both of them, together with the spaces of everyday life define the panorama, so it is crucial to understand how they are produced, who the stakeholders are and what gave rise to them. These spaces don't exist separately; they interact because stakeholders jump in between them without even realizing. Cornwall refers to this as 'the unstable boundaries of participation'. She claims that as people move between spaces, they take with them their experiences and expectations which contribute to the way they use their agency either when they act at an invited space, or one created by themselves.

When thinking about different spaces for interaction and their flexibility, it is important to take into account unexpected events that can alter the dynamics taking place in these spaces. These events, external to the development of local processes, will alter the local situation. It can be situations created by men such as wars or other conflicts, or created by nature, such as droughts, floods, landslides, earthquakes. They don't always have to affect spaces in a negative way, but they will have an impact on local and national situations and may change the direction institutions were taking before the event.

2.3 Analytical framework

According to North (1990, in Leach et al., 1999 p. 237), institutions are "the rules of the game in society", and exist because they are being constantly practiced and can be understood as "regularized patterns of behaviour that emerge from underlying structures or sets of 'rules in use'" (Leach et al., 1999 p. 237). The role played by them is to "constrain some activities and facilitate others; without them, social interactions would be impossible" (Agrawal & Gibson 1999, p. 637).

The process of participation is influenced by institutions, and these can be divided into formal and informal. Both sets of institutions feed the process in different ways as they come to exist due to patterns of behaviour. Formal institutions are the set of pre-defined rules and regulations created to guide processes and therefore take place in what Cornwall (2004) refers to as 'official spaces'. These rules "require exogenous enforcement by a third-party organization" (Leach et al., 1999 p. 238), and therefore represent a top-down approach. In the case of Peru, formal institutions are the laws and their regulations, which include the guidelines and procedures to develop, for example, EIAs and their respective participatory processes. They are compulsory for projects in the sectors of mining, energy and hydrocarbon activities. There are other sectors such as transport, which also have these laws, but I will focus on the extraction of natural resources and their transformation. These laws are designed specifically for each of the sectors they are being applied in. The spaces created by this set of institutions are usually pre-defined and don't allow for improvisation. Formal institutions therefore guide situations towards successful participatory processes. These institutions are created so that they can be put into practice every time a project requires a participatory process, and therefore should be able to guarantee that the process will include every stakeholder interested in the situation. They should ensure a participatory process with no lose

ends. Unfortunately, these institutions leave many untreated gaps which need to be worked upon, and this is when informal institutions make an appearance.

"Informal forms of participation are often the preserve of 'subordinate' or 'excluded' social groups who are denied access to more public forms of participation" (Hickey & Mohan 2004b, p. 67). These informal forms of participation take place as informal institutions. Thinking about institutions as "regularized patterns of behaviour", informal institutions can be understood as the 'unregulated' roles of conduct and codes of behaviour between stakeholders, which are "legitimized by social norms" (Leach et al., 1999), and therefore take place in 'unofficial spaces'. "Informal institutions may be endogenously enforced; they are upheld by mutual agreement among the social actors involved or by relations of power and authority between them" (Ibid, p. 238). These relations are reflected in their outcomes: agreements between stakeholders aimed at reducing the gaps left untreated by the formal institutions.

When an extractive company starts working on Peruvian territory, their entrance triggers the appearance of informal institutions. Local stakeholders look at the entering company expecting to gain something from them, and the company already knows they will have to take part in different 'unregulated' agreements. Informal institutions represent the complexity of a locality which formal institutions don't always consider. They are created under particular circumstances and give each process its unique aspect.

Empowering the marginalized implies opening boundaries, which according to Cornwall (2004), evokes expansion. "Participation can be thought of as creating spaces where there was previously none, about enlarging spaces where previously there were very limited opportunities for public involvement, and about allowing people to occupy spaces that were previously denied to them" (ibid p. 79). Therefore institutions, especially the formal ones, should create and foment spaces for this expansion. As this is not always the case, informal institutions appear in the 'unofficial spaces' claimed by the marginalized in order to fill in the gaps left in the official spaces.

Figure 1: **Analytical framework**
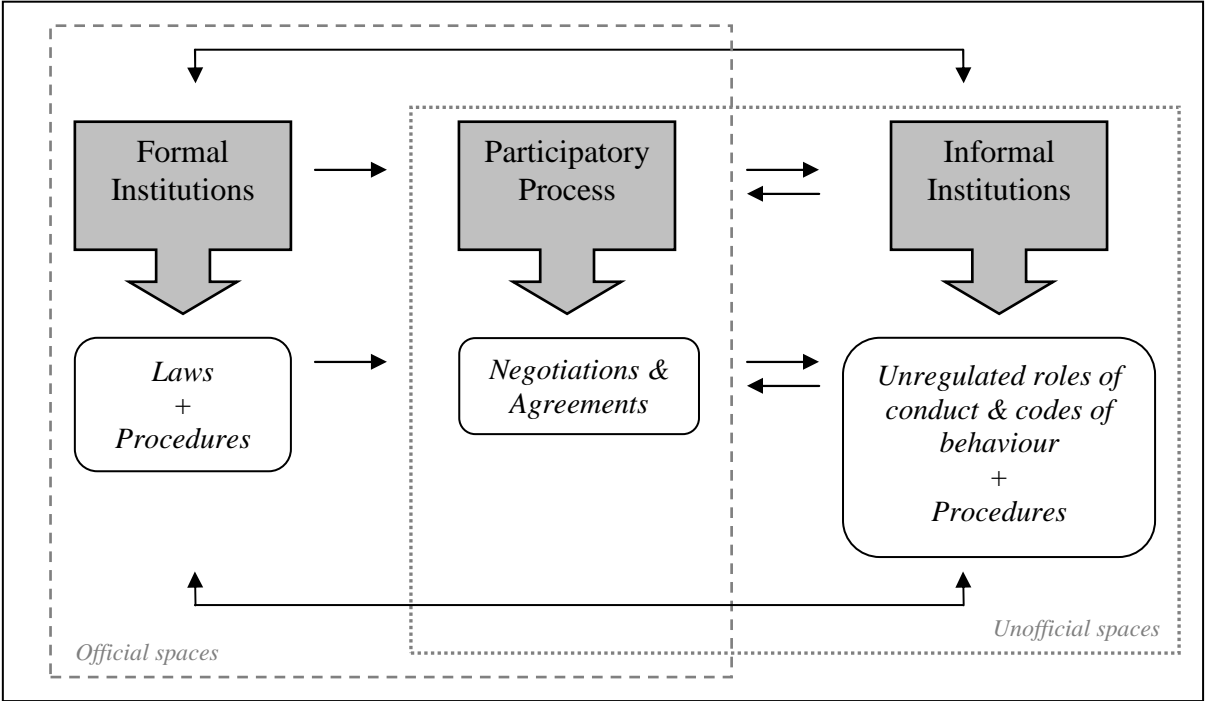
Source: ABoyco

Figure 1 represents the analytical framework I will use in the following chapters to understand the dynamics between formal and informal institutions. The contemporary participatory approach in Peru can be seen as the outcome of a mixed interaction between both sets of institutions. Formal institutions feed and guide the process in the official spaces designed for this. They will present the laws which every participatory process has to follow in order to be successful. The particular situations of each locality will be reflected in the informal institutions that come out of the interaction between stakeholders and they will give each participatory process a different dynamic. The participatory process will therefore be shaped by the outcomes of both sets of institutions. The formal and the informal institutions with their particular procedures will lead to different negotiations and agreements, which represent the participatory process itself.

The case of Pluspetrol in Pisco will bring to light what Cornwall calls 'the unstable boundaries of participation', as some agreements created by the informal institutions will end up being formalized and move from the unofficial to the official spaces. Figure 1 also shows that inside the unofficial spaces, it is not only the informal institutions influencing the participatory process; the participatory process itself, depending on the different agreements reached, will influence the informal institutions. It is interesting to see that the informal

institutions are also created as a result of conflicts that build up around projects. "Despite the cloud of public participation institutionalized bodies that exist in the country, it is clear that one of the most efficient mechanisms that citizens have to turn state decisions in their favour, are the protests, and the more violent they are, the more effective they turn out" (Remy 2005, p. 15; my translation).

Hence, I will analyse how both formal and informal institutions work individually and how they interrelate creating a unique participatory process for the case of the Pluspetrol project in Pisco. I will also discuss how the case can inform the theory of participatory development and the shifts between understanding participation as empowerment, or just as having an instrumental value. The analysis will demonstrate that the need for the existence of the informal institutions comes not only from the gaps left by the laws and regulations but because of larger causes. "It means that participation events – in projects, research, cycles, planning processes, etc. – should never again be considered without considering the 'immanent' conditions under which they occur" (Bebbington 2004, pp. 280-281). Local situations are shaped not only by the stakeholders that take part in them, but also by situations that are out of local reach, such as government policies and their implementations. The analysis will also show how the instrumental use that is being given to the participatory process does actually have a few aspects of empowerment, which are reflected in the development of the agreements brought by the informal institutions. Reflected in these agreements is the local population's ability to negotiate and place themselves into the company's agenda.

2.4 Summary

Throughout this chapter my aim has been to explain the concept of participatory development. Participation has moved from being a reaction towards development theory into being a standardised process which is now demanded not only by higher institutions, but also by local population. Understood as a process of social transformation, participation implies the empowerment of the marginalized and excluded, with the involvement of local knowledge in decision-making processes. Authors such as Cooke and Kothari (2001) criticize the actual participatory process because the practice is not reflecting the theory; it has been given an instrumental use which is not the way to achieve social transformation. Despite this, authors like Gianella (2011) understand that the instrumental value given to the process is a necessary stage in order to reach empowerment. Although the structure set by top-down approaches

must change in order to be more inclusive, this requires time, and it needs to be done one step at a time.

Geographically, participation is shaped by the spaces created for it and by the stakeholders which choose, either voluntarily or involuntarily, to take part in the process. Even though formal institutions are created as part of a country's 'standardised kit', these institutions design spaces were the participatory process must take place. The particularities of the informal institutions will have a strong influence in the creation of these new spaces. This will be defined by which stakeholders take part in these arenas and by which agreements result from the informal institutions. The existence of standardised forms, as the analysis will later show, does not limit the way the process actually takes place.

I have finished the chapter with the analytical framework I will be using to analyse the participatory process regarding the Pluspetrol Project in Pisco. Having defined the concepts of formal and informal institutions, I will look at the local experience and define it under these terms.

Chapter 3: Methodology

The purpose of this chapter is to clarify the process that was undergone for the production of data for my thesis. My aim in the field was to centre on formal and informal institutions and gather information about how they were shaping the particular participatory process regarding the Pluspetrol project.

The chapter starts with a discussion on the importance of working with case studies and then a description of how I selected mine. The analytical framework I finished with in chapter 2 guided my research into looking on how institutions regarding participation worked with this case. Although I knew before going to the field that the formal institutions were not the only ones framing the participatory process, I did not have a clear idea about the role of the informal ones.

I then move on to describe the reasons for working with qualitative methodologies, how I implemented them and further on, my experiences during fieldwork. By implementing semi-structured interviews during fieldwork I was able to confirm my assumptions on how formal institutions worked around the participatory process. From these interviews I was also able to understand about the dynamics of the informal institutions and their important contribution to the process.

Towards the end of the chapter I describe how I proceeded with the interpretation of the data, and finish the chapter by emphasizing on the importance of having reliable information. I make special emphasis regarding possible biases and the importance of separating personal opinions from the data collected.

3.1 Selecting a case

Despite some prejudices that come out when working with case studies such as generalization and objectivity, I have decided to work with one because it serves to explain theory using real-life events. Case studies cannot be used to dictate that similar situations will all behave the same, but can be used to generalise towards "theoretical propositions" (Yin 2003, p. 10), and thus can "be used beyond the individual case" (Berg 2001, p. 232).

Yin, states that "a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context" (2003, p. 13). According to the author, it is a tool

which allows for the inclusion of several variables and data collection techniques, and also "benefits from the prior development of theoretical propositions to guide data collection and analysis" (Ibid). When trying to determine what is a case, Ragin (1992, p. 2) suggests that "every study is a case study because it is an analysis of social phenomena specific to time and place". I think the aspect of time and place although in some cases work as a limitation, can be used as an advantage as it allows the research to have concrete boundaries. The case of the Pluspetrol project in Pisco belongs to the Camisea gas project located in the rainforest area of Cusco, the largest gas project in the country. This section of the project in Pisco is confined into a specific time period and a location, which allows me do to a focused analysis on events and situations which have taken place in the time frame I have chosen to work with.

Choosing my research topic, I imagined, was going to be a simple task as I was going to conduct it in my own country, but it turned out to be more complicated than I thought. Despite the fact of the existence of several conflicts around the extraction of natural resources in Peru at the moment, it took me some time to determine in which field I wanted to conduct my research. After choosing the gas sector, I started doing research online about it. Not surprisingly I only found data about the activities taking place in the rainforest and the Andes, even though the gas sector also has components in the coast. I decided to work on the coastal area because of the population found there. It does not belong to indigenous or peasant communities, so they are not under the jurisdiction of special legislation, although they can be also classified as different from the urban population. Former colleagues and friends back home had recommended this particular case study so I continued with it, but I was still nervous. One of the greatest risks was to discover that to find data on the field would be as difficult as it had been to do online. Although the installations in Pisco are an important component of the project, it does not receive the same amount of attention as the other components of the Camisea project, in Cusco.

Once in Peru my fears disappeared as I realised that there was relevant information in the area and that it was not a passive project. The first meetings I had in Lima and in Pisco, my study area located 231 km away from Lima, proved to be very fruitful as I was able to learn about several pending issues between local stakeholders and Pluspetrol. The information I began to gather was showing that the case I had chosen was relevant to the analysis I was planning to make.

3.2 Qualitative methodology

My research during fieldwork was based on qualitative methodologies, because I was aiming to understand the role portrayed by the different stakeholders around a conflict. I needed to be able to grasp their opinions as a group and as individuals. This type of methodology helps to interpret social processes mixed with individual experiences (Winchester 2008, p. 3), so it fits well into my work. I am not looking for a 'correct' interpretation of reality, but rather my research aims to understand individual as well as collective situations, and this type of methodology enables me to "emphasize multiple meanings and interpretations" (ibid p. 6).

When doing this kind of research, one of the most difficult tasks is to maintain an objective point of view of the topic because different stakeholders hold different opinions on the subject. According to Dowling (2008, p. 25), "qualitative research gives emphasis to subjectivity because methods involve social interactions" Because of this, the author mentions that 'critical reflexivity' is needed here in order to understand how much of the researcher's own opinion is getting mixed in the analysis.

The techniques I have used are semi-structured interviews as well as document revision. I had planned to also carry out participant observation if the situation allowed, but unfortunately, during the days I was in fieldwork, the opportunity to use this method did not arise. If there had been any active negotiations at the time, this would have been different, but such was not the case. I believe it would have been an interesting option to conduct a survey with the local population but this would have demanded efforts out of my reach. In order to get a representative sample I would have needed more time and a group of assistants.

While revising documents I started understanding how formal institutions were working around participation processes. I conducted the semi-structured interviews to understand the rationality behind them. As I did this, I began to realise the importance of the informal institutions in the participation process. This led me to place more emphasis into understanding the role they played and how they influenced the process.

3.3 Fieldwork

My fieldwork took place between June and August 2011. Because Pisco is only 3 hours away from Lima, it was easy for me to go back and forth every week. I spent four weeks travelling like this, going from Tuesday to Friday to Pisco and moving back to Lima during the

weekends. My work was stopped some weeks due to national holidays and the celebration of the 4th anniversary of the earthquake, but I managed to finish it successfully.

I stayed at a hotel in Pisco which is used by ERM (Environmental Resource Management), a consultant company working with Pluspetrol in environmental issues, as an office. This brought several advantages because I was not alone, and also had the help of friends when I needed to solve any doubts gathered during the conversations with my informants. During several occasions I went to the field accompanied by friends or family members. I also hired Mr. Martin to drive me around the city when I went by myself.

In the following sections I will explain how the interview process took place, as well as describe and explain the situations encountered with my informants.

3.3.1 Interviews

My main method of data collection was applying semi-structured interviews. These types of interviews help recollect a wider set of information than structured interviews because they allow the informant to express his or her ideas while being guided through the topic. Although the questions are 'content-focused' (Dunn, 2008), it allows for a flexible conversation which can flow naturally. The way the questions are posed will condition the response given by the informant, but still it will allow the researcher to gain information about different events, opinions and experiences (Ibid).

For my interviews I had a list of pre-set topics I wanted to discuss with each informant, but I did not follow the same structure for every interview. The different stakeholders on my list of informants played different roles around my case study, so the topics of conversation were not fixed. Each interview lasted from one hour to one and a half hours and they took place in private offices or in a local restaurant. Because the majority of my informants were local fishermen, the interviews usually took place in the evenings, after their work day had finished.

