This volume contains the English translation of a selection of essays and presentations made during the International Seminar on Indigenous Development: Poverty, Democracy and Sustainability, organized on the occasion of the First General Assembly of the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean (Santa Cruz de la Sierra, Bolivia, May 22 and 23, 1995). The full text of the proceedings of the Seminar is available in Spanish from the Secretariat of the Indigenous Peoples fund in La Paz. The ideas and opinions expressed in this volume are those of the authors and do not reflect the official position of the Inter-American Development Bank or the Indigenous Peoples Fund.
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As the Bank is developing its own strategy on indigenous people and development within the framework of its Eighth Replenishment mandate, we would like to share this collection of essays and presentations made at the occasion of a seminar that immediately preceded the first General Assembly of the Indigenous Peoples Fund (Bolivia, May 1995) to Bank staff and other interested parties.

The Indigenous Peoples' Fund which was created in 1992 at the initiative of the government of Bolivia with strong support from the Inter-American Development Bank was conceived as a forum for dialogue and as a facilitator for the preparation and financing of indigenous development initiatives. Its First General Assembly marked both the consolidation of its institutional structure as well as the beginning of a process to assess the accomplishments and limitations of the start-up period and to identify and implement the necessary course corrections.

The contributions included in this volume reflect both the challenges and opportunities of an incipient process of reflection and dialogue between indigenous peoples, governments and development agencies on a subject of vital importance for the approximately 40 million indigenous people of the hemisphere. In addition to the critical issues of poverty reduction, self-development, indigenous rights and secured access to land and natural resources, a common thread throughout this volume is the close interrelationship between sound and sustainable socio-economic development and the preservation and strengthening of cultural identity.

We hope that this volume will be of interest not only to those working towards improving the situation of the indigenous people in the hemisphere, but also to those exploring new approaches in participatory and socio-culturally sound development.

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This volume is based on the proceedings of the seminar Indigenous Development: Poverty, Democracy and Sustainability, which the Indigenous Peoples’ Fund organized to coincide with its First General Assembly, to give the sectors involved in institutional activities an opportunity to share their ideas and views.

The Fund’s Technical Secretariat and the Indigenous Peoples and Community Development Unit of the Inter-American Development Bank collaborated on the Seminar’s project and design. Also, a considerable number of indigenous delegates were able to attend and participate thanks to funding contributed by the IDB under a regional technical cooperation (ATN/RG 4888).

The Seminar took place in Santa Cruz de la Sierra, Bolivia, May 22, 1995, and kicked off a week of events attended by government officials, indigenous leaders, specialists from international organizations and representatives of public and private development cooperation agencies.

With the First General Assembly of the Indigenous Peoples’ Fund, held on May 23 and 24, that institution’s activities were officially launched. There, the members of the Indigenous Fund’s Board of Directors were elected and the Fund’s operating principles, work programs and cooperation agreements (approved in 1993 by the Interim Committee), were ratified and the appointment of the Technical Secretary made official.

The week culminated in a “Projects Negotiation Meeting” (May 25 and 26) where the participants were introduced to and discussed the proposals and projects that indigenous organizations in the region had filed with the Fund. This exchange produced some meaningful recommendations about the projects themselves, suggestions on how they might be improved and, no less important, some very useful thoughts about the role that the Fund might one day play as a clearinghouse, steering these kinds of initiatives in the direction of national and/or international technical and financial assistance mechanisms.

The Seminar consisted of four panel discussions, each one led by a principal speaker (Rodolfo Stavenhagen, Xavier Albó, José Del Val and Valerio Grefa) and several panelists. The idea was to have a cross-section of views represented on each panel: indigenous leaders, officials of national institutions for indigenous affairs, or international cooperation agencies and independent experts.

Most texts in this publication were supplied by their authors. Some edited their presentations using transcripts of their taped remarks. A few were edited by the editors of this volume.

The document starts with the inaugural address delivered by Víctor Hugo Cárdenas, Constitutional Vice President of Bolivia, who was present for the entire event; followed by the presentation made by Rodolfo Stavenhagen, President of the Indigenous Peoples Fund and a contribution on the origin of the Fund and its first years of operation, written ex post facto by Diego Iturralde, the Fund’s Technical Secretary.

The final document in this volume contains a declaration prepared by the indigenous participants for the General Assembly, where they articulate their expectations and reservations about the Fund and the course that relations among indigenous organizations, governments and international organizations should take.
This volume and its distribution were made possible thanks to the IDB financial contribution mentioned earlier. Equally vital to the success of the week’s events were the Bolivian Government’s support and the warm and generous welcome from the Development Training Center of the Institute of Ibero-American Cooperation in Santa Cruz.

The individuals who presented discussion papers and the panelists brought their experience, insight and enthusiasm for the cause of indigenous development. They also gave of their time to review their texts and were generous enough to authorize their publication in this volume.

Irma Correa Clay and Claudia Carló Pérez transcribed and typed the texts in Mexico; Maya Lorena Pérez, Sergio Delgado and Arturo Argüeta reviewed them in Bolivia. We editors, who were rapporteurs at the Seminar, are indebted to them for the result.
This event has tremendous significance, coming as it does at the start of the Decade of the World’s Indigenous Peoples and in the wake of the International Year of the World’s Indigenous Peoples (1993). The latter awakened the global consciousness to the difficulties, problems and plight of indigenous peoples around the world. While this new decade must continue the effort that began with the International Year of the World’s Indigenous Peoples, above all it must use the new global consciousness to effect tangible results.

We cannot afford to lose this opportunity, to look back -ten years from now- and lament the fact that all of us -governments, indigenous peoples, international cooperation agencies and nongovernmental organizations- missed this chance to make a meaningful contribution to the many problems we face. This is why the Indigenous Peoples’ Fund is so critical. The job of everyone here is to make certain that this meeting produces constructive results. Working together, the indigenous peoples, peasant organizations and governments can use the Fund, the Decade and the plans that we work out together as a framework upon which to build up democracy in our countries.

Poverty, democracy and sustainability are basic issues that must be addressed in this undertaking. It is hardly news that in most of our countries, poverty and indigenousness go hand-in-hand. To be poor in our countries is to be indigenous. But why belabor the obvious? The big challenge for us indigenous people is to devise a way out of this poverty trap and then effect our escape. We can do it. This is our challenge today. After all the protests, the studies, the complaints, the time has come when we, by our own efforts and with our own hands, can undertake to resolve these problems, which still persist in our countries.

In that vein, I would like to take this opportunity to draw attention to the mature and responsible work that a number of indigenous and peasant organizations are doing to attack the poverty problem in their respective countries. In Bolivia we are making similar efforts. However ironic it might seem, after 170 years as a republic, Bolivia’s budget for social investment is the largest it has ever been, at over 40% of the total budget. It might seem strange that a country with an indigenous majority should long last -after 170 years-agree on so large a budget for social investments. Whereas in the past less than one percent of the public sector budget was earmarked for the provinces and peasant and indigenous sectors, we are now allocating larger sums to deal with this challenge. In Bolivia, the State and even the democratic system itself had confined themselves to the paved avenues and streets of our cities. Now, however, we are venturing outside our cities and, in the process, strengthening our democracy. In recent years the State did devote some attention to the coca-growing sector, as well as a few small sectors that did not cultivate it. However, this kind of assistance was creating a misconception, one that suggested that the only way to get help was to grow coca. Today, we are broadening our focus so
that the assistance goes to the root cause of this type of problem, which is poverty. Peasants didn’t grow coca because they were criminals, but because they were poor. They did it out of necessity, which is precisely why proper support and development of the areas from which those people migrate is so important.

Bolivia’s urban population is making an enormous sacrifice to share what little comforts they have so that the provinces, the areas populated by small farmers and indigenous peoples, can also benefit from this process of change. To be a true democracy, the democratic system of government in Bolivia must involve the participation of its indigenous peoples. Regardless of whether the indigenous peoples are a majority or a minority, the democratic system must give them a protagonistic role. Their physical presence will not suffice; what matters most is their contribution toward creating a unique and original democratic system that combines the best of the democratic liberal tradition with the indigenous peoples’ own democratic traditions. Democracy in Bolivia cannot be one tradition grafted onto or adapted to another; instead, it must be the creative invention of two ways of thinking, one western and the other indigenous. In Bolivia, at least, we have made some meaningful progress, as attested to by that symbol of modern Bolivia personified in the President of the Republic, and the Bolivia of tradition personified in the Vice President.

Bolivia today is a synthesis of modernity and tradition, a coupling of two different presents, a synergism between differing processes that shapes and consolidates the democratic system of government. We believe wholeheartedly in the democratic system of government. We indigenous peoples and peasants embrace it not in order to accommodate ourselves to the space that the present democratic system affords us but out of our devotion to and love of democracy. Its roots must grow stronger and deeper if our countries are to become authentically pluri-ethnic and multi-cultural democracies.

A true democracy is pluri-ethnic and multi-cultural, and our challenge is to make our democracy true. Saying this is one thing, but we in Bolivia have found that doing it is another thing altogether and infinitely more difficult. For myself, I went about demanding democracy and preaching democracy, but then I had the job of actually implementing it. And yet, I am indebted to and must congratulate the indigenous and farm workers’ organizations of Bolivia because they brought us into this process. I would like to pay tribute to the leaders present here today: because of them we are making headway with this difficult task, as attested to by the legal and concrete measures adopted.

Like other countries, we in Bolivia have looked into the mirror and seen ourselves for what we are: a country that is free and united, as well as multi-ethnic and pluri-cultural, as the first article of our new Constitution states. But we want to go beyond the letter of the Constitution, drawing from it every possible derivation and using it to our advantage. For example, in the social field we are developing an educational reform that finally attempts to reach all Bolivians, especially those sectors that education in the past did not reach: indigenous peoples, peasants and, above all, women. But the education of which we speak is not just any education: it is bilingual and inter-cultural education. Bilingual because Bolivia’s 30 indigenous languages have to be cultivated so that both the indigenous languages and the Spanish language are essential parts of this educational system. It does more than teach indigenous and non-indigenous peoples mutual tolerance; it teaches us mutual respect and appreciation.

The reform in education ties in with another reform that creates municipalities in the country. By now we have gone from some twenty municipalities to 308, and have already formed the first indigenous municipalities. Thus, the proposal in Convention 169 of the International Labour Organisation is being implemented through legal steps and concrete measures in our country. And we are taking on the challenge of changing a system too long ignored - justice and the administration of justice- to intro-
duce multi-ethnic and multi-cultural considerations there as well. One article of the Constitution recognizes the existence of indigenous law, which must be compatible with a global, national body of laws. Within the State, these concerns had a tangible result, which was that the Chief Executive created the National Office for Ethnic, Gender and Generational Affairs. Now we have the same types of institutions that exist elsewhere, as in Ecuador or Chile, for example, which has the National Indigenous Development Corporation.

The indigenous theme is a common thread that runs through all affairs of the Bolivian State. We are trying to build upon these small openings in the institutional and juridical structure so that the indigenous issue will no longer be regarded as a problem but as an abiding and necessary concern for society as a whole and for the State.

The state reforms have also enabled us to realign the State's social structure. The Office of Culture, of Education, of Health and others, are all under the Ministry for Human Development. The productive functions of the State, on the other hand, such as mining, energy and others, are now under the Ministry of Economic Development. Both blocks, the social and the economic, are assisted by, covered under and coordinated by the Ministry of Sustainable Development, which even has veto power over any economic development projects that the State and the sector may undertake. Again, it is easy to say, but infinitely more difficult to do. In the process we have discovered that we need to find people who will help us achieve the kind of sustainable development in which economic development does not compromise environmental conservation and sustainability. We have also discovered that just as we need experts and specialists from other countries, so also do we need specialists from home as well: Bolivians are, after all, the best experts on Bolivia. Some will come from the indigenous peoples and organizations.

For years, they were the protagonists of a development style that was able to accommodate these kinds of concerns. For the best possible results, we are working jointly with the Indigenous Confederation of the Oriente, Chaco and Bolivian Amazon (CIDOB), the Organization of Indigenous Peoples of Bení (CPIB) and a number of state institutions.

At the present time, our country is part of an interesting dynamic of subregional, regional and even hemispheric integration. However, that dynamic will not really work unless it goes beyond purely economic and trade-related integration. We need social, cultural and ethnic integration as well.

From my own experience I can tell you that the language of our peoples is much more effective and direct than the language of protocol and diplomacy, and there will be no integration unless we indigenous peoples are part of the process: integration among our countries and within our countries. But by integration I don't mean the old style of integration or some diverse, multi-ethnic and pluri-cultural identity, but rather a process of unity and integration that cultivates those identities. Development today means building unity by cultivating diversity. The champions of that vision of shaping complex but united societies have been the indigenous peoples and peasants themselves. We believe this event will contribute to that process.

Finally, I would like to close by thanking everyone here for your enthusiasm and your eagerness to get to these issues. On behalf of my Government, the Bolivian people, the indigenous peoples and the various organizations, I extend to you a warm welcome to Bolivia. I am confident that the Indigenous Peoples' Fund will become a cornerstone of the progress we all long to achieve. I wish you every success in this event and hope that we rise to the challenge that history and our peoples have given us. Thank you.
THE CHALLENGES OF INDIGENOUS DEVELOPMENT

Rodolfo Stavenhagen*

It is deeply disturbing that today, over five hundred years a half millennium after the arrival of the first Europeans to these shores, the indigenous peoples must still struggle to lay claim to even the most basic human rights and the justice that has so often been denied them.

The creation of the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean is but a small step in a long process of historical restitution that the Ibero-American societies have at long last undertaken as their common responsibility, in response to the very legitimate demands made by the native peoples of this hemisphere, who are one of the mainstays of Latin American identity in our times.

We are all painfully aware of one undeniable fact: the indigenous communities of this hemisphere have suffered and continue to suffer from discrimination and alienation, both of which are the antithesis of the well-being and democracy to which our countries have committed themselves and flagrant violations of the international human rights instruments that the States of the region have ratified and whose principles they have pledged to honor.

A recent World Bank study concludes that poverty among Latin America's indigenous population is both severe and chronic, and that on the whole their living conditions are appalling, especially by comparison with those of the nonindigenous population. The Inter-American Institute of Human Rights and the Inter-American Commission on Human Rights, as well as numerous nongovernmental organizations, have documented the persistent violations and abuses of the indigenous peoples' human rights.

Given this situation, it is encouraging to see that in recent years the indigenous peoples are increasingly becoming the architects of their own future. Throughout the length and breadth of this hemisphere and in a variety of ways, indigenous communities and organizations are driving home the point that the situation cannot go on as it is and that the often paternalistic and assimilation oriented policies that the nation states have used for decades but that have failed to produce any tangible benefits for the majority of the indigenous population, have to be changed.

In response to these demands and to the changing situation in the hemisphere, a number of nation states committed themselves to reviewing and eventually modifying their traditional indigenist policies to take into account the multiethnic and pluricultural reality of their societies and create the institutional systems that would enable them to take positive and constructive action on the indigenous peoples' needs and their economic and social proposals. And so in recent years, a number of countries have amended their constitutions and indigenous related legislation and have thus created the constitutional and legal framework for a redefinition of the relationship among the indigenous

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people, the nation state, and the other sectors of society, thereby paving the way for their sustained and equitable development.

The international climate in which these changes have taken place has been very conducive. After many years of debate, in 1994 the United Nations proclaimed the start of the International Decade of the World's Indigenous Peoples and its Subcommittee on Human Rights has already approved the first draft of the Universal Declaration of Indigenous Rights, which will be submitted to the General Assembly. Representatives of the indigenous peoples of the world, including Latin America, have taken active part in this process for over ten years.

The international legal instrument that has had the greatest impact on the new relationship between the nation states and the indigenous peoples is Convention No. 169, adopted by the International Labor Organization in 1989. Thus far it is the only instrument of international law specifically devoted to protecting indigenous rights. Regrettably, not all the Latin American states have ratified it.

At the Inter-American level, the Organization of American States has recommended to its Inter-American Commission on Human Rights that it prepare a new instrument for the protection of indigenous rights, since the existing human rights instruments overlook the indigenous peoples of the hemisphere. Then, too, a number of Inter-American indigenous congresses have passed resolutions which although they do not have the force of law nonetheless represent the positions and intentions of those who prepared and adopted them.

The indigenous organizations of this hemisphere invoke all these documents and instruments in their struggle for recognition, equality and development. The creation of the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean is an important milestone in the process of shaping a new international institutional framework in which the nation states have undertaken an historic commitment vis-a-vis the indigenous peoples; more and more, the indigenous people look to that framework to provide the mechanisms they need to achieve their goals, which have so often been scorned or ignored by those who sit in the pinnacles of power. This is the framework in which we have fashioned the purposes and objectives of the Indigenous Peoples' Fund, not just as an instrument of state policy, but above all as a means to serve the needs of the indigenous peoples of the Americas.

Who are these peoples? We have any number of estimate figures to consider. Despite all efforts, we still do not have reliable statistics. Studies done by the Inter-American Indian Institute and other sources have identified some 400 groups in Latin America (mainly by their use of an indigenous language) that in all likelihood represent over 40 million people at the present time. I don't want to get into the debate about the definition and classification of groupings and the individuals who make up the hemisphere's indigenous population, since the criteria used vary from one country to the next. Suffice it to say that these very general figures cover up a vast social, cultural and economic diversity.

While all the experts acknowledge the indigenous peoples' cultural heterogeneity, less is said about their socioeconomic heterogeneity. The latter makes the application of uniform policies difficult and underscores the fact that the unmet needs occur in a variety of contexts, which means that their solutions need to be context specific. In general, the vast majority of indigenous people live in rural peasant communities in which the farm work and the ties to the land are the axis of economic and social relations. But peasant life is not what it used to be. With the profound changes that have occurred in recent decades, productive activities have been diversified and these peoples' economic picture has changed (as have their aspirations and living conditions). Millions of small indigenous farmers have been forced to migrate elsewhere. These domestic and international migrations have
had a profound impact on the communities, the families and the individuals, and not always for the good. In some countries, the population movements caused by environmental deterioration, demographic pressure, technological change and other factors, are compounded by others caused by political upheaval and violence. The latter have created refugees or displaced persons, the vast majority of whom are indigenous people. Their specific problems are already on today's international agenda.

The result is that today, millions of indigenous migrants from traditional peasant areas are living in urban centers or in the poverty belts that surround our enormous metropolises, or are migrating from one place to another, sometimes across borders, either alone or with their families, in search of work, security and stability. Clearly, given these changes, the traditional policies of "community development", which targeted what was thought to be the immutable indigenous peasant community, have to be revised and adapted to the new circumstances created by a global economy.

But in addition to the indigenous peasant population of the highlands and the mountains, we also have the populations scattered throughout the tropical and semitropical lowlands, whose habitat is changing rapidly and whose environment is progressively deteriorating.

Some observers describe them as highly vulnerable population groups whose physical and cultural survival is in serious danger. Some parts of the Rio Declaration produced at the United Nations Summit on the Environment in 1992 refer specifically to these groups, as does the KariOca declaration produced by the dozens of indigenous organizations that convened in a meeting that paralleled the official UN summit.

The first Inter-American Indian Congress was held in Pátzcuaro 55 years ago. There the governments of the region pledged to pursue indigenist policies that would benefit the indigenous peoples. After so many years these objectives have still not been fulfilled, although some local projects and experiments have had some very constructive results. On the whole, indigenous policies have been criticized for being paternalistic or assimilation-oriented, for not taking into account the opinions and suggestions of the indigenous peoples themselves and, most importantly, for the utter insufficiency of the resources that the states put toward the realization of these objectives.

Any number of attempts have been made to promote the development of indigenous communities. Some have had broad based international support, such as the Andean Project that the International Labor Organization and the states of the Andean region began back in the 1950s, with other multilateral organizations participating. Numerous nongovernmental organizations (NGOs) have also made important contributions: with very limited resources but with a sense of commitment and responsibility, they have carried out programs and projects in close cooperation with indigenous organizations in various places in the region.

Despite all this, the overall picture is a discouraging one for the indigenous peoples. The argument used by some to the effect that centuries old ancestral patterns cannot be changed overnight, simply won't do. Some of the efforts mentioned thus far have been underway for over a half century. The figures provided by official agencies both national and international reveal that the indices of socioeconomic and human development are scandalously low among indigenous people and that the gap separating them from other social sectors is widening, especially with the economic changes of recent years.

The social and human costs of the neoliberal economic policies have been too high for the vast majority of our countries. Many peasants, workers, women, young people, middle class and, of course, indigenous people and other ethnic minorities (such as the black population) live in poverty
and even extreme poverty and have watched their standard of living (real income, employment, consumption, social services) decline due to the adjustment policies and macroeconomic strategies of globalization. It is no coincidence that the United Nations convoked a summit on social development in Copenhagen to discuss these problems. We hope these efforts will bear fruit. The Copenhagen Summit should inspire us to strengthen the social development policies, targeted at the neediest sectors of the population, which invariably include the indigenous peoples. But as has been amply demonstrated, social policy will never be able to correct the ravages wrought by bad economic policy. As one very astute observer put it, there is no better social policy than a sound economic policy. Unfortunately, in recent years Latin America has had neither, which has seriously imperiled the indigenous peoples' chances of achieving sustainable development.

In this macroeconomic context, one in which nation states have gradually abandoned what few and invariably inadequate policies they had to assist the most vulnerable and disadvantaged sectors of their societies, what are the chances that indigenous peoples will be able to achieve sustainable development?

Sustainable development should be understood as a process of building up a collective well-being in a way that preserves rather than destroys the environment and natural resources and thus ensures the survival of future generations. But this is just one aspect of the problem. Sustainable development must also help preserve the cultural identity of peoples and nations, since economic growth that ignores cultural identity is, in the end, profoundly destructive.

It is impossible to imagine biodiversity (now under international protection under an agreement concluded at the Rio Summit) without "cultural diversity," by which I mean acceptance of the fact that humanity is made up of many cultures. The loss of just one culture is an irreparable loss for all mankind. Nation states cannot indeed must not demand that indigenous people forsake their cultures for the sake of some illusory notion of national development (which today would be regarded as an arbitrary violation of the collective human rights of these peoples). What is more, nation states have a moral obligation and international duty to refrain from promoting economic growth models whose results, however desirable, might be destroying the cultural identity of the peoples. The cultural sustainability of development is as essential as its environmental sustainability.

As we all know, these are not purely technical problems; they are eminently political as well. But political in the positive sense: not in the sense of partisanship or election battles, but political in the sense of ethical principles and of principles that are for the common good. If we understand sustainable development as an ethical option, then we must also recognize that it can only happen amid freedom, justice and equality. In other words, sustainable bio and cultural development is not the technocratic invention of so-called "experts" or interested bureaucratic institutions. Instead, it is a sweeping, democratic and participatory process. If the conditions for democratic participation are not present, there can be no sustainable (nor sustained) development; conversely, sustainable development can create all embracing forms of democratic participation.
THE INDIGENOUS PEOPLES FUND:
THE CHALLENGES AS THE CENTURY DRAWS TO A CLOSE

Diego Iturralde G.*

Three factors were behind the creation of the Indigenous Peoples' Fund:

* The indigenous movements' request for self-determined development, necessitating larger volumes of financial and technical resources and direct access to those resources, and for an opportunity to be the architects, managers and engineers of the programs and projects that affect them.

