

Interactions between indigenous peoples and multinational corporations:

Description of a research project

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Abstract

The following work in progress paper describes the objectives, design and theoretical platform for a recently initiated project regarding interactions between indigenous peoples and multinational corporations. The ambition with this submission is consequently to initiate a discussion regarding the project's intentions and methods, rather than its results.

Key words: Indigenous peoples, multinational corporations, interactions, ARA model.

Objectives

The project's primary objective is to study strategies and outcomes associated with and following from interactions between multinational corporations (MNCs) and indigenous peoples. The secondary objective is to further the understanding of how identities on an organizational level of analysis can both hinder and facilitate value creation between diverse exchange partners. Specifically, the project will contribute by increasing knowledge about (i) how and why both resistance-based and collaborative strategies emerge (ii) how MNC's may influence the nature of indigenous resource generation and business practices and (iii), how indigenous knowledge may influence MNC resource development and practices. Implications regarding indigenous economic development, poverty, and self-determination, as well as MNC operative sustainability will be given.

Project summary

MNCs global search for natural resources, knowledge and more recently experiences, often take them to indigenous land. The encounters between what is the world's most wealthy and 'modern' organizational entity, with one, if not the most, marginalized, poor and 'traditional' groups, frequently result in uncooperative and conflict based interactions. Although many companies claim to consider triple bottom lines (i.e. economic, social and environmental aspects), respect for indigenous issues and how to successfully engage with indigenous peoples is less understood. Likewise, it is not well understood within indigenous communities how to interact with companies. Indigenous peoples have been repositioning themselves strategically around new forms of alliances, including coalitions with non indigenous groups, to deal with what some describe as 'the final invasion' of indigenous land. Yet, in some cases MNCs and indigenous peoples collaborate and create new forms of alliances. Whereas some insights exist regarding the reasons behind indigenous resistance, much less is known regarding the motives behind cooperation, and what results are due to

collaboration between MNCs and indigenous peoples. Moreover, little is known about the nature of indigenous business practices and how ‘traditional’ and ‘modern’ knowledge is combined. Our project is multidisciplinary, drawing on insights from theories on organizational theory, entrepreneurship, sociology and development studies. Using an exploratory case study approach, we will study the energy, aquaculture, mining and entertainment industries in Latin America. Specific areas of interest include reasons for resistance or acceptance of MNCs in indigenous land, the potential merger of indigenous and MNC knowledge, community development (in terms of economy, identity and self-determination) and the influence of indigenous knowledge and practices with respect to MNC operations.

Background and status of knowledge

MNCs can be fundamental engines of economic growth and development, but their operations are often questioned from both social and environmental viewpoints. Considering MNC activities in indigenous land, the history of the numerous struggles fought by indigenous peoples in Latin America in order to defend their territory becomes salient. Whereas the Western world perceived the first wave of colonialism as an outstanding opportunity for trade, theft is a more appropriate label from an indigenous perspective (Tuhiwai Smith 1999). Moreover, the postwar era’s focus on commercial development and free trade, globalization, and international financial institutions, has been as challenging for many indigenous peoples (Coates 2004). Where MNCs see resource markets which may result in profits, indigenous peoples see ancestral lands which are integral to who they are, their culture, spirituality, history, social organization, family, food security, economy and health (cf. EIRIS 2007).

As Gedicks (2001) argues, native peoples have been, and many still are, subject to a ‘discourse of dominance’ by governments and corporations alike. Indigenous peoples have been repositioning themselves strategically around new forms of alliances, including coalitions with non indigenous groups, to deal with what some describe as ‘the final invasion’ of indigenous land. They have developed intense campaigns of political and juridical actions in the face of the increasing presence of the MNCs within lands considered to be under their territorial jurisdiction (Calderón and Reyna 1992; Calbucura, 2003). Consequently, the familiar incident when MNCs and indigenous peoples meet is one of distrust, conflicts and non cooperative strategies.