I managed to do seventeen semi-structured interviews of key informants and informants, and eleven were recorded. I also had short conversations with the fishermen at the beach and at the port, which helped gain a different perspective from the one I got during my interviews. Recording the interviews allowed me to concentrate better because I was not worried about taking notes. I realised also that if I took notes, the informants were trying to figure out what I was writing about and could lose their concentration on what they were saying. This especially happened with the ex-mayors. Nearly all of the interviews were transcribed

moments after it had taken place, which allowed me to add my personal notes to the transcription. Transcribing recorded interviews allowed me to go through the interview several times and thus separate personal opinions from the real situation.

3.3.2 Informants

From all the informants a researcher deals with while conducting interviews, it is important to differentiate the key informants from the rest of the group. According to Yin (2003, p. 90), "key informants are often critical to the success of a case study". Their input is highly relevant to the study as they can provide deep insights regarding the research topic, as well as suggesting other sources of evidence (ibid). One as a researcher goes back to them on several occasions to verify information and ask for new insights.

Before going into the field, I had an abstract idea of how the stakeholders were organized. I got this information from the 3 EIAs made by ERM Peru for the project in three different years which provide a list of them. To confirm my preliminary list I managed to get in contact with three key informants: Sergio Zimic from Tecpetrol, a company in charge of creating development initiatives for the Camisea project; César Guzmán Barrón from the Centre for Conflict Analysis and Resolution of the Pontificia Universidad Católica del Peru and director of the Ombudsman's Office for Camisea; and Julio Arenas, teacher at the fishery faculty at the University of Ica and member of ERM Peru. They helped me with information about the local situation and with building my list of stakeholders. Also, they contacted me with some stakeholders by either providing me with a list of phone numbers and addresses, or in some cases making a direct contact between me and the stakeholder. By getting in touch with these key informants, I was able to gather not only specific information about the case but also to understand the general panorama that was taking place in my study area.

After these three meetings, I got in contact with Armando Estrada, head of the Communitarian Relations department at Pluspetrol, in Pisco. I considered this to be a very important meeting because beside all the information I gathered from the company, I wanted the representatives of Pluspetrol to know that I was going to be in the area working around their project and to be able to work freely. He provided me with a list of names and phone numbers of the different associations that have socio-environmental agreements with the company and from here on, thanks to the snowball method, other good contacts started appearing.

A key informant which helped me get a better perception of the local reality was Mr. Martin, my taxi driver. During all the trips we did around Pisco and San Andrés, we managed to have long conversations about how daily life went on in the city, and especially how the people were living after the earthquake. He provided me with interesting insights about the reconstruction plans for the area and how the situation was developing.

To gather information about the outcomes of the formal institutions I wanted to interview national and local government representatives. I did not manage to interview representatives at a national level, but did manage to talk to representatives from the local municipalities. As the formal institutions invite all local stakeholders to take part in the participatory process I was looking to gather their perspectives on the subject. Interviews with local stakeholders such as fishermen, gave me a big insight, not only about the role played by the formal institutions, but about the agreements that existed as outcomes of the informal ones.

I managed to set up interviews with the majority of stakeholders I had on my initial list. At first I tried to set interview dates in advance but came to realise that most of the people I approached gave an appointment for the same day or the day after. This was beneficial because I just had to arrive at Pisco and start calling them announcing I was in the area, but on the downside, I could not plan ahead and didn't have a fixed agenda which made me spend some of my waiting periods worrying if anyone at all would give me some time to talk to them. Recording the interviews did not present as a problem as most of the stakeholders agreed easily to this. When it came to politicians they were very inclined to record that they had done their best during their government, and when it came to the local population, they were very open about their ideas, and had no problem in being heard. I even conducted many of my interviews in a restaurant with the possibility of being overheard by anyone.

Ethics is of major importance in this section. Most of the stakeholders I have interviewed are members of different institutions and answered my questions emphasizing that the opinion they were giving was in representation of their group. Most of their opinions are entirely public, but I still have to handle this information carefully because some of it may come from personal opinions and this must not be misinterpreted as belonging to the group they represent. The confidentiality issue is very important. Every interview was recorded with the consent of the person I was interviewing and I made it clear that the purpose of it was only for the means of this investigation. None of my informants requested to remain anonymous, although some did emphasize on when they were giving a personal opinion which was not necessarily related to the entity they were representing.

My project lacks information from two important groups of stakeholders: local and national authorities, and APROPISCO (Producers Association of Pisco), a private company which represents all the industrial fisheries in the area. Peru had undergone national and regional elections in the 6 months prior to my research, so the political authorities at the moment I was conducting fieldwork were mostly new. Local authorities changed in January 2011 but were still undergoing an adjustment period when I was conducting my fieldwork. In the regional municipality of Pisco for example, the major was being asked to leave his post because he was actually not the one elected by the population, but a replacement because the elected one was not allowed by the government to assume power. National authorities have changed posts at the end of July 2011. In this case it was even more difficult to get in touch with them because it's not only the people at the top who change, but the majority of the members of their team. In order to solve some of these problems, I managed to get in touch with former mayors of the municipalities of Paracas and San Andrés (the two other villages in the area of influence of the project) and with the person in charge of the environmental sector, also in San Andrés. From them I was able to retrieve information about the history of the process, as some of them were the ones who signed the original agreements. As for APROPISCO, even though I called several times and sent emails explaining my work, I never managed to get an interview from them. One of the responses I got was that the work they performed was not included in my field of interest.

3.3.3 Experiences during fieldwork

I was surprised to find that stakeholders were willing to talk to me without a previous appointment and only with the understanding that I was doing research for a master program. I think that the fact that I said that I was a student from a foreign university helped in transmitting a message that said that I belonged to an impartial institution. As I managed to increase the number of interviews, and make reference to them in further meetings, I managed to get the trust of others. The fishermen population in the area is not very large, so most of them knew the people I had already talked to. Also, when explaining that I was going around talking to all the different stakeholders present in the area, I was proving once again, that my study was trying to be impartial and was covering different areas of interest.

When calling my contacts to set up interviews I found it very easy to get one when I talked directly to the person I was trying to find. When I was trying to find people at offices like the municipalities, or APROPISCO, and had to talk to the secretaries, I could not get through. I

think this has to do with the fact of being a woman. Most of the people I wanted to interview were men, so when I talked to them directly, most of them didn't hesitate to set a date, but when talking to the secretaries, the feeling I got was that there exists some kind of jealousy and protection towards their bosses.

One aspect I had not considered for when I was doing fieldwork was the lack of security in the area. After the earthquake, Pisco has changed and assaults and violence have increased. According to the mayor of Pisco (Millones, 2011), the criminality index in the area has risen from 35% to 52% since 2007. Because of this it was not safe for me to go alone, so every week I took a different family member or friend as a 'research assistant'. They did not always come with me to the interviews but waited for me outside and came with me when I had to move around Pisco, San Andrés and Paracas.

Peru still has a strong feeling towards male dominance in society. Women and men are still stereotyped into certain roles they have to fulfil. Women are often expected to perform secondary roles and leave men to perform roles which imply showing their supremacy. As an example, it is not uncommon to find families which chose among their children for the boys to go to school, while the girls are left without the option. During fieldwork, I had an interesting experience when I went to some interviews with a male friend. Because I had the recording machine or I was taking notes during the interview, the stakeholders I was interviewing did not direct their comments to me, even though I was the one making the questions, but to my friend. It can be said that in their eyes, I had a secondary role during the meeting; maybe only doing the work of an assistant. Looking back at the example about education, this could be related to their idea that my friend had more knowledge on the topics under discussion, and therefore had a priority role during the interview.

3.4 Document revision

Document revision has been an important part of my investigation as it was my first insight towards understanding how formal institutions were working around this case study. After fieldwork I continue reviewing documents as I did not manage to speak to national authorities. From reports, presentations and informative brochures I gathered information about the legislation and how legislated processes take place. Being such an important project at the national scale, the project is financed by IDB, and several documents are published and need to be of public access as a request from this entity for transparency issues. These

technical documents show the evolution of the project as well as the different commitments that have been agreed to by the different stakeholders.

Although the information regarding the agreements arranged by the informal institutions was mainly gathered during the interview process, there are official documents which provide information about the development of these outcomes. Most of this information is posted online, but because it can sometimes be hard to find, I managed to get some of this documents from the stakeholders.

In terms of documents, my research lacks information from local media. I managed to get in touch with the owner of the local newspaper, '*El Libertador*', but because he didn't have an electronic record of past editions, he could not provide me with the information I needed. I offered to go and sit in the storage room where all past editions were kept and look for myself, but he did not approve of this. Without this permission I had no access to past editions of the local newspaper.

3.5 Data interpretation

Having defined my theoretical background, and knowing that reality and theory in this specific case are very far apart, I've managed to analyse the data collected during fieldwork following the framework I designed for this. As most of my data comes from semi-structured interviews, I extracted quotes from them and divided them by topics, taking into account the division between formal and informal institutions. As the information provided by the informants is about the outcomes of these institutions, I have centred my analysis into understanding the dynamics that takes place inside the institutions by grasping key words mentioned in the quotes.

Also to understand this dynamics, in chapter 4 I describe the local situation and how interactions between stakeholders take place. I believe that with this description, it is easier to comprehend how the interactions of spaces function. I have organised both analysis chapters (5 and 6) by relating to several events and particularities that take place locally as I feel that by relating to specific situations, it is easier to grasp the meaning of the events.

3.6 Visual methods

As I am writing about an environment which might be unknown for the readers, I have included along the text pictures and maps which I believe contribute to a better interpretation of the context where the case takes place. The different pictures included in chapters 4, 5 and 6 have mostly been taken by me during fieldwork. I have used my camera as an 'information-gathering instrument' because as Harper (2003 p. 194) refers to, "photographs made during the research experience concretize the observations that field-workers use continually to redefine their theories". With them I am trying to facilitate the readers into creating a mental image of what I'm describing to be the local situation around the Pluspetrol project.

I have also created maps which I have included in chapter 4 in order to understand the location of the case study. Shapefiles regarding national information such as political borders, water bodies or urban areas are available for free access in Peru and are provided by the National Geophysical Institute. To illustrate the location of the Camisea project's components, I gathered the shapefiles from the maps found in the EIA of the project, which are also of public access. The software used for creating the maps was ArcGIS 10.

3.7 Biases, Reliability and Validity

When doing research, it is a challenge to leave fixed ideas and prejudices behind in order to get the best possible analysis. There are several aspects that can guide the way the interview process goes, such as sex, age, background, among others. When I did my fieldwork, even though I'm Peruvian and speak the same language as the population I was interviewing, I can't take away the fact that I was a woman in a male dominating environment. All my respondents were male, except for one, and the majority were fishermen, who come from a different cultural background than me. Although the fact of coming from a foreign university did give some level of prestige among them as they felt that their situation was going to be heard somewhere else. Some of my personal biases could be related to the fact that I've worked before in projects related to Pluspetrol in this area before and I have some built in prejudice towards the different stakeholders. I've had to learn to put them away in order to get the most objective view of the situation. My work could also be said to contain a certain amount of bias by the fact that I did not manage to interview some important stakeholders such as government officials.

When doing interviews, according to Briggs (1986), it is important to grasp the 'individual true value' of the response. It is important to separate personal opinions from the data collected. The researcher has to be aware of the background of the respondents in order to grab de message under their responses. Also, when asked for an interview, the informants could have tried to use it as a way of expressing their personal message, which can change depending on what they feel the situation may bring to them. This happened to me with some fishermen union leaders. I had previously learned from my key informants who were the most 'trouble', but when it came to talking with me, their speeches were different. They appeared as having a pacific role and being happy with the ongoing situation. I had to reformulate some of my questions in order to try and grasp their true message, or if this didn't work, I had to keep this in mind for my further analysis.

I have tried to keep my research as unbiased and as objective as possible. During the entire process my intention has been to point out clearly how my work took place in order to avoid misunderstandings and misinterpretations. Despite this, I can't guaranty that other researchers may reach different conclusions because, as I have mentioned, some biases can exist.

3.8 Summary

My aim before and during fieldwork was to understand how the participatory process around the case of Pluspetrol was shaped by formal and informal institutions. I knew that formal institutions where not the only ones influencing the process, but it was during fieldwork that I realised how important unregulated local patterns of behaviour are in shaping participatory development.

I chose to use qualitative methods because I saw it as the best option into understanding the relations between the different stakeholders and how these give shape to both sets of institutions. The identification of key informants was an important aspect of my research as they provided insightful information which led me to manage the case with a better understanding. By using a case study I have delimited my research to a specific time period and place, which has allowed me to analyse the situation in a concrete way. My intention has not been to fall into generalizations, but I do believe that it could be a possibility to use the case as a guideline for what can be happening in other areas with similar characteristics around the country.

I think that my research can be considered reliable, as I have treated the data gathered during fieldwork in the most objective way possible. Even though I was researching about my own country, I encountered some problems and particular situations which I had to learn to handle. These were related, for example, because I was working around a male dominant environment. I also included my personal experiences during fieldwork which have made my work an interesting experience overall.

Chapter 4: Pluspetrol in the Paracas Bay

A study around the Pluspetrol project in the coast of Peru brings to light a varied set of stakeholders and activities; among these are fishermen, tourism activities, transformative industries, conservation organizations, etc. They have all been brought together into the area by a common factor: the Paracas Bay, a location that brings specific benefits to each of the activities developing here. In this chapter I will identify the stakeholders involved in the area, making special emphasis on the ones which are related to my case study in order to answer the following research question: *What characterises the context of the Pluspetrol project in Pisco?*

In the first section I describe the characteristics of the case study: the Pluspetrol project in Pisco. I find that it is significant to understand the importance of the Camisea Project as a project of national interest which has as a key component the Pluspetrol plant located in the Paracas Bay. I will then move on to explain the importance of this bay as an optimum location for a variety of activities. I will describe the role played by the different stakeholders of the districts of Pisco, San Andrés and Paracas, making special emphasis on the artisanal fishermen as I believe they need special consideration among the rest of the stakeholders because they depend on natural resources for their daily life. In order to group institutions around this project's participatory process, being this formal or informal, it is important to get a clear idea of the local situation and the interactions that take place in the area.

In 2007 a 7.0 earthquake in the Richter scale hit the area. I describe the effects from the tremor and also from the tsunami which originated fifteen minutes later. I find it important because as several informants pointed out, it changed the story of the area by dividing its history in two: Pisco *pre* and *post* earthquake. The events which came after the earthquake, as the immediate aid and the reconstruction period created a new space of interaction between Pluspetrol and the local population.

At the end of the chapter I am including an explanation about the Peruvian participation legislation, as it represents the formal arena in which all stakeholders are interacting when it comes to the Pluspetrol project. This will lead on to my next chapter, in which I analyse the formal institutions which influence the participatory process.

4.1 The Camisea Project

In 2004, the initiation of the activities in the Camisea gas field marked a change in the country's gas sector. It represents the largest non-associated gas reserve in Latin America, and leads production in Peru with 96.10% of the national total (SNMPE, 2012). This reserve had been discovered by Shell in the 1980's but for various reasons exploitation was postponed for almost twenty years until 1998. In February 2000 a contract was signed by the Peruvian government and the Camisea consortium. This consortium is led by Pluspetrol Perú Corporation S.A. (from now on Pluspetrol), which operates the upstream component of the project with a "40-year license for the extraction of natural gas and liquid hydrocarbon". In October of the same year, the concession for the Downstream Project was granted to a second consortium led by Tecgas N.V. (owned by Techint Group) to transport and distribute liquids and gas to Lima and Callao (Camisea Project 2002).