* The trend among some governments toward instituting special mechanisms to administer the resources earmarked for the ever increasing needs of the poor and marginal sectors, and toward introducing certain legal and institutional changes in how matters relating to indigenous peoples are handled.

* Cooperation agencies' concern to be more direct and efficient by putting their resources into objectives defined by the beneficiaries themselves; their interest in clarifying the role that government offices and development agencies play in managing, administering and carrying out development projects, and an increasing tendency to focus investments on the poorest sectors.

In the period leading up to 1992, these three factors combined in a development that ultimately proved to be very constructive: the indigenous peoples of the department of Beni in eastern Bolivia filed a claim with former President Paz Zamora asserting their right to development, as part of the campaign that accompanied the March for Territory and Dignity. They also asked for more funds to meet their needs. (President Paz Zamora acknowledged this in public statements made between 1992 and 1993, in the process of preparing the Indigenous Peoples' Fund and ratifying the Agreement that established it—Washington, September 1992, Hamburg, March 1993, La Paz, July 1993.)

In his address before the First Ibero-American Summit (Guadalajara, June 1991), the President of Bolivia introduced a proposal to create a Regional Indigenous Peoples Fund, bearing in mind the strengths of other financial facilities in Bolivia and with the idea that 1992 would be a fitting occasion to establish a fund that could respond to the needs shared by all the peoples of the hemisphere. The chiefs of state and heads of government present for the Guadalajara Summit took to the suggestion with enthusiasm and pledged their institution's support for the project's preparation and to help it get started.

Other events, statements of intent and attempts to set up funds to address these same concerns can be

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found as far back as early 1980, if not before; by varying degrees, all these helped shape the considerations that went into this new project and were outgrowths of the indigenous movements, the governments' experiences and the international climate.\(^1,2\)

These events, which happened more or less at the same time, revealed how far the aforementioned processes had come and brought home the need to find a point where the indigenous momentum, government trends and international expectations might converge, and the opportunity or promise, at least that commemoration of the Fifth Centennial created.

And yet the maturity that made this convergence possible was no guarantee of its success. It was merely a starting point. Indeed, this convergence may very well have been the climax of a crisis, a point at which the traditional institutional structure was no longer able to accommodate the relationship among the indigenous peoples, the states and the international community.\(^3\) Then, too, 1992 did not turn out as had been hoped, i.e., it was not the occasion of an outpouring of generosity toward indigenous peoples.

This text will examine the three dynamics mentioned earlier, and is one way to get this seminar on Development: Poverty, Democracy and Sustainability in context and to get us thinking about how the Indigenous Peoples Fund originated and how it should be used.

**INDIGENOUS DEMANDS**

The indigenous peoples' need for more resources and for self-determined development is part of the list of the principal claims that their organizations have asserted in the last ten years. Clearly, they are struggling to win recognition of a set of fundamental rights, which they speak of in terms like autonomy, territory, self-determined development, identity, and indigenous law.

What they are demanding can be summed up as follows:\(^4\)

* Constitutional recognition of the existence of indigenous peoples as specific subjects within the nation and of their rights as peoples.

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1. With the Fund for the Five-year Plan of Inter-American Indian Action (VIII Inter-American Indian Congress, Mérida, Mexico, 1980), the Inter-American Indian Institute was able to support small pilot projects for ten years; the Marginal Rural Development Fund of the Central Bank of Ecuador (FODERUMA), created in 1978, gave low income small farmers and indigenous people a direct line of credit on a number of occasions. In the late 1980s, the Organization of Indigenous Peoples of Eastern Bolivia (CIDOB) suggested to the Bolivian government that an Indigenous Peoples Fund be set up, similar to the Social Investment Fund and Peasants Fund set up to serve as a clearinghouse for investments in the rural Altiplano.

2. Carol Graham did a study for the Indigenous Peoples Fund that documents the nature and experience of a number of funds created in the countries of the region during the 1980s.

3. In 1989 I did a study for UNESCO titled "Indigenous Nations and Nation States in Latin America by the Year 2000". There I suggested (drawing upon the findings of a UNESCO sponsored working group coordinated by Guillermo Bonfil) the need for a forum to digest these findings and develop creative solutions to the crisis.

4. This summary was taken from a text prepared by a group consisting of indigenous leaders, attorneys, anthropologists, which the Inter-American Institute of Human Rights invited on several occasions between 1989 and 1991. It has not yet been published.
The right to have the material and cultural resources needed for reproduction and growth; chief among these resources are lands and territories.

The right to self-determined material and social development and to full participation in the nation's development and destiny.

The right to practice their indigenous identities, to develop, grow and transform their cultures, and to be part of a pluricultural national identity.

Establishment of the legal and political preconditions that will make possible and ensure the exercise and expansion of the aforementioned rights, within the institutions of the state, especially those rights that guarantee the exercise of authority from the local level up and their own forms of organization, as well as the establishment of suitable forms for the administration of justice and settlement of disputes.

The articulation of this platform is coupled with the strengthening of the ethnic communities, the development of more solid forms of organization and the assertion of a series of claims that the nation state model cannot accommodate. This presupposes an emphasis on diversity, transformation of the organizational framework upon which the structure of the State as we know it rests, and a change in prevailing attitudes and practices in the indigenous peoples nation/states relationship.

Obviously, this crisis comes at a time when the states are just achieving their full development in terms of spatial occupation, the public's voice and development of the domestic market and are beginning to modernize and to find their niche on the global stage.

The crisis of the indigenous peoples is due to a number of factors and manifests itself in a variety of ways, depending on the country concerned. However, five types of dynamics are evidence of this phenomenon and help explain it:

* An increasing territorialization of the ethnic presence in the nation.

This dynamic is the product of the indigenous peoples' own geographic and demographic expansion and is a function of national development, the abandonment of the old local and regional systems that had them confined, and the increasing strength of the domestic market. With this territorialization, kinship will bring back the concept of ancestral lands. As peoples' material circumstances improve with territorialization, the latter will also renew their sense of ethnic identity and affect migration patterns.

* The resurgence and strengthening of forms of ethnic organization

The network of bonds and collaboration that territorialized communities and peoples form neither eliminates the grassroots community nor creates the kind of pyramid like hierarchy typical of organized labor; it is, all the same, efficient for purposes of asserting claims, organizing participation and forming a broad, pan-ethnic front on common issues and demands.

* Development of a platform that carries the communities' specific claims to a higher level within the juridical and political systems.

These may include demands for land, as well as space for social and political activities, the right to

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5 Natalia Wray developed these points for the Ecuador case in her article titled "La construcción del movimiento étniconacional indio en Ecuador: carácter y dimensión de su demanda", published in América Indígena 49:1, March 1989.
ethnic and cultural development, conditions for self-determined economic development and full participation in the national economy.

* An ample niche for the indigenous peoples’ economies in the domestic market, under as many modalities as possible.

This phenomenon tends to increase during a crisis and as the informal sector grows, since these economies are based on the potential to reproduce, strengthen and preserve unique cultural styles that enable them to piece together survival strategies in which the exercise of a people's identity plays a key role. This dynamic sets in motion a differentiation among the peoples themselves and in some cases may even bring out indigenous elites capable of preparing and promoting their own projects.

* A progressive change in the relationship among the indigenous peoples, the governments, development agencies and society in general.

This change is politicizing the relationship (or power struggle) to the point that the traditional institutional structure that accommodated it can no longer contain it.

These dynamics make the point that this is not simply a resurgence of old identities suppressed and held in check by the modern world; it is, instead, the emergence of social identities created by reversing old stigmas and setting in motion political strategies and ethnically based means of signification.

Because of these factors and their effects, the indigenous peoples have become or are in the process of becoming social actors and political subjects

factors combined has been to change the situation of indigenous peoples to the point that nations now perceive of themselves as multiethnic and pluricultural.

**NATIONAL REFORMS**

In a number of countries of the region, two interrelated changes were underway at the time indigenous demands first surfaced and spread: amendment of the constitutions and laws, and reform of the institutional structure dealing with indigenous affairs.

While these recent changes are the result of modernization in general and are basically a function of the decentralization of public administration and liberalization of the economy, they also include specific norms relating to the status of indigenous groups (peoples, communities, *parcialidades* [districts], etc.) that affect legal institutions and their resources and are evidence of a growing concern to find the development solutions so long overdue in indigenous regions.

**Legal Reform**

The constitutional tradition in Latin America even in countries that have opted for some type of federal system is based on a premise of national unity that leaves no room for recognition of diversity. Any special treatment of indigenous peoples under the early republican constitutions and laws, vanished with the rise of liberalism and was never reinstated with the twentieth century's revolutions.

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7 The creation of institutions like the Guatemalan Indigenous Fund, the National Indigenous Development Corporation (Chile) and the National Solidarity Program (Mexico) are evidence of this concern.
and reforms. In the late 1970s, some constitutions either new or amended made reference to the indigenous issue, but without altering the basic unity premise. The more recent constitutions, however, introduce more substantive changes.

The trend in constitutions indicates a departure from tradition:

* Matters relating to indigenous languages and cultures

The earliest constitutional clauses relating to indigenous peoples concern the language and culture and made possible the first experiments with bilingual education, protection of traditions and, in some cases, recognition of the legal existence of traditional indigenous organizations. Building upon this trend, the more recent reforms mention other aspects such as indigenous customs, beliefs, traditions and values, opening the door for legalization and decriminalization of certain practices, such as ritual, medicine or technology. Two constitutions guarantee "ethnic identity" as a fundamental right.

While such provisions vary in scope, they do not go so far as to put the legal value of indigenous practices on a par with those upheld as the official practices of the nation (language, culture, religion). The expanded scope of these provisions does not necessarily mean an acceptance of a nation's multiculturalism or of its consequences.

* The indigenous community as a form of social existence

A number of constitutions recognize and guarantee the indigenous community as a basic unit of organization in rural areas; some give it juridical personal and capacity, and two make it an entity under public law.

This has important legal and political consequences, in that it opens up opportunities for indigenous peoples to participate in public life, to hold office and to acquire and defend collective rights to key resources. However, solutions approximating a system of relative autonomy (comarcas, autonomous regions, territorial organizations...) are still the exception. The reforms in this area are new and might eventually evolve (as in Colombia and Bolivia) into an administrative structure.

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8 Ironically, the two revolutions with the greatest indigenous base, those of Mexico and Bolivia, both nationalist and agrarian revolutions, ignored the issue of the indigenous peoples when they came out with their constitutions. The reforms introduced in the sixties (Peru, Ecuador, Chile, Colombia) also neglected to give the indigenous peoples any consideration.

9 This was first introduced in the constitutions of Ecuador (1979), Peru (1979 amended) and Guatemala (1985), on the occasion of the "transition to democracy". In the more recent constitutions of Panama, Nicaragua, Bolivia, Mexico, Colombia and Paraguay the changes are even more far reaching. In 1994, Argentina and Bolivia adopted constitutional amendments along these same lines.

Nicaragua (1987, Article 89); Paraguay (1992, Article 77).

10 The only legal equivalency where languages are concerned is Paraguay's (Guarani and Spanish). However, this does not imply any advantage for the indigenous peoples of that country.

11 A phenomenon that is very clear in the case of the Guatemalan Constitution and in the practices of its institutions.

12 Mentioned in the constitutions of Peru, Guatemala, Nicaragua, Colombia, Bolivia, Panama, Mexico; the texts use a variety of terms: communities, parcialidades [districts], ejidos [common lands], comarcas [regions], resguardos [reservations]

(more than patrimonial) system to promote indigenous self-determined development.\textsuperscript{15}

* The "juridical customs" or indigenous "customary law" as a means to improve access to the courts of the State or to augment them.

At least five constitutions make some specific reference to this possibility,\textsuperscript{16} although in practice it is not yet widespread enough to say how effective it is. Eventually, the laws implementing the constitutional amendments, which are already being processed in some countries,\textsuperscript{17} will have to be examined to determine how effective it is.

Frequently, the acceptance of customary law seems to be because of a weakness in the system for administering justice. That being the case, its future will mainly depend on the reform and modernization of the legal systems (such as the reforms in penal procedure in Mexico and Bolivia).

* The territories, lands and other material resources of the indigenous peoples.

Here, the constitutional tradition has been one of protection and guardianship, and has mainly concerned community property and the farm plot. Guaranteed as eminently civil rights (ownership, usufruct, possession), territories, lands and material resources have been protected by taking them off the market (not subject to seizure, inalienable, indivisible...) or by placing them under the State's exclusive domain.

In recent years pressure of three different types has been exerted regarding indigenous lands: the need to guarantee territories traditionally populated by indigenous peoples, with settlement patterns and uses very unlike those typical of farm communities;\textsuperscript{18} the indigenous peoples' desire for some type of control and/or to participate in the exploitation of the earth's natural resources now that the latter are being privatized; and the pressure to confiscate small farms to make the land they occupy a more vigorous factor in the rural economy.

Several recent constitutional innovations have taken on this challenge. In its system of Territorial Entities, Colombia includes measures to protect the ownership (of the reservation and of the farm plots), regulation of the use, disposition and administration of natural resources, all under the responsibility of the entity's authorities, who are at once indigenous authorities and public officials. Brazil recognizes the lands traditionally occupied by the indigenous peoples, guarantees their full enjoyment and conservation and establishes strict guardianship and protection (by the National Congress) and very specific norms to govern the mining of natural resources. Nicaragua shares control and transfers management of the resources to the autonomous regional governments (which are mainly indigenous). Bolivia has emphasized its determination to protect the small farmer and has now extended that protection to the tierras com-

\textsuperscript{15} The comarca system in Panama, the regional autonomy system in Nicaragua, the system of indigenous territorial entities in Colombia and of grassroots territorial organizations in Bolivia are evidence of a possible regional trend.


\textsuperscript{17} The Code of Criminal Procedure has been amended in Mexico and Bolivia and legal representation programs have been established.

\textsuperscript{18} The most common claim and the most spectacular indigenous movements in recent years have been about the land issue.
unitarias de origen.\textsuperscript{19} It is even suggesting that indigenous laws on the use of natural resources may carry some authority.\textsuperscript{20}

The constitutional amendment in Peru lifts the restrictions on farm/native lands in order to place them on the market as cooperative ventures and guarantee the establishment of communal and/or multi-communal businesses. Mexico places the fate of farm lands in the hands of the communal and ejido authorities to take advantage of the opportunities offered by some association with the capital.\textsuperscript{21}

The issue of resources is not yet clear. Future solutions will surely combine the widely accepted constitutional principle of the social function of property, with the relatively new concept of preservation of the biodiversity. The concept of state-owned lands will gradually be supplanted by that of resources under the State’s authority. But these reforms are clearly not in the immediate offing.

* Recognition of the nation's multi-ethnicity and pluriculturalism

In some sense, the constitutions of Mexico (Article 4), Colombia (Article 7) and Paraguay (Articles 62, 140) now recognize plurality and the fact that their indigenous peoples "predate" the State. The recent amendments to the constitutions of Bolivia and Ecuador are the first to declare the nation's multi-ethnicity.\textsuperscript{22} This would be the most sweep-

\begin{itemize}
  \item \textsuperscript{19} A term that some analysts regard as a euphemism for "indigenous territories".
  \item \textsuperscript{20} Colombia (1991, Article 330), Brazil (1988, Title VIII), Nicaragua (Autonomy Statute), Bolivia (1994, Article 171), Argentina (1994).
  \item \textsuperscript{21} Peru (1993, Articles 88 and 89), Mexico (1992, Article 27).
  \item \textsuperscript{22} The indigenous movement in Ecuador has suggested constitutional recognition of the country's
\end{itemize}

These constitutional reforms doubtless have something to do with the demands from and pressure exerted by the indigenous movements. However, it would be unrealistic to suppose that they are entirely the result of those demands and pressures. The requests, demands and needs reveal how inadequate citizen status (which the indigenous peoples have had since the liberal reforms) is in guaranteeing their specific rights as groups; in some Latin American countries citizenship has been withdrawn and a number of constitutional clauses and laws are being introduced to recognize and protect certain rights. But here again, these reforms are not so much a desire to embrace ethnic and cultural diversity as a sign of modern times as they are (primarily) for the sake of introducing State reforms dictated by the new global circumstances.

The Institutional Reforms

Indigenismo, as a strategy of the State to structure its relationship with indigenous peoples, developed some 50 years ago: it was unilateral (by the State), unidirectional (targeted at the indigenous peoples), and for one purpose (to incorporate them into the nation). Its goal was to replace the indigenous communities' cultural characteristics with what was regarded as the shared characteristics that constitute nationality. That goal was to be achieved by replacing the indigenous languages with Spanish and through schooling, the spread of intensive agriculture and commercial manufacturing, the provision of services and involvement in the domestic market.\textsuperscript{23}

\begin{itemize}
  \item \textsuperscript{23} In "Los pueblos indios y el campo indigenista" (Mexico, INI, 1990), I present an extensive evaluation of the evolution of indigenous policies in this hemisphere.
\end{itemize}

multinationality.
To implement this strategy, institutes of indigenous affairs or similar offices were created in a number of countries in the 1950s, and were very active in the 1960s.\(^\text{24}\)

Agrarian reform and rural development efforts starting in the 1960s affected the indigenista model in at least two respects: the agrarian and development institutions (public and private) stripped the institutes of indigenous affairs of the few functions they had in the field of legalization of lands, production promotion and public services. The institutes of indigenous affairs narrowed their functions down to problems of legal recognition, legal representation, organizational development and cultural promotion. In this respect (with the exception of Mexico and Brazil), the institutions lost rank, resources and any influence they might have once had, and became instead a kind of complaints office, with little or no influence in government circles and only marginally significant in cultural promotion.

The emergence of the ethnic movements that began in the 1980s and the virtual collapse of the agrarian reform process set in motion an effort to find a new institutional arrangement to address indigenous problems. In effect, in the early 1980s, the institutes of indigenous affairs in some countries of the region were revitalized or replaced by national offices for indigenous affairs to coordinate with other institutions, maintain contacts with organizations and dialogue with the indigenous movements. Some of these institutions also took on the task of drafting new legislation and conducting activities involving legal matters (access to the courts, legalization of property titles, monitoring the work of nongovernmental agencies and churches).

By the 1990s, indigenismo (some authors prefer the term neoindigenismo\(^\text{25}\)) was the paradigm for the interaction between the State and the indigenous people, an interaction that also included private social development institutions (NGOs), churches, international organizations and cooperation agencies and, in some countries more than others, the armed forces and political parties.

By now, indigenismo has become multilateral (a kind of interactive relationship), pluridirectional (different actors and policies), and multipurpose. Old government strategies are being replaced by the idea of cultivating indigenous cultural talents rather than displacing them, promoting bilingual and bicultural education programs, embracing traditional medical practices and exploring alternative models for farming and cottage industry production. In some countries this new approach also includes protection of human rights, the establishment of legal representation programs and the creation of mechanisms to finance indigenous development.

These recently institutionalized advances have not yet produced any major success stories. In some countries, public institutions of a new type have been established, such as the Secretariat for Ethnic, Gender and Generational Affairs in Bolivia, the Secretariat for Indigenous Affairs and Ethnic Minorities in Ecuador, the National Indigenous Development Corporation in Chile and the Guatemalan Indigenous Fund, each representative of a different trend in the institutionalization of indige-

\(^{24}\) In Brazil and Mexico the institutions created are very important and in general have an exceptional record by comparison to their counterparts in other countries of the region. Private institutions were created in some countries, among them Ecuador, the Dominican Republic, Honduras and El Salvador.

\(^{25}\) While relatively little has been written of late on the subject of indigenismo, state policies and institutions in the area, Alicia Ibarra has written a particularly interesting book titled Los Indígenas y el Estado en el Ecuador, Quito, Abya Yala publishers, 1987. For one case, she traces the origins of what she calls "la práctica neoindigenista" [neoindigenism].
nous policy.

INTERNATIONAL COOPERATION

International cooperation has also played an important role in creating new relationships with the indigenous peoples, the result of two developments that became more pronounced in the last decade: modernization of public and private international assistance agencies, and the weakening of the states' financial, technical, regulatory and executive capacity to press for autonomous social policies.

The cooperation agencies' involvement in the issue of indigenous peoples came from two angles: the environment and human rights.

The former is more in evidence among multilateral and bilateral agencies that provide technical and financial assistance and was initially part of the effort to mitigate the impact of major construction works.

The human rights issue is a factor in changes in regulatory international agencies, in the bilateral cooperation of some countries and in nongovernmental organizations that promote and broker financing.

In the course of only a few years, international cooperation has shifted its focus from the environment and human rights to social programs for poverty reduction, establishing the "the poor" and/or more vulnerable sectors as their privileged targets. Salient among these are projects for women, children and indigenous peoples.

These changes are evident in the emergence of new international norms on the indigenous issue, in certain changes of style in the procedures used by development assistance organizations, and in the recent changes made to the programs and procedures of international technical and financial agencies.

New International Norms

Since 1980, the parallel Indigenous Peoples' Fora and Inter-American Indian Congresses have been calling for a new set of standards to govern relations between states and indigenous peoples, and between the latter and international organizations. The earliest call in this regard concerned the need to amend the Convention that established the Congresses and the Inter-American Indian Institute (the 1940 Pátzcuaro Convention) to give indigenous peoples direct participation in the Congress, the Institute and their operations. Following the most recent Congress and in the midst of a serious institutional crisis, the Executive Council of the Inter-American Indian Institute announced a (participatory) process to reform the Convention.

ILO Convention No. 107, on Indigenous and Tribal Peoples, adopted in 1970, has been the most effective international instrument of the last thirty years. It was noticeably altered in a process that lasted from 1985 to 1989 and that eventually resulted in a new Convention (No. 169). The latter stipulates clearly the indigenous peoples' right to participate, the states' obligation to consult with the indigenous peoples, and the possibility of recourse to the ILO to demand that these provisions be honored. The Convention is now undergoing the process of ratification by the governments of the region; in those countries where it has become part of the domestic legal system its advantages are already apparent. It is already steering the legal and institutional reform process in several fields and has been used by indigenous organizations to wage their struggle on the battleground of the law.


27 These rights, obligations and opportunities concern such crucial areas as the guarantees to lands and territories traditionally held by the peoples, resettlement processes, labor rights, education, training and others.
Establishment of the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean involved the adoption of an international agreement that reasserted the right to participation and made that participation possible by creating an agency premised upon a principle of co-management and mutual responsibility, where negotiations on indigenous development objectives, with donors, host governments and beneficiary peoples directly participating, would be candid and harmonious. Eighteen governments have ratified the Convention. In the meantime, the organization's first operations have demonstrated both the advantages and difficulties of applying this new Convention, created as today's international trends were cresting.

After a long period in the making, the draft United Nations Declaration on the Rights of Indigenous Peoples embodies some of the important advances made to modernize related international norms. It still has a long way to go before it becomes law. This next stage will involve very limited indigenous participation, and the chances of keeping the gains they have made intact will be that much slimmer.

