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Thank you.

I'd like to start by acknowledging that we're gathered here on the traditional territory of the Cree people.

I was invited to come here this afternoon to talk about the Canada Colombia free trade agreement, which was ratified in June of this year. Specifically, I was asked to speak about what this agreement means with regards to the extractive industries.

I think there might have been an expectation that in the context of this presentation I focus primarily on Canadian mining companies, but in fact I'm going to talk about the role of the Free Trade Agreement a little more broadly, look at what's happening in Colombia, and then talk a little about oil companies based in Canada which are active in Colombia.

Now, Canada's main sector for investment in Latin America is mining. In 2007, Barrick Gold, Goldcorp and Yamana Gold, all based in Canada, invested over \$14 billion in Latin America in 2007.

By comparison the oil sector is small potatoes. But for those of us with an interest in Colombia, it is extremely significant. None of the mining companies I just mentioned are active in Colombia, however, each of the following oil and gas companies are: Nexen, TransCanada Corporation, Petro Bank energy and resources, and Pacific Stratus Energy - now part of Pacific Rubiales. Together, in 2007, these companies invested approximately \$579 million in Colombia.

I will argue in this presentation that the Canada Colombia Free Trade Agreement, which is the first agreement ratified between Colombia and a G8 country, is in many senses an example of a transnational agreement, as opposed to a bilateral one, as it is generally conceived.

This is a significant distinction, because it better allows us to understand the structure of power in the world today. Familiar constructions of the nation state still exist, as do local elite. But it should be noted that the changes in the world economy through the period we call globalization are more than small tweaks to a stable system of world capitalism.

Instead, we are now living in a period of global capitalism, what Professor William I. Robinson calls "a new epoch," which marks a shift as significant as the industrial revolution. Many of the ideas in this first section of my talk borrow from concepts articulated by Robinson in his excellent book, *A Theory of Global Capitalism*.

This new epoch of capitalism, which is also referred to as global capitalism, has been made possible in part by the elimination of barriers to the movement of capital. This has been enabled by changes in corporate structure and organization, and in part by innovations in information and communications technology, including in the financial sector, and in the fields of transportation, energy and manufacturing.

In the old system of world capitalism there were national and regional circuits of production and accumulation that were linked in to an international market. There were not only technological barriers to financial flows, but indeed nation states themselves were to an extent constraining capital.

These constraints are associated with economic ideas like Fordism, which assured fair wages for shop floor workers in return for labour stability. They also came as a result of legislation that was changed because of social struggles. Some modern day examples of these constraints here in Canada include the 40 hour work week, minimum wage, maternity leave and pension plans.

Since the onset of globalization in the 1970s, financial flows and the power of large corporations have been reconfigured into a new global system of production and accumulation. This entails the ongoing destruction of local and regional circuits of production, and has meant that the processes of production are now transnational.

Another important part of the transformation from the previous period of corporate capitalism to that of today's global capitalism is the creation of a world wide legal system that protects the flow of capital. This is to be expected, as foreign direct investment is among the most important indicators of the globalization of the economy.

Some elements of this supra-national legal and regulatory framework are likely familiar to many of you. They include agreements like the Global Agreement on Tariffs and Trade, and groups like the World Trade Organization. Other institutions, like the International Monetary Fund, play an integral role in ensuring macroeconomic stability, which is a must for investment and export led economies. As we are well aware, these agencies enforce strict policies, known as structural adjustment programmes, that mandate fiscal austerity in return for loans or so called aid. It is people, families and communities in the third world that pay dearly in order for macroeconomic stability to be achieved.

Multilateral or so called bilateral Free Trade Agreements actually serve a very similar purpose. The North American Free Trade Agreement is an early example of how even regional level free trade agreements serve the interests of a particular sector of corporations, and negatively affect working people, small farmers, and Indigenous folks in Canada, the U.S. and Mexico.

But beyond NAFTA, attempts at creating a hemisphere wide agreement, known as the Free Trade Agreement of the Americas, have failed.

That's why the race to set up these bilateral Free Trade Agreements is back on. In the past year, Canada has signed agreements with Peru and Colombia. Existing parties to Canadian Free Trade Agreements in this hemisphere include Costa Rica and Chile.