Figure 2: The Camisea Project
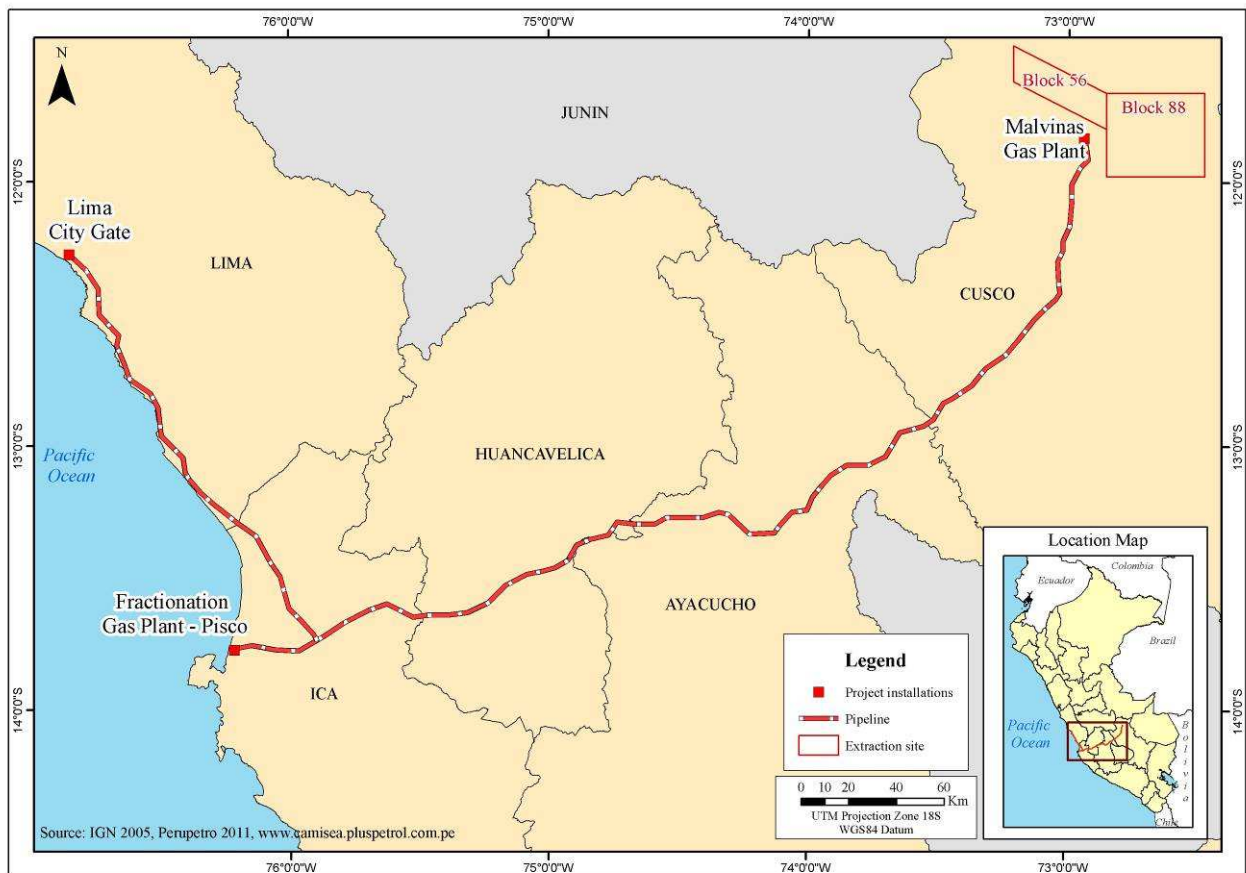
Author: ABoyco

As can be seen in Figure 2, the project as a whole crosses over a large section of the country, and can be divided into upstream and downstream activities. Upstream activities include the extraction area in the Camisea gas fields in the rainforest area of Cusco (Blocks 88 and 56), Las Malvinas gas plant and the fractionation gas plant near the coast, in Pisco, with a platform found in the Paracas Bay. Downstream activities are related to the transport of the gas from Las Malvinas plant in Cusco, to Pisco and to Lima for distribution.

4.1.1 The Fractionation Gas Plant

The fractionation gas plant in Pisco is a very important component of the Camisea Project because it transforms the liquids of natural gas coming from Las Malvinas Gas Plant in Cusco to propane, butane and condensates (Camisea Project 2002). The production in Las Malvinas is used both for the domestic and international market. The plant facilities consist of two sections, which can be seen in Figure 3.

Figure 3: Fractionation Gas Plant Installations

a) Fractionation Gas Plant

Author: ABoyco

b) Loading platform

Author: UBuccicardi

The on shore component is the fractionation plant, where the transformation of the gases takes place. The off shore components are the loading platform for cargo ships as well as a set of subsea pipelines which transport the products to the platform. The original project consisted of a dock with the pipelines above the water, but was changed to the subsea pipelines because of worries issued by the different stakeholders due to the possible social and environmental impacts it would have in the area.

The plant is located in the Lobería Beach (see Figure 4) in the desert of the district of Paracas, Province of Pisco, Department of Ica. It is found inside the Buffer Zone of the Paracas National Reserve, a protected coastal-maritime area of large importance in Peru registered in the Peruvian national system of natural areas protected by the State (SINANPE).

Figure 4: Location Map
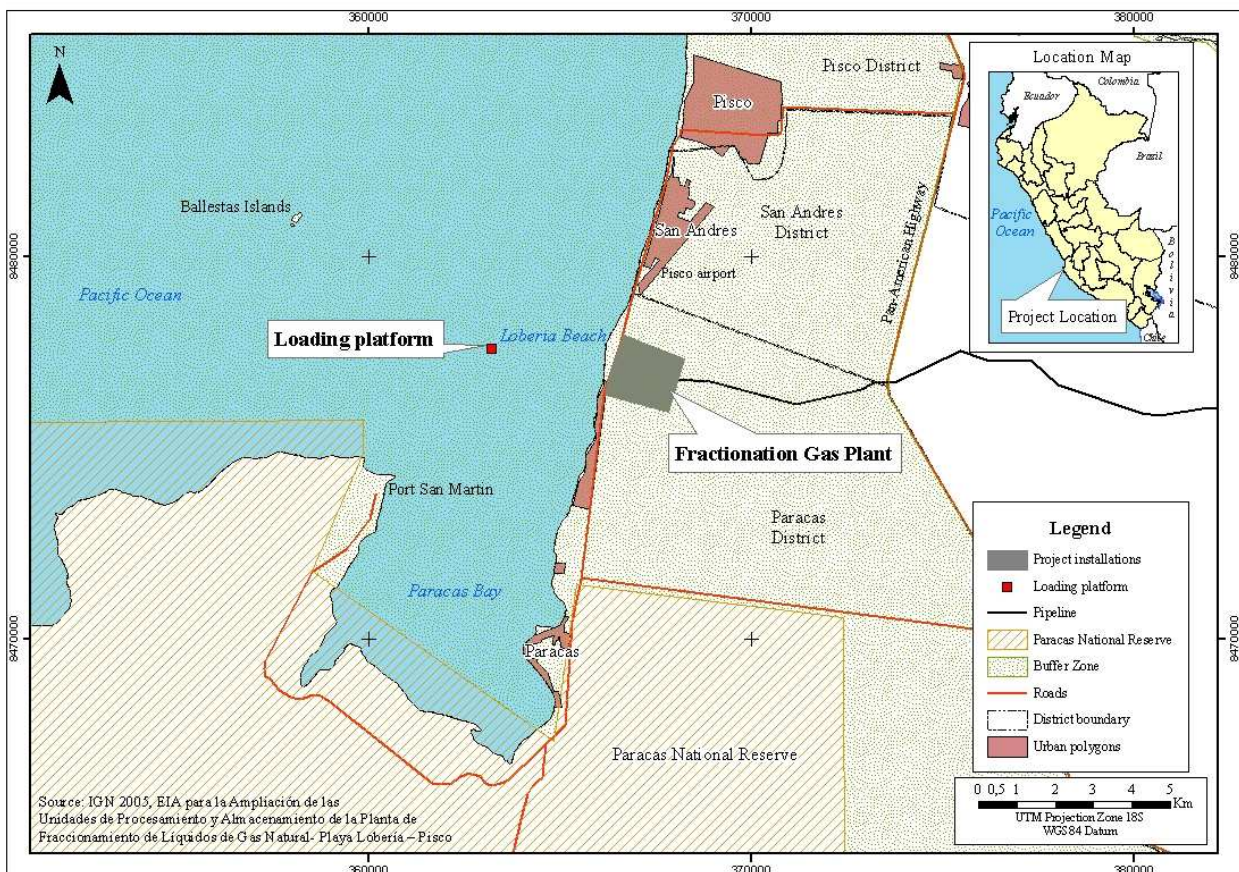
Author: ABoyco

Operations in the plant started in 2004 and it is now undergoing its second expansion project. The aim is to enlarge the processing and storage capacity of the products. According to the original EIA (ERM 2002), these bring benefits to the Peruvian economy; they substitute

diesel and GLP imports while also favouring exports. Both expansions (2007 and 2011) and the original project have an EIA each which accompanies the process. The three stages have gone through the different aspects of the public participation process and have a community affairs plan.

With the aim to prevent, control or reduce to a minimum any negative impact that the project can bring, throughout the life of the project, there is an ongoing monitoring program. It is divided in two stages: one is the early response system which takes place every day, and the abiotic and biotic monitoring program which is done every three months. The early response system is done in the direct impact area evaluating the water conditions. The abiotic and biotic monitoring program is done in the direct impact area, in the continental indirect impact area and the insular indirect impact area. Abiotic components are evaluated in the water and sediments, while biotic components are evaluated in the water and land (Camisea Project 2002).

The plant is located along the Pisco-Paracas highway and now forms part of the desert landscape of the area. In order to improve the conditions of the area, and with the aim to reduce the visual impact that the plant had on the scenery, a landscape project was executed. With the creation of dunes and adding vegetation proper of desert environments, the project also looked at reducing the light pollution caused by the plant.

4.2 Stakeholders in the Paracas Bay

The Paracas Bay presents optimum conditions for the development of different activities, some of which can be seen illustrated in Figure 5. Its semi-closed shape facilitates the development of an ecosystem which combines cold oceanic currents with coastal upwelling rich in nutrients. This brings into the area a variety of fish, sea mammals and resident and migratory birds, making it an important area for conservation. The presence of large bird colonies makes this an important area in the Peruvian coastline for the extraction of guano, which takes places every six years. The calmness of its water, and the shelter it provides, also makes it good location for urban and industrial development. The richness of the ocean provides a good space for the development of industrial and artisanal fishing activities, accompanied by the installation of several fishmeal industries along the coastline between the villages of San Andrés and Paracas (CDSP 2004).

The importance of this area was reflected in the creation of the Paracas National Reserve. Located 27 km south of the city of Pisco, it was created in 1975 as the first coastal marine reserve, with 117,406 ha. of land and 217,594 ha. of marine water (MINCETUR 2009). It was created to protect the unique variety of flora and fauna in the area which have a great ecological importance. Activities such as fishing and salt extraction take place inside the Reserve because permissions were granted before it got its title. The Reserve gathers a large number of national and foreign tourism, which come attracted by the large bird fauna and sea mammal population in the Ballestas Islands and the uniqueness of the Reserve. This together with a favourable weather all year round has led to the installation of hotels and resorts in the Bay.

Figure 5: Activities in the Paracas Bay

Author: ABoyco/ FPons

The installation of the Pluspetrol project brought a large discussion about the impact it was going to have on the Reserve. During the first stages of the project there were several conservation NGO's such as ACOREMA and Huayuná trying to avoid its installation. Their main focus in the area has always been protecting the endangered species so they participated as important stakeholders in this initial phase. Once the project was installed and there was no turning back, they have retreated back into performing their conservation objectives and don't appear any longer as stakeholders around the project.

The area of influence considered by the project includes the localities of Pisco, San Andrés and Paracas, located inside or close by to the Paracas Bay. Pisco is both the capital of the province and of the district. With a population of 54,997 inhabitants, it has commerce as its main activity (INEI 2007). It is located at the junction of two important highways, the Pan-American Highway connecting all the cities in the coast, and the *Libertadores* highway, connecting the coast with Ayacucho, a city in the Andes. This gives the city a special dynamism due to the variety of people it holds.

San Andrés district has a population of 13,151 inhabitants with the majority of the population dedicated to artisanal fishing, artisanal shellfish extraction and other activities related to this sector (INEI 2007). There is a dock for artisanal fishing which has been remodelled by the help of different institutions including Pluspetrol. It works as an area for processing the fish and shellfish that will be send to larger markets, but also as a local fish market.

Paracas, with a population of 4,146 inhabitants according to the last population census (INEI 2007), has its main focus placed on the tourism industry because of its location inside the Bay. In the past four years, the number of hotels has grown, aiming at a very high class of tourism. According to the last population census 15% of the economically active population have jobs related to the tourism activity (ibid).

Fishing activities are also important in Paracas. Although the population living in this district, according to the census, are not working directly in this activity, there are an important number of people involved here. Some of the fishermen population are from Paracas, but large groups also belong to Pisco and San Andrés. There are three artisanal fishing docks in the area: El Chaco, Lagunilla and Laguna Grande. The last two are found inside the Reserve and some population can be found living around them, in very scarce conditions. San Martin dock is the main industrial dock in the area. It is used to ship and disembark different products coming and going to the south of the country.

The industries dedicated to the production of fishmeal are found in the district of Paracas. Since 1999, grouped under the name of APROPISCO, they started implementing new environmental-friendly technologies to treat their residues (APROPISCO 2007), as they are held responsible by local stakeholders for polluting the bay. According to my informants, the government had approved a request to relocate them north of the city of Pisco, but after the installation of the Camisea project in the area, this initiative was left behind. The two other large industries found in the area are Aceros Arequipa and Funsur. They are not located near the sea side but still have an impact on the bay. The first one, is dedicated to the production of

construction material, while the second one to metal smelting. Both of them are considered heavy industry and have a severe impact on the environment.

Although a strong counter-argument for the installation of the project was its proximity to the Reserve, there are other industrial activities in the surrounding area that have been installed in the area before Pluspetrol. Industrial fishing activities are claimed to be responsible for most of the pollution of the Bay (CDSP, 2004). Since their installation in the 1960's there has been little control over their activities which has led to the overexploitation of the resources. The processing plants pollute the air, and were disposing residues into the Paracas Bay up to 2004. Also, according to a report from MINCETUR (2009), Paracas as a district doesn't have a good waste management system and residues from artisanal and some industrial fishery go straight into the ocean.

4.2.1 The fishermen population

In the three districts included in the study area, the majority of the population is considered urban population. They live either in the district capitals (Pisco, San Andrés and Paracas), or in smaller settlements around the area. According to the national census, commerce is the main activity in the area, but most of the population is in different ways, related to the fishing industry. This sector relies rely entirely on the sea to provide them with their daily living. During the 60's a boom in the fishing industry caused migration pattern into the area, but this activity is decaying, there are no more relevant migration patterns that can be identified.

Figure 6: Artisanal fishermen boats in San Andrés

Author: ABoyco

This group can be subdivided into several smaller groups because of the work they perform. Among these, there are the artisanal fishermen, who go out in small fishing boats or rowing boats, the shellfish collectors (*marisqueros*) and the algae collectors (*algueros*). Their entire activity depends on extracting resources from the sea for a living. The Peruvian legislation on participation, as I will later show, has special legislation for some population groups framed under the ILO Convention 169. It talks about the rights of the indigenous and tribal population which unfortunately does not include the fishermen.

The fishing sector is very vulnerable since it is based entirely on the extraction of a natural resource, and any activity that takes place in the same area can alter the current situation. For several decades now, there has been an overexploitation of the sea resources. This has mainly been caused by the industrial fishing industry, but the artisanal fishermen are also to blame. The number of fish has greatly diminished in the area "*causing the fishermen to fish younger species every time, not allowing for the population to develop properly*" (Informant 12).

The fishermen population are uneducated. Most fishermen quit school at a young age to move into the family business. This activity does not require high levels of education skills or a high investment, so it is an easy sector in which to take part. Most of them use this activity as their only way of subsistence; they don't look to develop further skills such as processing the fish for larger markets. According to my informants, they are interested in receiving trainings on these topics, but not everyone is willing to stop fishing for a few days because it implies no income for that time period. There are some government organizations such as the National Fund for Fishery Development which provide the population with training sessions, but these don't take place very often.

Most fishermen are grouped in associations. They exist inside the fishing sector throughout the country and tend to appear in order to deal with specific situations that require special attention. These are not very stable because everyone is still working for their own interests when going out to sea. What they are used for is for pressing claims and demands because as a group they can apply more pressure. At the moment there are more than 100 registered associations in the districts of Pisco, San Andrés and Paracas (PRODUCE 2012). Some go a long way back in time, but several are very new and consist only of family members. The number grew with the installation of the Camisea project because, as I will discuss later on, they thought that they could get more benefits, as socio-economic compensation agreements were only being arranged with the groups that were registered. Women don't have a major role in the organizations nor do they go out to sea. Their major role is in the house, but they

play an important part when it comes to selling the products the men bring. The local fish markets are run mostly by the women who wait there for the men to come back. In this way they can also control some of the household income.

4.3 The earthquake

On August 15, 2007, a 7.0 earthquake in the Richter scale which lasted around 210 seconds shook Peru (IGP, 2008). Because the country is located on top of the subduction zone of the Nazca and the South American plate, it is an area with high seismic potential. The epicentre was located 74 km. west of Pisco and was felt throughout the country. More than 4500 aftershocks occurred, reaching up to 6.3 degrees in the Richter scale. There were 32, 000 people affected, and the areas of Pisco, Ica and Chincha, as well as the surrounding localities, were very badly hit. The main problem in Pisco was the precarious material with which the houses and buildings were constructed. There were also soil liquefaction problems which damaged the highway, leaving Pisco and Ica almost isolated.

Fifteen to twenty minutes after the earthquake struck came a tsunami. According to information provided by the Geophysical Peruvian Institute, local people claim that there were three waves that reached the coast (IGP, 2008). In Pisco, the wave managed to reach houses up to 700 metres away from the beach, while in San Andrés which is located closer to the coastline, water reached the main square, located 120 metres away from the shore. Paracas was the most affected area, with the tsunami reaching distances of more than 500 metres from the coastline. This is due to the low gradient of the Bay and the surrounding area. Houses here were highly affected, with water marks up to 1.50 metres. Inside the reserve, in the artisanal fishing area of *Lagunillas*, the three houses that existed in the area were completely destroyed and three people were killed. The waves here were ten metres high.