A project of the Organization of American States is a new and promising development: preparation of an Inter-American instrument on indigenous rights. The process thus far has been slow, the response from the countries somewhat anemic, and indigenous participation very limited. The Inter-American Commission on Human Rights has finally approved the draft Declaration, which should be sent to the governments and the indigenous organizations during 1996 for their comments and observations. It may be adopted by the General Assembly in 1997. Other pieces of Inter-American legislation would be amended to conform to it.

A number of resolutions and agreements by other international organizations and policy decisions by countries that donate development funds and assistance, round out a body of international rules and regulations that is gradually shifting in favor of the indigenous peoples' proposals.

New Practices

Significant changes have been made in projects sponsored by private development assistance agencies and churches. In the 1980s these institutions performed many of the functions involved in the administration and execution of programs and projects funded by bilateral and multilateral cooperation in many countries.

Generally speaking, these institutions wanted the beneficiaries to play a more direct role and for the organizations to run the projects themselves. They also wanted to cultivate the indigenous peoples' technical and administrative skills. Despite whatever limitations the model might have, the style spread among executing agencies and came to be regarded as a right among the beneficiaries themselves.

The assistance went mainly toward strengthening the indigenous organizations, identifying their needs, training their leaders to participate in public management at the local level, and modernizing the relationship with government agencies and offices.

A considerable percentage of the financial resources and of the solidarity that have gone into strengthening the indigenous movement in recent years came from bilateral international cooperation and was funneled to them either through the cooperation agencies or through nongovernmental organizations, churches and other solidarity programs.

Whereas resources of this type went toward organizational strengthening, promoting indigenous

28 Nongovernmental brokerage has in some cases been a two step process: one in the country from which the resources flow and another in the country hosting the projects. Some international NGOs have set up their own local offices in countries in which the indigenous peoples account for a significant share of the population.
rights, and promoting exchanges, the focus now is on financing experiments in community economic development and microenterprise. Except for the last of these categories, cooperation of this type has generally operated by its own discrete rules for financial control and evaluation and has done little to cultivate development skills within the organizations themselves.

Some agencies of the United Nations system have made forays into the field of indigenous development in such areas as bilingual education, traditional medicine, food security, proper environmental management, and promotion of agriculture, and have done so by trying to replicate the style of self-development introduced by the NGOs.

In the Inter-American regional sphere, only two agencies bear mentioning: the Inter-American Indian Institute, which has been virtually paralyzed for the last five years, and the Inter-American Commission on Human Rights, which has focused attention on some of the most critical situations in its reports on the countries of the region. The Commission also solicited comments and observations to prepare the Inter-American instrument on indigenous rights.

Within the subregion, a program carried out by the Andean Development Corporation with funding from the International Agency for Agricultural Development (IAAD) experimented with forms of direct support to small indigenous communities in the Amazon Basin, and the Amazon Cooperation Treaty created and maintains a Special Commission on Affairs that has made some important advances in demarcating and surveying indigenous territories, with the interested parties participating.

**The International Finance Institutions**

The World Bank and the Inter-American Development Bank, the two entities that have played the most significant role in shaping and financing development in the countries of the region, is increasingly promoting specific policies to address indigenous populations and communities and earmarking resources to carry them out, either as parts of more sweeping programs and/or as direct investments in the sector.

The international banking community's growing interest can be traced to its experiences with integrated rural development and the criticism thereof, which pointed to the need to tailor the methods more closely to the social and cultural conditions and characteristics at the local level and to have the beneficiaries participate directly in most of the project cycle.

This phenomenon is another offshoot of the policy of reducing the impact of major projects roadway infrastructure, irrigation and hydroelectric power which introduced the practice of designing micro-level solutions and brought home the benefits to be gained from interacting with the affected populations.

The most important gateway to the indigenous theme appears, however, to have been the environmental question. The thrust of programs and projects aimed at advancing the agricultural frontier mainly by introducing marketable crops, cattle ranching and lumbering coupled with others to restore ecologically degraded areas or to protect nonrenewable natural resources, revealed the very close relationship between the environmental objectives and the development of populations native to rain forests; again, the concern to get the local communities involved through proper styles of development, revealed how the indigenous peoples could be instrumental in designing sustainable strategies for exploitation of resources.

Finally, *human development* as the basic strategy for *combating poverty* ultimately made *indigenous development* an objective in its own right.

In recent years the two banks have established special technical units to address this problem. They are adopting environmental and social impact
quality control standards, developing methods for informed consultation with the affected communities, and gradually increasing the flow of investments into the sector.

The new investments for the indigenous sector (and others) are primarily intended to promote productive and sustainable solutions and to improve the beneficiaries' capacity to administer and carry out the investments. Efforts are also being made to keep intermediation at a minimum and reduce the government sector's high administrative costs. The financial agencies are now planning to support the development of policies and laws that make their investments safer and strike a better balance between the objectives of indigenous development and those of national development.

This and other recent trends in cooperation pose a challenge for the indigenous movement, involving technical modernization, assimilation into national objectives and participation in democracy.

THE PENDING ISSUES

There are five particularly crucial factors in the relationship between the indigenous peoples, the states and the international community, the urgency of which increases as the end of the millennium draws near:

* Access to and distribution of the resources essential for life.

Obviously agrarian reform failed to produce a sustainable solution to the question of the peasants' holdings. No satisfactory solutions have been found for the water access problem or for the exploitation of other resources such as mines, timberlands and the natural and archeological heritage.

In general, no body of laws is sufficiently broad and accommodating to ensure resources for the indigenous peoples, no matter what their circumstance, beyond the right to property.

* Realization of justice

As their contacts with the national mainstream society intensify, indigenous people find access to the courts more and more difficult and justice more and more elusive. They have become the victims of the most aberrant practices of a system that is rapidly breaking down. A jurisdictional system that fails to acknowledge the indigenous singularity, that is premised upon an across the board application of the law and the homogeneity of justice, is hindering the development of alternative ways to deal with this reality.

* Exercise of authority and representation

Because indigenous forms of social organization are still being excluded, access to centers of national and regional power is still difficult and citizenship status continues to be denied, either in fact or in law. Therefore, the agenda for modernizing democratic institutions (and programs in governability) must look for new vehicles of participation and political involvement for indigenous peoples, based on their own cultural and organizational dynamics.

* Participation in economic, social and cultural development

The indigenous peoples continue to be "the poorest of the poor". However, efforts to eradicate poverty seem inadequate to their needs; those models tailored to suit their needs that have been tested have not produced satisfactory results; participation continues to be limited and formal, and self-development is infrequent.

29 The new trend also poses challenges for the government offices and private organizations, whose intermediation role and control must change and whose operating budgets will be significantly affected.
Indigenous development must become an objective of national development. Greater resources must be earmarked to promote it; their organizations must be endowed with the authority to conduct it, their recovery must be assured and development of their capabilities guaranteed.

* Battling discrimination

Discrimination against indigenous peoples continues to be at the very root of a number of practices and policies inimical to their development and to finding a satisfactory solution to the problems they still have. This discrimination is entrenched within society as a whole and mirrored in its laws, in the design of its institutions and in the application of policy. A long-term social effort is needed to reverse it and will require changes in education, communication and civic life in general.

In each of these problem areas some issues can be resolved through negotiation; others appear to have no solution under the present circumstances.

THE INDIGENOUS PEOPLES FUND IN THIS SCENARIO

It is in this scenario that the Indigenous Peoples Fund is being created as a public international organization open to any independent State that wishes to make some contribution toward furthering the Fund’s objectives.

Its most important institutional and political distinction is that its governing bodies i.e. the General Assembly and the Board of Directors and any other decision-making body are made up of delegates of the governments and of the indigenous peoples of those member states.

* What is the Indigenous Peoples Fund and what does it do?

Functions:

* Help the indigenous peoples prepare projects and programs that serve their own development objectives, while ensuring self-determined management, the protection of their territorial and cultural resources, and respect for their rights as peoples;

* Support identification and negotiation of technical and financial resources to carry out projects and programs proposed by the indigenous peoples and communities;

* Offer opportunities for the organizations, governments, multilateral and bilateral technical and financial assistance agencies and nongovernment organizations to work together to commit themselves to the objectives of indigenous development, to facilitate the procedures for accessing national and international resources and help create the appropriate legal and institutional preconditions for indigenous peoples' sustainable development.

* Seek out and offer preinvestment funds, both to prepare projects and to improve the technical and organizational expertise of the peoples so that they might eventually manage their own development.

* Cooperate with the governments and with the technical and financial assistance institutions to identify the indigenous peoples' needs, facilitate a direct relationship with them and develop conditions so that their resources can be placed efficiently.

Basic Rules:

* It provides support only to programs and projects that directly benefit indigenous peoples and communities, as defined in the Agreement establishing the Fund.
* It acts solely at the request of the indigenous organizations that represent the direct beneficiaries, who may propose that other indigenous organizations, government agencies, nongovernmental organizations and other social protagonists participate and/or provide support, as co-contributors of their requests. The beneficiaries and their organizations have the right to send their requests directly to the Fund.

* It supports only those projects that serve to establish the preconditions for the self-development of the indigenous peoples, as defined in the Agreement establishing the Fund and the operating directives.

**What Can The Organizations Request?**

* Resources to hire technical assistance preferably indigenous to prepare projects or programs that they want to submit to national or international sources of financing.

* Resources over and above their own to get their grassroots communities involved in identifying their needs, designing projects and managing them.

* Help identify and make contact with sources interested in funding their projects, prepare agreements with them and create the basic skills for self-development and evaluation.

* Support for negotiations with the government offices and financial sources that improves the indigenous peoples' chances of getting resources for development, that wins national counterpart support for their efforts and, whenever necessary, guarantees for their loans.

**What Resources Does It Operate With?**

The Fund's institutional operation is assured until 1997 thanks to a grant from the IDB. This grant enables the Secretariat to function and finances the basic activities involved in identifying and preparing projects in the member countries.

Other sources like the World Bank, the European Community and the Government of Spain are making contributions that add to the resources available to finance the participation of indigenous organizations and experts in project design and management of project resources.

Some financial institutions and governments from outside the region like Belgium, for example have already started to provide direct funding for projects put together through the Fund's participatory mechanisms, in such areas as training, small revenue-producing projects and services for the peoples most at risk.

The Fund is working to set up a trust fund so that it will always have the funds it needs to operate, to increase preinvestment and to fund directly pilot investments in indigenous development.

**The Early Years: Lessons, Expectations and Disappointments**

While the negotiations that preceded the creation of the Fund identified the indigenous peoples' principal needs (territory, rights, self-development, culture and identity) and these became the Fund's preferred areas of activity, the chief institutional activity in the first two years was mainly geared to the preparation of diagnostic studies, brief country reviews, and a portfolio of projects that reflected the concrete initiatives that the indigenous organizations consider to be vital to their own development and for which they seek technical assistance and financial resources. The feeling was that to increase the flow of investments into the sector, a set of concrete, well-prepared projects was needed, one that accurately represented the indigenous communities' priorities.
A variety of activities were carried out: in some cases the Fund hired consultants to write brief country reviews and to prepare, in consultation with the indigenous organizations, project profiles on the latter’s suggested topics; in other cases, the organizations themselves worked up the profiles with financial support from the Fund. A considerable number of proposals were sent in directly by the organizations themselves and, in some cases, by government offices and nongovernmental organizations that had gotten them from the interested parties or had prepared them in conjunction with them.

The resulting portfolio now consists of some 285 indigenous projects of various types and sizes and in various stages of preparation. The budgets for these projects total over 250 million dollars.

A large percentage of the proposals are for income producing projects that will improve the indigenous communities’ standard of living, make better use of or restore the natural resources on their lands and territories, and give them a proper niche in the national economies. A considerable portion of the proposals seek resources to keep the organizations in operation and strengthen them, to build technical teams and train leaders. Some projects are to resolve legal problems, defend the rights of the indigenous peoples and strengthen the role of their traditional authorities. A few seek to promote, defend and develop the indigenous culture and identity.

Based on this information, the initial negotiation meeting was scheduled to coincide with the General Assembly and the Seminar on Indigenous Development. The idea was to get the government representatives’ reaction to these proposals and sound out the international development agencies’ interest in supporting them.

One of the threads that runs through all the indigenous organizations’ proposals is the theme of self-management, which means that the beneficiaries themselves administer and execute the resources, with funds provided to them either directly or through some national mechanism for placing development investments or through nonindigenous nongovernmental organizations. The organizations are hoping that the intervention of the Indigenous Peoples Fund will ensure self management, which they believe is the Fund’s most important advantage.

For their part, the government offices in charge of seeing to the indigenous peoples’ needs or of development-related affairs in general, appreciate the legitimacy of the many indigenous proposals and hope that the Fund’s participation will ultimately step up the flow of investments into the sector. But obviously, they would prefer to administer and execute any additional resources that might be obtained by way of the Fund, with the indigenous peoples participating.

Finally, most multilateral and/or bilateral finance agencies see the portfolio of projects as indicative of the kinds of initiatives that the indigenous peoples will propose and of their capacity to carry them out, and recognize that the better part of the projects could be done through the regular mechanisms for promoting development and combating poverty (funds, programs, initiatives) that are already in place in the countries and into which they put resources of many kinds. Their hope is that the Indigenous Peoples Fund will help the interested parties work through the regular mechanisms, with projects that are more and more efficient and increasingly sustainable.

Given this complex situation, the Technical Secretariat has started to explore ways to get indigenous proposals into the mechanisms at the national level, in an effort to win the support and enlist the participation of the government offices and cooperation agencies while keeping the fundamentally self-managed nature of the proposals intact, understanding that the most significant resources to finance urgently needed investments in indigenous development are and always will be the multilateral and bilateral sources of technical and financial
assistance and the national mechanisms for investing those resources.

Some lessons have been learned in the process of identifying and promoting projects:

* The process of recruiting projects created expectations among the beneficiaries that the Fund could not live up to as directly and swiftly as the organizations expected.

* The interested indigenous parties and the Fund itself do not know enough about the opportunities that the national mechanisms have to offer, about how they operate and how to access them. This is why the expectations about direct external resources were higher.

* Enabling indigenous peoples to qualify for resources to finance their projects necessitates specific public policies that go beyond the policies for development in general and for combating poverty, which currently do not exist, are not explicit and/or have not been put together with the indigenous peoples’ participation. This is true even in those countries where constitutional amendments and legal reforms have been introduced to recognize multiculturalism and promote indigenous rights.

* The strategy and specifics of indigenous development need to be clearly articulated, based on a thoughtful examination of what the experience of the indigenous peoples and organizations has been in recent years.

The training activities conducted thus far have taught some lessons for the future:

* Every indigenous organization that intends to take charge of its own development desperately needs to form its own technical teams.

* It is equally important to build up the organizational structures by maintaining teams of collaborators who work together under the leaders’ authority.

* Indigenous people must have the skills to negotiate with development agencies and programs and, in some cases, to take direct part in the national and local agencies that operate those resources.

* Finally, these activities have pointed up a sizeable deficit in the indigenous peoples’ access to secondary and higher education.

The negotiations-related activities have focused on building up a dialogue between indigenous leaders, government officials and cooperation agents, on what constitutes appropriate development for the indigenous peoples. The activities have mainly involved participation in or organization of events, support for initiatives put forward by the organizations themselves and promoting working (negotiation) meetings of the Fund’s National Advisory Bodies, a mechanism established under an operational directive to create opportunities to discuss the programming of institutional activities, examine projects and debate joint strategies in each country.

What these exercises have revealed is that, on the whole, there is consensus on the need to devise models better suited to the particular characteristics of the peoples and communities, that such models might improve the return on the investments and minimize the risk of failure, and that investments in the sector need to be significantly increased.

Negotiations become more difficult, however, when trying to define what authority the government offices and the indigenous organizations will have in managing and executing development resources. Financial control standards, brokerage and mutual mistrust make it that much more difficult to agree on how to work together and share responsibility.
National institutions for negotiating specific poli-
cies and strategies for indigenous development have
still not been developed, since the dialogue on this
issue has been confined to the relationship between
the offices of indigenous affairs and the indigenous
organizations and has not yet become a mechanism
with real pan-sector impact, or is simply dictated
by whatever pressure the indigenous peoples are
able to exert.

Lastly, much of the institutional effort of the first
two years has gone into lobbying the countries that
signed the Agreement establishing the Fund, to get
them to ratify the agreement and deposit their
instruments of ratification with the United Nations
General Secretariat; identifying the government
agency in each country that would be the Fund's
counterpart and establishing relations with it;
developing relations with the indigenous organiza-
tions and encouraging them to appoint a repre-
sentative to the Fund's governing bodies; opening up
the gamut of relations with international relations
and other organizations that provide technical and
financial development assistance, and working to
get the government bipartite agencies established
and operating.

Time and effort have also gone into setting up the
Technical Secretariat and into developing routines
that are well suited to the particular characteristics
of its functions and, above all, its work with indige-
nous organizations. Every effort has been made to
economize so that most of the funding (from the
IDB grant mentioned earlier) can be used to help
the indigenous people and to keep the Fund in
operation until a permanent financing system is in
place.

Finally, since the First General Assembly, an
evaluation process has been instituted, with the
indigenous beneficiaries well represented, in order
to correct the Fund's course and pinpoint its desti-
nation based on its initial experiences. A financial
consolidation process has also been set in motion to
sustain the institution's activities in the long term
and form a reserve out of which key indigenous
proposals can be funded.

Some important lessons have been learned from the
institutional activities, including the following:

* Ratification of the Agreement establishing
the Fund by 19 of the 23 signatory coun-
tries has not meant that the technical and
economic support pledged by the govern-
ments of the member countries has been
forthcoming, although the countries may
be awaiting adoption of a contribution
mechanism; the II General Assembly will
take up a concrete proposal for such a
mechanism, now being prepared.

* The task of getting individuals appointed
to represent the indigenous peoples on the
Fund's governing bodies has not been easy
and some problems still persist. This issue
is in part a function of one of the provi-
sions of the Agreement establishing the
Fund a necessary provision from the
standpoint of international law which
requires that a delegate will be "duly ac-
credited by his respective Government,
after consultations carried out with the
Indigenous Peoples' organizations of that
State." But it is also because the indige-
nous organizations in many countries have
difficulty agreeing upon just one delegate.
While this second problem is partly orga-
nizational, it is also because of a lack of
resources to reach the necessary agree-
ments.

* Despite this limitation, the meetings of the
Interim Committee (19931995), of the
Board of Directors and of the General
Assembly have managed to build some
consensus agreements among the sectors
represented, especially for initial opera-
tional and eligibility rules and discussion
of the work programs.

* Two basic aspects of the Fund have not
yet been adequately resolved: the existence of a responsive, permanent mechanism to control, monitor and evaluate the activities of the Technical Secretariat, and more efficient forms of contact between the Secretariat and the indigenous organizations. The latter is a particularly important factor when one considers the tremendous expectations that the Fund's establishment created, which grew even more in the process of identifying and preparing projects.

* Finally, an excess of caution in setting up the Technical Secretariat and carrying out its first operations slowed its response time and made it difficult to move quickly to include indigenous officials in administrative management.

**The Immediate Steps**

The evaluation underway will come up with proposals for the direction that the institutional profile should take to provide the best possible response to the reasonable expectations of the indigenous peoples and their most strategic development requirements.

The capitalization process will secure the institution's operations and, above all, provide resources that can be channeled directly to the organizations to achieve the strengthening, training and self-management objectives of their projects.

With an unmistakable signal from the governments of the member countries and with preinvestment resources, one can expect bilateral and multilateral cooperation agencies to increase the resources they invest in indigenous peoples' development and to bring about changes in the national mechanisms for putting those resources toward these objectives.

The II General Assembly will establish a procedure for renewing the position of Technical Secretary in the third year of operations and will surely take steps to clear up the problems limiting indigenous participation.

These and other future courses will gradually make the Fund a forum where those involved in indigenous development may confer and a school in which we can all learn a new style of cooperation.

In this effort, the main thrust of the Indigenous Peoples Fund will continue to be what it was from the time it was first established: reversing the disadvantages of the indigenous peoples, guaranteeing their rights and winning back their dignity.
I would like to begin by conveying cordial greetings from the President of the Inter-American Development Bank, Mr. Enrique Iglesias. As he indicated on several occasions, he would have preferred to be here himself to underscore, by his presence, the importance that he personally as well as the Institution he leads attaches to indigenous development. However, an unexpected inter-institutional emergency prevented him from attending today's seminar.

The theme of this seminar is so very relevant, given the enormous challenges that Latin American development cooperation faces as we approach the end of the twentieth century:

* how to reduce poverty once and for all;
* how best to involve civil society in the planning and execution of development activities; and
* how to ensure the environmental, economic and financial sustainability of these measures.

The Seminar also comes at an opportune moment, given these challenges and the indigenous peoples' desire to be both beneficiaries and co-architects of the development process in their countries, in a way that strengthens their ethnic and sociocultural identities and opens up opportunities and resources that they can use to conquer the poverty and alienation that is the lot of the vast majority of the indigenous peoples of this hemisphere.

I would like to draw a comparison between the position of the cooperation agencies which are reworking their own strategies to correct past oversights or mistakes and that of the indigenous peoples, as we have heard it and interpreted it in recent years. Everyone seems to agree that there is no contradiction between improving material standards of living and preserving the social and cultural values handed down by the ancient cultures native to our region. Indeed, more and more evidence seems to suggest that development projects that have the best economic, social and environmental results are those that:

* are based on the authentic demands from the interested population,
* ensure the population's active participation not just in the project's execution, but in the design and decision-making processes as well, and
* respect the organizational systems, socioeconomic philosophy, values and aspirations of the population they seek to assist.

However, most successful ventures have been done on a small scale or in the form of pilot projects. Our common challenge is to multiply, expand and institutionalize our experiences with participatory
development, to make them the rule rather than the exception.

While indigenous peoples must be guaranteed a greater role in the development process and an equitable share of its benefits, on an equal footing with other population groups, their indigenous rights protected under international agreements already in force (such as ILO Convention No. 169) or in preparation (such as the United Nations Universal Declaration, the OAS declaration on the rights of indigenous peoples, etc.), and under the domestic laws of an increasing number of countries of the region must be recognized and respected:

* secured, communal access to ancestral lands;

* the right to their own organizational systems and self-management, and

* recognition of the systems of customary law.

These were the basic principles followed when shaping the conceptual framework for the Indigenous Peoples' Fund, which I will return to later.

This past year, the Inter-American Development Bank has itself been more routinely including the indigenous question in its own development policies and strategies and introducing it into its organizational structure. The document of the Bank's eighth capital replenishment, whose negotiation was completed in April 1994 and which stands as the governors' principal mandate from the 44 member countries for the next five-year period, explicitly named indigenous peoples as one of the Bank's priority target groups. The document points up the rich cultural and linguistic heritage of the indigenous peoples and their socioeconomic models, which are so well adapted to the fragile ecosystems in which they live. But it also underscores the unfortunate correlation between ethnicity and poverty. As a strategy for conquering poverty, the mandate of the eighth replenishment empha-

sizes the importance of strengthening indigenous groups' capacity to take charge of and carry out their own development projects; it also highlights the brokerage role that the Indigenous Peoples Fund can play in this process.