The Canada-Colombia Free Trade agreement has already proven particularly useful for Oil and Gas companies based in Toronto and Calgary. And in different ways, many of these companies exemplify one part of the larger concept of transnationalism. But before I explore this I do want to set up for you the social conditions within Colombia.

Colombia represents what investors, corporate executives and fund

managers are calling a frontier market. This is because conditions for investment finally exist. These conditions should not be confused with peace, as they often are in the North American media. Some have even taken to calling Colombia a post-conflict society. This is another ridiculous assertion.

Suitable investment conditions in Colombia are created and maintained through an ongoing war, which has left 4 million, or almost 1 in 10, Colombians internally displaced. This war has forced over a million people out of the country as refugees. There are an estimated 28,000 disappeared since 2007. The country is the most dangerous place in the world to be a trade unionist, and 34 Indigenous groups are at risk of being exterminated because of the war and the construction of new megaprojects.

Former President Alvaro Uribe claimed time and again that the paramilitary groups known as the AUC had demobilized. This claim was repeated by Canadian politicians arguing in favour of a free trade agreement. But according to Human Rights Watch, new paramilitary groups have cropped up to take the place of the AUC. Their membership is estimated to be at least 10,000 and they are active in 173 municipalities.

According to a Human Rights Watch Report issued earlier this year, paramilitary groups "massacre, kill, rape, torture, and forcibly 'disappear' persons who do not follow their orders. They regularly use threats and extortion against members of the communities where they operate, as a way to exert control over local populations." We know that transnational corporations such as British Petroleum, Drummond Coal, Coca-Cola and Chiquita Brands have paid paramilitary groups to quash union organizing and protect corporate infrastructure.

When I was in Santander de Quilichao, in the South of Colombia, I got a taste of how this works first hand. A paramilitary group called the Black Eagles wrote a list of names, which they published and distributed. The list included community organizers, activists, folks like you and me. It warned that unless these people stopped talking, and stopped organizing, they would be killed.. But paramilitary groups are not just boots on the ground, in Colombia they have fully infiltrated congress, all

the way up to the presidency.

In addition to the paramilitary groups, there are guerrilla movements, the largest of which is the Revolutionary Armed Forces of Colombia. Though many are willing to acknowledge that the FARC emerged out of a set of social conditions, including poverty and exclusion, that haven't really changed to today, there is little support for the more than 40 year old guerrilla movement within Colombia. The FARC's actions on Indigenous lands and on the territories which locals have specifically requested be de-militarized, turn them into another "armed actor," together with state and paramilitary groups.

Often, in the media, the conflict in Colombia is portrayed as one between right wing paramilitaries and left wing guerillas.

However, this leaves out perhaps the most powerful and important of the armed groups: the State. Colombia has a large army, funded in part by Plan Colombia, a U.S. plan that provides almost one billion dollars a year of specifically military aid for Colombia. Military service is mandatory for every young man in the country. In parts of Colombia where I've traveled, it is normal to see groups of young men in fatigues with automatic weapons boarding buses, milling about at checkpoints, and patrolling in military vehicles.

During Uribe's presidency, while Juan Manuel Santos was minister of defense, the Colombian army was embroiled in one scandal after another, including the false positives scandal, whereby over 1200 people were murdered by the army and dressed up to look like guerrillas afterwards. And instead of being forced to resign, Mr. Santos is now the President of Colombia.

Add to this American troops, which have specifically been training local soldiers in oil producing regions. In 2006, there were 4,500 soldiers guarding oil facilities in Putumayo, as well as two extra brigades and one special brigade, trained by the US army.

Oil drilling in Putumayo is in the land of the Cofán peoples, who have been displaced as part of a concerted strategy to make the lands they occupy available for mega projects. And this is the key point about the conflict in

Colombia: civilians being murdered and displaced is not a consequence of the war, nor could it be considered "collateral damage."

Instead, the displacement of civilians, the threats to activists and community organizers, the forced disappearances and the terror are the reason for the conflicts. By moving people off of the lands, new territories are opened up for these so called frontier investments. When people have been forced off their land and are living in camps and slums, they can no longer effectively organize to control their territories.

Among the prime beneficiaries of the conflict in Putumayo, which is home all of the armed actors I mentioned before, are Calgary based oil companies.