After the earthquake large amounts of national and international help reached the area. Unfortunately, four years after the earthquake, the city of Pisco still has not fully recovered. Despite several fund-raising events and different projects aimed at the reconstruction of Pisco, this has not taken place. This shows the lack of response capacity by the Peruvian state; due to large amounts of bureaucratic procedures and corruption can't coordinate for it to happen. Some money was being given to the local population so that they could rebuild their houses, but some ended up using it for other purposes, such as buying *mototaxis* (local way of transport). This made the government stop giving the money and even charging it back from

those who had already used it (Informant 14). In August 2011, commemorating the four-year anniversary of the event, president Humala travelled to Pisco to examine the area and 'start' the reconstruction. In February 2012 another earthquake hit the area and the president stated again that the reconstruction was starting 'now'.

Pluspetrol managed to use the immediate period after the earthquake as a method of regaining the confidence of the population on them. By providing immediate aid after the disaster, such as food and shelter, and further help during the reconstruction period, they were able to show to the population that they were willing to collaborate with them. It was an important action towards reinstalling the confidence and re-establishing the approval from stakeholders, which can also be understood as re-gaining the social license for the project.

4.4 Public participation legislation in Peru

At the moment, Peru can be said to be going through a stable economic growth process. Since the 90's, the president at the time, Alberto Fujimori, opened the market to Foreign Direct Investment, leading to an expansion of the extractive industry. Several reforms accompanied this growth. In the hydrocarbon sector, the company PERUPETRO S.A. (the National Agency of Hydrocarbons) was created in 1993, changing the role of the state from having the monopoly of operations, to being simply an operator (Fontaine, 2010).

Until 1993 there was no clear legislation regarding the hydrocarbon sector, resulting in little control over their activities, which led to various environmental and social disasters. Control in this sector is more stable since the creation of the Organic Hydrocarbon Law (Law 26221) in 1993. The main objective is regulating this sector and promoting hydrocarbon activities with focus on the participation of private investors. This legislation allows operation contracts for a total of 30 years for oil extraction and 40 years for natural gas. From the moment the contract is put into effect, the contractor has 100% property rights on the hydrocarbons it extracts.

When a company wants to install itself in a specific area, it has to go through, among other requisites, what the Peruvian government identifies as the public participation process. The entity in charge of regulating and monitoring this process for the hydrocarbon, mining and electric activities is the Ministry of Energy and Mines (MINEM). The first regulation for public participation was issued in 1996 by Supreme Decree N° 335-96-EM/SG. It required a public hearing as the main mechanism for participation which took place when the EIA was

finished. A public hearing consists on an informative meeting in which the whole EIA is presented to the local population. After several changes and derogations, in 2004 MINEM decided that more specific regulations were needed for the energy sector which included hydrocarbon and electric sectors. This was approved by Ministerial Resolution N° 535-2004-MEM-DM.

Because of the growth of the hydrocarbon sector and the increasing importance of participation in these activities due of the large groups of population it involves, the Ministry again decided that proper regulations were needed for each sector (Barrera 2008). In 2008 the new rules and guidelines for public participation specifically for the hydrocarbon sector were issued and approved by a Supreme Decree (DS N° 012-2008-EM) and a Ministerial Resolution (N° 571-2008-MEM-DM). On this topic, the entity in charge of supervising the sector is the General Directorate of Environmental Energy (DGAAE), a sub-entity from MINEM. Regulations for the other two sectors, mining and electric activities also exist.

In the latest regulations (2008) public participation is defined as a "public, dynamic and flexible process that, through the application of several mechanisms, provides the involved population adequate information regarding the undergoing or projected Hydrocarbon Activities; promotes dialogue and consensus construction; and gets to know and channel opinions, positions, points of view, observations or inputs regarding the activities in the decision making process made by the competent authority, in the administrative procedures it is responsible for" (RM N° 571-2008-MEM-DM; my translation). The aim of the participatory process according to the Peruvian state is to diminish socio-environmental conflicts, by including spaces in which the population in the area of influence of a project can express their concerns and opinions. The process is supposed to encourage dialogue and to determine if they would be impacted by the hydrocarbon activity in a positive or negative way and be able to mitigate impacts if it is necessary. The law states that it is the government which has the final say in the topic, but has to include the inputs provided by the population. If this does not happen, the whole process of participation looses its validity.

These regulations include the guidelines from the ILO Convention N° 169 regarding indigenous population, placing emphasis on the rights to consultation. There is no differentiation between the right to participate and the right to be consulted, and consultation is placed as a mechanism of public participation. However, in practice, consultation only applies to indigenous and tribal groups. It is written though, that the process of participation applies to indigenous population and to the involved population, differentiating the

indigenous groups from the rest of the population, as it considers indigenous people to be vulnerable to the impact that can be caused by third parties.

The participatory process is guided by principles such as equality of rights, public order which demands the obligatory fulfilment of the norms, transparency in all procedures, continuous improvement and an intercultural approach, respecting the cultural diversity of the country. The rights applied during the public participation process are the right to a healthy environment, the right to access of information, to participate in the management of the environment which implies everyone has the right to participate, show their point of view and give recommendations regarding the tools for a socio-environmental management. Everyone is also entitled to a fair access to justice meaning that they should be able to start fast legal actions in order to defend their rights. The population involved also has the right to have their social, economic and cultural rights respected. It is made clear that this does not give them the right to veto. The process of public participation must provide the right information, it must be transparent and it must be followed in a responsible manner, acting according to the norms recognized by the Peruvian legislation.

Figure 7: Stages during the participation process in Peruvian hydrocarbon activities
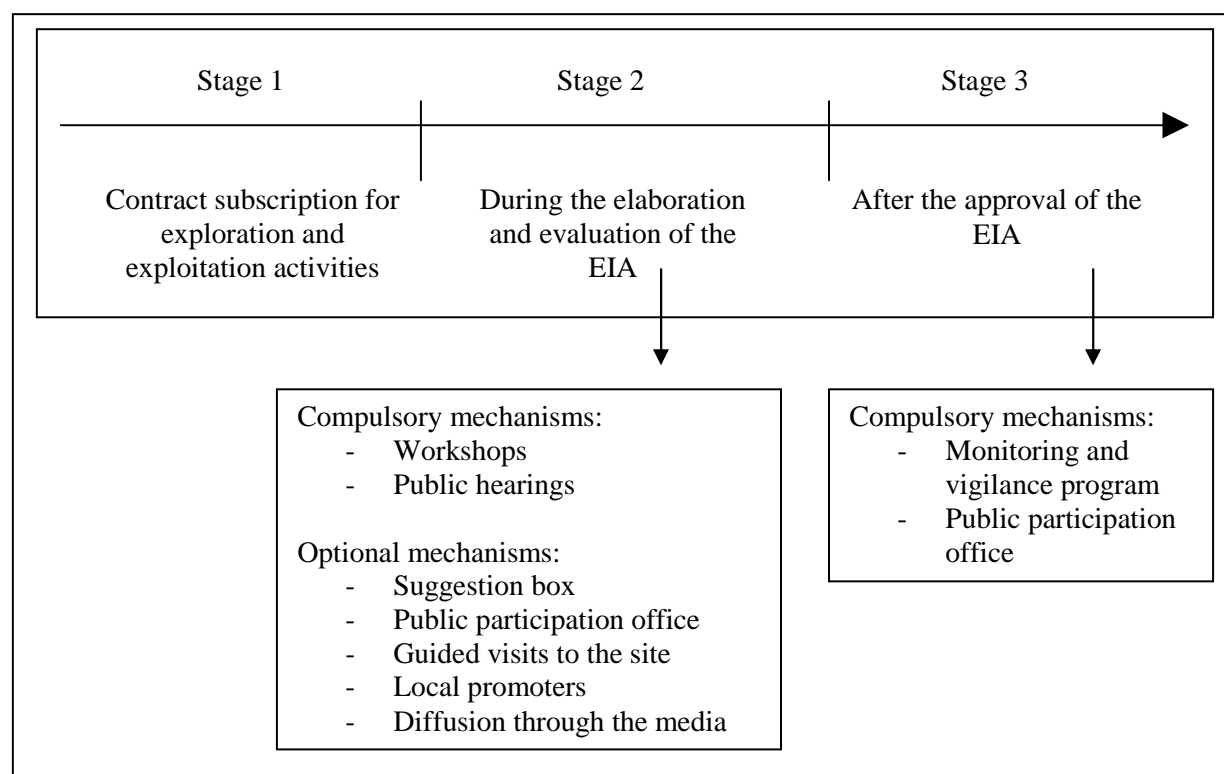
Source: Cárdenas

The public participation regulation divides the process in three stages, as can be seen in Figure 7. The first stage has to do with the subscription of contracts for exploration and exploitation activities. The second stage follows once a contract is arranged between the entering company and the state, and takes place during the elaboration and evaluation of the EIAs. The third stage comes after the EIA has been approved and continues during the life span of the project.

During the first stage all communications about negotiations with companies and delimitations of the concessions must be done by PERUPETRO S.A. Once a contract is signed, PERUPETRO S.A. has the obligation to meet with the local authorities, local organizations and the local population to introduce them to the company and collect any concerns or suggestions from them.

The second and third stages are defined by public participation plans. These plans delimit the methods and tools that will be used for a proper public participation process and must be designed and approved for stage 2 to begin. During the elaboration and evaluation of the EIAs, the mandatory processes are workshops and public hearings between the involved population and the company. There are several other mechanisms such as a suggestion box, the creation of an office for public participation and the designation of local promoters in the area, but these are not compulsory. On the third stage, the mechanism for participation is a monitoring and vigilance program that should take place throughout the life span of the project, as well as the installation of a public participation office where people can place their claims and concerns. The monitoring and vigilance program has to be included in the EIA and can be found in the community affairs plan. It should be put into practice together with the civil society but it must be financed by the company. There is an issue of trust involved in stages two and three as it is the company which is financing its own monitoring program, and the elaboration of the EIAs, so questions of reliability may surface.

In order to track the origins of possible conflicts, the regulations also establish that there needs to be a register of public participation by the DGAAE. This is required in order to follow up all the participation processes that take place because, according to Barrera (2008), several conflicts originate when the company does not carry out their side of the agreements.

4.5 Summary

The Pluspetrol project in Pisco co-exists with other stakeholders in a very complex reality. As I have described in this chapter, there are several activities concentrated around the Paracas Bay, in which Pluspetrol is one of many stakeholders. The Bay, as an area of interaction portrays a series of advantages for the development of these activities, which can find contradictions amongst each other. The conflicts concerning the area are present in any discussion around the Pluspetrol project, as they would be if any other project would try to install itself here. At the moment, there is a nitrate ammonium company trying to start working in the bay and it's having similar problems to the ones Pluspetrol had at the beginning. These are problems of an area which lacks regulatory controls and support mechanisms from higher government entities.

The importance of the Camisea project makes the presence of Pluspetrol in the Pisco region of high importance as it is a project constantly receiving national and international attention. As I have shown during the chapter, throughout the years that the project has co-existed in the area with all other activities, there have been different active stakeholders, some which still remain and some, as the NGO's which have disappeared. The artisanal fishermen are still part of the active stakeholders and can be considered to be a vulnerable group as they rely on natural resources for their daily living. As an uneducated population, they have not been able to develop their activities into sustainable ones. Fishing activities are facing problems because of overexploitation of the resources, and the fishermen are not always able to recognize that they are partly to blame. Because of the loading platform in the Bay and the movement of ships related to Pluspetrol's activities, the relationship between Pluspetrol and the fishermen is tense.

The earthquake which hit in 2007 had an effect on the image of the Pluspetrol project in Pisco. This event had a tremendous impact on the area as it showed the lack of capacity of the Peruvian state, on a community that was calling for support. Pluspetrol managed to use this in their favour and improve their relationship with the local population as it allowed the company to help them and therefore regain their trust. Local stakeholders were, after this, more involved in worrying about how to survive, than to fight with the company.

The state's presence can also be felt through the legislation regarding participation processes. The legislation in this sector is standardised so that it can be applied at a national level which causes problems when trying to implement at local level because it is not prepared to face particular situations. It is aimed at regulating extractive projects and places special emphasis

on the vulnerable population found in areas of oil and gas extraction and processing, but the Paracas Bay does not have the population described in the law. In addition, the activities done here by Pluspetrol take place in a private plot of land bought by the company, which differs to activities performed in community or state owned land.

In chapters 5 and 6 I will analyse the different institutions that influence the participatory process. First, in chapter 5, I will look at participation as a top-down activity, taking into account the formal institutions that frame this using as a base the Peruvian public participation legislation and how it is being applied. The outcomes left by these institutions leave gaps, as it is a standardised legislation. These gaps lead to the creation of informal institutions based on unregulated codes of behaviour, which I will be analysing in chapter 6. In the concluding chapter I will return to the idea of participatory development, in which I will discuss if this could be a case of empowerment.

Chapter 5: Formal institutions framing the participation process

In this chapter I will describe and analyse how the formal institutions existing around the concept of participation framed the particular participatory process of the Pluspetrol project. With this, I am aiming to answer part of my secondary research question: *What are the formal (and informal) institutions that shape the process of participation and the relationship between stakeholders?* I want to analyse the extent in which the creation of these official spaces (Cornwall, 2004) for participation facilitate or constrain the process.

Formal institutions are the set of pre-defined rules and regulations representing the top-down approaches created to guide a participatory process. For the case of Pluspetrol they are enforced by the Peruvian government as well as by the IDB, and as I will describe in the first section of this chapter, they are represented through the compulsory and optional participation mechanisms. I will describe what participation means to both of these entities, and how the Peruvian government has used the term 'consultation' throughout the modification of its legislation.

Because Pluspetrol has been in the area for several years, I will show how it has been using the mechanisms during its life span. Through these years, the legislation has been changing so each expansion project has adapted to the valid one at the time, although all of them have required similar conditions. It is under the last legislation (2008) that major changes have taken place, as it describes in accurate detail the procedures which must be followed.

I finish this chapter by questioning the level of inclusiveness of the Peruvian participation process. The implementation of laws regarding public participation should aim at protecting the rights and needs of the population living adjacent to a project, or affected by its activities. According to Guzmán-Barrón (2010), it should be aimed at achieving a real interaction between civil society and the State, involving citizens with what is happening in the country. This case shows how the legislation acts on an exclusive manner leaving several untreated gaps, leading towards the need of other arrangements which are found outside the official spaces.

5.1 Defining participation 'from above'

Participation, as understood by the Peruvian government, is defined in the guidelines of the participation process written by MINEM. It is defined as a "public, dynamic and flexible process that, through the application of several mechanisms, provides to the involved population adequate information regarding the undergoing or projected Hydrocarbon Activities; promotes dialogue and consensus construction; and gets to know and channel opinions, positions, points of view, observations or inputs regarding the activities in the decision making process made by the competent authority, in the administrative procedures it is responsible for" (MINEM 2008b).

This 'dynamic and flexible process' referred to in the Peruvian legislation, is structured under a set of pre-defined mechanisms. Of these, some are compulsory and have to be applied in every project, and some are optional, left to the company to decide if to use them or not. The compulsory mechanisms, workshops and public hearings, work under a fixed schedule and have time frames that have to be respected so that a project can continue with its programmed schedule. The optional ones include mechanisms such as a suggestion box, an information office, guided visits to the project's installations and information released by the local media.

The time frames set during the compulsory mechanisms can present as a problem to the participation process because every stakeholder manages time in a different way. According to one of my informants, "*there is a matter of 'times'; the concept of 'time' for the company is very different to that of the communities*" (Informant 3). A project adjusts its schedule to the requirements of the government, but the communities have a different concept of time, and usually take longer to discuss and work through a decision.

The definition of participation as a mechanism which "provides to the involved population adequate information…" (MINEM 2008b) also frames the concept into an informative process. It stays in the most basic level of participatory techniques, and although, as I will show later, there are some attempts for consultation, this is not regarded in the general understanding of the concept. Despite this, there is an attempt to move further on by talking about the promotion of dialogue and consensus construction. Considering that the type of participation taking place here is very basic, these aspects give the participatory process its biggest strength. By promoting dialogue, there is proof that an attempt is being made to create change.

Unfortunately, the Peruvian formal institutions regarding participation are not aimed at towards the empowerment of the marginalized. The laws clearly state that the information gathered is mainly to help the competent authority make their decisions regarding the project. The transformation process referred to in participatory development theory (Hickey and Mohan 2004a), even though it supports the idea that final decisions can't always be handled by local stakeholders and that power structures must be respected, emphasizes that these decisions need to be taken as a consensus among all participating stakeholders. In the Peruvian case, there are no signs of recognizing equality between stakeholders, and the government keeps presenting itself as a superior entity. Participation is merely a tool used to avoid social conflicts and help the authorities make decisions, hopefully including the population's suggestions.