To comply with this mandate, in the Bank's recent reorganization a new Unit on Indigenous Peoples and Community Development was created with four specific objectives:

* to play a leadership role in devising policies, strategies, and methods and in disseminating successful experiences ("best practices");

* to provide technical support on sociocultural matters to the Bank teams in charge of preparing and running projects;

* to routinely participate in quality control of all Bank operations, and

* to identify and develop innovative projects, pilot experiments or effective demonstration projects.

With this mandate, the Bank's role vis-a-vis the indigenous peoples' needs goes from being "reactive" (i.e., measures to avoid or mitigate any attendant negative effects on indigenous populations caused by projects being conducted for some purpose unrelated to them) to being much more "proactive" in the sense of actively promoting the inclusion of indigenous concerns in all Bank activities.

The challenge for our institution is not just to increase the number of small scale initiatives that are a direct response to a specific indigenous need however important this may be but also to routinely include indigenous concerns in the operations that constitute the very core of the Bank's work; in other words, the large scale national or regional projects in education, health, rural development, basic infrastructure, development of micro and
small enterprise, environmental management, State reform, administrative decentralization, and others. In practice, this is difficult to do and requires a systematic effort to sensitize and prepare Bank officials as well as government institutions in the borrower countries.

Several programs and projects supported by the Bank in recent months illustrate how difficult it is to change the traditional approaches and introduce new concepts and modi operandi. One example is a farm sector program in a country with a significant indigenous population. This project was also an attempt to introduce a number of badly needed reforms to increase productivity in rural areas and reduce the state bureaucracy there. However, it risked jeopardizing the integrity of the communal lands and the water access rights and traditional farming practices of the indigenous population. The operation’s design had failed to consider the measures' impact on the indigenous population. However, the mistake was caught in time. In this instance, after intensive negotiations with the indigenous organizations, the government introduced substantial changes in the laws governing reforms in the farm sector and requested that the Bank operation include measures and components specifically intended to strengthen the indigenous organizations' institutional and technical capacity, to ensure that they participate in the design and execution of these measures and to institutionalize a system to monitor for the program's potential social impacts. While these changes in the operation's original design represent progress over other similar operations approved in years past, they also show that much remains to be done when preparing new operations.

If the IDB wants to serve as a catalyst in lowering levels of extreme poverty in the hemisphere, then we have to factor the ethnic dimension into our strategies and programs: a rough estimate of the correlation between poverty and ethnicity indicates that approximately one quarter of those living in extreme poverty in Latin America are indigenous. This figure is undoubtedly much higher in countries where indigenous people account for a significant percentage of the national population. More needs to be known about the distinctive characteristics of indigenous poverty, and unless and until that happens no strategy for reducing poverty will have much chance of success.

I would like to close by turning my attention to the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean.

The Bank was instrumental in creating and setting up the Indigenous Peoples' Fund because it is convinced that this new regional body can be one of the most effective vehicles for closing the gap between the indigenous deficit and the development objectives in the region. One of the Fund's basic objectives is to help indigenous people conceive and carry out their own development projects and to find funding for these projects through its contacts with donor agencies. The Bank looks forward to the Indigenous Peoples Fund's first projects negotiation meeting with high expectations. One of the chief results of this pilot exercise should be to firm up the financial commitments made vis-a-vis a number of specific projects. But we also hope that the meeting will be an opportunity to clarify and better define the specific role of the Indigenous Peoples' Fund in this process, and give donors and indigenous peoples greater confidence in the technical expertise and added value that the Fund can bring to the contacts between indigenous peoples and financial sources.

Those of us who took part in the arduous negotiation of the Agreement establishing the Fund always believed that, being a new body with an innovative structure, an ambitious mandate and some political risks, the Fund would inevitably undergo a trial learning process and a period during which its styles of dialogue and its ways of going about things would become consolidated.

In that sense, we hope that the meetings intended to consolidate the Fund's structures and to launch a more systematic process of technical support and
financial brokerage, will strengthen the confidence that the three partners in its tripartite structure invested in the Fund as it was being developed and created: the indigenous people, the governments of the region and the donors.

The Fund’s second important function is to create a forum to discuss and build a consensus vis-a-vis indigenous development concepts, strategies and policies, to increase understanding and mutual respect among indigenous peoples, governments and donors, while mapping strategies and creating a climate more conducive to the systematic inclusion of indigenous concerns on the development agendas of the governments and the donors, which will be to the good of indigenous and nonindigenous peoples alike.

As we see it, this seminar’s objective is to set in motion an open and candid dialogue about the opportunities and challenges of indigenous development in the context of the development of Latin American society as a whole.
I would like to begin by saluting each of my fellow delegates of the indigenous peoples of the countries represented here, the Honorable Vice President of Bolivia, the representatives from the Inter-American Development Bank and the representative from the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean. Our warmest regards to you all.

I have listened to the presentations and observations made here today and have been deeply moved. Indeed, there really isn’t anything left for us to say, because the debate about whether or not the indigenous peoples have a right to participate, or whether they have to be recognized in each of their regions and countries, appears to be over. Everything seems to have been said. The presentations heard here today echo what we indigenous peoples, through our indigenous organizations, have always said. For some time now, especially during this century, the indigenous peoples have been seeking participation. We consider ourselves part of our states and subject to their laws. Whatever the lot of our countries, be it poverty or something else, we have been part of that experience. And so on this occasion, we would simply like to reiterate what we have always said about indigenous peoples’ participation. There still seem to be some lingering doubts about whether the indigenous peoples and their organizations have what it takes to contribute to the growth and well-being of society. What a mistake it would be to continue to use labels like majority and minority as euphemisms for those who have something to contribute and those who don’t. How unfortunate if such labels were to persist.

This seminar is another opportunity to explain the indigenous development ideal and reflects the approach being taken by the Inter-American Development Bank (IDB). Clearly the IDB is in the process of organizing new elements that take the problems of indigenous peoples into account and make their participation possible. This was the hard thing for us. And yet here we are, together, listening to each other’s views.

From the beginning there has been something wrong with the development concept. Simply put, the old development concept was not in the indigenous peoples’ interests; those who came up with the concept neither took us into account nor gave us an opportunity to participate. The new policies, which we have just heard, seem to be trying to incorporate our sociocultural values and views on how the lot of the indigenous peoples can best be improved. This was missing in the old development approach because of doubts about whether we were up to the responsibility. The indigenous peoples were seen as a burden for the states and nothing more; the thinking was that we did not have what was needed to take on responsibility.

As we have said, there are approaches that can help correct our situation and help us meet our needs. One is the idea of democratic participation...
in planning and development related decisions. If the state and its agencies decide the what and the how of development, then there is little we can do but live with their decisions. This approach has to be corrected, because planning must be a joint exercise.

Were collective effort all that was needed to make a better life for our peoples in the individual, social and collective sense, then our capacity to develop our society would be more than obvious. But the State has to understand that so long as we do not have economic space, we can hardly be criticized for not making a contribution. How will it ever be able to gauge what we can do unless it gives us the opportunity to do it?

Drafting and debating new legal instruments will mean little if implementation is lacking. We in Bolivia are fortunate, since implementation is already underway. The Vice President told us what this is costing. This is the time to set these new instruments in motion, and if everyone promoting the application of these new instruments has the right attitude, we can begin to apply the reforms in our State. One of our challenges is to reform formal and nonformal education, because the members of our communities need to be trained immediately to undertake these responsibilities and thereby participate. And our participation is critical, as there are still too few people within the State apparatus who are taking the correct approach to the challenges and doing things that will truly be to our benefit. The indigenous peoples must have a say in everything that concerns us. All too often projects and programs fail precisely because the indigenous peoples were not included in the decision-making process. This kind of inclusion is essential and is something that every state institution needs to work on.

As we just heard another speaker say, a revitalized appreciation for art and culture is vital. Without these things, our countries will continue to lag behind. A society that is not living its own culture has nothing to keep it moving forward.

We have had some bad experiences in this regard. Even today, some countries persist in denying the culture of our peoples. Certain development styles have been bent on alienating and changing our cultures. From what I have heard, I'm not certain I understand what integration means. It would seem to mean the assimilation of the indigenous peoples' cultures. But business and industry are doing just that: transforming and defacing the cultures of our peoples.

The assumptions upon which the existing systems are premised are so flawed that those systems should be abandoned. Our states must be willing and able to introduce structural change. This goes directly to the issue of levels of social, economic and political participation of everyone living in the country. In our case, for example, this change is already embodied in the Constitution. But as the Vice President said, although the reform is there on paper, in the Constitution itself, so long as it is not implemented, so long as the machinery of government and government institutions fail to implement the reform, we will continue to live off words and speeches. Here in Bolivia, I believe, we are already past that point. We are already in that practical period when the reforms are actually implemented.

I was gratified to hear what the Inter-American Development Bank had to say about the role of the Fund. This seminar ought not to become a forum for debating the issue of whether or not the proposals of the indigenous peoples are approved. This should be a practical exercise, one that implements, because presumably the structure that decides what the Fund’s role should be is already in place: it consists of the organizations that finance it, the states, and the indigenous peoples who prepare the proposals. The matter is clear enough that we cannot go astray. We now have to get into the practical business. The attitude of the individuals and officials is an important factor because, as I said before, the tendency to draw a distinction between those who deserve the Fund’s support and those who do not must be avoided.
The Fund has to act on the indigenous peoples' agenda, which the governments of our countries are fully cognizant of and in agreement with. This will make it that much easier to address the indigenous peoples' pressing needs.

We have already set the process in motion and the Fund’s transition period is already behind us. Considerable sums have been invested in studying the problems of the indigenous peoples. I think by now we have studied those problems enough that we can safely begin to implement the findings. We are relying on the organizations that have made a commitment to finance the Fund, so that it may in turn finance the indigenous peoples' proposals. They have already demonstrated their willingness to take practical action; this will help the indigenous peoples begin to shoulder responsibilities within our countries, because no indigenous policy is contrary to the principles upheld in our Constitution. We want to make our contribution. At times there are reactions within the various movements. But it is discrimination that curtails or even denies Indigenous peoples' participation and even their rights.

We have no wish to enter the next century laboring under the same burden that we have carried in the past. It serves little purpose to spend our time blaming the planners and academics of the past. We of this generation, those of us right here and now, must consider this our responsibility. That way we will either have the gratitude of future generations or be accused of having had the opportunity to do good and failed to act.

And so, brothers, those of us who will plan and work out the role of the Indigenous Peoples Fund have to be very clear about our duty.

Eventually, perhaps, our meetings for negotiation and candid discussion will be different. Perhaps we'll be looking at the results of what we do today and planning where we go next. This is our hope, both as a movement and as peoples. Here in Bolivia, we are calling upon representatives from neighboring Latin American countries to begin a two pronged effort, one being to give the indigenous organizations their proper role in the business of the states, the other that states not restrict that participation. Our participation is still quite limited and controlled. We cannot develop ourselves and develop all our potential so long as that is so.

What is happening here in Bolivia and in other countries like Ecuador, Colombia and Peru, is something new.

We are struck by the fact that some countries and governments remain silent, waiting to see what happens in those countries that have already taken on the challenge of involving indigenous peoples. But how does one learn to swim without getting into the water? So we want to pool our efforts, not just in Latin America but everywhere in the world where indigenous peoples exist.

For the moment, these are our thoughts.
In the invitation for this event we were reminded that most indigenous peoples "are among the poorest of the poor". Indeed, there is a tragic correlation between indigenousness and indigence. Even more tragic is the fact that the more closely one adheres to the indigenous way of life, the poorer one tends to be.

In response to this tragic state of affairs, most governments and development agencies apply equally unhappy formulas. Sometimes very explicitly, other times only implicitly, the thrust continues to be one of persuading indigenous peoples to abandon their way of life in order to partake of the progress that others have.

There is something spurious in this approach, an awful kind of self-fulfilling prophecy:

I shall not belabor this point, because I believe the alternatives should be our focus. I would, however, like to address two points: the historical causes of that perverse correlation and the ethnocentric tendencies of the development proposals that perpetuate it.

THE PREVAILING VIEW

Colonial societies set up an asymmetrical situation, with the republic of the Spaniards and Creole-mestizos on one side, and the republic of the Indians on the other. This asymmetry was somehow inherited with independence and, even at the very best, the belief was that the creation of new societies and national identities necessitated the subordinate indigenous population's assimilation into the dominant sectors.

The proposed new mestizo societies were viewed as a solution to a nagging "Indian problem": the civilizing process meant the disappearance of the Indians.

Naturally, this approach meant that the indigenous peoples were invariably subjected to the worst kinds of discrimination. And they were gradually becoming "the poorest of the poor", some reduced to serving as lowcost labor on cattle ranches, in mansions, on the streets or in businesses, others marginalized, left in rural refuges or "reserves".

But this situation is perpetuated even today by the current development models, which tend to be devised elsewhere and for other situations and then mechanically applied where they don't really fit, without taking the limitations, needs or potential of the purported beneficiaries into account.

Examples of this kind of mindless generalization abound. A typical example is the idea that the transition from indigenous person to peasant is somehow automatic, or that being indigenous necessarily means being part of a rural population, if not the jungle, as if ethnic identity was something primitive; because primitivism and ethnicity were invariably associated, it was assumed that an

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indigenous person couldn’t be a peasant farmer, much less an urban professional. In our Bolivian case, even the National Secretariat for Ethnic Affairs, despite all its broad mindedness, is frequently forced to focus on minorities in tropical areas because the major international funds are only intended for them. Could it be that the old mistaken association of ethnicity with primitivism lies buried in the subconscious of those institutions?

The lack of sensitivity to the indigenous dimension is apparent in countless little ways. In mothers clubs, for example, where food is given away without considering the effect this has on local production, or where well-intentioned teachers attempt to teach weaving to women who could weave rings around them. On a more global level, conflicting technological principles are proposed: some peddle the idea of full mechanization and suggest permanent investments in agrochemicals, while others preach an orthodox brand of environmentalism. But neither side takes the time to consider what really works in each context. The progress-oriented thinking of the former never gives a thought to what being indigenous really means. But ecologists can be just as insensitive. Some regard the Amazon Basin as their private preserve, others have a tendency to equate jungle with indigenous which is also incorrect.

Even statistics can foment distortions. Census data tend to confirm that indigenous people are poorer and that they are migrating for lack of opportunity on the home front. However, their measurements are bad. For example, censuses classify as unemployed the thousands of women who work much harder than men and whose economic contribution is just as essential to keeping the rural and indigenous household together. Then, too, all the indigenous organizations tell us that the population figures for indigenous peoples are low. To avoid discrimination the category race (which is subjective anyway) was eliminated, with the result that the indigenous population was tabulated only via very indirect indicators, such as language, a category that was even omitted in some countries with large indigenous populations.

On this matter of the low rural census figures (indigenous and otherwise), we have no doubt about the rural exodus. But here again we have another self-fulfilling prophecy: the statistical flaws tend to exaggerate that trend; based on those flawed figures, many conclude that (even more) resources should be poured into the cities since what’s the point of investing in rural areas, where the bulk of the indigenous population still lives. Following that line of reasoning to its logical conclusion, the indigenous people will end up even poorer and the exodus will further increase, widening the poverty belts around our cities.

SOCIAL AND CULTURAL IDENTITY CHANGE OR ISOLATION

The multisectoral margination that still pervades the prevailing development approaches causes indigenous people to choose one of two courses: a change of social and cultural identity or isolation.

The most common course tends to be to change one's social and cultural identity, although this is not something that happens overnight. More often than not, it is a long, slow process. Adopting elements of another culture is not the same as a social and cultural identity change, except when it also involves an across the board rejection of one's own heritage. Still, such changes do occur, especially among those who emigrate to the cities and even other countries, above all as a reaction to the real poverty that ultimately drives them from their communities of origin. The cultural alienation that is part of the identity change is captured in the following: "So much out there tells us that we are dumb Indians that it must be true. Let's forget our origins, imitate them, and finally get somewhere." The mythologization of education can be part of that line of reasoning: "We want our children to learn to read and write in Spanish and learn a profession, preferably in the city, so that they might become civilized and never have to suffer as
But while many of the urban emigres have abandoned their birthright, there are still those who preserve their identity. These are the ones who can play a pivotal role in indigenous development, by serving as a bridge between their own society and the dominant society.

The other strategy is isolation. When the encroachment of the urban/modern world is perceived as a threatening intrusion, some tend to enclose themselves in a kind of shell, within which they endeavor to perpetuate the traditional ways of life. Often this is a defensive survival tactic in reaction to the despoilment of their territory or other bad experiences, such as the burdens created by an increasing reliance on credit. But it can also be an expression of dignity. We have seen one isolated Guarani community in the Chaco that proudly continues to refuse baptism and a school "because we have no wish to lose our way of life, as our neighbors have." Over the course of the centuries, most indigenous resistance has been based on this strategy, the only one that seemed possible given the discrimination against them.

But both strategies may be present in the subconscious mind, creating psychological instability, complexes and, in extreme cases, a kind of schizophrenia. It asserts itself and looks for what it cannot be or does not want to be, either way. Strong dependencies develop vis-a-vis those at the sociocultural level to which the individual aspires; ultimately the schizophrenic may even turn on the very people he or she aspires to be. This happens mainly in people with strong but frustrated ambitions of upward social mobility, including some of the urban indigenous militants who have already lost their ties with their place of origin.

A social and cultural identity change, isolation or painful combination of the two are in large part an unintentional structural and social result of the fact that the dominant models of society and of development leave little room for accommodation.

### TOWARD A DEVELOPMENT BUILT UPON SELF IDENTITY

Is there a third way out? We think there is, through what we might call *radical bilingualism*, to paraphrase Melia.

Clearly someone who speaks two or more languages has broader horizons than someone who remains trapped inside one language. He internalizes and communicates much more. He can keep his identity intact by using his mother tongue as a reference, while at the same time exploring other worlds. *Radical bilingualism* does not mean switching identities or closing oneself off. Someone who feels threatened, like the monolingual does, closes himself inside a shell. The individual who forsakes his original cultural identity in favor of another becomes alienated by adopting only the new identity and repressing the other. The perfect bilingual can move back and forth between the two worlds, although ideally one of them will remain his first point of reference.

We believe that this bi or plurilingual attitude is not confined to just language. It can embrace the entire universe of culture and each of its experiences. For example, many businessmen and union leaders or politicians are frequently bicultural because they know that their ability to move freely among two or more worlds gives them an advantage.

This flexibility to move between tradition and innovation even works, within certain limits, in the field of technical knowledge and the realm of values. For example, in medicinal plants or health-related practices, one can draw upon ancestral wisdom and modern techniques, without rejecting either source of learning. Then there are those who advocate the shared values of reciprocity and a modern business sense; those who combine ethnic democracy, which is more communal and immediate, with liberal democracy, which is more individual and representative; there are even those who have a strong Christian faith, without forsaking the
rites and beliefs of their ancestors.

The Mapuche in the southern reaches of the hemisphere are a good example, one well described by José Bengoa. The Mapuche were more persistent and more successful at enduring the colonial period and the republic. They did not isolate themselves. While maintaining a strong sense of ethnic identity and pride, expressed in a thousand daily routines, the Mapuche also adopted the horse and took up commerce as well as the Spaniard's arms and metal. With these they strengthened their capacity for resistance and development far better than other peoples. It was not until the late XIX century, following a military defeat in the "pacification" (a misnomer if there ever was one) of the Araucania, that some were assimilated, while others isolated themselves and lost their creativity in the process. Much of their maneuvering room was lost in the process.

Radical bilingualism is our term for this ability to drink from two or more cultural fountains at the same time, to move freely in both worlds, with no sense of vertigo or schizophrenia. In it, the root or the stem is one's self; the graft is what is acquired or appropriated later in life. And as with fruit trees, a good graft on a good rootstock bears much fruit. Naturally, the radical bilingual must feel very secure in his cultural base and be able to move in a sufficiently wide circle. Otherwise, the only other means of self-defense is isolation.

With this picture in mind, in the next few pages we will outline what we think would be an ideal model of development based on the indigenous people's own identity. I shall begin with education.

**EDUCATION BASED ON SELF IDENTITY**

In recent years, it has repeatedly been said that in today's world, development of human capital is much more important than controlling raw materials or an abundance of cheap labor. A good, solid education is the very foundation of development. Let us apply our concept of radical bilingualism to this process among the indigenous peoples.

Naturally, educators and social psychologists tell us that consolidating the base should be our first order of business. Educators say that one learns better if one begins with what one knows about oneself. The literal meaning of the terms *education* and *development* is to take what one has inside and open oneself up. From the psychological standpoint, this creates confidence and a sense of security, both of which are essential to creative and solid development. This is as true for the individual being educated as it is for a community and social group that is developing itself.

The latest versions of what is known as intercultural bilingual education has picked up some of the basics of this approach. It is no coincidence that this technique insists on starting from the student's own language and cultural experiences. Language is our first and most comprehensive way of encoding our increasing experiences with others and with the world around us. Also, the linguistic system is always very logical; a good command of our language helps us organize and systematize our thoughts. There has to be some reason why in all the countries of the so-called developed world so much emphasis is placed on the analysis and command of language, from the first to the last course in the basic educational cycle. Why not give the indigenous peoples' languages the same weight that other developed countries give to their own.

But apart from language for language's sake, it also becomes one of the principal collective referents for signaling the identity of a people if they continue to preserve it. In Europe especially, there are nationalist movements whose most immediate identification is the language that distinguishes one people from another. A good command of one's own language through education also helps strengthen identity as an indigenous people. This is not a condition *sine qua non*, since there are peoples who preserve a strong sense of identity but no longer have their own language.
However, where the language survives, it tends to be a powerful factor in ethnic identity.

Secondly, the entire cultural universe, with its wealth of practical experiences and ancestral wisdom, its rich symbolism and its system of values, is the most obvious source to tap for most of the curriculum. In this way, the school is building upon what was already learned at home from family and that the community continues to teach. These constant references to one's own cultural baggage will reinforce the student's sense of security and strengthen the roots of his own identity as one of a people. This avenue will make it easier to avoid the complex and schizophrenia created by the purely Spanish language based educational methods which, either directly or indirectly, ridicule and reject the student's own culture.

Although here we have been talking specifically about children's first school education, the principles apply just as well to the various training programs for adult men and women in any area of development. Wouldn't participants get a complex if the other language was always used for seminars and other educational programs? How would they feel if almost everything they had known and had practiced for as long as they could remember were presented as something bad or "primitive" and that the things that mattered came from the experts' culture? Then, too, is it realistic to assume that the other reality is the only reality? Isn't it likely that the students' own experience has much to offer that is original, an alternative that should be rediscovered and reinforced?

The various proposals in ethno-development described by other participants in this seminar, illustrate the potential that this approach has in such varied fields as Andean agriculture, sustainable management of tropical forests, medicine or the very concept of pluralistic democracy.

The second step in the educational process is the grafting, which is what opens up horizons. This is not a question of blind mimicry, but of sharing, analyzing and, if need be, appropriating experiences from elsewhere. Ethno-development can also be guilty of ethnocentrism if it does not open itself up.