Indigenous opposition against MNCs, including Norwegian actors in the aquaculture and energy sectors, is a common occurrence in Latin America. The two largest salmon farming companies in the world, Marine Harvest and Cermaq, both operate in indigenous areas and are facing increasing criticism for their strategies towards indigenous groups.¹ Likewise, SN Power, a Norwegian international renewable energy company, is currently experiencing resistance expressed by different Mapuche communities in southern Chile.²

However, in different parts of the world, indigenous knowledge and indigenous business operations are emerging, independently or in partnership with MNCs and other stakeholders. In Canada, Norwegian aquaculture MNCs face First Nation opposition as well as indigenous strategies based on reformation rather than elimination of the business.³ The training and hiring of qualified Inuit people and the utilization of their intimate knowledge and operational skills under Arctic conditions is advanced by Nuna Logistics (see www.nunalogistics.com), and MNC forestry operations are being made more sustainable due to indigenous knowledge based on an intimate understanding of the land

¹ (e.g. www.naturvern.no/cgi-bin/naturvern/imaker?id=117817, www.saveourskeenasalmon.org/articles/read/59 www.friendsofwildsalmon.ca/news/dailynews_may30.pdf, www.abcnyheter.no/node/59769).

² (see e.g. www.norwatch.no; El Diario Austral Region de los Rios, 27 de Mayo de 2008; Klassekampen, Tirsdag 11. desember, 2007).

³ (e.g. www.adressa.no/nyheter/okonomi/article911959.ece, www.tidepool.org/original_content.cfm?articleid=63947).

(Huemer and Cox 2007). Regarding MNC strategies, some of these developments seem to go beyond basic corporate social responsibility (CSR) approaches.

Yet, there are concerns that MNC-indigenous alliances are just new forms of colonizer-colonized relationships. Trading ‘the other’ was big business in the first colonial wave. For indigenous peoples trading themselves is not on the agenda, however, according to Tuhiwai Smith (1999). But is the current wave of globalization different from colonialism in that indigenous peoples take an active part in ‘trading themselves’? NRK’s (Norway’s largest broadcasting company) most recent success-‘The Great Journey’⁴—where Norwegian families live for a period with indigenous peoples, is commercialization of the indigenous peoples themselves. The reality program has been Norway’s number one show this fall, with over 1 million weekly viewers. The ongoing debate in Norway embraces a wide spectrum of opinions: that the program is an embarrassment and condescending, or that it is a perfectly acceptable way of value creation for both firms and indigenous participants, where the latter group simply works as any kind of actors would.

Indigenous communities appear to benefit from working with MNCs in different ways. Peredo (2003) reports on local community entrepreneurs in Peru which have drawn significantly on skills that they acquired while working for the Cerro de Pasco Corporation, an American mining company that had operated earlier in the area. Ecuacorriente (see www.ecsa.com.ec) has been working in Southern Ecuador for almost nine years and during this time a number of cooperative agreements with the Shuar Federation have been established. Atacameños indigenous communities in Chile have been interacting with Minera Escondida, which belongs to BHP Billiton (www.bhpbilliton.com/bb/home.jsp), the largest private copper operation in Chile. Minera Escondida, through its educational foundation has been training community members in machinery operation, mechanical and electric maintenance. Huemer and Cox (2007) similarly describe how community members have engaged in capacity building and increased their employability with help of the MNC working in their traditional land.

Consequently, in some cases alliances are emerging that include both MNCs and indigenous peoples working in seemingly collaborative modes. Whereas some insights exist regarding the reasons behind indigenous resistance, much less is known regarding the motives behind cooperation, and what the results are due to collaboration between MNCs and indigenous peoples.