The Bank's definition of participation is given as a broader concept; it has to do with citizens influencing a decision-making process via their authorities or directly, without replacing their power (IDB, 2004). It emphasises that each participatory process is country-specific and it's based on "the characteristics of a given segment of society or community and its particular needs and wants" (ibid, p. 6)

### 5.1.1 The evolution of the term 'Consultation'

According to the current legislation (DS-012-2008-EM), consultation is stated as "a form of public participation which aims to determine if the interests of the population living in the area of influence of a hydrocarbon project could be affected…" (MINEM, 2004). It emphasises that it is only applied to indigenous and tribal population, and does not regard groups outside the two already mentioned. The new consultation law and its new set of regulations (DS-001-2012-MC) go further into this topic, but I will not be discussing it here as it doesn't apply to this situation. Despite this, I am mentioning it because consultation is a central topic in the current legislation even though hydrocarbon activities also take place in areas where there are no indigenous or tribal groups.

The term 'consultation' has changed with the evolution of the legislation in the sector. The Pluspetrol project has undergone three EIAs, and has been based on three different participation laws. For the approval of the first EIA (2003), participatory mechanisms were based on the 2002 regulations. This regulation was called: "Consultation and public participation regulations in the approval procedure for EIAs in the energy and mines sector"

(RM-596-2002-EM-DM). For its mechanisms it incorporated three workshops as part of the 'previous consultation process', and defined consultation as a dialogue and information process about the activities, the legislation around them and the management of the possible impacts of the project. It also included getting to know the perceptions and concerns of the population. This process was achieved through guided meetings aimed at the local population and social organizations (MINEM, 2002). The first expansion of the project was done following the mechanisms written in the 2004 participation legislation (RM-535-2004-MEM-DM). The term 'consultation' disappears in this document. It is replaced by the term 'informative workshops'. The definition given to them is exactly the same given to 'consultation' in the 2002 legislation.

As can be seen, the term 'consultation' at first generalised for all, has been narrowed down to specific groups of the population. This has to do with the growing concern of extractive activities 'stepping-on' vulnerable and marginalized groups, together with the constant demand of local population to be able to have more mechanisms of participation. Figure 8 shows the way in which the 2008 legislation views participation: a two way process of information exchange between the investor and the population, while the government interacts with both of them from the top. According to this figure, it should lead to the best possible decisions.

Figure 8: Key concepts of 'Consultation'
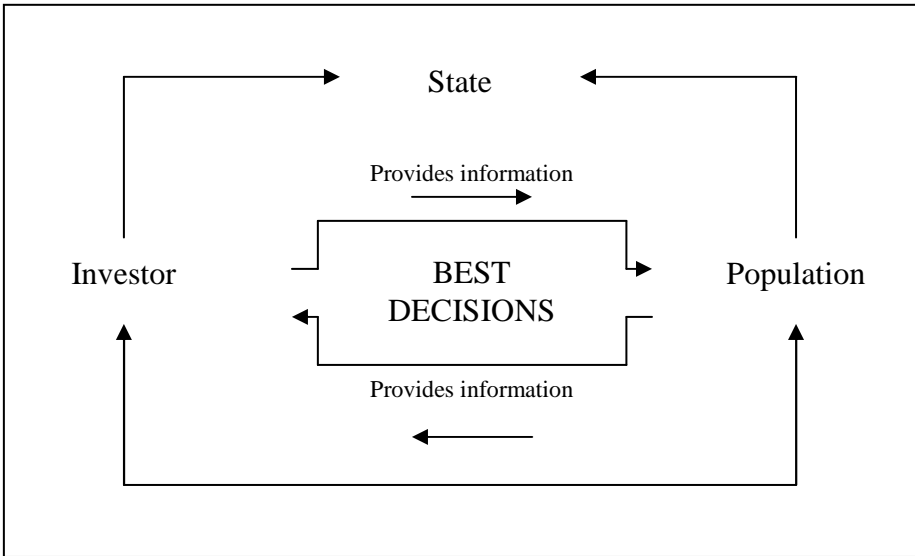
Source: MINEM 2009

The Bank also refers to consultation as an aspect of participation. It claims it "is the active soliciting of opinions, suggestions, criticism and recommendations from the public" in order to gather other views and enhance their decision-making process (IDB, 2004, p. 14). Taking the Peruvian legislation, I believe this last concept can be compared to what they call the "discussion and consensus construction". Again, their definitions, compared to the ones found in the local legislation, are broader, but end up framing the concept under similar terms.

5.2 Creating spaces for participation

The three EIAs which the Pluspetrol project has gone through during its life span have provided similar spaces for participation: the workshops and the public hearing. The changes that have taken place, especially in the 2008 legislation, have led towards a more specific set of instructions on how to perform in the spaces it has created; with this I mean that the process and guidelines of how to put it in practice have been described in a detailed form. The first two EIAs required three informative workshops and the public hearing as participation mechanisms. The EIA done for the last expansion in 2010 had to go through these same compulsory mechanisms, but the regulations also included optional ones. In addition to this, the legislation required that the project incorporated participatory mechanisms to be applied during the life span of the project. This, presented as a participatory monitoring program is a new aspect in the legislation that the Pluspetrol project is on the way of implementing. This program is included in the community affairs plan, which I will further discuss. All of these mechanisms need to be integrated under the Public Participation Plan at the initial phase of the project, in order to inform before starting what the designed plan is going to be like.

The implementation of the public participation regulations brings up the creation of what Cornwall (2004) refers to as 'invited spaces'. For her, these are spaces which were previously inexistent as the local population had limited or no opportunities at all to get involved with authorities. They not only provide the option of interacting with authorities, but also with other stakeholders, and all of them find themselves in these spaces representing their particular interests. Participatory mechanisms provide the spaces, and stakeholders are expected to participate as they represent the official space where information about the project's structure, the findings brought up during the elaboration of the EIA and the recollection of ideas or concerns that anyone might have, takes place. Being the workshops and the public hearings the only spaces where stakeholders can publicly express their opinions, they will miss all the formal opportunities to do so if they don't attend. If the

workshops and/or public hearings can't be completed the project's planned schedule will get delayed, so it may happen that the stakeholders which are participating may chose to sabotage it, giving them 'windows of power' under which they gain some control of the situation and use in their favour. The optional participation mechanisms also belong to the 'invited spaces' created for stakeholders to take part in. They also are part of the official spaces, and play a more silent role than the compulsory mechanisms as there is no immediate interaction between stakeholders.

"An adequate communication strategy can save time during the dialogue and agreement process for the entry of a company in a private territory. As many workers are originally from the area, good community practices led to improve the relationship with the company's personnel" (DGAAE 2001, p. 7).

The Pluspetrol project has used the compulsory and optional mechanisms, as I will describe in the following sections. This process, named as a 'consultation process' by all entities, was led by the consultant company ERM as part of the Social Impact Assessment in the area of influence of where the fractionation gas plant is now located.

5.2.1 Informative workshops

The informative workshops are supposed to provide stakeholders with spaces in which they can comment and ask questions about the ongoing process. For the case of this project, the workshops were guided by ERM, with the presence of Pluspetrol as well as government representatives. They took place in all the districts belonging to the area of influence of the project, and because is seemed necessary, they also took place in the capital cities of Lima and Ica.

According to the legislation, the first workshop has to take place before fieldwork starts for the EIA. Attendants receive information about the different project components and how fieldwork will take place, as well as the participation mechanisms. Topics such as hiring local hand labour are also discussed. Government representatives are also present because some of the questions may be addressed to them. The second workshop aims to inform the population about the progress and preliminary findings of the EIA. It takes places after fieldwork and the social and environmental base line findings are explained. This is done in order to gather feedback from the population to complement the results. The third workshop, also accompanied by government authorities, is used to inform the population about the possible

impacts the project might bring, the management plans that are being designed and the project's closure plan.

When the consultation process took place, between March 2002 and June 2003, more than 50 meetings happened between members of Pluspetrol, local authorities, local population, church representatives, NGO's, local and national press, fishermen, representatives from the Paracas National Reserve, among others (Camisea Project, 2002; ERM 2003). They took place in the cities of Pisco, Ica, and Lima and in the villages of San Andrés and Paracas. They covered a larger area than the one considered as the area of influence. Being a new project in the area, and located in a vulnerable place, as is the buffer zone of the Paracas National Reserve, the project received large levels of attention and was questioned by different institutions and groups of the civil society.

The EIAs for the two expansions (2007 and 2010) held workshops only in the area of influence (Pisco, Paracas and San Andrés). This processes took less time and involved less stakeholders than in 2002-2003 because the population was already familiarized with the situation and the expansions where taking place inside the project's original plot. The aim of these workshops was to inform the population of the expansion activities that were going to start developing in the area, as well as receiving inquires and inputs from them.

"*Consultation with the groups involved constitutes a double flow of information and dialogue, and is oriented to develop ideas that could contribute to improve the design of operations, solve conflicts in an initial stage, help develop practical solutions and guide ongoing activities*" (ERM 2003)

It is very important that the information presented during this workshops is understood by all the participants. For this, the people presenting have to make sure that the terminology used is easy to understand and not too technical.

The quality of the information (presented during the workshops) *is important – to what measure does the receptor feel informed? The informative workshops have the dangerous limitation that they can't tell how much information has the person has understood, and it's actually able to participate"*. (Informant 3)

5.2.2 The public hearing

The public hearing, as part as the compulsory mechanisms of participation, takes place once the EIA has been presented to the ministry. The government looks to include the population's worries, concerns and comments gathered during the hearing and include them into the observations it will present regarding the EIA. During 2002 and 2003, as part of the consultation process, 5 public hearings were held regarding the Pluspetrol project; three were led by the IDB and two by government authorities. They took place in the cities of Lima, Ica and Pisco and in the village of Paracas. The two expansions (2007 and 2010) had one public hearing each and they were both held in the city of Pisco.

The workshops and the public hearing are spaces where stakeholders can comment and present their worries, while the public hearing, led by the DGAAE, is the official space in which the entire project is presented. It should be a space where the population feels comfortable placing their concerns, because authorities should be there to protect their best interests. Unfortunately, this is not always the case. Representatives from the DGAAE select which inputs brought up by stakeholders will be turned into official observations to the EIA. What normally happens, and was the case with this project, is that the majority of their inputs don't receive an official answer.

"*Participation would be a reality if the observations would be taken into consideration, but they just say that they are being considered. There is not even an option to claim... you* (as the contractor) *have the right to tell me that you don't agree, but you need to say 'why'. The right for appealing must exist, but unfortunately in the Peruvian legislation, it doesn't. There isn't because there is a matter of time involved, timings for the companies are very different from the ones from the communities*". (Informant 3)

After the observations to the EIA are answered by the company and the document is approved, the population does not get the opportunity to appeal, and therefore, their attempt to place inputs on the project's development, gets frustrated. This mechanism is considered to be the closest there is to consultation, but as one of my informants asks: *What is the quality of consultation that happens in practice?* (Informant 3)

As pointed out in the legislation, "the mechanisms for Public Participation have as a goal the diffusion of information and the incorporation of observations and opinions, oriented to improve the decision-making process regarding the Environmental Studies" (MINEM 2008a). From my past experience while working in similar projects that included these participation

mechanisms, I have seen that they all work as guided processes in which the project's representatives are sitting at the front, together with government representatives and members of the consultant company. Although there are spaces during the process designed for questions and comments, in which every question should be answered inside a specific time frame, it is hard to call it an equal two-way process. This has never been the aim of these processes, but it would be an interesting approach if there was evidence of an attempt to move out of participation as information and into a more elaborate phase. Unfortunately power differences are present at all times.

5.2.3 The community affairs plan

As established in the public participation plan designed at the beginning of the project, the community affairs plan belongs to the strategies associated with participatory techniques; "*it is the hook mechanism between the company and the population*" (Informant 2). This plan describes participatory activities that need to take place during the life span of the project. Pluspetrol established its plan during the elaboration of the first EIA and has updated it during each one of its expansion projects. According to the DGAAE (2001, p. 32), "the objective of this plan is to regulate the relationship between the population and the companies and help manage the social problems that the sector is facing with communities located in its area of influence".

Included in the community affairs plan are communication and consultation plans, training for employees and contractors, temporal programs to hire local labour, programs related to environmental evaluations, among others. According to my informant from Pluspetrol, since the beginning of the project in 2002, the company aimed at having 30% of local hand labour working permanently. At present time, 52% of their personnel are hired from the neighbouring areas. As most of the work that goes on inside the project installations is very specific, the majority of available positions are in the maintenance area, and as the project's personnel required fluctuates around 100 workers, those are the only jobs that they can be offered.

Until 2008, as part of the community affairs plan, Pluspetrol put in practice a community monitoring program. Among the objectives of this program, Pluspetrol wanted to "build a support group of legitimate and ethically transparent opinion leaders that would certify to the population the implementation of monitoring mechanisms" and to "create a technical

committee which would give their opinion to certify the implementation of monitoring mechanisms to the population and stakeholders which required a validation at this level" (Pluspetrol, 2003, p. 4). All the population in the area of influence was invited to participate, but special emphasis was placed on the artisanal fishermen in the monitoring activities. Pluspetrol wanted to show them how information was collected and analysed. This initiative took place for almost two years but had to be cancelled because the fishermen started asking for monetary compensations. Their argument was that by participating in these activities, they were not able to go out fishing and therefore didn't receive any income for the day. Pluspetrol agreed to compensate for this activity but it backfired on them. The fishermen participating here were supposed to communicate back to their community about the actions that were taking place, but as they had become 'employees' of Pluspetrol, their community did not trust the information they were bringing back to them. This was a contradiction among themselves because "*it what the same members of the community the ones choosing the fishermen who were participating in the monitoring activities, and then they were invalidating them*" (Informant 2).

This program was run voluntarily by Pluspetrol. With the current legislation, a participatory monitory program is now required. To avoid falling into the complications brought by the previous one, Pluspetrol wants to involve other organizations to help develop the program. At the moment, it is on its way of being implemented. It's main interest is to train people from institutions such as the port authority, SERNANP (entity in charge of the Paracas National Reserve), the three local municipalities through their environmental commissions, and the students of the University of Ica, to be able to lead a monitoring program and to corroborate by themselves the results presented by Pluspetrol. Involving the artisanal fishermen now is not an option because Pluspetrol does not want to encounter the same problems it did with the previous monitoring program.

I consider this attempt of creating a participatory monitoring program to be a way of empowerment. The government claims that this program should complement the monitoring activities performed by the state (MINEM 2009), and therefore provide local stakeholders with the right means to challenge the information presented by Pluspetrol if they discover something is not working right. With the possibility of gathering the information by their own means, the population could have the tools needed to press concrete claims if a problem were to present itself. What usually happens with most of the claims that the company receives is that they come supported by rumours, and no real data is involved.

5.2.4 Optional mechanisms

According to my informant from Pluspetrol, every question or comment issued towards the project is answered within 30 days. "*We have a reception desk receiving any claim, application for donations … we receive all of them through this desk. We track all the local media, and any news about claims, we deal with them*" (Informant 2). Now that the project is on the production phase, this is one of the mechanisms that exist in which stakeholders can officially participate. Spaces provided by the optional mechanisms are open for everyone, and are not limited to the population found in the area of influence. Information from monitoring programs, the EIAs, and other technical reports are supposed to be posted in the company's web page. Unfortunately, the web page stopped being updated in 2006, but "*all the information is available in web page of the Peruvian government*" (Informant 2). While doing my research, I found most of the information I was looking for through the government's web pages, but it sometimes was hard to find.

Another active mechanism being used by Pluspetrol is guided visits around the project's installations. "*We invite thousands of students from the last years of school from Pisco, San Andrés and Paracas. We take them to the plant and explain how we deal with security issues, environmental issues, operations and what we are doing in social responsibility. We also invite universities and also from the municipalities if they ask for it*" (Informant 2). This tool is used by the company to promote their activities among the population, and try to avoid uninformed claims and problems.

5.3 Participation, an inclusive process?

According to Guzmán-Barrón (2010, p. 85), participation must be understood as a process that "incorporates people's opinions in the environmental and social management approval process related with a project". I find that the level of inclusion actually being performed by these mechanisms is questionable. From a simple perspective, it can be argued that the process openly invites everyone to participate and talks about equality of rights among all the participants. Among its principles, it also written that the application of the legislation is demandable on every person and authority in the country.

Unfortunately reality is different; the existence of a participatory law does not guarantee that a correct participatory process is taking place. Even if it is just at an informative level (the basic level of participation), if it does not take place properly, it won't work as intended to. By

properly I mean it needs to be a process which considers the limitations existing in the areas it is being applied in. It also needs to consider the power structures the actual process represents as I mentioned when referring to the public hearings. By having the authorities and project representatives in the front of an audience of local stakeholders, power differences are obvious and participants are not being treated as equals.

This law is not context-specific. It does not have mechanisms that reflect the particularities of each locality it is applied in. Peru is a country with a large variety of population groups, each with their own forms of organization and understanding of their situations, and the legislation does not manage to grasp this. From my point of view, the main example of this is the 'consultation' aspect. I find that by placing consultation as the central topic in participation legislation, it manages to exclude everyone who does not fall under the categories of indigenous or tribal organizations.

Another important aspect that helps enhance the understanding of these regulations as exclusive is the terminology used. Because the EIA is a technical report, it is understandable that the terms applied will not be easily grasped by everyone. Despite this there still needs to be a way of explaining to the local stakeholders what is taking place, and when presenting to them, use terms that they can understand. It is also important to have mechanisms which can prove their actual understanding of the presented situations and therefore have the capacity of performing an informed participation. What needs to happen is that the government should work on building up the capacities of the population, which unfortunately is not an immediate process, as it needs to be reflected in the education system.