Naturally, in the school system everything that concerns the language of the dominant sectors of society Spanish in our case takes on uppermost importance, as it is the fundamental vehicle of communication with other social groups. I feel I should add that in today's world a second language is becoming more and more essential, that being the language of computers, with all its complicated grammar and numbers. Tomorrow's literacy will almost inevitably include three languages: one's native language, the common language (Spanish) and the basics of computer language.

This is where much of what is already included in the existing programs both in a good school system and in the various adult education for development programs comes in. This is not the place for details, but we would like to emphasize that a complete change of outlook occurs when everything is absorbed as something additional, something that expands one's world, but not the only truth. Imagine, for example, how the entire picture of a country's history would change if that history were grafted onto the historical record of living peoples whose roots can be traced back long before 1492. The pantheon of heroes will grow or change, as will dates and even maps. This experience will shape one's image of what the future should look like.

But the right educational process is only one of many avenues to identity based development. But for brevity's sake we will look at just three that we believe are fundamental: ethnic based organization, a good economic base and, within that, consolidation of one's territory.

**ORGANIZATION WITH AN ETHNIC REFERENCE POINT**
Many development programs seem to assume that the populations they want to impact are a blank slate for which everything must be invented, even basic organization. And every program introduces its own organizational formula: cooperatives of all types, committees for every new proposal, mothers' clubs, etc. All too often development programs end up inventing their own organizational referent. They work with and through something they have themselves set up, as if nothing else existed.

But from the standpoint of the supposed beneficiaries, reality is altogether different. Except for the smallest and most isolated groups, it is difficult to imagine an indigenous people whose basic organizational unit is not some kind of community, whatever the local term for it might be (ayllu, cabildo, comuna, reservation, and even peasant unions in many parts of Bolivia). The organizations that the development programs introduce are frequently seen as a threat to that basic organizational unit. We have seen tiny communities with competing production cooperatives and various women's groups or religious groups. Each of these organizations was the invention of some institution outside the community, creating a variety of dependency relationships. All too often these organizations end up competing or conflicting with each other, weakening the community's sense of solidarity.

For authentic development, the community, under its natural authorities, should be the fundamental referent that decides how best its interests can be served. Any other type of organization must coordinate with the basic organizational unit, perhaps through formal representation on the community council. A community is a microcosm of a people's cultural and social identity. Through its assembly and authorities, its work and festivals, its customary law and its territory, it exercises its own kind of local government, as if it were a kind of ministate, to use an expression coined some years back by the Aymara leader Víctor Hugo Cárdenas. This is the basic body and interlocutor that cannot be circumvented.

Frequently, the indigenous organization extends beyond the community, through second or third tier organizations and beyond. These must also be the basic referent of any municipal, microregional, or regional plan.

The higher the level the more likely it is that the organization already has the radical bilingualism we spoke of earlier. Everywhere in the countries of this hemisphere, indigenous organizations are springing up, with one foot planted on their own cultural roots and the other on some new organizational form (including alliances among several indigenous peoples) to cope with the challenges and threats that the recent relationship with other social actors, with the State and with development have posed for them.

Although they can coexist, in some kind of alliance, with other organizations based on differing membership criteria, if they are to be effective catalysts for specific indigenous demands such as territorial claims, some measure of autonomy and an ethnically based system of education, it is best that these higher level organizations be based on ethnic identity. The dialogue between indigenous peoples and the government of Ecuador back in 1994 in the wake of a protest about an agrarian development law on which they were not consulted, is a good example of what these kinds of indigenous organizational clusters can do and how they can be conversant with other organizational institutions founded upon other criteria.

Our emphasis on the organization, even at national levels, is because of the undeniable political dimensions of development. As we have already seen, politics is at the very root of indigenous poverty. Conquering that poverty means waging a political battle, which in turn means reasserting this identity and reclaiming the violated rights; it also means that indigenous peoples must bring their own perspective to the job of shaping a new image for our countries, one based on the richness that the variety of cultural traditions and experiences can give it.
ECONOMIC STRENGTHENING AND TERRITORY

The factors described in the preceding section have, above all, a powerful symbolic content that reinforces the group's identity, solidarity and security.

But by themselves they will not suffice. The group needs its own economic base and strength in order to survive. Indigenous organizations are very much aware of this and invariably include a number of economic development proposals on their list of requests. Radical bilingualism tends to be a factor in the proposals as well. For example, in 1984 the United Confederation of Peasants Unions of Bolivia (CSUTCB) presented a basic agrarian bill that was never examined. It proposed recognition of their native communities and the possibility of creating their own "agribusiness"; shortly thereafter, their Indians, wearing ponchos and lluch'u, appeared in a parade on May 1 driving tractors.

Some indigenous organizations have conducted projects on their own. When the Inter-ethnic Development Association of the Peruvian Forest (AIDESEP) was created, it took pride in serving as a project clearinghouse, without relying on outside institutions to do the work. Unfortunately, the serious political problems in that neighboring country meant that the Association was unable to carry out many of its interesting proposals.

Underlying all these economic proposals is the struggle to win recognition of the territories. While the claim to territories has been asserted in a variety of ways according to each group's history, way of life and economy, it is a demand that almost every indigenous people and organization has made. The right to a territory, in effect, implies recognition of the group's own jurisdictions, within which each people or community can function with a certain degree of autonomy, which includes their control of or privileged access to certain natural resources that are now being readily transferred to other hands as if they were barren or empty lands.

However important legal and political recognition of the territory is, it is still not enough. If legal title to the territory is to have meaningful, lasting effects, it must be coupled with economic strengthening. Having won recognition of their territory, if an indigenous people then fails to occupy it and put it to good economic and competitive use, it will have difficulty withstanding the pressure from other groups that covet it, or even the demographic pressure exerted by other social sectors. The owners of the territory must back up their legal argument with the economic argument, one that should consider not just the group's own past experience but new opportunities as well. Here again, radical bilingualism, in this case economic bilingualism, will help strengthen something so fundamental to the group's own identity and survival.

In this entire economic realm, and in other technical areas of development, we are treading on slippery ground and there are no easy answers. One cannot allow oneself to be taken in by the magic of the modern times or deeply immerse oneself in the myth of ethno-development. Grafting the new technologies onto the resilient rootstock of every people's cultural wisdom is not an easy art and must be approached with some hesitation. It must also be tested, although the ultimate test will invariably be that of lasting results.

Another typical economic area for this kind of art is the nexus between the reciprocal relationships that are part of the ethnic rootstock and market relationships. Some say that the economic laws that run the modern world leave no room for reciprocity. Others think that reciprocity among native peoples is so essential to them that they should close their doors to the devouring marketplace.

As I see it, the challenge is how to develop our styles of reciprocity and solidarity within the
context of the inevitably insertion in the market economy. This is undoubtedly the last remaining vestige for the neoliberal model that tends to hoard through exclusion. But only the most myopic and arrogant could think that we have come to the end of history. We have to use our imagination and creativity to find a positive solution to this challenge as well.
PROMOTING THE DEVELOPMENT OF INDIGENOUS PEOPLE IN LATIN AMERICA

Indigenous people estimated at more than 300 million worldwide inhabit over 70 countries, covering almost every climatic zone. Once ignored, they are now seen as key players, especially in Latin America, in rural development programs and in management of fragile ecosystems.

"Indians" the name Columbus mistakenly gave to the diverse assemblage of peoples and cultures that inhabited the Western Hemisphere before the arrival of Europeans have always been among the most disadvantaged segment of the Latin American rural population. The majority of these people are the descendants of the great Aztec, Maya and Inca civilizations and still speak native languages. Today, they comprise large parts of the rural peasant and urban migrant populations of Mexico, Central America, and the Andean countries. In the Amazon Basin region, there are also scores of relatively isolated tribal societies, many of which have only recently come into sustained contact with outsiders as a result of new road building and land settlement programs.

While definitions vary from one country to the next, and most census data are of questionable reliability, recent demographic studies estimate that there are approximately 34 million indigenous people in Latin America and the Caribbean, or 8 percent of the region's population. Within certain countries, however, their number relative to the national population is much greater, especially in rural areas where most indigenous people live. Although many are bilingual in Spanish and their native languages, multilingualism (over 400 aboriginal or native languages are still spoken in the region) remains a dominant characteristic of much of the cultural landscape.

In Mexico, persons who speak one of the 56 indigenous languages make up over 14 percent of the national population and number over 12 million. In Guatemala, there are about 4 million indigenous people, speaking 22 distinct Mayan languages and comprising 43.8 percent of the national population. In Bolivia, the country with the highest proportion of indigenous inhabitants 56.8 percent there are 4.1 million indigenous people. Peru has 9.1 million indigenous inhabitants (40.8 percent of the national population), and Ecuador has 3.1 million (29.5

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* Mr. Davis asked that this text be published rather than the transcript of the one he delivered. This text was written with William Partridge, from the World Bank's Technical Department for Latin America and the Caribbean. It sets out the ideas he articulated at the Seminar more clearly and at greater length and was originally published in Finance & Development, March 1994, pp. 3840.

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Latin American indigenous people like indigenous people throughout the world depend upon specific lands and territories for their economic livelihoods, social well-being, and cultural survival. Historically, indigenous lands have been coveted by outsiders, and indigenous labor has been mobilized for indentured or low paid work in mines or on cattle ranches and plantations. Missionaries have played an important role in cushioning the negative effects of Western contact (disease, forced dislocation, etc.), but their programs have been introduced at the price of generating dependency and a loss of indigenous religions, values, and cultural pride.

Since the end of World War II, Latin American governments in the name of economic development and increased social integration have taken the lead in directing processes of cultural change among indigenous communities. Typically, they have done so through stemming labor abuses, agrarian reform legislation, and the design of various educational, public health, job training, and rural development programs. Most of these government programs have been centrally planned and highly paternalistic; very few of them have built upon the cultural strengths of the indigenous populations or entail their active participation.

Although there are isolated examples of success with bilingual education and improvements in public health, most studies indicate that government sponsored rural development efforts have not significantly affected the overall welfare or opportunities of Latin America's indigenous population. To the contrary, recent studies carried out by the World Bank and other development agencies indicate that Indians remain the poorest and most destitute of the region’s population, with the highest rates of infant mortality and childhood malnutrition and the lowest rates of literacy and schooling.

Recently, a new vision has emerged in Latin America that challenges conventional, topdown approaches to the (misnamed and misconceived) Latin American “Indian problem.” It builds on the positive qualities of indigenous cultures and societies, including a strong sense of ethnic identity, close attachments to specific lands and territories, a sophisticated knowledge of natural resources and the environment, and the capacity to collectively mobilize labor, capital and other resources. Currently, several programs are under way that promote the idea of a new partnership among international agencies, governments, and nongovernmental organizations for purposes of promoting indigenous development, but much remains to be done.

**THE NEW VISION**

A large part of the impetus behind the thinking comes from indigenous people themselves. The past two decades have witnessed a cultural renaissance among these people and the growth of a vast network of grass roots Indian organizations. Ironically, some of the same forces that have traditionally undermined Indian cultures and identities such as missionary influences, schooling, and increased urban migration have enabled this renaissance. In fact, in almost all countries where there are significant indigenous populations, younger and more educated Indians are reaffirming (and sometimes rediscovering) their indigenous cultural roots and identities, using them to form new ethnic organizations and federations.

In general, the platforms of the new indigenous organizations are based upon combating negative attitudes toward indigenous people, participating in local decision-making and development policies, asserting indigenous languages and cultures, and, most important, maintaining some control over indigenous lands and natural resources. Increasingly, they are also seeking to ensure that indigenous people receive a larger share of national development budgets while asking international agencies to provide support and technical assistance for the groups’ development projects.
ROLE OF INTERNATIONAL DONORS

Over the past year, several international agencies, including the World Bank, have been meeting regularly to explore ways in which they might more systematically assist these new indigenous development programs. They are also working closely with the La Paz-based Indigenous Peoples’ Fund (Fondo Indígena), which was established by a number of Latin American governments in July 1992 to provide technical assistance and channel resources to indigenous development activities.

These are three areas where the World Bank and other international agencies are helping in this hemispheric indigenous development effort:

LAND REGULARIZATION AND NATURAL RESOURCE MANAGEMENT

Although the situation varies not only among countries but also among geographic regions (i.e., between the highlands and the lowlands), most indigenous communities must contend with threats from outsiders interested in their lands, forests, waters, and other natural resources yet they often lack clear land ownership rights or their statutory rights are not in fact protected. One way the new indigenous organizations are trying to respond to these threats is by calling for greater government recognition and protection of their lands and natural resources. As far back as 1982, the World Bank issued a policy that stated that it would “not assist development projects that knowingly involve encroachment on traditional territories being used or occupied by tribal people, unless adequate safeguards are provided.” As a result, the Bank has assisted several Latin American governments (e.g., Bolivia, Brazil, Paraguay, and Peru) in designing and financing programs for the identification, demarcation, and registration of indigenous lands, especially in the rain forest regions of lowland South America. In the Brazilian Amazon alone, the government has identified and demarcated some 5.4 million hectares of indigenous land under Bank-funded projects.

Based upon these and other experiences, the Bank revised its policy in 1991, placing more emphasis on the informed participation of indigenous people in the development process including the design, implementation, and monitoring of their own development programs.

How have these projects fared? A review recently conducted by the Bank shows that they have been most successful when accompanied by research, technical assistance, and training programs that combine indigenous peoples’ environmental knowledge (which is often quite sophisticated, especially in the lowland forest regions) with modern forms of natural resource management. Thus, a number of recent Bank projects such as the Pilot Program to Conserve the Brazilian Rain Forest and the recently approved Colombia Natural Resource Management Project contain both indigenous land regularization and natural resource management programs. These projects, which are much more participatory than earlier ones, provide new models of how to improve the management of natural resources vital to the economic survival and environmental sustainability of indigenous and other forest dwelling rural communities.

TECHNICAL ASSISTANCE AND TRAINING PROGRAMS

Another major need is for greater technical assistance and training ranging from simple accounting and microenterprise development to the use of new technologies, such as computers or satellite imagery for land demarcation and natural resource planning. Experience indicates that these programs are most effective when they are conducted in the native languages, reach out to indigenous women, and incorporate indigenous knowledge and technologies.

The Bank is currently working with the Fondo Indigena and several Latin American governments
to support a series of special training and institutional strengthening programs. These programs will be aimed primarily at enhancing the ability of the indigenous organizations to design their own development strategies and formulate their own development projects. The first of these training programs will be held in Chile (involving the Mapuche, Aymara, Atacameno, and Rapanui peoples), followed by similar programs in Bolivia, Guatemala, and Mexico.

ACCESS TO CREDIT AND INVESTMENT CAPITAL

Latin American indigenous organizations and some governments also are looking to the Bank and other international agencies to provide them with new channels of credit and investment capital. Unfortunately, in many countries, indigenous people do not have access to traditional forms of finance because of their poverty and lack of collateral for loan guarantees. Furthermore, even when sources of finance are available, the people often lack the training and experience in law, economics, accounting, and administration necessary to tap these sources successfully and manage their own development agendas.

To overcome these problems, several experiments in opening up new channels of credit and investment capital are now being tried. For example, the Mexican Government, as part of its national antipoverty program, has created a series of “regional solidarity funds” to provide credit to indigenous landholding groups, small coffee grower and fishing cooperatives, artisan groups, rural women's associations, and various types of microenterprise projects. Each solidarity fund there are now over 100 nationwide has its own indigenous management council and provides long-term and low interest credit to member organizations for on-lending to member communities and associates.

Although it is still too early to evaluate the overall results, early indications show a strong demand for the program among indigenous groups. In the heavily populated indigenous state of Oaxaca, for example, Mexico's National Indigenist Institute (INI) has established 22 funds representing 445 rural organizations and 1,466 indigenous communities. Between 1990, when the program was initiated, and 1992, it transferred 34,725 million Mexican pesos (about $13.35 million) to the Oaxaca funds for over 950 productive projects. Loan recuperation rates are not as high as organizers had expected, but INI has been restructuring the program to make it more compatible with the needs, skills, and repayment capacities of participants. It is also seeking legal changes that would enable the funds to become permanent rural finance institutions under the full control of the indigenous management councils. As part of a $350 million decentralization and regional development loan, the Bank is providing INI with technical assistance funds to improve the management of the program and to conduct an evaluation study.

POVERTY ALLEVIATION

Some years ago, the well-known development economist Albert O. Hirschman published Getting Ahead Collectively (Pergamon Press, 1984), a book on grass roots development experiences in Latin America. One of the themes was that, as these countries move toward civilian rule and democracy, there is renewed space to release the "social energy" of various local organizations dedicated to more popular and participatory forms

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of development. Although Hirschman alluded only briefly to grass roots indigenous organizations, they are perhaps one of the clearest reflections of this new phenomenon. Moreover, in Latin America, these new indigenous organizations bring an added dimension to the grass roots development equation the continuing existence of indigenous languages and cultures that go back thousands of years, before the arrival of Europeans. They also serve as the basis for the social mobilization of indigenous people and for the twin goals of cultural reaffirmation and rural poverty alleviation.¹

INDIGENOUS PARTICIPATION, CULTURE AND HOLISM

Luis Felipe Duchicela*

One of the major challenges that indigenous peoples face today is achieving economic development without losing their own identity. They need to be aware that in order to achieve development, they have to step up their efforts to find new avenues which we the governments, indigenous organizations and civil society in all our countries must pave together.

I would like to comment briefly on five factors which I consider essential if the indigenous peoples are to achieve economic and social development and at the same time recovering and strengthening their cultural identity with a view towards the future.

PARTICIPATION

The condition *sine qua non* for ensuring that development projects are planned, designed and executed to fit the indigenous community's situation and can be sustained is widespread, enthusiastic and vigorous participation by the community and its representatives at the various hierarchical and organizational levels.

But to put it bluntly, this is one of the most difficult things to do. The final goal of a well executed participatory process is that the project be managed by the community itself and that it be able to sustain itself. There are experiments and methods that can be drawn upon to promote participatory processes within the communities. And while one of the main ingredients in the process is training, the training method must be selected carefully in order not to be at cross purposes with the goal of cultivating the community's own strengths.

CULTURE

Culture is more than the art, handicrafts, music and dance of a community. The culture issue is critical: if a project is to succeed, it must be understood from the beginning, that culture also means the indigenous vision of the cosmos, indigenous philosophy, social relations, reciprocity, and so on.

Indigenous science and technology are an integral part of culture. Rediscovery, revitalization and use of the indigenous peoples' wealth of scientific and technological knowledge are keys to the success and sustainability of development projects. Without research and retrieval efforts to rediscover indigenous science and technology and their practical applications in the development process, the objective of an identity based development will never be achieved.

THE ROLE OF THE STATE

The current trend is to minimize the State's role everywhere in modern society. In this era of privatization, decentralization and state downsizing, one misconception is that governments and nation states have no role to play in indigenous development. Some international and nongovern-

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mental organizations have done a 180 degree turnaround in their thinking about what the state's role in the development of indigenous peoples should be.

This is contrary to the interests of the indigenous people. After five centuries' of government neglect, how can it be that, in order to minimize the state's influence on economic affairs, this new line of reasoning essentially exonerates the State of its fundamental duty to ensure that the indigenous peoples have what they need to conquer poverty, discover their means of self-development, reaffirm their own identity and become major players in civil society and within the socioeconomic development process.

What is needed is a major change in the State's relations with indigenous peoples and a new development style. To accomplish this, attitudes will have to change, the machinery of the State will have to be retooled to enable it to play an energetic role that is compatible with the indigenous peoples' goals.

**HOLISM**

Holism is another essential ingredient for success. The first order of business is to articulate the community's needs as a whole, in such a way that they can be met without those "integral" executing apparatuses created especially for one project and bearing all the responsibility.

The key to holism is to build up and upon a community's technical and organizational strengths so that, with the assistance of State agencies and international organizations, it can discover what it needs to make its project or projects a success, whether they be productive projects or projects of some other kind.

**THE NEW ROLE OF INDIGENOUS ORGANIZATIONS**

Indigenous organizations should also reflect on their policies vis-a-vis economic development. They ought not to be frightened by the prospect of engaging in economic development projects. To the contrary, they should plunge headlong into this challenge with an open mind. Their political role can and should be kept on a different plane from their role in economic development, without this meaning a total separation of these two areas of action.

The interaction between politics and economics will give these indigenous organizations a new dimension in which to operate. It will make them stronger, not weaker, and give them the chance to do more for the grassroots communities.

Ultimately, achieving development without losing their identity is the greatest challenge indigenous peoples face and one that will do much to contribute to our countries' development and to strengthen democracy.

Three conclusions can be drawn from the foregoing and should be kept in mind when this topic is analyzed:

C There can be no sustainable development without identity.

C There can be no real and lasting unity unless the diversity of our peoples is recognized.

C There can be no true indigenous vindication without the conviction and active support of the rest of civil society.
I was asked to take the proposals presented in this panel's main discussion paper and apply them to the Guatemalan case. To do this, I had to consider the three partners in this Fund: i.e., the indigenous peoples, the governments and cooperation agencies.

But before getting into my remarks, I would like to say the following: applying the intercultural strategies discussed by Xavier Albó in this seminar on indigenous development, one wonders about how this seminar was conducted. Were elements of the indigenous culture grafted onto it? Was the strategy of radical bilingualism adopted (in the opening and closing ceremonies, in the setting, the languages in which the presentations were made, and so on)? We may find that this seminar is fundamentally mono-cultural and that the strategies applied have been those of identity change, omission or rejection of indigenous culture.

THE CONFUSION BETWEEN MATERIAL DEVELOPMENT AND ETHNIC REVITALIZATION

As for the way in which the ethnic differences and the strategies of ethnic conduct are perceived, in Guatemala there is generalized confusion about the specifics and scope of the social realm and the cultural realm, and between the ideal of combating social differences and reinforcing ethnic differences. These ideals are captured in slogans like "Down with social inequality and up with ethnic differences!" Leaders of organized labor, political leaders, intellectuals, journalists, academics all have difficulty distinguishing the one from the other. Generally the view is that supporting ethnic difference is tantamount to advocating the continuation of poverty, and that combating social inequality is tantamount to espousing the elimination of ethnic difference. Many think that to reinforce indigenous ethnic identities is to reinforce divisiveness across the country, to attack the unity of the State, to keep the Mayan people "backward", etc.

The following are but a few of the reasons for this confusion: as far back as 1821, the original plan for the Guatemalan nation devised by the architects of independence suggested the necessity of eliminating racial and ethnic differences to make the country viable or feasible; later orthodox Marxism-Leninism demanded that ethnic dissent be minimized or ignored in order to make the revolution or class struggle viable or feasible; then the liberal philosophy taught that progress and material development could only be achieved through a mestizo or ladino culture (according to the liberals, in order to lift the indigenous people out of poverty, one first had to lift them out of their culture and language: "the Indian has to be killed to be saved"; to put it another way, one had to take the Indian out of the Indian, i.e, to save the indigenous people from poverty, their ethnic identity had to be wiped out). Small wonder, then, that today, public and private development programs and projects everywhere are first and foremost exercises in ethnocide or cultural genocide; material development is secondary. But
while they sometimes succeed in weakening the indigenous culture, they do not bring progress.