The project concerns the ‘being and becoming’ of both indigenous communities and MNCs and their encounters relate to basic ontological and epistemological issues. A particular challenge to knowledge in this project is therefore related to categories of being and knowledge itself. Research is an encounter between the West and ‘the Other’ and we need to ensure that the approaches employed are respectful and ethical with respect to the indigenous communities. ‘Research’ as such is a very value-laden concept in indigenous’ vocabulary, and the meeting with MNCs can be expected to be sensitive, in that indigenous ways of knowing can be misused in different ways. Indigenous communities have valid fears of loss of intellectual and cultural knowledge. Indigenous and local communities argue that others’ use of their traditional knowledge warrants respect and sensitivity, and it is been argued that traditional knowledge is an important source of health security, food security and livelihood security for the world’s poor. Recently, traditional knowledge has been drawn into the debate related to access to medicines and food, the need for poverty alleviation, and related issues that affect the livelihoods and welfare of people worldwide. A related challenge is therefore access to indigenous communities with regard to the research topic.

⁴ Based on the Belgian concept ‘Ticket to the tribes’ see www.eyeworks.tv/en/p460d1e579a1b3 Another reality show on the Norwegian screens this fall is ‘Last man standing’ where six young ‘Western’ males compete against indigenous peoples, see www.nrk.no/programmer/sider/last_man_standing/

Approach and choice of method

The overall research questions we empirically intend to investigate are the following:

- *What actor characteristics and strategies explain resistance-oriented and collaborative interactions respectively?*
- *What are the characteristics of indigenous business practices in Latin America?*
- *How is knowledge perceived, developed, shared and appropriated in MNC-Indigenous Peoples interactions?*
- *How does indigenous knowledge and practices influence MNC resource generation and practices, and how is indigenous community livelihood influenced by the presence of MNCs?*

From a more conceptual viewpoint, we ask:

- *How do the actors' identities influence their interactions, and are MNCs and indigenous peoples' identities transformed during their encounters?*
- *Are MNC-indigenous alliances counter to or in harmony with indigenous self determination?*

The focal unit of analysis is the interaction and eventual relationship between MNCs and indigenous peoples, with a basic focus on organizational identity development and knowledge processes. The overall framework to be employed is the ARA model introduced by Håkansson and Snehota (1995), which has been widely employed in a number of different settings involving business development and network interactions. The framework highlights Actor bonds, Resource ties and Activity links, and suggests that an actor is embedded in a network of more or less strong relationships which gives it access to other's resources. This implies that both economic and societal relationships are part of access and control over resources. The project further seeks to provide a dynamic perspective which emphasizes political activity. Some indigenous groups have become very relevant social and political actors. Bolivia has an indigenous lead government and indigenous empowerment is growing in, for instance, Ecuador and Chile. The ARA view of networks will therefore be combined with the network theory of new social movements (e.g. Diani, 2000; Villarreal, 1992).

From an organizational perspective, identity has been described as the central, distinctive and enduring aspect of an organization (Albert and Whetten 1985). The organizational literature debates where an organization's identity comes from: if the self should be perceived as a construction that proceeds from the outside in as well as from the inside out (Bruner 1990). The network view given by the ARA framework is of particular interest since it suggests that an actor (organizational unit) also becomes defined by the external resources that become mobilized and the activities in which it is involved. Therefore, from an organizational identity perspective, interactions between MNCs and indigenous peoples represent significant opportunities both in empirical and conceptual dimensions. A focus on identity highlights that resources and activities are not only means but also provides meaning - organizational identity is the 'theory of who we are'. The meeting between MNCs and indigenous peoples concern questions of how to make a living, how make living meaningful, and may even challenge the conditions under which one makes a living (cf. Bebbington 1999).