The government has not managed to find a way of avoiding exclusion, their worries have been aimed at "setting rules and establishing mechanisms for delivering and receiving information, and it has not regulated how to incorporate and really take into consideration the opinion of the population during the whole process of the project (Guzmán-Barrón 2010, p. 87; my translation). The community feels abandoned, "… if they can see their opinion reflected in the elaboration of the project, it will consider that their interests are gathered and there could actually be a further level of participation; active participation" (ibid, p. 86; my translation)

Regarding this last aspect, there is one event that I find important to mention as it reflects some goals achieved by the population during the consultation process. In 2002, when the consultation process was starting, the population in the area were facing a new scenario. They had not dealt with these types of processes before and therefore were not fully prepared to

deal with negotiations and agreements. According to my informant from Pluspetrol, the population are now able to discuss topics that were out of their range before: "*with us, the people have learned, they know what an EIA is, what is a base line, pollution...*" (Informant 2). As I will discuss in the next chapter, on the eyes of the population, this issue was used against them. They claim that because they were unable to react in an informed manner, they were tricked into agreements that were not created in their benefit. "*The agreements were badly negotiated, we were not prepared*" (Informant 8).

As a positive outcome of the initial participatory process, the population managed to get their worries heard and the infrastructure of the project was changed from its original design, which included restructuring the EIA. They were against the installation of a dock carrying the pipelines because it would affect the transit of boats from San Andrés to Paracas, and the project design was changed to subsea pipelines. This was a "*large effort of consultation, which was not regulated at the time*" (Informant 4).

Although this example reflects willingness, in general, the formally created spaces of participation are not enough. Because the population feels left behind and excluded, they move onto other means that they consider more effective. The country has a large history of social conflicts which are reflected by protests and strikes which have led the population to believe that these are better means of getting their ideas heard. They also use the formal spaces in their favour. The workshops and the public hearing, where the power relations are obvious, can easily be turned around and sabotaged by the attendants. As mentioned before, by avoiding the realization of these events, the projects may enter stand-by phases until they can be carried out without setbacks.

The legislation faces problems because it has been created for a country with a very heterogeneous population. Under the different participatory mechanisms, it standardises the population and leaves many open gaps once it is applied locally. The existence of the national legislation should guarantee a successful participatory process and should it be followed correctly, facilitate the installation of projects in the national territory. Unfortunately this is not the case. These gaps found in the legislation, as well as deeper national problems lead to the creation of other spaces in which the stakeholders will find their way into for further interaction. As I will describe in the next chapter, Peru, as a developing country, still faces problems of inequality and injustice reflected in the everyday life of its population. The government is not able to handle them properly, thus leading to unattended sectors which in the area of influence of the Pluspetrol project can be seen in the sectors of education and

health. Pluspetrol has therefore needed to involve itself in these sectors with projects designed under the concept of 'social responsibility'.

5.4 Summary

The formal institutions shaping the participation process around the Pluspetrol project are the legislation and the mechanisms included in them. The compulsory mechanisms, as the workshops and the public hearing, as well as the compulsory ones which Pluspetrol has followed, have an instrumental use. The have been used as a tool to inform the population about the events regarding the project. They display very strict power relations and make the idea of participation as empowerment a very distant one. Although local stakeholders managed to influence a change in the project's design in 2002, the interactions taking place in these official spaces difficult the possibility of developing trust among all stakeholders. An attempt to gain trust is being done through the installation of the participatory monitoring program, but results are still to be seen.

The participatory process around the Pluspetrol project is a reflection of how exclusive this legislation can be. Having the fishermen as the vulnerable population, it should include formal mechanisms which pay special attention to them. By focusing on consultation, the legislation is acting on an exclusive manner, as they don't correspond to indigenous or tribal organizations. Other aspects such as the technical language used also enhance the levels of exclusion.

The presence of Pluspetrol in the area has not originated these problems; they come from a long history of government absence. The relationship, therefore between stakeholders is very fragile and easily breakable. Any kind of misunderstanding can lead to resentment and setbacks for the development of the project. Pluspetrol needs to have the trust of local stakeholders in order to work without setbacks. In order to gain it, other types of relationships need to be developed. I will describe them in the next chapter as the informal institutions.

Chapter 6: Social responsibility shaping informal institutions

In the previous chapter I looked at the process of participation through formal institutions and described how they have shaped the relationship between the stakeholders related to the Pluspetrol project. I finished the chapter explaining how the exclusive properties of the legislation, together with a long history of government absence in the area have led these stakeholders towards a different set of relations. In this chapter I will describe and analyse what are the outcomes of these relations, which can be found in what I denominate 'informal institutions'. For this I will be answering the second part of my sub research question: *What are the (formal and) informal institutions that shape the process of participation and the relationship between stakeholders?*

As mentioned in the analytical framework in chapter 2 and following Leach et al.'s (1999) description, I understand informal institutions to be 'unregulated' roles of conduct and codes of behaviour between stakeholders, which are "legitimized by social norms". These conducts can be found reflected in the agreements which occur among stakeholders, and that are aimed towards finding alternative solutions to the gaps left by the formal institutions.

I start this chapter by defining that the informal institutions have appeared for the case of Pluspetrol as a solution to the problems posed by the procedures of the formal institutions. The relations created among stakeholders, are expected and demanded by every party involved, and are shaped by the local situation. Pluspetrol has found itself working in an area with a population that not receives the necessary attention from the government and therefore finds itself using protests as a way of getting heard. The participatory process is influenced by the outcomes of the negotiations between local stakeholders. Along this chapter I have divided them in three groups: the socio-environmental agreements, the voluntary contributions by Pluspetrol and other projects framed under the name 'social responsibility'. They reflect unspoken code of behaviour which all stakeholders will take part in. I also include the importance of the 2007 earthquake in creating a new space for interaction among local stakeholders.

6.1 The local reality

The problems related to the formal institutions are found in their procedures. Because of the instrumental use given to the participatory mechanisms, they don't manage to deal with concrete local issues. The approval of Pluspetrol's EIAs during the different stages it went through should mean, according to the legislation, that the project should have been able to move forward and developed from there. This was not what happened, as the approval by the authorities does not mean that local stakeholders have given their 'permission'.

As all formal procedures have been dealt with in a successful manner and don't mention what should take place in order to gain the population's trust, other solutions need to be put in practice. Pluspetrol found itself dealing directly with local stakeholders and negotiating with them different subjects aiming towards agreements. These kinds of situations exist in every project of this type, so it is an expected behaviour from both parties: Pluspetrol and the local stakeholders. The path set up by these negotiations, and in the end, the agreements, are what shape the relations that exist among stakeholders. They take place outside the official spaces and condition the way the different groups work together and accept each other.

It is important to consider the local reality in the districts of Pisco, San Andrés and Paracas when understanding the relationship between all stakeholders. As 'one more stakeholder' in the Paracas Bay, Pluspetrol participates in the dynamics of a group that faces the lack of a strong entity to help monitor, control, and solve local situations. The lack of state presence in the area is reflected by the images in the streets (Figure 9) as well as in the comments of the population. Phrases like "*the state has abandoned us*" (Informant 10), "*we don't have the support of our authorities... there is very little presence, a strong disinterest, voluntary or involuntary, but there is...*" (Informant 9), represent the general feeling of the population.

Figure 9: Local pictures
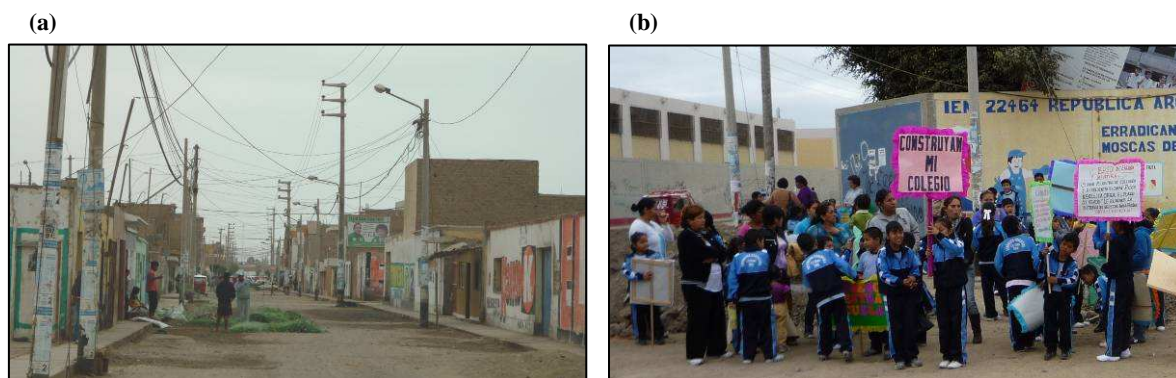
Author: ABoyco

Figure 9 reflects 'normal' situations taking place in the study area. Picture (a) shows an unpaved street in San Andrés with fishermen fixing their equipment on the sidewalk. As an example of the majority of streets in this village, they are found in bad conditions. As can be seen on the picture there are even wooden houses built as temporary dwellings after the earthquake, which are still there. Picture (b) shows a street manifestation in Pisco. These school children are holding up signs in front of a government building asking for the culmination of the building work that is being done to their school. They claim that the deadlines have expired and the children don't have a place to study. Both of them show the lack of presence of the government in the area.

The population has learnt through the years that a way of getting attention from bigger stakeholders is to protest. When there is something going on that they don't like, the group with the strongest voice can manage to get itself heard. The appearance of projects such as this one brings out these untreated topics because, in order to obtain the approval from the stakeholders, or the social license the project needs to start operating, the population will look to negotiate with the company for the development of projects, or monetary compensations.

Between 2002 and 2009 the Ombudsman's Office for Camisea Project (DPC – for its name in spanish) was in charge of mediating conflicts which appeared between stakeholders in the project. It was created as "an autonomous, independent and impartial organization designated to develop the functions of conflict prevention among people, organizations and entities linked to the development of the activities of the Camisea Project, and to mediate, conciliate or make easier the search of settlements in case of disagreements or conflicts related to the social and/or environmental aspects derived from the implementation and development of the Camisea Project" (DPC 2010). Projects as large as Camisea can't avoid the materialization of conflicts. As can be seen in Figure 10 the DPC elaborated a chart showing the different cases it managed in the coastal area. The information includes a wider area than the area of influence of the Pluspetrol project in Pisco.

Figure 10: Cases managed by the DPC in the coastal area
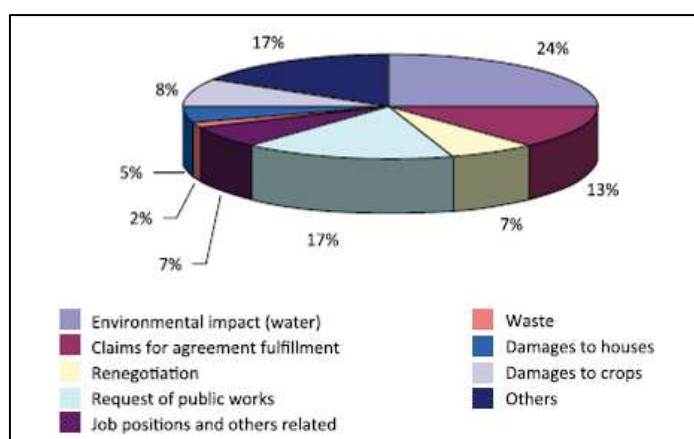
The pie chart shows that the majority of the conflicts (24%) were related to environmental impacts. The report points out that these were mostly related to contamination of water bodies. It shows also a large number of conflicts (17%) are related to public works, which refers to the implementation of schools and fishing infrastructure. 13% of the conflicts were related to claims for the fulfilment of agreement. These agreements are part of the outcomes of the relationship between Pluspetrol and local stakeholders; as a special case, I will present later on in this chapter a large existing conflict between Pluspetrol and the Municipality of Pisco.

An important reason to consider regarding the appearance of conflicts in this study area is the generalised lack of trust among the population. "*The common settler does not believe in its local authority, settlers don't believe in their leaders, it is a credibility chain that has to be changed*" (Informant 10). As I have previously stated, an important aim of participatory mechanisms for the Peruvian government is to avoid social conflicts. Because they are aware that their own mechanisms are not enough to deal with these issues, they request companies like Pluspetrol to look for alternative methods.

6.2 Socio-environmental agreements

With the objective of compensating the population for any possible social or environmental impact that could take place, the government asked Pluspetrol to sign eight socio-economic agreements. As a reflection of the problems brought by the participation mechanisms, this was a precondition for the approval of the EIA in 2003. The organizations involved in this

agreement are: the three local municipalities (Pisco, San Andrés and Paracas), the school organization for the province of Pisco, the entity in charge of managing the Paracas National Reserve, two fishermen associations in San Andrés, and grouped under the same agreement, five other fishermen associations in Pisco. The fishermen associations selected for these agreements were the only ones properly organized and with all their documents up to date. Other groups were left behind because of their own disorganization or their disbelief in the situation (Informant 2). These agreements consist in giving a specific sum of money to each of the entities, distributed through the project's life span. Each institution has its own set of regulations that frame the agreement, but for example the fishermen associations need to present to the company proper development projects in which they will use the funds so that they can receive the money.

The priority projects for the municipalities have been the improvement of water and sewage pipes. They have also used the money to purchase heavy equipment such as loaders, improve classrooms in local schools and implement their services with the purchase of garbage trucks, as can be seen in Figure 11 (Informants 17 & 23).

Figure 11: Garbage truck in the San Andrés District

Author: ABoyco

One of the main conflicts that the DPC (2010) had to deal with was between the Municipality of Pisco and Pluspetrol. As Pisco is the capital of the region, approval for the installation of the plant should have come from them. Because they were opposed to the project, a special decree was created which gave the Municipality of Paracas the entitlement to approve the

installation of the project in the area, as it was going to be located in this district. The conflict between these stakeholders initiated because the mayor's team could not form a joint decision. This presented a problem because they could not give their opinion as a united entity.

The Municipality of Pisco was not happy with the socio-environmental agreement it had signed with Pluspetrol. It claimed that it was not enough money to deal with the different issues they had to address and once the money was being handed out, they blamed Pluspetrol for not following the agreement's regulations. Pluspetrol claims that, although there were some rules that were not being followed on their part, the Municipality had also part of the blame. When the first expansion project started, the Municipality demanded that another compensation agreement should be issued. This claim was rejected both by Pluspetrol and MINEM, as both parties claimed that changes were not going to be done outside the project's perimeter.

With the Paracas National Reserve, the agreement said that the money had to be used in the protection of the area. The contract said that the money dispatched in the first four years was aimed entirely at executing projects and programs in the area, while the money that came on the next years was going to be divided: a percentage of it for this same objective, while the rest of the money was going to go to a fiduciary fund, and the Reserve was going to live from the interests it generated. "*By 2010, we did not have any money because 'Plus' had a very conservative investment policy and I think the fund had only produced 5 thousand dollars. So for 2010 and 2011 we had to get another fund from an international cooperation and with that money we are living now*" (Informant 15).

With the fishermen there have also been problems. The people interviewed claim that the money is not enough and complain that it has not led to the development of the artisanal fishermen:

"*It had* (the agreement) *some items saying that it was for the sustainable development of the fishermen, something that has not been fulfilled up to now. It has not covered the expectations. It has not been beneficial for us as residents or fishermen*" (Informant 10)

"*We have not invested the money from the agreement, they demand us that they have to be sustainable projects, and with the money they have given us, it's not enough*" (Informant 9)

"*Plus doesn't do anything by its own will, they put too many obstacles to use the money from the agreement*" (Informant 19)

Pluspetrol claims the money provided by them should only be assumed as "*seed capital, and not for giant projects*" (Informant 2), and that the base of the problems lies in the lack of organizing capacity of the fishermen. "*The agreements are going to be applied while the people are interested, they have to propose it, they remember these topics when they are not busy on something else*", "*a lot of times, when they are dedicated to fishing, they forget about the agreements and they don't use the funds*" (Informant 2). They claim that this initiative has not worked properly amongst the fishermen organizations because, not only they forget about it, but the fishermen don't have necessarily the knowledge to develop sustainable projects and need assistance from third parties to create them. They assume Pluspetrol should be the entity guiding them in these topics, but according to my informant, "*we* (Pluspetrol)*, are not a specialized entity that can help them manage these funds*" (Informant 2).

As an outcome of signing the agreements, the fishermen claim that the population has been divided. Fishermen in the region are organized under unions and associations which group together large groups of the community. Money, through these compensation agreements, was issued towards these large organizations, but as the money is being used for specific projects, or not used at all, individual members don't manage to benefit from it. To avoid this in the future, thinking that Pluspetrol will issue more money, they have started to divide into smaller associations, and therefore, causing the separation of old organizations and creating ruptures in the fishermen community. "*Because of the agreements several associations are created and the people are divided, leadership is lost and they don't organize themselves any more*" (Informant 19).