This notion of indigenous progress and development has started to change, at least in official discourse and literature. In 1985 the Constitution guaranteed the Mayan peoples' right to their identity. Further evidence of this change is present in the recently signed (March 31, 1995) Peace Agreements between the guerrilla movement and the government on the subject "Identity and Rights of the Indigenous Peoples", which would have been unthinkable in the 1970s and 1980s. As for the Guatemalan government, the indigenous question has been confined to socioeconomics and incorporated into the war on poverty, which is one of its basic policies. In this scenario, the Guatemalan Indigenous Development Fund (FODIGUA) was created as a social compensation fund. The government will not venture into discussions of indigenous rights, preferring instead to talk of unity in the midst of diversity and of cultural diversity, but without undertaking restructuring measures to those ends.

**HOW MUCH CONSENSUS BUILDING HAS THE GUATEMALAN INDIGENOUS FUND PROMOTED?**

When reexamining FODIGUA to see how representative it is, we found that it has not functioned as a forum for consensus building, which is the spirit of the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean. From the standpoint of the organized Mayans, in Guatemala there are four coordinators of indigenous institutions, each with its own leaning or style:

* The Guatemalan Council of Mayan Organizations [Consejo de Organizaciones Mayas de Guatemala] (COMG), a group of fifteen Mayan development agencies whose leaning is developmentalist and anticolonial;

* The Mayan Consensus Forum [Instancia de Unidad de Consenso Maya] (IUCM), a group of grassroots Mayan organizations with a social leaning; i.e., they basically focus on social and economic demands;

* The Academy of Mayan Languages of Guatemala [Academia de las Lenguas Mayas de Guatemala] (ALMG), a body with representatives from each of the 21 Mayan language communities in the country; an organization which by its
nature is more culturally oriented; and

* The Permanent Assembly of the Mayan People [Asamblea Permanente del Pueblo Maya] (APPM), a group of several indigenous organizations whose line of work more closely approximates or is dependent on the government. FODIGUA is associated with this organization.

The interaction among these four coordinators in response to various situations, circumstances and emergencies has produced the following Mayan consensus building fora:

* The Mayan Council [Mesa Maya] which originally concerned itself with indigenous rights but then shifted its focus to material development programs and projects for the Mayas. Three of the above listed coordinators take part in this body;

* The Coordinator of Organizations of the Mayan People of Guatemala [Coordinadora de Organizaciones del Pueblo Maya de Guatemala] (COPMAGUA), which is working within the framework of the Assembly of Civil Sectors and the peace negotiations on matters relating to indigenous identity and rights. This is the only consensus building body in which all four indigenous coordinating agencies are represented;

* The Guatemalan Indigenous Development Fund (Fondo para el Desarrollo Indígena de Guatemala—FODIGUA), which works on development programs and projects. Only one indigenous coordinator participates, which is the APPM, although the Fund does maintain close ties with grassroots communities; and

* The Indigenous Peoples' International Law Committee [Comité de Derecho Internacional de los Pueblos Indígenas], which works on projects in social mobilization and pro indigenous rights debates at the local, national and international level. Three of the indigenous coordinators participate on this Committee.

As is evident from the foregoing, FODIGUA does relatively little by way of negotiations and consensus building and is missing out on an opportunity to create mutual understanding, harmony and joint effort among the indigenous organizations. The indigenous coordinators could learn how to deal with the State agencies and eventually learn the participatory and consensus building strategies within and with the government and not just their traditional strategies of critical dissent and relative autonomy.

THE ROLE OF THE COOPERATION AGENCIES AND GOVERNMENTS IN INDIGENOUS CONSENSUS BUILDING

Obviously one factor contributing to the weakness in the area of consensus building is each leader's modus operandi and personality (rivalry for leadership, the demonstration effects desired, etc.), as well as the enthusiasm with which the negotiation and consensus building fora tackle their assigned functions. When a negotiating and consensus building body fails to perform its function, it loses credibility with the indigenous people themselves and ends up being bypassed and replaced.

However, the other partners in this cooperation triad, i.e., the donors and the governments, also have a positive and negative role. A cooperative relationship is, after all, an agreement between two or more parties.

Governments, for example, can influence the work and the prospects of the indigenous organizations, or can even block them outright through the complexity of its own bureaucracy. In the case of FODIGUA, for example, the Executive Branch legalized it through an executive decision, but has had to wait for Congress to officially establish the
Indigenous Fund by approving and ratifying its Charter. The Legislative Branch, however, has used delaying tactics to avoid approving it. And so, the indigenous peoples are missing out on financing opportunities because of skirmishes between the legislative and executive branches in which the indigenous people have no part and for which they bear no blame.

For their part, the cooperation agencies can play either a unifying or a divisive role, depending on the decisions they take. The power of money is undeniable and this is precisely the power that the cooperation agencies wield. They decide whom to select as interlocutor and on what terms. They can make the delivery of the financing conditional upon broad or narrow consensuses, or can unilaterally select a given indigenous institution to carry out or finance their projects. By doing so, they may also be contributing or reinforcing the consensuses already undertaken and established by the indigenous peoples themselves. As a general rule, an NGO with funds does not need to coordinate or negotiate with anyone.

The donors and the governments can also either facilitate or deter cultural revitalization and the involvement of the indigenous culture in development programs and projects. Unfortunately, the overall tendency has been to obstruct rather than facilitate.

Governments tend to perceive indigenous culture as folklore and a symbol of nationalism, but not as a vigorous part of the life of the nation, which is why they do not factor it in as context and a necessary element in the programs and projects they approve and carry out with the indigenous peoples. Indigenousness has still not been accepted as part of government and State policy. One can see how the Guatemalan government might virtually ignore FODIGUA, even though the latter could be an effective fundraising tool. Guatemala’s own laws can oppose and prevent indigenous cultural practices in semiautonomous or decentralized institutions like the Academy of Mayan Languages of Guatemala. Organizers wanted to include a Mayan rite in the opening and closing ceremonies of important events, but the country’s Constitution prohibits it because the State is secular and cannot permit any religious worship in its institutions.

The cooperation agencies can also play an obstructionist role by the administrative and accounting procedures and standards they require. They can invoke procedure to reject attempts to revitalize cultures and languages on the verge of extinction or already extinct, notwithstanding explicit requests for assistance from the indigenous peoples. They can also thwart the inclusion of Mayan cosmogonic and organizational principles (such as the Mayas’ four cardinal points) in the design and execution of projects, by invoking purely administrative rules or by insisting on the donors’ cost-benefit standard. The Mayas may ask to begin Mayan schools on the four cardinal points of the country, but the donors may argue that the transportation costs that such far-flung locations would involve are prohibitive (per diem, logistical support) and demand that the school be built in one location.

So it is not merely a question of talking about and reflecting upon the cultural rights and ethnic strategies to be followed and of promising to include indigenous culture in programs and projects. Certain laws have to be amended; channels and rules of negotiation, administrative procedures, impact measurement systems have to be changed or devised; other ways of repaying the funds spent and the other categories or activities to finance, etc. have to be introduced. For the governments, it means modifying and/or introducing ethnic policies in their development plans and policies and, above all, abandoning the notion that indigenous people can never escape poverty unless they forsake their cultures and traditions.

Donor agencies and indigenous peoples are more likely to find common ground than ladino governments and indigenous peoples are. On the other hand, even though the relationship between the cooperation agencies and donors is more
compulsory than voluntary, it can help the indigenous peoples if it is agreed that their rights will be protected in the development programs and projects.

The indigenous institutions, primarily those involved in negotiation and consensus building, have their own avenue to pursue accessing and tapping into outside cooperation. We will not go into the problems that NGOs tend to have, and will confine ourselves instead to the problems that indigenous institutions tend to have.

These include:

* No understanding or command of the culture of the various kinds of cooperation agencies (international banks, international NGOs, the United Nations system, etc.) and support activities (technical assistance, financial assistance, grants, types of loans, etc.).

* No understanding or command of the offices of the State agencies and the higher levels of government (middle and upper echelons of power), to lobby for their projects, policies, and recognition of their human rights.

* An inability to conduct activities of national and international scope or impact.

* The heavy reliance on plans, designs, etc., put together by outsiders like governments and cooperation agencies or by other forces operating at the national and international level.

* The slow process of moving from a strategy of criticism and dissent to one of participation and building in partnership with the nation states.
Despite the diverse historical, political and social scenarios in which the lives of the indigenous peoples of the American hemisphere have unfolded, the common pattern of civilization that has given meaning, sense, and endurance to their cultures, which date back thousands of years, is still strong.

Still, the political disarticulation of the great civilizations of this hemisphere, the physical destruction of the indigenous peoples and the religious beliefs and practices imposed upon the peoples of this hemisphere set the stage for the most incredible colonial exploitation in history.

Out of three hundred years of colonial plundering and extreme exploitation came the so-called First World, principally at the expense of the men, women, lands and resources of the hemisphere.

The terrible gulf now separating the first world from the other worlds can be traced back to a very specific event and date in history, one that must never be forgotten if we are to understand the situation and challenges of today.

The independence of the nations of the hemisphere coincided with and echoed the period in which the European nations were being built, a new era of capitalist development driving the consolidation of the nation states.

The indigenous peoples were undoubtedly the muscle of our independence struggles. Their backs carried the canons and their bodies took the bulk of the cannon fire.

The Creole elites and mestizos of the hemisphere, the product of illusions of European domination and the primary beneficiaries of the independence movements, paid no heed to our actual circumstances and attempted instead to build independent nations patterned after the model of the dominant countries.

The dramatic inequality of the majority of the population and the immense diversity of peoples and cultures were wiped out with the stroke of a pen.

The nations of America have carried and still carry the "original sin" of their forefathers, their folly. The most telling evidence is the inadequacy of our national structures; our peculiar brand of inequality, our inability to stop the colonial and neocolonial plundering of our countries; our undeveloped, fragile democracies; our dependency on debt and our proven inability to satisfy even the most minimal needs of the majority of our people.

Already in a post-national period, we never even finished building our nation states. Perhaps now that this century is finally coming to a close and with a healthy push from our indigenous peoples, we will finally begin to move in the right direction.

It was not until the last decade that we finally recognized that cultural diversity was an integral part of our nations and introduced the obvious in our Constitution: that we are multicultural and pluriethnic peoples. Practically all the countries of this hemisphere that have significant indigenous

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populations have instituted measures to legally recognize our diversity.

The nineteenth century idea that being and making a nation necessarily meant cultural homogeneity has been toppled. Another nineteenth century idea, i.e., that the way to achieve equality was to eliminate differences, has proven two things. The first lesson it has taught is that it was wrong and that in its pursuit of equality it has only increased inequality. The second lesson it has taught is the cultural power of diversity, a lesson demonstrated in this hemisphere by our indigenous peoples' ability to endure.

In the face of terrible adversity, they have kept their human dignity whole and intact and have held steadfast to mankind's fundamental values: solidarity, respect for human labor, a more serious and profound kinship with nature than anything the concept of ecology could encompass, thousands of years of knowledge about their surroundings which the transnationals companies now covet, a wealth of symbolism full of wise metaphors that teach lessons about life, an aesthetic concept of man's role in the cosmos, a wisdom about origins and destiny, an awareness of limits, a perfectly adapted pace of life and an enormous capacity and sense of responsibility vis-a-vis change.

In a world filled with confusion, that has lost all sense of what is good and has no universally accepted truths, that feels uncertain about the future, that has lost confidence in itself and its national and international institutions and is unable to answer mankind's simplest questions, the indigenous peoples stand with impressive moral stature.

They are the ones who demanded accountability from their nations in the face of the debacle of their political institutional systems; they are the ones who are mapping the road to the future.

Yet they have no wish to be at the center of things or to grab power in order to impose their own agenda. Their goal is not private gain. All they want is freedom. They ask for autonomy to develop projects in human coexistence, to create room for people to live, to develop societies in which love, happiness, joy, children, and laughter are what matter most.

These are some of the things that indigenous development means. It is by these criteria that their projects and programs should be judged and their efficiency and efficacy measured.

The constitutions of most countries in this hemisphere now assert that they are pluriethnic and/or multicultural nations. This undoubtedly means that integration as a policy of the State is finished and paves the way for recognition of cultural diversity as a prerequisite of the modern State. In this way, a new alliance between the States and the indigenous peoples of America is being forged.

The effort to induce and impose cultural homogeneity in our societies crashed into the wall of differences. Despite all the (educational, cultural, social, economic and political) resources that the nation states poured into cultural homogeneity, its failure is at long last being accepted.

The indigenous communities and peoples have paid most dearly for this failure. First and foremost, they have been stripped of their territories and at the same time subjected to a systematic campaign to destroy and repudiate their cultures, waged through the educational systems, the media and the perverse persistence of a set of values filled with prejudices that, we have to admit it, still permeate our societies.

They have been denied participation in the national political systems. Their voices echo only in narrow institutional spaces, generally under the umbrella of second-tier agencies attached to the executive branch of government.

They have thus been denied participation in the national legislatures and the opportunity for direct
representation; political parties have, as a rule, ignored their proposals and demands.

With no means to exercise their political rights, the demands, proposals, alternatives and even the very existence of the indigenous peoples have been buried, thereby preventing them from exercising their other rights and guarantees.

While positive law has routinely scoffed at customary law, when the latter is taken into account it is in small ways and in the context of a paternalistic and discriminatory form of guardianship.

Our colonial and neocolonial baggage is still with us.

The repeated failure of development plans and of efforts to combat poverty in indigenous areas has come at a very high cost. The expense of the national debt and the cost of these failures have left us with a growing sense of uncertainty about our own national identities.

It is in this darkness and difficulty that the struggle of the indigenous peoples and organizations is paving a path to the future and showing us what our societies have the potential to be.

Acceptance of diversity and of the nation states’ responsibility to support their development means that they have many arduous tasks ahead.

The practical, conceptual and methodological creation of the juridical political concept of difference is a singular undertaking and necessarily involves reformulation of the law as set forth in the constitution and in secondary laws. It undoubtedly presupposes a new concept of Nation state.

This undertaking, promoted and demanded mainly by the indigenous peoples themselves, is one of the most promising and hopeful veins of State reform and is undoubtedly the shortest avenue to our societies' full democratization.

Three elements are at the core of genuine "recognition of difference" and will lead to the indigenous peoples' participation in democracy and self-managed development:

**AUTONOMY**

First, the autonomies those juridical political subjects are growing and beginning to develop among us. In less than a decade the proposals for autonomy put forward by the indigenous peoples and organizations are now being discussed throughout the hemisphere and have materialized in some cases.

And while they have become a national reality in only a few cases, work is underway in many others. We have started to explore the complex issues that autonomy raises and the tremendous development opportunities it opens up.

The autonomy arrangements presuppose a new division of authority among the various geopolitical institutions of the nation states (communities, municipalities, districts, regions, federated states, and the federation itself) and must impact regulatory structures in all areas. If the full concept of autonomy is not grasped, the dangers of segregation or the reservation models will compartmentalize our differences and end in social divisiveness and alienation. Our differences will never coalesce into a harmonious diversity.

There are any number of autonomy alternatives and on various scales. The reality of each country, its history, its social structure and the specific circumstances of the indigenous peoples are all considerations that must be factored in to determine the appropriate form and degree of autonomy.

Whether or not the autonomies are viable should no longer be at issue. We have to discuss and zero in on the specific forms of autonomy that are right for each case, drawing upon past experience and fine tuning our thinking as we go.

Recognition of cultural diversity, however, is a
relatively recent development in our countries. Those of us nonindigenous people who are participating and have participated in this and other discussions and agreements are convinced of the need and the justice of the proposals. In our countries, however, there are those who are not yet persuaded.

We have started down the road, but buried deep in the consciousness of our societies is one very complex issue that will take time; there are some strong enemies and media working against us.

The reform of the modern State coincides with the push for the autonomies. All our countries recognize the need for State reform, the need to transfer resources and authorities to society: to the regions, districts, municipalities and communities.

With society's de-bureaucratization and the uncoupling of its basic units, national and international resources and technical assistance will be able to zero in on a real target, one capable of transforming itself and suited to development.

With this legal exercise, self-determined development, social participation and the democratic will of our societies are being promoted.

The democracy of pluriethnic and multicultural societies is infinitely more than the democracy of the vote. The former should be our goal, and we ought not to be afraid. In that democracy, indigenous peoples will not only have the right to their own development, but will have the resources needed to achieve it.

**TERRITORY**

The autonomies will need physical space in which to materialize and develop, which is where the issue of territory comes in.

Obviously this is a difficult issue. In countries with relatively small indigenous populations, ample territory available and little pressure on the land, relatively simple solutions are possible. In countries where the indigenous population is large or the majority, with little territory available and strong pressure for land, the solutions do not come so readily: complex formulas involving varying degrees of autonomy are needed and will invariably be difficult to apply.

In many of our countries, the indigenous peoples are not living on their own territories. They often share the land on which they live with mestizos. In cases like these, greater effort will be needed to devise and establish viable models of pluriethnic autonomy.

This is a central issue that needs to be explored carefully and at length, and for which concrete alternatives ought to be found. The territory is the development space where a group's own productive alternatives, those that serve their interests best, are to be carried out. It is where the models of self management can be put into practice, where development and conservation can be fine tuned.

While the solutions will have to come in all sizes and shapes, the risk of imitation or simulation cannot be overstated. The physical space that indigenous peoples have to live out their lives is whatever they have been able to hold onto despite repeated expropriations and systematic plundering. But all too often it is not enough to guarantee a "future of well-being".

What purpose is served by clinging to models of "virtuous self-subsistence" on meager or barren lands. No solutions to poverty and subordination will be found there. Much more is needed.

International financial and technical assistance, coupled with national efforts, can and must play a very important role here. But again, territory, i.e. physical space, is the condition *sine qua non* for development.

Development itself is in the hands of the indigenous organizations, armed with their traditions, the right models, training and preparation, and the authority for self-management. But when all is said and
done, the one essential ingredient is the land, whether that means its return, demarcation, actual possession or legalization.

In some cases, a territory has to be purchased or expropriated. More must be done with agrarian reform: agrarian reform measures have to be carried out, or carried out again when unfair or unlawful means have been used to rebuild large estates while disregarding the peoples’ legitimate claims. Delicate negotiations are already underway in some countries; in others, pressure will have to be brought to bear to hasten it along.

The territory is the space in which production is organized and is, of course, the space for cultural perpetuation par excellence. That physical space is the natural setting of a vision of the cosmos, a language, a body of knowledge, a technology, a health/illness relationship and countless other ways that express the many ways a cultural reality expresses its unique self.

It is in that physical medium that a nature/culture equation finds its proper balance and makes self-sustainable models possible.

Enabling indigenous peoples to define their own horizon of well-being is the precondition and objective that, in the medium and long term, will make it possible not only to develop self-determined and self-sustainable strategies but also to guarantee that demographic growth will be regarded as a basic variable to be factored into development plans and projects.

If the projects are not envisaged in this manner, if their financing is not guaranteed on time, if the complexity of every dimension of a people's lifestyle is not approached with a sense of responsibility, the result will be simulation and imitation but not development in the true sense.

A project that is only partially funded will very likely fail. A project that is evaluated on its own terms without factoring in the project related variables of a people's lifestyle is unlikely to produce much in the way of results.

The archives of government offices and international agencies are filled with files that support this assertion. Apart from being misused, irrecoverable funds, such projects create frustration, insecurity and mistrust.

There are important lessons to be learned from even a perfunctory evaluation of the failings: most of the projects were defined by outside agents, not by the indigenous peoples and organizations; most of them were conceived as productive experiments in the application of unadapted technologies.

In almost every case, the resources did not go directly to the indigenous organizations and peoples but instead wended their way through enormous bureaucratic mazes. Scandalous sums were often lost along the way, and what was left never reached its intended beneficiaries on time. Unfortunately, all too often corruption reared its ugly head and the money disappeared.

That cannot and must not happen today. The constitutional amendments will and do make indigenous peoples and organizations the protagonists of their own development. They will have already won the legal authority and status needed to control their own development.

The enormous bureaucratic and institutional barriers obstructing indigenous participation are being leveled fast; self-determined development and a direct relationship between the indigenous peoples and organizations and sources of financing are already beginning to materialize. In the days ahead, a pioneering and promising venture will be launched that will do just that. The autonomies as legal and political subjects require and are beginning to get a real and legal share of national revenues.

This is the third corner of the difference recognition triangle: the first is establishment of legal status and authority; the second is the territory space for development, and the third is the percentage of the
national product that, by law, the indigenous peoples must be given to carry out their projects.

Here, again, the international agencies and countries that traditionally provide development aid can and must play a major role, not just by giving preference to projects that address indigenous peoples’ needs, but also by generating the means to guarantee self-determined participation in the mechanisms of execution and evaluation and in the direct management of the resources.

**NATIONAL REVENUES**

As with the other two corners of the triangle, this is one factor in the equation without which the opportunities that revenue sharing create will never materialize. The indigenous peoples must be able to rely on the fact that the funds will be there; those funds cannot be left up to the political whims of successive administrations.

"Development with justice" and the "struggle against inequality" have run through any number of strategies devised in our nations’ planning centers and is yet another area where one cannot see the tree of successes for the forest of failures.

The revenue sharing mechanisms in our nations are patently unfair and notoriously inefficient; generally, their effect is to perpetuate and exaggerate the income distribution pattern, i.e., poverty spreads and wealth becomes concentrated in fewer and fewer hands. Our countries grow poorer by the day, and our poor only get poorer. The ranks of the wealthy shrink and what few there are become even wealthier.

As for the resources that the governments have to carry out plans and projects, democratic and lawful means must be used to allocate what little resources there are.

The legislative branch of our countries' governments must function on a more even footing with the executive branch for a more rational and democratic apportionment of the percentages of the gross domestic product earmarked for each area and social sector. Renewal and reform of the nation states for us means waging a decisive battle against centralism, the source of division and the root of so many of our social anomalies. The autonomy proposal is a direct and decisive step in that direction and toward true national unity.

A proper distribution of resources within the levels of government and in the priority areas must be the result of a democratic, in-depth debate, premised upon the principle of "development with justice" and the "struggle against inequality". These must be long-term decisions in which society has its say. They must also be enacted into law.

By transferring resources and functions to the structure of society, the consensus needed to reform nation states will be assured. Without that transfer, without the elimination of centralism in the constitution, the opportunities for upheaval and a lawless and undemocratic grab for society's resources jeopardize and will jeopardize the nations' chances for change and the needed reform.

National survival is at stake. The indigenous peoples and their autonomy platform are the future. In many of our countries they are the vanguard of change and concrete solutions.

The triple equation: autonomy, territory and revenue sharing, is a democratic road to the indigenous peoples' participation and self-determined development. They stand as examples that mainstream society would do well to imitate.

The history of insults that the indigenous peoples have been forced to endure in every aspect of their social life is as long as it is sad. Even so, they are not our for revenge or to collect on some long overdue debt. This was obvious even in the most recent indigenous uprisings. The Chiapas Indians, for example, burst upon Mexican society armed with only a few weapons but with an ethical arsenal that has taken the entire hemisphere by storm.
Ironically, the proposals put forward by the indigenous peoples are what is keeping our societies from falling over the edge. In-depth reflection and courageous and energetic measures will open up the future: autonomy, self-determined development, democracy, justice and dignity are the floodgates.