Grand Tierra Energy Incorporated, a Calgary based firm, produces approximately 14,000 net barrels per day Putumayo. The Calgary based company controls over 750 thousand net acres of territory in Putumayo. Calgary's Petrobank has 14 exploration blocks covering a total of 1.6 million acres in Putumayo. Calgary's Parex Resources Inc., formerly Petro Andina, is also active in Putumayo and in the plains region. Nexen and Talisman Energy are also active in Colombia.

But the company I want to take a close look at today is Toronto based Pacific Rubiales. CEO Ronald Pantin worked in oil industry in Venezuela for over 20 years, even becoming president of PDVSA, the state owned oil company. He was also president of Enron Venezuela before he left the country after the election of Hugo Chavez.

In December of 2009, Pacific Rubiales became the first foreign company listed on the Colombian Stock Exchange. Today, Pacific Rubiales is the second most important oil company in Colombia, after state owned Ecopetrol. They are what I'd call an "early mover" in the latest phase of oil and gas exploration and production in Colombia.

In a newspaper interview, Ronald Pantin explained why his company was in Colombia: "The stars aligned. It was a combination of Uribe's politics, the new hydrocarbon laws, the national security policies and very promising geology."

The 600 Colombian troops stationed at a military base inside the Rubiales oil field is an example of a national security policy that Pantin

probably appreciates. In addition, the Colombian army has a specific brigade to protect oil and gas infrastructure. The entire oil and gas industry in Colombia is heavily militarized.

Founded by Venezuelans, based in Canada, financed by US capital, Pacific Rubiales produces heavy oil and gas for export to the US and Europe. This is an example of a transnational company, but it is legally a Canadian company. Right now, Canada provides the most favourable conditions from which a corporation can do business in a war ravaged country like Colombia. It is clear that these favourable conditions must be understood as total corporate impunity.

But there are other advantages as well. Canada is a strong advocate on behalf of corporations based within its borders. When Pantin mentioned the "new hydrocarbon laws" in Colombia, he's talking about laws re-written with Canadian assistance. In a project funded by the Canadian International Development Agency, Calgary based CERI worked with Colombia in 2001 and 2002 to "streamline the country's mining and petroleum regulations."

In addition, the Colombian government recently promised that the military would train a battalion of soldiers to assist companies in obtaining and transporting seismic testing results in parts of the country where there may be operational risks. This represents the first time that the Colombian army will provide troops for companies in the exploration phase, as previously it was limited to protecting oil and gas production and transportation in the exploitation phase.

Having signed a Free Trade Agreement with Colombia, companies based in Canada have even more to gain as they seek to make their fortune in Colombia. And the Oil and Gas sector is now the biggest source of Foreign Direct Investment in Colombia. It makes up 32% of the total FDI in the country, or \$3.4 billion of the \$10.6 billion total. And that number is bound to rise, as foreign investors take note of huge potential in the sector, as Ecopetrol has promised to invest \$60 billion in exploration, infrastructure, transportation, refining, production, marketing, and acquisitions between now and 2015.

In June, the National Hydrocarbons Agency put 168 oil and gas

concession blocks covering over 50 million hectares of land on auction. Many of these were snapped up by the Canada based companies I have mentioned.

As companies bid for concessions on June 22 at the Cartagena Convention Center in Colombia, Energy and Mining Minister Hernán Martínez made a special announcement.

"I have some good news for our Canadian friends. The Senate has just approved a free trade agreement . . . so that opens the way for a lot of opportunities and our government is very happy about that," said Martínez.

This wave of oil and gas investment in Colombia will doubtless make an already deadly situation on the ground in Colombia even worse.

To finish up, I'd like to make a few observations.

First, it is up to us to understand the global system today, which must be understood through lenses other than just the nation state. Corporate executives are already thinking this way, and if we don't we will never articulate a resistance to this system that is comprehensive and articulate.

Second, just because the Canada-Colombia Free Trade Agreement is ratified does not mean that it is a legitimate agreement. It still deserves our attention, and should still be resisted.

Third, we should be aware of the growing prominence of Calgary and Toronto based companies in Colombia. We must link struggles against these war profiteers to local organizing and resistance.

Thank you.