That identity influences practice has been stressed for some time, for instance as the lenses through which people make sense of the world (Weick 1995), including our ability or inability to shape the meanings that define our commitments and our forms of belonging (Wenger 1998). As described by Bebbington (2007), identity based movements can both contest 'Western' commercialism such as when Ecuadorian indigenous peoples protest against the signing of Free Trade agreements, or encourage business such as when Peru's National Confederation of Mining Affected Communities assumes the function of an indigenous organization. Gedicks (2001) argues that indigenous peoples sometimes redefine themselves as actors in their confrontations with MNCs. However, the

development of commitment and belonging between indigenous groups and MNCs is less understood. The question if MNC presence in indigenous territories leads to forms of 'ethnocide' or 'identicide' remains (see e.g. Calbucura 2003).

The potential bridging of different world views is one remarkable feature in MNC-Indigenous interactions. From an indigenous standpoint there is a possible tradeoff in maintaining traditional practices while simultaneously developing relationships with MNCs. The question of identity processes in terms of stability and change is of particular interest with respect to these encounters. Whereas MNCs' are equated with constant change and search of knowledge development, indigenous communities often are regarded as being stable, some even claim that stability is a requirement for indigenosity. However, it would be erroneous to only give the MNCs the possibility of change and development. Also indigenous peoples are complicated, internally diverse, and contradictory, with abilities and desires to recreate and develop (Tuhiwai Smith 2007) Similarly, Coates (2004) argues that adaptations away from traditional land use patterns, lifestyles and material culture do not, by definition, signal the abandonment of ancestral affiliations or values. In this respect, the question of knowledge is central in the meeting between MNCs and indigenous peoples. The production, transformation and validity of knowledge has for long been part of the West's encounters with indigenous peoples. But we do not know much about how MNCs and indigenous communities meet and share, combine and develop knowledge in new ways.

The project is exploratory and builds on a descriptive research agenda, grounded in longitudinal case studies relying primarily on interview and observation techniques. Rather than trying to assert the legitimacy of one set of claims and deny the legitimacy of the other, or imagining that all competing interests can somehow be synthetically reconciled, we will acknowledge possible tradeoffs and how these tradeoffs are managed (cf. Margolis and Walsh 2003). We will study the principles and guidelines underpinning MNC-indigenous interactions and indigenous business activities, inquiring about corporations' strategies towards indigenous communities, and vice versa.

The adaptability provided by qualitative methods is desirable when facing multiple realities. The objective of qualitative studies commonly is to mould something in a way that makes alternative or new meanings visible (e.g. Kvale, 1996; Denzin & Lincoln, 2000). Qualitative work is characterized by a focus on meanings and interpretations, favoring a natural setting or context of the entity for which the study is proposed, and indicates that a case reporting mode is suitable (e.g. Lincoln & Guba, 1985). Interviews will be approached in a reflexive pragmatist manner (Alvesson, 2003). This implies reflexivity in the form of conscious and consistent efforts to view the subject matter from different angles. Therefore, it is seen as important that not only Latin American researchers join the project but also that an indigenous research perspective becomes part of the project's design, execution, and interpretation.

We will study a number of relevant settings and have so far access to five cases. Three of them concern Norwegian actors: Cermaq and SN Power who both are interacting with Mapuche communities in southern Chile, where the latter firm faces both resistance and more cooperative attitudes. The third case is broadcasting firm NRK and its reality how based in Ecuador. Both Cermaq and SN Power are partner firms, and their indigenous counterpart, acting as partner is the Lonko Kilapang Development, which runs programs with the intention of strengthening the Mapuche Identity. A fourth case in Chile concerns mining and interactions between BHP Billiton and Atacameños indigenous communities. Partner here is the Toconao community. The fifth case in Ecuador concerns the Shuar Federation (partner) and its interactions with Ecuacorriente. Additional partners in Ecuador, with respect also to the NRK case, are the Consejo de Desarrollo de las Nacionalidades y Pueblos de Ecuador (CODENPE) and Kokopelli Advisory, an Indigenous owned and managed community relations and sustainable development company that works with communities, governments, and non-government organizations in building positive relations with responsible natural resource development initiatives.