The parties involved are not happy with the outcomes, meaning that changes have to occur for the remaining years. But, who should be in charge of these changes? The money is aimed at fixing local situations which have existed previous to the entrance of Pluspetrol into the area. Taking the municipalities as an example, they should be fully supported by the national government. The money provided by the agreements, is a replacement of the support it should be getting by this national entity. The same issue can be related to the education system and the Reserve. As part of SINANPE, the Reserve should be getting funds to operate from this entity, which again is being replaced by money coming from Pluspetrol.

The fishermen don't have an official relationship with national authorities as the other groups do. For them, the authority's role towards them has to do with issues of monitoring them, creating training programs and support. Through institutions such as the National Fund for Fishery Development, the government develops joint programs to help the sector. The

relationship created between the fishermen and Pluspetrol is influenced by the fact that the fishermen are trying to 'gain something' from the company. They claim that the agreements "*have not covered the expectations*" (Informant 10) and look at Pluspetrol to solve their problems. For a correct development of the agreements, the government has to take part. The fishermen are not capable of organizing themselves and need help from third parties. They are expecting Pluspetrol to take this role, which is not theirs to take.

6.3 The Earthquake

By May 2007, the EIA for the first expansion had been approved and the population was not pleased; Pluspetrol had not done any changes to the compensation agreements and the money they were already receiving. The population claimed that for this expansion they deserved different compensations, to what the company argued that this was not an option because there were no changes being made outside the project's perimeter. The population was going to rise in strike when the events of August, changed the panorama.

"*The earthquake helped to calm down things with Plus; before the earthquake the people were angry because Plus expanded and did not give more money, they did not want to compensate like with the original project*" (Informant 9)

The earthquake that hit Pisco in 2007 changed the perspectives in the region. Priorities now were not to rise against Pluspetrol, but about how to survive the disaster.

"*The company was saved by the earthquake, the image of what could happen in the area changed completely, people were more concerned with their life*" (Informant 3)

Fortunately for Pluspetrol, their installations did not suffer any damage so they could concentrate aid projects at the population. This backfired against all the claims posed about the insecurities that the project could bring, and gave the company a safe ground to stand on, at least for some time. It gave Pluspetrol the advantage of regaining their social license with the population by distributing help among the victims. As an immediate response they adapted lodging facilities for the workers who lost their houses as well as arranged to feed the local children in their dinners. They also managed to get food, water and medicines by air transport into the area.

Pluspetrol's actions after the earthquake were expected, as they are 'the rich neighbour' in the area. Despite this, people find motives to criticize it: "*After the earthquake they showed up*

and offered help, the people were ok, but it was something small, and then it started decaying and at the end, it was dropped" (Informant 18). The earthquake put into evidence the level of abandonment of the area, and the need to rely on third parties because the government can't respond in the way it's supposed to. Events like this also reflect the level of dependency that the local population have on large projects such as Camisea. Not only was the government's response capacity proven to be very slow, having been over four years of the disaster and the reconstruction is still at its initial stages, but it showed that their involvement in the area before the tremor had not been very strong. The lack of proper materials used for buildings and houses proves this.

This event generated a new, unpredicted, unofficial space. It allowed for a different type of interaction between local stakeholders and Pluspetrol. Through aid programs, Pluspetrol showed the population that they were willing to help without it needed to be requested either by the authorities, or by the local population. It was performed as their initiative and control entirely by them.

The earthquake happened at a similar time that a new fund was being negotiated. During the government of the ex president Alan Garcia (2006-2011), there was a request towards all extractive companies saying that besides the taxes that were already being paid, they should designate a 'social contribution' to help improve the areas they were working on. The Camisea consortium assigned for the coastal area, a contribution of 75 million Peruvian soles that has been used almost entirely for the reconstruction of the area. "*It is practically gone; we have given it to different institutions as municipalities... As it was the time of the earthquake, the majority of the funds have gone into heavy machinery, modules, for the reconstruction...*" (Informant 2).

According to the DPC with the negotiations of this 'social contribution' came new conflicts with the Municipality of Pisco. Even though the fund came as a direct request from the government to all extractive industries, the DPC's report says that some local leaders "took it as a product of a 'social struggle and mobilizations that forced' the company into letting go of the fund as a social contribution" (DPC 2010, p. 138). The municipality never agreed into signing papers for this because they did not like the idea that the funds were distributed around several stakeholders, and not just handed to them. Unfortunately, with the earthquake, these conflicts got hidden away but were never solved and the DPC fears that they could rise again under other circumstances.

6.4 The need for social responsibility

When the voluntary contribution was being designed and approved, Pluspetrol decided that a different fund was going to be designated to the fishermen. Because of the lack of success of the compensation agreements with this group, the fund was going to be designated to all the artisanal fishermen, and not to specific organizations. The fishermen claim that this fund came as compensation for the first expansion of 2007 for which Pluspetrol had at first refused to give them anything. This conflict has also been registered in the report made at the closure of the DPC (2010). "*They committed themselves to compensate us, despite that they were saying that this was already part of the project and that this did not correspond to us. With this comes the voluntary contribution, 2 million dollars, which we haven't seen. It remained a promise*" (Informant 9).

Pluspetrol claims that they "*don't know how to handle this because as the compensation agreements with the fishermen didn't work as planned...*" (Informant 2), controversies around agreements still exist. This money, given by Pluspetrol as a contingency plan for any possible disaster, brings disagreements between the stakeholders and the company. "*This kind of good will from the state that we should help the population has not been effective. They don't have the capacity to do something, even though they say they are tired of training programs, that what they want is investment*" (Informant 2).

It is not only the socio-environmental agreements that are conditioning the relationship between stakeholders in the area. As a regular pattern for extractive projects, they tend to take place in poorly developed areas. The situations that these areas face condition their relation with the company that wants to work there; and the districts of Pisco, San Andrés and Paracas are not an exception. With a large number of unattended needs, Pluspetrol can't perform its operations in the area without noticing these events. Under the program of 'social development' or 'social responsibility', the Camisea consortium has a fund designated to help areas of extreme poverty belonging to the area of influence of the Project. Each of the companies that belong to the Consortium has designated a specific sum for the development of projects in which the department of Ica, where the Pluspetrol project is located, has the most assigned resources (MINEM, 2011).

These projects are created under the following topics: nutrition for children under 5 and pregnant women, support in the education and health systems, development and strengthening capacities in public management, promoting chains of production, basic infrastructure (energy, water, roads), and others. In the area of influence of this case study, projects have

taken place mostly in the education sector. The improvement of infrastructure, donation of school equipment, training programs for school staff and scholarships for higher education have been among the main projects in this sector. The health sector is also a priority and projects have been designated into improving the main hospital in Pisco, as well as programs related to basic health issues. This has been aimed towards people in extreme poverty as they are the ones who don't use the public health system because they can't afford even the basic costs (Informant 2). For the municipalities, money has been aimed towards improving or creating management plans related to waste disposal, recovery of the public beach area, and implementing these entities with equipment such as motorbikes. Other programs have to do with improving fire fighter's equipment or supporting the artisanal fishermen by providing equipment such as boats or other fishing materials.

I see social responsibility as a double game that the company has to play in order to work peacefully. First of all, Pluspetrol can't operate in the area without being aware of the ongoing situation. It can't turn its back towards a population struggling with important issues such as health or education. In order to keep an image of 'good neighbour' it needs to involve itself with the community, which in this case implies helping them with projects that will be useful to them. Unfortunately, there are several sectors that lack attention from the government, and that requires help, so Pluspetrol finds itself dealing with requests from numerous groups.

The other side of the game has to do with manipulation. Stakeholders press claims in order to try and gain something from the company. Pluspetrol's inland installations are located on private land in the middle of the desert; they don't have any conflicts with other stakeholders; offshore activities do have conflicts with fishing activities because both are using similar areas. Some of the claims against the company have to do with the entrance of cargo ships to the loading platform in the bay, with issues such as the disturbance of the seafloor and the disposal of ballast water. But the cargo ships that enter the bay are not only there to export the gas; there are other activities that also work with cargo ships there. The loading platform receives between 11 or 12 cargo ships per month in average, but the more than "30 boats" (Informant 19) that the fishermen claim to be entering the bay have to do with activities related to the San Martin port and to the distribution of petrol into Pisco, because from this area petrol is distributed to the south of the country.

Claims towards the company also have to do with the disappearance of hydrobiological resources in the bay. There has always been a lack of planning in the sector, bad management of the resources, and overexploitation and illegal fishing techniques (CDSP, 2004). The

community of fishermen blame Pluspetrol on having caused this, but the truth is that they are they have part of the blame and they "*will never recognize that they are part of the problem*" (Informant 15). Artisanal fishing activities are to blame because of overexploitation of the resource. There are an increasing number of people dedicated to the activity because of problems of unemployment in other sectors, migration patterns into the area and lack of control by authorities (CDSP, 2004). Regarding this information, Pluspetrol could easily decide that it is not their responsibility to compensate or interact with the different stakeholders and only dedicate themselves to their activities.

Pluspetrol can't afford to take this measure because it needs the acceptance of the population in order to start operations. As I have shown in the previous chapter, it is not that the population has a final decision, but the formal mechanisms in participation request that for the process to move forward, the population has to be informed and has to agree to the installation. As mentioned before, the real aim of the Peruvian participation mechanism is to avoid social conflicts and earn the social license from the population. This social license is what allows Pluspetrol to operate without setbacks. Here is where the informal institutions appear because the population starts conditioning the installation of the project with the fulfilment of their needs. If Pluspetrol did not agree to the socio-environmental agreements, the social contribution, or to organize other funds for development projects, the population never would have allowed the installation of the plant. This is what Cornwall (2004) refers to as the unstable boundaries of participation. The outcomes of the formal institutions are conditioned by the negotiations and agreements which are taking place in the informal spaces.

Social responsibility strategies are not legislated in Peru, but every company which works in underdeveloped areas of the country is expected, by every stakeholder including the government, to implement these policies. The money invested in these projects is a fund different from the taxes that are already being paid. The Camisea project is paying two set of taxes dedicated to social development. The first one, called 'Canon', is a tax imposed to all extractive activities. This tax money is distributed in the areas where the resource is found, and it is taken from the State's income from gas extraction projects (MEF 2012a). The second one, called FOCAM (Socioeconomic development fund for Camisea), distributes funds to all the districts through which the Camisea project passes through, including the area of Pisco. This was a law created especially for the Camisea project in order to distribute the royalties coming from the extractive blocks, after having paid the Canon and other deductions (MEF 2012b).

The Canon and FOCAM take place in official spaces, as they are part of the formal institutions that are applied in this project. The Canon, as it is applied to all extractive projects, must be considered as an already existing space prior to the installation of the Camisea project, in which all activities in this sector take part. The FOCAM is different. Despite it being a formal institution, it was not a space which existed prior to the project, as it was especially created for it. As I described in the analytical framework, this is an example of how an outcome of the informal institutions becomes formalized. This represents what Cornwall (2004) refers to as the unstable boundaries of participation.

Both institutions exist to ensure that money from the project is invested into the areas it is impacting. The existence of the informal institutions which I have mentioned up to now: compensation agreements, social contribution fund, and social development funds, show once again how it is not only the formal institutions for participation which present problems, but also the ones dealing with local and national development issues. Pluspetrol not only has to face these issues, but it must face a complicated set of stakeholders that seek to grasp onto every opportunity that appears: "*Plus does not have a good image with the citizens, it is not because they did not do a good job, but because what they have outsider is a very complicated scenario*" (Informant 22).

6.5 Summary

The informal institutions in the case of the Pluspetrol project in Pisco are the unspoken codes of behaviour that all stakeholders expect will take place when a project of this kind starts operating in an underdeveloped area. This is strongly influenced by the local conditions, and in the case of the districts of Pisco, San Andrés and Paracas, it has to do with the lack of presence of the Peruvian government. Formal institutions call the population to participate, and have as an aim to avoid social conflicts around extractive projects, although they don't manage to deal with the problems which originate them and therefore leave untreated topics which cause these conflicts to develop even further.

Pluspetrol finds itself conditioned by its relationship with local stakeholders as it requires their approval in order to work without setbacks. An unhappy population can lead to strikes and conflicts which could harm their activities. On the other hand, Pluspetrol can't work in the area without noticing the problems that take place and not help. It is constantly being asked for help from different sectors and therefore has signed, during the different stages of

the project different agreements: the socio-environmental agreements, the voluntary contributions and other projects framed under the name 'social responsibility'.

These agreements have not only come from a request by the population and their own knowledge of the local situation, but also as a request of the government which is aware of its lack of presence in the area and looks for alternatives solutions. These different spaces for interaction which are created around the agreements are the ones which condition the relationship among the stakeholders and are the ones who determine the levels of trust that can be reached among them.

The implementation of the agreements as an outcome of the informal institutions does not present itself as a solution to the social problems. Even though they are used for dealing with local issues, there will always be groups that are not attended by them, and therefore maintain their resentment. Conflicts are unavoidable and once stakeholders see that by putting pressure on Pluspetrol or the government they can gain something, they will always continue for more.

Chapter 7: Conclusions

In this final chapter I will present a summary of my work. In the first section I will go back to my theoretical framework and methodology which guided my ideas towards the analytical framework I designed. In the next sections I will answer my three sub research questions. Two of them were developed in chapters 4, 5 and 6, and it is in this last chapter that I will present my approach to the third one. As a way of concluding I will go back to the concept of the geography of participation, as this has been the idea behind my work.

7.1 Step 1: Theoretical framework and methodology

As a reaction to the meta-narratives which have been shaping the development discourse, the alternative approach brought the topic of participatory development into light. Along chapter 2 I have described how under the idea of empowering the marginalized (Hickey and Mohan 2004a), participatory development looks at social transformation which should challenge top-down approaches and bring some change based on local experiences. As such it has been included in national and international policies, as well as in popular discourses. Stakeholders want to participate; they want to be able to take part of decision-making processes which involve situations to which they are related to.

Once put into practice, critiques to the participatory process have appeared as it is not achieving the transformation it was designed to create, but is being used as an instrument or a tool to inform the population about the events taking place. While Cooke and Kothari (2001) call it tyrannical as it is not confronting existing ways of development, authors like Gianella (2011) emphasize the instrumental use as a necessary step towards having participation as empowerment. Participation as an instrument belongs to the concept of representative democracy where elected representatives of society will choose when to use the information gathered during participation processes.

Participatory development, if applied as a method of empowerment or as an instrument needs to surpass different challenges. Among them is the need to have an educated population which can make informed decisions and understand the terms being discussed. There is also the need to understand stakeholders as a heterogeneous group with different opinions and with the option of not wanting to take part in a participatory process. Besides these challenges, it is

important to challenge power relations, as all stakeholders should be able to participate as equals. Although final decisions are still made by higher entities, stakeholders must be able to feel that their inputs are taken into consideration with the same level of importance as the ones posed by authorities.

As part of the theoretical framework I introduce Cornwall's (2004) understanding of spaces for participation. I present this topic by introducing the concept of space as a social construction, and therefore understand spaces for participation as new spaces where people can now take part. The author refers to them as 'invited spaces' where heterogeneous groups of stakeholders gather to express their particular interests, and makes a distinction between official and unofficial spaces. I understand the official spaces to be were the formal institutions put their procedures in practice, while the unofficial spaces are where the informal institutions take part. These spaces have permeable boundaries allowing an exchange of situations between them.

It is from this understanding of spaces that I have designed my analytical framework. This framework centres on the concept of institutions which I defined using Leach et al.'s (1999) ideas. The authors describe institutions as being patterns of behaviour which result as outcomes from rules that are being used. I have considered formal institutions to be pre-defined rules and regulations which take place in official spaces and are imposed by an external agent. On the other hand, informal institutions are the 'unregulated' codes of behaviour which are accepted by social norms and are imposed by internal agents, taking place in the unofficial spaces.

During the third chapter I have written about the methodology applied for developing this thesis. With the use of qualitative methods I managed to collect the necessary information to understand the relationship among the stakeholders existing around the Pluspetrol project. Although the use of case studies can be criticized because of the possibility of falling into generalization, I have chosen to work with one as it has allowed me to frame my research into a specific time and place boundaries. As an active conflict, the information I found has been useful into developing the outcomes of the participation theory in a local case.

I have described how from an initial document revision on the Pluspetrol case, I managed to grasp the importance of the formal institutions in the area which motivated me to look further into it. It was once in the field through the semi-structured interviews with a variety of stakeholders that I discovered the important effect that the informal institutions were having on local relationships. After meetings with key informants, via the snowball method I

managed to contact other stakeholders which provided important inputs about the case. For the analysis I divided all the gathered information, from interviews and document revision, by the different topics mentioned by the stakeholders. This allowed me to develop the analysis regarding the particular formal and informal institutions that frame the case.

I finalize this chapter talking about the reliability of my research. I discuss how the research may present some of my personal biases, although I have tried to avoid them. I have also intended to separate personal opinions from the messages portrayed in the interviews and I have aimed at avoiding any possible misunderstanding or misinterpretation with the information gathered.