These matters undoubtedly figure prominently on our nations' agendas and must be the goals that steer the reforms and the work of the national and international institutions: in-depth reform of the State that will get indigenous demands for democracy, self-determined development and participation out of executive briefcases and into the open once and for all; an indigenous presence in the American legislatures sufficient to ensure recognition of long denied political rights, buried under strategies for homogenous and integrated societies.

With these goals, greater effort and a heightened sense of responsibility and accountability, the inequality that the indigenous peoples of this hemisphere have so long endured can be corrected.
SELF-DETERMINED DEVELOPMENT, DEMOCRACY AND PARTICIPATION:
THE EXPERIENCE OF THE NATIONAL UNION OF AYMARA COMMUNITIES

Héctor Velásquez Sagua*

The National Union of Aymara Communities (UNCA) exists because thousands of Aymara families are in need. It was established in 1984 in the city of Juli, capital of the province of Chucuito in the southern part of the department of Puno (Peru). Puno includes the provinces of Chucuito, Yunguyo and El Collao, on the border with Bolivia and around Lake Titicaca. The region is in the mid to upper altitudes and is basically Aymara speaking.

As for the socioeconomic and cultural characteristics of the communities around the lake, on the shores of Lake Titicaca, families basically raise crops (potatoes, quinine, broad beans and barley) and penned livestock (cattle, sheep and pigs) and engage in handicrafts, commerce and small scale fishing. The families live in nuclei, and social organization is based mainly on kinship.

People in the mid altitudes raise crops (luqui potatoes, cañihua, bitter quinine), livestock (cattle, sheep, llamas and alpacas), and engage in handicrafts. The family nuclei are somewhat scattered.

In the highlands region, people graze Andean camelidae (llamas, alpacas), sheep and cattle and engage in handicrafts.

The families use natural pasture land for grazing animals and have built irrigation canals so that with flooding, new areas can be converted into artificial pasture land.

The ecological diversity notwithstanding, the Aymara have their own distinctive social organization, land tenure system, production practices, reciprocal social relations, an Aymara technology and, most basic of all, their Aymara language, rites, values, rules of conduct, dance, music, dress and a unique vision of the cosmos as regards time and space. All these are the essential ingredients of the Aymara cultural identity.

The Union of Aymara Communities is active at differing altitudes, from the communities along the shores of Lake Titicaca, at an altitude of 3,820 meters, to communities in the upper altitudes, as high as 4,500 meters.

WHAT IS THE UNCA MISSION?

The mission of the Union of Aymara Communities is to represent the Aymara people, to seek and strengthen their integral development in order to improve their standard of living, preserve and strengthen the Aymara identity, make certain they have their share of the benefits of development and thus conquer the alienation and poverty created by
the uneven distribution of resources that is a historical and structural fact.

The UNCA works with the State, international cooperation agencies and other institutions, and devises management, coordination and advisory strategies for programs and projects, to be carried out within groups of Aymara communities (multi-communals), through associations of producers, communal entrepreneurs, women's organizations and youth groups in the provinces of Chucuito, Yunguyo and El Collao, Aymara territory in the department of Puno, in Peru.

The Union of Aymara Communities has the following bodies: (i) the congress, (ii) the assembly, (ii) the board of directors (10 secretaries), (iv) the organizations of multi-communals and central women's organization, and (v) the communities and districts.

WHAT IS A MULTI-COMMUNAL?

A multi-communal is a second-tier organization that is a combination of communities, districts and small scale farmers located within a geographic area of similar characteristics, related through their economic activities and generations of kinship, sharing the same geographic watersheds and micro-watersheds and living in the same geopolitical districts.

These multi-communal organizations and the Union of Aymara Communities are not labor unions; instead, they represent all Aymara people, to help them achieve their development.

Within the communities themselves one finds a variety of small organizations, like mothers' clubs, youth clubs, special committees and communal businesses. This impressive array of organizations within the communities and the multi-communal organization is represented by the UNCA. Projects have been identified using UNCA methods; in other words, the profiles of projects have been put together through these organizations.

The association between Union of Aymara Communities and the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean began in 1992, when the former participated in the meetings held in Mexico and Bolivia to prepare and set up the Indigenous Peoples' Fund. The visit that the Fund's Technical Secretary, Dr. Diego Iturralde, made to UNCA headquarters coincided with a visit from Dr. Carmen Sánchez Huapaya, Director General of the Peruvian Indigenous Institute (IIP) in September 1994. As a result, the coordination was completed and the commitment to work jointly thereafter was honored.

The UNCA also participated in a meeting organized by the Fund in Cochabamba, Bolivia and held in October 1994. For the UNCA it was an exciting event since it was obvious from the discussions that a new form of managing development projects was being devised for the indigenous peoples and organizations; in other words, the NGOs were no longer going to be the ultimate conduits for channeling project funding to indigenous organizations, as is happening at the present time. The UNCA was very interested in the change taking place in project development and management with international cooperation.

The Fund for Indigenous Development responded to the UNCA's request and sent us a consultant, Dr. José Enrique Pinelo. The Union of Aymara Communities responded in turn by mobilizing 27 thousand Aymara families, who had a direct hand in prioritizing demands; first came the profile of the Water Program, followed by the Credit Program and that of the UNCA's Organizational Strengthening. The challenge was great, but our organization has risen to it.

HOW HAVE THOUSANDS OF AYMARA FAMILIES BEEN MOBILIZED UNDER THE UNCA UMBRELLA?

This is very important for other indigenous peoples and organizations.
In the application we filed with the Indigenous Peoples' Fund, we estimated the number of multi-communal organizations at between 18 and 250 communities. When the consultant from the Fund arrived in Puno, he was interested in seeing if there really were that many multi-communal organizations and communities. In other words, the consultant's first job was to take a look at the UNCA and confirm what we had reported.

He examined two things: (i) the UNCA as an organization, and (ii) the numerous UNCA grassroots groups that appeared in the appendices of the application filed with the Indigenous Peoples' Fund.

Several meetings of the UNCA board of directors and its assembly were held to plan various activities:

* Visits with various state and regional authorities, to special projects and various NGOs in the Department of Puno.

* Visits to and meetings with all our multi-communals, women's clubs and grassroots organizations, in the company of the consultant. Families were told about the Fund's objectives.

* The UNCA and the consultant agreed upon ways to work together to identify project profiles. The approach was twofold: (i) the organizational strengthening process, and (ii) diagnostic studies conducted in all the communities.

A regular assembly of the UNCA held on December 19, 1994, approved the mechanisms devised for the UNCA and the consultant to work together to identify the profiles of the programs for organizational strengthening and to conduct the diagnostic study in the communities.

It was decided that three strategic planning workshops would be held as part of the organizational strengthening process.

Three working groups were formed: (i) the UNCA history committee; (ii) the committee to examine the UNCA today, and (iii) a UNCA administrative standards committee.

The first strategic planning workshop, from January 9 through 13, 1995, was an opportunity to share ideas.

* We agreed upon the UNCA's mission; attending the workshop were the multi-communals, the presidents of the women's organizations, the members of the UNCA board of directors and technical team, and presidents or delegates from the communities.

* We also discussed the risks and opportunities for the UNCA.

* The document describing the UNCA's history, present standing and goals was also examined.

The second strategic planning workshop was held on February 15, 16 and 17, 1995.

* The findings of the diagnostic study were presented.

* A consolidated version of what the grassroots organizations in 239 communities had requested was examined.

* Using strategic planning as a means to introduce the demands of the grassroots organizations was also discussed.

The third workshop in strategic planning took place on April 6 and 7, 1995. The proposals, transformed into program profiles, were approved and handed over to Dr. Tania Carrasco, the representative from the Indigenous Peoples' Fund.

The following activities were conducted as part of the second process: the diagnostic analysis and confirmation of requests. On January 18, 1995,
the first workshop in diagnostic analysis was held.

* The list of communal monitors was presented;

* The list of multi-communal delegates was confirmed. These 56 people meet in the city of Pomata (and are referred to as "pomateños"). Also present were the members of the UNCA's board of directors and technical team.

* The structure of the diagnostic study was decided and the specialists whom the consultant introduced were selected. We were trained in the theoretical and practical application of techniques.

* The techniques published by the Dutch Mission in Bolivia for prioritizing needs according to social stratum, gender and age, were used.

Training workshops were held on January 25, 26 and 27, 1995, for communal monitors.

* The 56 pomateños became trainers.

* The pomateños trained 289 communal monitors in 12 different places simultaneously; the monitors at this workshop were accompanied by their communal authorities (president, lieutenant governor).

* Each monitor was given a training guide.

After the workshop for monitors, the following happened:

* Trainers became supervisors, and

* The monitors did the diagnostic study and organized two assemblies at the communal level. The first was held at the beginning, for the purpose of authorizing the study; the second came at the end, to confirm and prioritize the requests.

Of the 250 communities, 239 have completed the diagnostic studies, which can be confirmed at the UNCA's main office. Eleven communities failed to do the diagnostic studies.

On February 4, 1995, simultaneous assemblies were held in the 239 communities to corroborate the requests. Thousands of Aymara families were convened for these assemblies, to: (i) hear the findings of the diagnostic studies; (ii) discuss the problems and possibilities, and (iii) learn what our needs are and prioritize them.

The attendance of thousands of families was recorded by first entering their names and surnames in the communal register and then having them sign both the register and their votes at the time of the assembly. We on the board of directors saw that many families and/or other people men and women, young and old alike were present at the assemblies when the requests were prioritized.

On February 15, 16 and 17, 1995, the initial data from this diagnostic exercise began to be compiled. We now have 28,000 enrolled; some 21,000 have signed up and 17,000 have participated in the assemblies.

The projects thus prioritized are:

< The "Water Resource Usage System" [Sistema de utilización de recursos hídricos] (SURHI) water program, with 8,600 votes;

< The Loan Program, with 6,400 votes;

< The UNCA Organizational Strengthening Program, where the training would touch upon all the programs.

This is really what our grassroots people want. Naturally, these preferences have been converted into project profiles.
In the case of the water program, the water committees put together the Aymara water management recovery programs.

In the case of the loan program, the board of directors was very clear about what the policies will be; those policies were approved by the UNCA assembly.

At the third workshop, the profiles for the water program, the loan program and the organizational strengthening program were handed over to Dr. Tania Carrasco.

**HOW MUCH HAS THE UNCA PROCESS COST AND HOW MUCH TIME HAS IT TAKEN?**

The UNCA process has cost us US$5,500 and the UNCA package has cost US$1,000, for a total of US$6,500. The process took exactly one month and two days.

Most Aymara families, numbering in the thousands, took part in this process.

We have done our part. Whether these proposals will materialize into programs depends on you. We hope that they are carried out successfully, with no one mediating between your side and ours. This will truly benefit all Aymara families in Peru.

From the standpoint of the Union of Aymara Communities, the term self-development means that each indigenous peoples' organization plays its historic role as protagonists in the preparation and execution of its own development projects, drawing upon its own potential and thereby making better use of its resources.

For the UNCA, the term democracy means participation in the massive process of consultation being carried out to prioritize the requests of an autonomous organization, created by and for its members for the sake of sustained development.

Democracy also means collective awareness of collectively determined activities; in other words, we all know what it is that is being done and why. That, in turn, implies strict control over the activities of the officers and the organization.

Finally, for the UNCA participation means the following:

* It carries out its activities with a heightened sense of responsibility.

* Participation is not a paradigm unless it is an integral part of the projects: those who prepared them and those to whom it is directed. This is the only way to keep its projects going.

* On the other hand, as in the case of the process carried out by the UNCA, participation must be interpreted in two ways:
  - internal participation, which means that the process is carried out within the UNCA organization, and
  - outside participation, which in this case means that the Indigenous Peoples’ Fund participated in the UNCA process.
Bolivia’s political, economic and administrative structures are in need of radical change. As things now stand, our country is not only backward and dependent but profoundly unfair as well. The gulf separating the most affluent from the most needy, the countryside from the cities, the provinces from the capital cities, is enormous. The grassroots participation bill is an attempt to correct this very egregious problem in our society.

So said President Gonzalo Sánchez de Lozada in his message to Congress when the grassroots participation bill was introduced in the National Congress (Ley de Participación Popular [LPP], Constitution). February 21, 1994).

The policies advocating the participation of indigenous peoples and communities are part of a broader program being advanced by the President and by the government as a whole to encourage greater grassroots involvement.

Participation policies figure into the modernization of the Bolivian State and include political, legal and economic reforms, all based on a new paradigm for what the relationship between State and civil society should be.

The amendment of the Constitution, the education act that modified Bolivia’s education code (Reforma Educativa [Educational Reform]), the grassroots participation act and other legal provisions now being drafted and discussed with the citizenry are all pieces of this process, as are the bill to modify the National Agrarian Reform Service and another to implement a judiciary of the peace, for example.

This political process is creating new law, premised upon a recognition of indigenous peoples’ economic, social and cultural rights, “especially those having to do with their native community lands and sustainable use of their natural resources, their identity, values, languages, customs and institutions...” (Article 171 of the Constitution).

GRASSROOTS PARTICIPATION ACT

The grassroots participation act that resulted from the mandate contained in the Constitution, recognizes indigenous peoples and their different styles of organization and representation (Article 3). It also accords them legal status.

But the recognition of indigenous peoples is not confined to private law. The means to involve them in public administration are also being devised:

1. Through monitoring committees, the indigenous communities have a direct hand in monitoring and controlling municipal planning and administration institutions (article 10 of Law 1551 and articles 14 to 20 of D.S. 23858).

Former National Secretary of Ethnic, Gender and Generational Affairs (La Paz, Bolivia).
2. As indigenous communities or associations of indigenous communities they are subjects under the law and as such must be consulted before any work or service planned for their towns or communities may be approved and carried out. They have a hand in putting municipal development plans together (articles 4, 7 and 9 of Law 1551 and articles 1 to 4 of D.S. 23858).

3. As an indigenous municipal district they may, with the permission of the section's municipal government, administer the resources of grassroots participation directly, the public services transferred to the town governments and governance of their territory, and basically become an institution of public administration to plan the development of their own communities or peoples (article 17, subparagraph III of Law 1551 and articles 26, 27 and 28 of D.S. 23858).

This concept of indigenous municipal districts is particularly important, because it represents a victory for the indigenous peoples who repeatedly asked to be allowed to exercise some form of local government, based on legal recognition of their own institutions, principles and laws. The characteristics of the district are as follows:

* The territorial jurisdiction is demarcated to match the ethnic population and its social organization.

* Within the district's territorial jurisdiction, the group's own forms of election, representation and local government are recognized and respected.

* The traditional authority serves as deputy mayor of the municipal district.

The starting point is the legal status that indigenous peoples and communities are accorded under Article 171 of the Constitution. Under that provision, they may, by delegation of the municipal or central government, exercise functions and responsibilities in public administration. The most significant development in this regard has been the indigenous municipal districts.

It is important to understand that grassroots participation is a program to foster locally managed development. Therefore, the role of the indigenous institutions in the development process and the municipality's investment is not confined to the planning and execution of those programs; instead, they also have a role to play in monitoring the administration of those programs and projects. Legally speaking, this role is a function of the juristic personality that enables them to administer public funds; but as we said earlier, it is also because they can now be constituted into districts and municipalities, with the same autonomy that such public institutions enjoy. These two factors make participatory planning viable. By extension, participatory planning should be understood as indigenous planning, because it posits ethnic unity.

Given the foregoing, the indigenous communities may exercise local power through their participation on the surveillance committees and through direct execution of programs, projects and construction works, since they have the legal status that empowers them to do this.

The development plans of the indigenous municipal districts are a public investment priority, which is why the Indigenous Peoples' Fund counts this as a factor for purposes of approving and financing projects.

BILINGUAL EDUCATION

Education Act 1565 explicitly stipulates that education shall be intercultural and bilingual. The law is premised on a recognition of the country's sociocultural heterogeneity, where all Bolivians men and women alike are respected (Article 5, Title...
I).

Under the bilingual method, "... the native tongue is the first language and Spanish the second" (Article 9, Chapter IV, Title II).

Therefore, the goal of the reform in education is not only to educate indigenous children in their own language (for the first years), followed by bilingual education, but also, out of respect and appreciation for our pluriculturalism as a multiethnic country, to establish the means for indigenous peoples to have a voice in shaping curriculum content and even, through the native peoples education councils and school boards, overseeing each school's administration.

ADMINISTRATION OF LANDS

The National Agriculture and Livestock Association [Cámara Agropecuaria Nacional] (CAN, an organization composed of agricultural entrepreneurs), the Indigenous Confederation of the Oriente, Chaco and Bolivian Amazon Region (CIDOB), the United Confederation of Peasants of Bolivia (CSUTCB) and the United Confederation of Settlers of Bolivia (CSCB) are all working on this bill together.

It purpose is to guarantee the rights of the indigenous communities and peoples to their native communal lands. However, it also sets up a participatory body, which is the National Agrarian Commission.

The latter will consist of the above named institutions, with three state institutions and four institutions of civil society proportionally represented. Its function will be to determine the country's agrarian policies.

TRADITIONAL JUSTICE

The Constitution stipulates (Article 171) that the natural authorities of the indigenous communities may exercise administrative and jurisdictional functions. A bill is being drafted in which the traditional system of justice of the indigenous peoples and communities would become part of the national legal system, through a Judiciary of the Peace. Traditional authorities, their procedures and decisions would be respected in the agreement and consensus reached between the parties and the community.

ADVISORY COUNCIL, OFFICE OF THE ASSISTANT SECRETARY FOR ETHNIC AFFAIRS (SAE) AND THE INDIGENOUS CONFEDERATION OF THE ORIENTE, CHACO AND BOLIVIAN AMAZON REGION (CIDOB)

In April 1994 the SAE and the CIDOB concluded an agreement creating an advisory council consisting of representatives of all CIDOB-affiliated indigenous peoples. The purpose of the Council is to map out joint strategies relating to indigenous peoples.

Creating a multiethnic and pluricultural nation is one of the key items on the country's political agenda. This complicated process is already underway, thereby laying the legal and institutional foundations upon which to build that new juridical/political order.
In July 1991 a new Constitution was enacted in Colombia, premised upon a democracy of representation, participation and diversity. The Constitution declares that Colombia is a multiethnic and pluricultural nation. This new Constitution, however, is just the beginning. A number of State reforms and policy changes are in the works. The first tangible acknowledgment of the rights recognized in the new Constitution in the case of indigenous peoples and their relationship with national society are being developed and targeted.

Modernization and decentralization are underway and territorial reforms are being introduced. The most important issue for indigenous peoples, however, is territorial reorganization. In Colombia, we have moved from an acceptance of indigenous peoples and communities as collective owners of portions of ancestral lands (and in some cases nonancestral lands) to another concept, which is that of the indigenous territory.

The indigenous territory idea involves more than recognition of land ownership; it means acceptance of a cultural use. It is territory in which the indigenous people have power and a right to autonomy in respect of the use and development of the territory, regardless of whether they own it.

However, the fact that it is a traditional, ancestral territory gives the indigenous people a right of autonomy and regulated use, depending on what the final version of the law says.

The Constitution calls for the creation of indigenous territorial entities under a territorial organization act. But the process of enacting this law has triggered a series of discussions. The Colombian State must now modernize its structures to implement the decentralization.

The State's decentralization has immediate implications for indigenous peoples and for their relationship with the State. We cannot approach that aspect of State decentralization as we would some administrative or regional decentralization process. In other words, given the nature of the State per se and the distinctive rights that indigenous peoples enjoy, the State's responsibilities vis-a-vis indigenous peoples are very different. Where they are concerned, State decentralization cannot simply be a matter of delegating administrative and political functions to them as if they were some sort of local, territorial, municipal or departmental institution. The transition has to be different. It has to be a given that the State's direct responsibility vis-a-vis indigenous peoples will last much longer, because the State has a direct role to play in effecting the political changes and winning recognition of the indigenous peoples' autonomies.

Accordingly, the new indigenous autonomy must be a function of some territorial entity, which must have a direct relationship to the nation in order to ensure harmony and for the sake of a new kind of national unity and an equality-oriented development process. The ministry of the interior in Colombia is not at this time positing the notion

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* National Director of Indigenous Affairs of Colombia. Edited transcript of the tape.
of indigenous poverty per se; instead, the problem of their quality of life is seen in terms of the need to strengthen them, their identity, their culture and, most importantly, to guarantee what is needed to keep their ethnicity and culture alive and growing.

We see poverty as an asymmetry of factors on any social, economic, cultural, spiritual or territorial plane. It is not just a matter of basic needs, be they satisfied or not. We do not deny that their quality of life needs to be raised and equal access to the nation's resources guaranteed. But how they get access to those resources is important.

Access should be a function of some holistic vision. We want the indigenous peoples to have that holistic vision of development and of what it means to secure their own future. It is not simply a question of promising resources, no matter how, but of guaranteeing the means to ensure that these peoples' ethnicity and culture will flourish and prosper and that their right to their identity and culture will be protected.

These, I believe, were the two points that Dr. Del Val brought up: autonomy and territories. The debate at this seminar has centered mainly around these two key factors, just as it has in Colombia as well. The problem is how to create these territorial entities and what their autonomy implies.

In Colombia at the present time, autonomy is recognized on several levels. On the one hand, the indigenous peoples' traditional authorities are recognized as public entities of a special nature. While they remain the traditional authorities, they now also have a public mandate under the law. Colombia also recognizes the fact that every community and people has its own form of government. Jurisdiction is recognized not just as a customary right that must be accorded, but also as a kind of regulatory and control system that every indigenous people has in place and has full autonomy to exercise within its indigenous territory. At this time, our goal for the reservations and traditional indigenous territories (whether they be reservations or not) is one of holistic self-development, where the indigenous peoples themselves are the architects of their own holistic development plans and establish the proper relations with local, regional and national society. In our view, there are alternatives to the market driven development model, because the systems and reciprocities upon which those alternative models will be based are different. Such models can foster equal and just relationships with the local, departmental and national societies and less discrimination, even in the case of border territories spanning two countries. The third point that Dr. Del Val raised is also important, i.e., management of the group's own resources and a share of the transferred resources that the indigenous peoples and communities can manage and self-manage.

Now to the matter of experience. The territorial entities have not yet been constituted in Colombia, since the territorial reorganization bill is still under discussion. However, the indigenous reservations and their authorities are receiving transfers. In fact, this is precisely what the discussion has shown: the problem is not so much the infusion of monetary resources and investment projects in the indigenous communities as how these resources get there, how they are invested, what is done to prevent them from becoming a source of divisiveness among the communities and how not to upset the systems already in place for regulating society.