The project plan

- 1. Who are the MNCs?** We will describe them in general terms as actors, regarding their resources, and their activities.
- 2. Characteristics of MNC strategies towards indigenous peoples:** who are involved (locally, globally), what are the reasons for involvement, in what respect is trust building/social capital an issue (towards the indigenous peoples, media etc), how is knowledge used/combined/shared, what are the expected outcomes, how are business issues combined with social and environmental concerns, what are the similarities and differences from non-indigenous interactions?
- 3. Who are the indigenous peoples?** We will describe them in general terms as actors, regarding their resources, and their activities. Specifically, we will focus upon resources and activities in commercial terms - how do the communities make a living, and under what conditions?
- 4. Characteristics of indigenous strategies towards MNCs:** who are involved (locally, globally), what are the reasons for involvement, in what sense is trust building/social capital an issue (within the community, towards other stakeholders), how is knowledge used/combined/shared, what are the expected outcomes, how are business issues combined with social and environmental concerns, what are the similarities and differences from other interactions?
- 5. How do MNCs relate their indigenous strategies to other relationships?** Which kinds of additional actors, resources and activities are included/affected by MNC interactions with indigenous peoples?
- 6. How do indigenous peoples relate their MNC strategies to other relationships?** How are other relations included/affected by these interactions (including other local economic interests)? This may include political alliances, the media, NGOs etc which have been found to be central particularly in previous resistance strategies. Points 5 and 6 provide an essential network perspective. For instance, several functions of nation states have been absorbed by multinational institutions such as the International Monetary Fund, the World Bank, and the Organization of American States. This is complemented by a process of State management 'downwards', brought about by the gap opened by the interaction of the multinational, national and local communities at a government level (Bartomeli, 2000), where different developing projects of local democracy are being carried out.
- 7. Outcomes:** what results are obtained, for MNCs and indigenous peoples respectively? Besides the fact that this issue is to be explored, emphasis will naturally be given to resource generation and activity developments. Although this study deals with issues that are unique to Latin America's indigenous communities, the analysis will on a more general level also enable us to gain access to the knowledge of poor people, the constraints they perceive and methods they use to overcome their situation.

The analysis will be an ongoing parallel activity, anchored in the ARA models distinction between Actors (in terms of change/stability regarding the central, distinctive, and more or less enduring traits, Resources (particularly but not exclusively in terms of knowledge development) and Activities (with a focus on knowledge sharing, transfer and appropriation). We will consider how tradeoffs are perceived and managed (e.g. in terms of triple bottom line considerations). Throughout the meetings, in Latin America or Norway, we will continuously organize feedback sessions for participating firms and the local communities which partake.

The project's relevance

It would be erroneous to regard the meeting between MNCs and indigenous peoples as a marginal phenomenon. It concerns fundamental issues such as business sustainability, livelihood conditions and relational capabilities. The project highlights direct effects for MNCs and indigenous communities. For MNCs opportunities exist in the form of utilizing indigenous peoples' knowledge of biodiversity, sacred sites, seasonal changes and ongoing environmental management. Indigenous peoples can contribute, for instance, since they are ecologically embedded, i.e. they personally

identify with the land and adhere to beliefs of ecological respect (cf. Whiteman & Cooper 2000). In other words, MNCs may come to increasingly learn that important resources in indigenous territories are the indigenous peoples themselves. On a more general level, we believe the study will have relevance for the fields of strategic alliances and interorganizational relationships. The project will also bring new arguments and offer them to the very active discussion on business, natural resources, indigenous rights and development held among indigenous organizations. For indigenous peoples, capacity building and increased employability, market access, new business ventures, and ultimately poverty reduction are possible advantages. A possible outcome is also increased awareness and understanding of why or when indigenous communities and MNCs should not develop relationships. The project can further be linked to the current debate regarding aid and/or business activities as strategies for poverty reduction. The project may also be relevant for third parties, such as governments and NGOs, by providing new insights to both resistance based and cooperative MNC-Indigenous Peoples interactions.

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