7.2 The context

By introducing the context in which the case study is developing I am setting the scene which characterizes how the formal and informal institutions frame the participatory process around the Pluspetrol project. It is in chapter 4 that I answer my first sub research question: *What characterises the context of the Pluspetrol Project in Pisco?*

As one more actor in the Paracas Bay, the Pluspetrol Project in Pisco belongs to a group of stakeholders which interact in a special environment. As an important component of the Camisea Project, the Pluspetrol Project is considered by many stakeholders as the 'rich neighbour' and therefore expects benefits from it. Due of the lack of presence of the Peruvian government, the districts of Pisco, San Andrés and Paracas, which are considered to be the area of influence of the project, live with several unattended needs, especially in the sectors of health and education. Local stakeholders and the government, therefore place requests to Pluspetrol to solve these issues.

As the most vulnerable group in the area, the artisanal fishermen community needs special attention. As they need resources from the ocean for their day to day life, they have caused several problems regarding the development of the project. As Pluspetrol's project has off-shore as well as on-shore installations, this group feels that their activities are being threatened by the presence of the platform and the traffic of ships in the area. The conflicts centre on issues like contamination and lower number of species, and won't admit, as several informants have pointed out, that they as a group have part of the blame, as they have been performing their activities without any control.

The different stakeholders are interacting around the Paracas Bay, which has grouped them all together because of the benefits it provides to the different activities. The calmness and richness of its waters has grouped not only different human activities, but also a large diversity of flora and fauna related to the marine environment which have led to the creation of the Paracas National Reserve. The Pluspetrol project, as well as other industries, is located in the buffer zone of the Reserve.

The earthquake which took place in August 2007 is an important event in the history of the area. It revealed the level of abandonment that the region suffers from by the government. After more than four years, and despite the different funds which have been designated to help, the area has still not managed to recover from the disaster. Pluspetrol managed to use the events after the disaster in their favour as they provided aid to the population and managed to re-gain their trust.

7.3 Institutions and stakeholders

Based on the analytical framework presented in the second chapter, I arranged chapters 5 and 6 to illustrate the case along the concepts of formal and informal institutions. In this section I present in a summarized form, my answer to my second sub research question: *What are the formal and informal institutions that shape the process of participation and the relationship between stakeholders?*

The Peruvian public participation legislation designed for hydrocarbon projects belong to the pre-defined rules which give shape to the formal institutions for the case of the Pluspetrol project. They are enforced by government entities and present mechanisms that need to be followed in order to get the project approved. They shape the participation process with the different negotiations and agreements that they introduce. The workshops and public hearings during the elaboration of the EIA of the project have been important in defining the way the relationship around stakeholders has been shaped.

Because of how these events were designed, they reflected the leading role of the authorities and project representatives while local stakeholders were only part of an audience who was invited to listen to what had to be told about the Project. This is an example of what Kothari (2001) criticizes about PRA methodologies: how spaces for participation are pre-defined and the processes take place as performances in which every stakeholder has a role it know it has to carry out. With this type of setup all stakeholders knew that they were participating in a

situation in which they wouldn't be able to discuss topics as equals, they were attending to inform and be informed. Power differences regarding these mechanisms are well established.

The third mechanism applied by the formal institutions, the monitoring program, has some of the aspects called for by the theory of participatory development. By teaching local stakeholders on how to monitor the effects of the project in the Bay, it is empowering them. Although this program has not been fully develop yet, it has started training different stakeholders but it still finds challenged with some of them. Pluspetrol says it won't include local fishermen in the monitoring program as they presented a problem with the one developed at the start of the project, but they should be able to find a way to make them participate. If Pluspetrol goes ahead with their designed plans for the program, they will be falling into the patterns already set up by the legislation: to exclude this vulnerable group.

Local conditions, local stakeholders and assumed behaviours are what have triggered the appearance of the informal institutions around the Pluspetrol project. As happens with all extractive projects in the country, Pluspetrol knew before installing itself in the Paracas Bay about the scenario it was going to encounter. For the local stakeholders, also based on previous examples in the country, the entrance of this type of projects is a window of opportunity for gaining something from the situation. The DPC's final report on the situation in the coastal area of the Camisea Project presented a number of conflicts which represents the situation to which Pluspetrol had to live with. The company found resistance from different stakeholders when the preliminary studies started, but as soon as the project begun to develop, the situation changed. Some stakeholders started to quite down and support the project when they saw that there was monetary or other type of compensation on the way.

As an outcome of the negotiations which existed among stakeholders, the government requested for the creation of the socio-economic agreements. This request can't be found in any legislation, but the request came as a pre-condition for the approval of the EIA in 2003. Further negotiations had as a product the voluntary contribution, also requested by the government. This contribution came around the time of the earthquake, which meant that the majority of the funds were distributed towards aid programs. New relations were created after the earthquake because by supporting the population via different aid programs, the re-gained the trust from some local stakeholders.

As part of the expectations that exist among stakeholders are the programs of social responsibility. Pluspetrol has developed several projects by directing funds to support programs in sectors such as health and education. The initiative for these kinds of projects

exists because the company can't close its eyes to the local situation. Because of lack of government presence in the area, Pluspetrol has found itself among a set of stakeholders with several unattended needs. On the other hand, by having unmanaged conflicts with local stakeholders it would be impossible for the project to develop. It therefore has to find a balance into keeping its position as 'one more stakeholder in the Bay' and taking part in negotiations that will allow their presence in the area.

It is not possible to say that the formal and informal institutions exist separated from each other; the boundaries of participation are unstable (Cornwall 2004). The conditions under which the outcomes of the informal institutions present themselves will influence the situation under which the instruments of the formal ones take place. An example of this was the governments request to the creation of the socio-economic agreements.

When referring to these unstable boundaries, although there is a clear difference to what corresponds to formal and to informal institutions, this does not mean that they can't move around. The FOCAM created as a fund especially for the Camisea Project was developed based on the local reality which the project encountered along all its installations. In order to organize how the situation was going to be handled, the government created the fund together with a law which supported it. It therefore moved on from being part of local relationships between stakeholders, to a regularized mechanism and became part of the formal institutions.

Despite the fact that several of these monetary agreements exist as a request from the government, they are shaped by the local situation, and therefore enforced by internal agents. The patterns of behaviour which exist among stakeholders regarding the Pluspetrol project are framed by the local situation. With a lack of government presence, the population looks at Pluspetrol as a source for support when dealing with day to day situations. Although formal institutions don't manage to deal with the gaps left by government policies, they do influence the way relations are established between stakeholders. It is not possible to say that it either the formal or the informal institutions the ones who define the way they go, but it's a combination of both which has determined the path the Pluspetrol project is following.

7.4 Moving beyond the case

Working with case studies can be a problem to research projects because of the probability of falling into generalization (Yin, 2003). Case studies can't be used to represent larger realities, but it can be used in an informative way towards broader discussions. It is in this section that I

aim to answer my third sub research question: *How can the Pluspetrol Project in Pisco inform the national legislation regulating projects of this type and the theory of participatory development?*

7.4.1 Pluspetrol, Pisco and the national legislation

Legislation on participatory process is created to cover aspects regarding participation for a whole country. Even though there is specific legislation for each sector (e.g. the hydrocarbon sector), there is a standardized way of applying it, even when facing different localities and stakeholders. The population found in Peru can't be homogenized into a group with fixed categories. With a diverse and extensive territory, its population has different origins, belongs to varied number of groups and practices different customs. Laws are created to be applied on a nation and it can't be expected for them to grasp on specific local situations. In Peru, the document issued for each law has to come together with a set of regulations that apply to it, and as is the case of the law for public participation, guidelines for its application are also created. In these documents, terms are described and procedures are defined so that the application of the law becomes an achievable process.

Hydrocarbon activities take place in areas with vulnerable population. For the case of Pluspetrol in Pisco, the artisanal fishermen because of their dependency to ocean resources need to be considered as such. This case should be treated as an example of a situation that takes place along the entire Peruvian coastline. Artisanal fishermen communities in several areas of the country are having conflicts with hydrocarbon activities. Each of these cases still represents a particular situation because of their location, the characteristics of the surroundings and their customs, but they have one aspect in common: they are not mentioned in the public participation legislation. It looks as if the government is ignoring their existence.

As I mentioned in chapter 5, consultation is a central topic in participatory topics in Peru's legislation. Now with the creation and implementation of the new consultation law and its regulations, discussions on this topic are being strengthened. These documents look at consultation as an important topic for indigenous and tribal populations, as they are groups which require special attention. Using these denominations, they have managed to exclude the fishermen as they are not considered to be indigenous or tribal. It is true that laws can't be case sensitive, but I believe that the communities of artisanal fishermen must be considered among the country's vulnerable population. The artisanal fishing community located in the

study area represent a small group of the numerous fishing communities located along the more than 3000 Km of the coastline. By not mentioning this group, the legislation is acting in an exclusive way.

The input brought by this case to the national legislation is a call towards this exclusion. Unfortunately the consultation law regulations have just been issued (April 2012), so it will take some time for discussions of new regulations on the topic to take place. Despite this, an important step should be for the government to realise that this vulnerable group exists and should be treated in a different manner. Hydrocarbon projects will continue to happen in the coastline as off-shore activities with their respective on-shore installations and if the topic of the artisanal fishermen remains untreated, conflicts among these groups will continue to take place.

Another issue presenting itself as important when looking at this particular case has to do with the social contributions that take place by the company in charge of the project. Again, the Pluspetrol case is an example of what other hydrocarbon projects go through in their own localities. In order to earn the social license with the population in the area where the activity is located, the companies are conditioned into arranging these social contributions. In every case, they represent the lack of government presence in these areas. The first step to legislate these processes was the creation of the Canon, which comes out as part of the taxes paid from the project. Because of the dimensions of the Camisea Project, the FOCAM was also created and legislated. All other social contributions exist in the unofficial spaces and are part of the informal institutions which shape each particular process.

These social contributions depend on the necessities of each locality, and that is why the FOCAM was legislated for this specific project, but it is very difficult or even impossible to expect the formalization of all social contributions. This, more than a contribution towards the legislation of participatory processes, needs to be used to inform authorities that they have unattended population which looks at third parties for local development projects. Social conflicts in the country are increasing at the moment and despite this, companies still agree to develop projects despite the local situation they will have to encounter, but this won't necessarily last forever.

7.4.2 Pluspetrol, Pisco and the theory of participatory development

The case of Pluspetrol in Pisco represents several of the critiques posed by authors such as Cooke and Kothari (2001) when referring to the application of the participatory processes. Participation is taking place as an informative process brought not by the local population, but by national authorities looking to avoid social conflicts. As an outcome of the formal institutions, the workshops, public hearings and monitoring programs are all instruments used as part of a process being used to inform the population on project development and collect opinions from different stakeholders. None of these techniques have the slight hint of wishing to bring empowerment to the marginalized or look towards any social transformation, as Hickey and Mohan (2004a) call for. What do needs to be mentioned is that by providing these formal, although rigid spaces for participation, the population can find themselves with the possibility of having an official space in which to express their comments and concerns. Again, this does not mean that it provides options for change, but it needs to be recognized as a space that didn't previously exist.

These formal institutions for participation are not only lacking the willingness to empower but, as mentioned in chapter 6, they leave several gaps untreated which lead to the development of the informal institutions. These institutions, again as initiatives proposed as top-down approaches, differ from the formal ones in that they are based on local situations. They look at solving local social problems which lead to the social conflicts the government is trying to avoid by installing formal participatory mechanisms. They come as requests from the government to help sectors (e.g. education or health) which they have left untreated. The company has no choice but to make this happen as it turns out to be an unspoken agreement in order to obtain its social license.

Although none of these institutions are aimed towards the creation of active citizens, the position in which local stakeholders find themselves regarding the informal institutions can be called to be a form of empowerment. Unfortunately, it is not the way the concept is understood in the participatory theory, it is not aimed at transformation or towards the creation of active citizens, but it is empowerment. The type of social contribution they get from the company, in this case, Pluspetrol, does have an effect on the extent to which the stakeholders will allow the project to develop without problems. Empowerment therefore does not present itself in the official spaces, but in the unofficial ones with the different informal institutions created for each specific project.

Critiques towards the application of participation claim that changes in participatory processes shouldn't only take place at local levels, but they should happen in broader arenas; they should challenge immanent processes of development. The case of Pluspetrol is an example of how difficult this is to achieve because the formal institutions created for the process to take place, don't manage to empower the people. As shown, a type of empowerment is reached by the informal institutions, i.e. by the particular situations found in the case study.

The contribution of this case study to the theory of participatory development is that yes, participation is not taking place as it was designed to be done, and yes, immanent processes need to be challenged, but the actual process is not static. It is very difficult to expect changes at larger levels, when each particular case presents itself with unique processes. Initiatives such as the changes in participatory laws towards more specific terms, for example creating laws on the topic for each sector, or further on, the creation of the consultation law, show that there is an option for this change. Local stakeholders are gaining spaces that didn't exist for them before, and are finding ways to empower themselves; what needs to happen now is that this empowerment needs to be channelled and directed towards becoming active citizens and taking part in proper decision-making processes. For this to happen, changes are not only to happen at higher power levels, but governments need to invest more in educating and forming a population able to take part in this changes.

7.5 The geography of participation

In order to answer my main research question: *How is participation shaped geographically?* I find it important to define the term 'geography' as the interaction of humans in spaces. These spaces can be tangible or intangible and have boundaries which enclose the interactions that take place in them. Participation processes are framed by institutions which exist because of regulated or unregulated patterns of behaviour or roles of conduct. The heterogeneous group of stakeholders that gather to take part, with the mechanisms provided and by the way interactions take place, construct or re-construct these spaces. These, as mentioned previously, have either been created especially for this purpose, or adapted to include previously excluded groups into taking part in participation issues.

When looking at the geography of the participation process for the Pluspetrol project, it is not only significant to consider the variety of stakeholders that take part, but it is important to understand the way they were selected to be included in the process. Even though

participation mechanisms invite everyone who is interested to take part, there are some limitations to who will be able to benefit from the process. The boundaries that frame the spaces in which participation procedures are taking part have to do not only with the intangible boundaries created by the patterns of behaviour, but also by political ones. Since a participation process requires a delimited area of influence, stakeholders have to belong to this area if they want to take part in the agreements which will come out of the negotiations.

This physical inclusion is important, but a more vital issue is to understand it on a more abstract level. The ability of stakeholders to shape the way interactions take place in these spaces will be also determined by their possibilities to challenge the information provided, to bring new inputs to the discussion and to be accepted by all other participants. This is related to changes that go deeper than just modifications in legislations and mechanisms; this has to do with government reforms, which as I have mentioned before, need to challenge the education system and provide better access to basic services to the entire population.

As one of my informants said during an interview when talking to the general situation of the country:

"*You have to consider that one thing is what these instruments say (the legislation and others) that in the majority of cases remain as an intention, and what really takes place. A peasant living in a little brook at 3500 m.a.s.l. has rights that he never knew of, he could had pressed claims against this but no one ever informed him about it. This is about someone born in Peru, who always lived here, but for a strange reason, is not Peruvian*" (Informant 1).

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Appendix A: List of Informants

Informant 1:   Sergio Zimic, Tecpetrol

Informant 2:   Armando Estrada, Pluspetrol Perú Corporation S.A.

Informant 3:   César Guzmán Barrón, Centro de Análisis y Resolución de Conflictos de la PUCP

Informant 4:   Francisco Pinilla, ERM

Informant 5:   Julio Arenas, ERM

Informant 6:   Pedro Martin Rivadeneyra Pacheco, Municipality of San Andrés

Informant 7:   Lolo Hernáandez Mundini, Asociación Sindicato Único de Extractores de Mariscos de la Caleta de Laguna Grande – Pisco

Informant 8:   Jorge Luis Donaire, Asociación Sindicato de Pescadores y Extractores de Mariscos del Puerto de Pisco "Chaco Lagunillas"

Informant 9:   Luis Salguero Ramos, Sindicato de Extractores de Mariscos del Puerto de Pisco, Chaco Lagunilla

Informant 10:   Manuel Chacaliaza, Asociación Gremio del Pescador Artesanal y Extractores de Mariscos de San Andrés

Informant 11:   Independent fishermen

Informant 12:   Manuel Ormeño, Ministry of Fishery

Informant 13:   Angel Aguilar, Director de Ciencia y Cultura del Colegio de Licenciados de Turismo

Informant 14:   Mr. Martin, Taxi driver

Informant 15:   Cynthia Céspedes, Paracas National Reserve

Informant 16:   Luis Herrera, Tourism sector

Informant 17:   Alberto Tataje, ex-mayor, Municipality of Paracas

Informant 18:   Alfonso Comina Zevallos, San Andrés church

Informant 19:   Carlos Díaz, Asociación Gremio del Pescador Artesanal y Extractores de Mariscos de San Andrés

Informant 20:   Jose Luis Camacho, Asociación Sindicato de Pescadores Artesanales del Distrito de San Andrés

Informant 21:   Alfredo Saldaña, Asociación Sindicato de Pescadores Artesanales del Distrito de San Andrés

Informant 22:   Sandro Trigoso, Port Authority, Pisco

Informant 23:   Hernán Carvajal, ex mayor, Municipality of San Andrés