The State is partly to blame. Normally, State participation has been very anemic in the area of indigenous policy, but very strong in pushing for homogeneity and very strong on doing nothing to counteract divisiveness. But now is the time for the State to undertake new responsibilities in order to strengthen ethnic groups. It cannot and must not shirk its duty. Otherwise, the autonomy of the indigenous communities and peoples would simply be another excuse for States not to commit themselves to a policy of restoring and protecting the country's cultural and ethnic treasures, a policy that would exhaust every means possible to ensure that indigenous cultures flourish in fact, and not just in the letter of the Constitution.
These are the main points of the bill now before Congress. It would be impossible to recount every detail of the debate and the negotiations, which have been in progress for some months now, even during one year of the previous administration, at the government level with the indigenous peoples and with the body that is preparing the bill. While the territorial organization bill is in the pipeline, the question of indigenous territorial entities is but one part of the bill. In fact there are two points of disagreement, even within the office of the Ministry of the Interior; those areas of disagreement happen to be the two key aspects of the bill. Insofar as the indigenous entities are concerned, we think passage of this bill is inadvisable. There is disagreement about the territory concept, about the revenue sharing and about the autonomy that the indigenous peoples would have with their own governments within the territorial entities.

This is a discussion about territoriality. Many national interests come into play here, not just those of the indigenous peoples. We believe our job is to make certain that the concept of indigenous territory is not reduced down to a question of the economic use to which the land is put or the ownership of the land. For us this issue is a much broader one, which is recognition of the ancestral lands and of the right of the people of that territory to use it for their cultural purposes. It is also important that the space be large enough for their ethnic and cultural development and perpetuation. As for resource management, an experiment is in progress that is similar to the system being used for the revenue sharing and is surely laying the groundwork for good, self-determined management within the territorial entities.

One last point about the idea of a territorial entity, participation and autonomy. As we see it, participation means two things: it means that indigenous peoples can participate politically in the State, the political parties or congress; but it also means change, modifications and reforms in the structure of the State.

If participation fails to bring about the adjustments and necessary inter-culturalization of the State, it has not yet achieved its real purpose. Participation is not just having the right to protest, which is where the participation process starts; instead, participation means being truly instrumental in effecting change.

The inter-culturalization of the State is one of the policies that must be pursued given the constitutional recognition of the country's ethnic and cultural diversity. All parts of the machinery of the State and sectoral services policies must undergo Inter-culturalization, which means respecting and adapting to the ethnic and cultural diversity. The reforms and adjustments in the State must come about politically. Participation is not simply autonomy in the confines of the territorial entities and a voice or representation at regional, local or national levels. Instead, participation also means the adjustments and reorganization that the needs of an intercultural nation require of a modern State.
INTRODUCTION

One of our most cherished goals as indigenous people is to achieve autonomous development as a people, within the framework of the nation state.

And while the analysis and debate about indigenous development to determine what is needed to establish autonomous processes concerns us primarily, it also concerns those national and international institutions whose work has an impact on indigenous development, either by supporting it directly or by establishing specific and/or global policies that affect us.

Taking on this challenge, the Steering Committee of Indigenous Organizations of the Amazon Basin (COICA) did a study on "Economic strategies for the survival, autonomous development and sustainable management of the territories of the indigenous peoples of the Amazon Basin," which examines the changes that have occurred in the indigenous economy in the last 30 years and evaluates economic proposals and projects, to create more objective grounds for the debate about the conditions needed for our peoples' autonomous development. The study was conducted simultaneously in Bolivia, Brazil, Colombia, Ecuador and Peru.

While we have not yet finished all the activities planned under this project we only recently completed preparation of a document summarizing the study's findings and are about to begin to examine and discuss the matter within our organizations I would like to share some of our findings here today, as our contribution toward the discussion of this panel's theme.

I will be drawing upon some of the observations made by our organizations to shed light on the content of our proposals on the rights of indigenous peoples, which are the necessary framework for guaranteeing their autonomous development.

I will begin by discussing what we indigenous people mean by the expression autonomous development. I will then discuss the indigenous economy, the changes it has undergone and the directions it is taking. Third, I will examine some of the internal preconditions apropos the organization of economic initiatives, which might be instrumental in establishing autonomous processes that will ensure our peoples' development in the long term.

WHAT DO WE MEAN BY AUTONOMOUS DEVELOPMENT?

The indigenous organizations told the World Conference on Human Rights held in Vienna in June 1993 that for us, self determination means our peoples' right to own, control, administer and develop a legally recognized and respected territory current or ancestral within which a people, without interference of any kind, may cultivate, propagate and plan all aspects of their unique and specific culture. Within those territories our peoples devise their own development model and alternative, chosen according to each people's cosmogonic

–Coordinator General of the Steering Committee of the Indigenous Organizations of the Amazon Basin (COICA), Quito, Ecuador.
philosophical ideas about economics and the relationship to nature, while at the same time effectively controlling the resources of the soil and subsoil.

Self-determination has two facets: one internal and the other external. Internal self-determination means a people's capacity to decide its own political system and its economic, social and cultural development, while external self-determination is the power to enter into relations directly with states.

However, as Martínez Cobo said in 1983, external self-determination does not necessarily mean that a people may secede from the State in which it lives and set itself up as a sovereign entity. Indeed, external self-determination might manifest itself in any number of examples of autonomy within the State, even the individual and collective right to be different and to be regarded as such.

For the indigenous peoples, exercising the right to self-determination does not mean secession from the State, but it does mean the following:

"... the indigenous peoples have the right to determine what their development priorities are, insofar as they concern their lives, beliefs, institutions and spiritual well-being and the lands and territories they occupy or use, and to design and control their own economic, political, scientific, social and cultural development. Indigenous peoples shall also play a direct role in preparing, applying and evaluating regional and national development plans and programs. (CONAIE, draft constitutional amendments, October 1994).

Recently, indigenous peoples have worked hard to organize themselves to find viable alternatives. We can, through our own self-determined development, improve the living conditions and very destiny of our peoples.

Naturally, governments and other sectors of society will have to be understanding and open-minded if these rights are to become the law of the State, paving the way for the integration and sociopolitical and juridical reconciliation of national society to ensure that the indigenous peoples are not overlooked in the State constitution.

And so, the fundamental basis and guarantee of our achieving autonomous development as peoples is territory. For a precise meaning of that term and to distinguish it from the term land, I shall quote from a discussion paper being used by the Inter-American Institute of Human Rights (IIHR) in connection with the draft Inter-American instrument on indigenous rights. That discussion paper draws upon the indigenous organizations' observations to make the following distinction between territory and land:

"Territory is a geographic area or space in nature that is under the cultural influence or political control of a people. Land refers to the portion within that space that an individual or juristic persons can call his own. The first is a right of peoples, while the second is a right of individuals. The first creates the possibility of control over a set of resources and social processes that occur there, whereas the second creates the possibility of making productive use of the soil without interference from outside persons.

So when we speak of our right to territory and not just land, we are talking about exercising power, just as a public institution a municipality, for example exercises power within the limits of its jurisdiction and competence, without infringing upon the sovereignty of the nation State.

In other words, we mean the right to exercise influence and control over what happens in that space, how it is used and how it is disposed of; to participate as a group in the decisions that affect a territory and to share the resources there; to apply, within our territory, our norms, our customs, our traditions; to regulate our forms of social organization and representation; to steer and manage our economy and the use of the existing natural assets and resources; to protect the
ecological balance and avoid environmental degradation.

Without these guarantees, our efforts to pursue long-term, balanced management of our natural resources are being compromised day after day by national and international policies, especially those related to the exploration and exploitation of oil and other natural resources within our territories.

But a territory by itself cannot set the stage for autonomous and sustainable or harmonious, to use our expression development. It also needs to be governed and managed.

INDIGENOUS ECONOMICS, CHANGE AND TRENDS

We cannot talk about indigenous development without first reflecting, however briefly, upon the economic situation of the indigenous peoples and where it is headed. This will help us understand the internal and external conditions needed for autonomous development.

Indigenous peoples have developed harmonious relationships with nature dating back thousands of years. For indigenous peoples, humans and other forms of life are intimately interrelated parts of a single system. Subsistence activities or management, production and transformation of natural resources require a complete command of the relationships between human society and the natural and supernatural world that surrounds us.

The specific forms of this economic system differ from one people to the next, because of the diverse cultures and climates in which we have developed. The contrasts are obvious, for example, between tropical peoples like those of the Amazon Basin and the Andean peoples.

But factors like the relationship with nonindigenous societies, the extent to which territories are recognized, the kinds of territories recognized and the degree of involvement in the market can heighten the difference, even within the same region.

Even so, certain trends and certain anomalies can be found. Today, all indigenous peoples have, to varying degrees, some relationship with the market. That trend is on the rise.

The indigenous economy has always been closely linked with the other aspects of culture and society. Therefore, a change affecting a people's economic life affects the system as a whole. Changes caused by the relationship with the market economy have forced our peoples to recreate and retool our societies in new ways, by reorganizing internal social relationships, the production and distribution relationships and the system of values and beliefs. What we have today, in many cases, are what we might called mixed economies, because they combine tradition with the new requirements demanded by that relationship with the market. In the case of the Amazon region, these new economies are a combination of activities exclusively for internal consumption, others geared to producing for the marketplace, and some that are a combination of both.

Peoples who have less of a relationship with the market are more successful at preserving a uniquely indigenous economy, especially the traditional ways of using and managing resources. In such cases, the territories preserve their ecological balance, with no measurable changes, at least not ones caused by internal factors.

Although peoples who have more of a relationship with the market still preserve aspects of their own style of resources management, the necessity of getting the highest returns possible often forces them to resort to practices that are not sustainable in the long term.

For some peoples, like those of us in the Amazon Basin, these changes have happened very fast, so fast that we have not had time to examine where these changes are taking us and how our way of life as peoples is being affected.
While the factors causing these changes are many, two in particular stand out: the development models conceived by the States and, within those models, the methods used to legalize territories.

Many peoples were forced to change their economy, shifting it in favor of livestock. This meant that rain forest had to be cleared to grow fodder. They had to show that they were engaged in what the State would regard as productive businesses, all in order to demonstrate ownership rights, the precondition imposed if they wanted their territory legalized.

Many indigenous peoples lost most of their ancestral territories, which enormously reduced the resource base for their subsistence. But to compound the problem, in many cases the State imposed new rules for organizing access to land within the communities, rules that were frequently at odds with the traditional rules by which we have always governed ourselves.

Another effect that these State implemented development policies had, especially those from previous decades, is that they were highly prejudicial to subsistence activities. The latter were regarded as primitive, backward, and an obstacle to progress. This kind of thinking has often taken a serious toll on our communities, demeaning our own self image. But it has also introduced unsustainable resource use criteria. The age-old knowledge of local ecosystems and how to manage them is being lost.

But knowledge is not the only thing we are losing. We are also losing many species, both domesticated and cultivated, that might eventually have had some monetary value as the markets for indigenous products grows.

And then there is the market itself, where most indigenous peoples are at a disadvantage.

These markets are tied to the world economy. The policies of the developed countries can influence even the most remote indigenous communities.

Under pressure from the International Monetary Fund, nation States are today pushing a neoliberal or free market model. According to that model, economic life is something private, the business of the individual citizen. The State confines itself to guaranteeing a "fair market".

The changes have been many, like privatization of businesses, the elimination of subsidies for strategic products like gasoline, the lifting of restrictions on imports, austerity programs, and so on.

These changes affect the economy of the indigenous peoples. For example, the elimination of the rubber subsidy had a dramatic effect on the Kaxinawa people in Brazil; Ampiyacu production of jute disappeared with the liberalization of imports.

All too often indigenous people do not understand the logic of the market, which makes it difficult for us to find our competitive niche under present conditions, where involvement with the market is becoming more and more crucial for our development.

Given all this, we indigenous peoples have a number of challenges before us: that of developing an economy that is productively efficient but also ecologically viable, and that of striking a balance between our traditional forms of economic organization and the market economy.

**AUTONOMOUS DEVELOPMENT: INTERNAL CONDITIONS**

As our organizations became stronger, mainly in the last twenty years, we indigenous peoples engaged in economic activities with our own development in mind, whether through projects financed with outside funds or on our own initiative.

What follows is a summary of some of the thoughts and recommendations that appeared in the study "Estrategias Económicas" [Economic Strategies],
based on an evaluation of 25 indigenous economic projects or initiatives in the five countries where the study was conducted. These ideas are certainly not the last word and need to be discussed and examined. But they are good material to reflect upon and debate.

The recommendations concern the projects' viability, viability being understood as the potential that a project or activity has to survive and flourish under the existing conditions. A project's viability depends on external and internal global factors. As the external factors, i.e., the right political and economic conditions, have already been discussed, I will focus on the internal factors.

1. **Ecological viability**

All economic initiatives have some impact on natural resources. Even so, the potential impact is not always factored in when those projects are designed.

An economic initiative is ecologically viable when the resource base can support productive or mining activities without the resources being seriously depleted. Earlier I said that one of the challenges we face is to develop an economy that is both productive and ecologically viable.

To rise to this challenge, the indigenous economy has to be based on a resource management concept rather than a resource exploitation concept.

By *management* we mean the system in which resources are tended and used. The resources are not exploited, they are manipulated in such a way that their survival is not threatened.

Indigenous communities and peoples have to come up with *global community resource management plans*. These plans must focus on reinforcing the indigenous values of reciprocity, moderation and balance to manage our relationships with the natural world.

Whenever possible, these plans should include and safeguard the traditional tenure systems that internally govern usage rights, rights that determine who can use what resources when and to what purpose, who inherits what rights to resources and from whom. The job of the indigenous organizations is to codify this traditional system to gain official recognition of these customary practices.

A global management plan also requires the following:

* inventories of renewable and nonrenewable resources available;
* knowledge and understanding of how these resources interact;
* estimates of the resources needed to meet the community's basic necessities, and
* estimates of the crops available or for family use, based on an analysis of the available stockpiles.

These plans must be based on studies and information. We indigenous people should continue to rely on all sources of traditional knowledge about plant and animal species, since they are vital to managing our own economic development. We should fight for intellectual property rights over ancestral knowledge.

These plans must encourage diversification of activities and the resources extracted. For this management plan to work, it must be created by the community and approved by a consensus.

The market-oriented projects must begin with a feasibility study to determine what impact they will have on the resource base. Every economic initiative that is based on the use of some resource will also require a *specific management plan* for the care and use of that resource. This specific plan must square with the global plan.

If done this way, management plans will be an
important tool for the long-term sustainable development of the indigenous peoples and their territories.

2. Economic viability

The factors that determine economic viability are:

a. Diversification of strategies

The traditional economy's viability is attributable to the enormous variety of subsistence alternatives available by making use of the wide variety of existing resources. It is imperative that we indigenous peoples maintain and build upon that variety of strategies. Projects ought not to weaken subsistence strategies by emphasizing another activity. They should combine subsistence activities with market activities and thus cover the needs in the area of food, nutrition and money. We have to do an economic calculation to know how much we are losing by producing only for the market, and by having to purchase what we need to eat.

Market activities also have to be diversified in order to minimize our losses due to blights or plagues or fluctuations in market prices.

b. Financing of an economic initiative

Grants related to the economic area can be very instrumental in supporting local businesses with activities like training, market information, technical support for feasibility studies, and so on. But when it comes to financing businesses or revenue producing economic projects, the grants can introduce serious anomalies in the indigenous economies and their relations with the market. Experience shows that grants will not ensure our peoples' long-term autonomous development.

The evaluation done of the projects revealed a telling contrast between those economic initiatives that began with a small amount of capital and were based on the effort of the people themselves, and those financed with grants. The former are designed strictly as business, to obtain profits, and are carried out with little financing; they slowly but surely amass capital of their own. The people behind these initiatives regard themselves as the owners of the business and are therefore attentive to every problem that may arise, because their own work and effort are at stake.

Projects based on grants or charity rely on outside resources to survive as a business in a market context. The beneficiaries of these projects generally are not overly concerned with productivity; since they have not invested their own capital they risk nothing and do not have any sense of ownership. Many such projects never make capitalization a goal, so that when the grant runs out, so does the project. The grant involves no exchange or reciprocity. The donor generally dictates the terms and expects nothing in return.

The communities have not always developed an ethic of collective accountability that makes exercising social control over the use of grants possible. In such cases, the monitoring of and control over such grants are entirely external, which is why so many grants lead to corruption and the resulting community infighting.

In this sense, grants upset the traditional economy and violate standards of reciprocity. They also upset nontraditional economic relations and affect the possible economic viability of those initiatives.

But then comes the question, how can economic initiatives intended to produce profits like a business be financed? The study has some suggestions:

* Local resources. Encourage efforts at the local level, among families interested in generating an economic project. This can be done in two ways: first, by using a portion of the resources available locally, under an agreement concluded with the community and following an established management plan; and second, and most important of all, cultivating the habit of
savings, as with group savings mechanisms, for example.

*Credit. Credit can be used to supplement local efforts. This can be correlated to traditional mechanisms of reciprocal assistance. Also, credit can teach responsibility.

Special credit programs for indigenous peoples are needed that pegs the size of the loan to local savings and provides advice to the borrower to ensure that he or she makes sound investments. These specific credit mechanisms should be fashioned in a way that they do not put the territories in jeopardy, since mainstream lending institutions require collateral and the risk is great when the collateral is land. The risk can be even greater given the neoliberal interest in opening up indigenous territories to the free real estate market.

c. Organization of the initiatives

Careful consideration has to be given to the question of whether an initiative should be organized as a community project or as a project undertaken by a small group of families.

The study shows, for example, that of the projects analyzed, the collective or communal businesses have not been viable, one of the main reasons being that the participants lacked a sense of ownership: because ownership is communal, no one feels personally responsible or regards himself as the owner of the business. Very few are willing to take initiative and to make an effort.

This is because the basic unit of economic organization among the indigenous peoples of the Amazon Basin is or was, depending on the group, the maloca, which are settlements based on kinship and lineage. But today's communities are not always based on kinship and lineage alone. The community was not organized for economics, but rather to defend territories, which is why it does not necessarily function as an economic unit.

Some projects have devised mechanisms better adapted to this reality. For example, they have involved the organization of collective undertakings among the most like groups within the communities. When they agreed to support the project, these groups pledged to contribute a portion of their earnings to a communal fund, thereby enabling the community to provide services to everyone. This mechanism not only strengthens the community's economic base but also reinforces solidarity and the sense of group identity, while at the same type redistributing a portion of the earnings.

Many projects organized at a collective level are geared to promoting just one economic activity for the market. This can put the community's economy in a difficult and even perilous situation. Some experiments have involved additional economic activities among the groups within a community, an approach that can help diversify the market-oriented activities, as I mentioned earlier.

d. Special economic policies for managing businesses

The study's evaluation of the projects found that traditional values are at odds with some of the basic values of efficient business management. Traditional values emphasize reciprocity and generosity, while business management requires values like efficiency, productivity, and profits in order to compete on the market.

The projects suggest that the traditional standards and values are important for regulating activities, especially those related to subsistence; but projects devised as businesses have to function according to other criteria and must develop a business sense and administrative skills.

To avoid the confusion over standards and values, every project must establish clear rules from the outset, with the participants taking part: e.g., how the resources will be managed and how the credit will work. Transparent methods of administration and fiscal control that can keep participants abreast
of the project's financial standing and of how the business' capital is being used must be introduced. The mechanisms must not be for the exclusive purpose of accountability vis-a-vis financial institutions or donors, as always happens; their primary purpose must be to supply the business and its participants what they need for proper management.

The success of a project depends upon the technical skills of those in charge. And while many projects were strong on project related technical training, administrative skills were ignored. These problems are compounded when the technical functions are not distinguished from the political functions inside the organization. The businesses have to be headed up by people who have the necessary training.

To strengthen these activities, the organizations should, rather than carry out economic projects themselves, provide other services such as training, market information, contacts among producers, and so on.

3. Sociocultural viability

I have already touched on certain sociocultural considerations when discussing the other points. However, I would like to stress the following: a project's sociocultural viability is difficult, because indigenous lifestyles and values are so much at odds with the market economy.

These factors, therefore, have to be discussed within the communities to decide which road to follow, after considering all the advantages and disadvantages. What is the desired standard of living? What commitments are they willing to make to operate economically in the market context? How much of their lifestyle can they compromise for the sake of economic success, without jeopardizing their unique character as a people and the cohesiveness of their social life in the communities?

Experience shows that when things are planned well, mixed economic development a combination of subsistence and market oriented economic development can be compatible with local patterns of social and economic organization.

4. Political viability

To ascertain whether the projects are strengthening or weakening the autonomous development process, it is vital that we indigenous peoples and communities ask ourselves the following questions:

* Is the community in control of the concept, design, planning and implementation of the economic initiatives or projects?
* Is the community exercising control over its territory and the resources therein?
* Are the development programs being carried out within the community or among a people creating the conditions necessary for their own self-sufficiency and economic independence?
* Are these programs strengthening social and cultural ties among the members of the community and reaffirming their sense of historic identity and cultural dignity?

What we are talking about is a process of social development driven by the indigenous peoples in the context of their own historic development. This is not development carried out for us by outside institutions.

Here it is important to reflect upon the relationships between the indigenous peoples and the organizations and institutions of support. It is difficult to define their roles clearly: the NGOs must abandon their paternalism and accept the role of technical advisors rather than project executing agencies. On the other hand, we indigenous people have to accept the importance of technical advice, so that we can properly perform our role as executors of programs and activities.

This is another important aspect in guaranteeing
our autonomous processes. Our peoples' development cannot and should not depend on the permanence of support institutions. While it is important to determine each party's functions, we must also determine what measures are needed to ensure that outside support becomes less and less essential.
My remarks will pick up on the three main themes discussed by this session's main speaker.

**AUTONOMY AND SELF-DEVELOPMENT**

In the Cuna experience, autonomous development means self-determination: it means having a government and a territory of its own, and the capacity to manage its affairs and its development.

For the Cuna, having our own government means having a political and administrative structure intact that is consistent with our traditional cultural patterns. This means that traditional authorities, elected democratically by the communities, are respected.

The Cuna General Congress is the Cuna people's highest authority and emanates from the people. Its authorities are the (three) General Chiefs (Caciques Generales) elected in the Congress' General Assembly. The Congress itself is made up of 200 delegates from 49 communities. The Assembly meets in session every six months, or twice a year.

All projects, whether government sponsored or private, are either approved or rejected by the plenary of the Assembly.

Panamanian law first recognized the Cuna Yala District back in 1938. Its Congress was created in 1945 and has since been under the leadership of traditional authorities.

And so for us self-determination or autonomy means having our own house where we can take our own decisions and elect authorities according to our tradition, those best suited to the communities' needs.

**INDIGENOUS INITIATIVE**

For us, indigenous economics means providing for life's needs and is the relationship that, in our vision of the cosmos, our people have with nature. The indigenous economy is the essence and basis of survival for indigenous cultures.

The economic projects that indigenous peoples conduct must first consider the importance of respecting mother nature; in other words, they have to be ecologically viable in every respect, because comprehensive, rational resource management is essential for survival.

But the time has come to go beyond the green rhetoric, i.e. this tendency to follow the conservationist and environmentalist trend. Indigenous leaders at the national and international level have started to wave the same ecological banner that environmental groups and organizations wave, raising funds in the name of mother nature while relegating their peoples' real needs to secondary status.

In that sense we can safely say that we have never been nor are we now conservationists. Knowing, managing and respecting the laws of nature is
something altogether different. Our ancestors managed to cope with social and environmental problems; they knew how to anticipate hard times and to prepare for them in a way that was consistent with the laws of nature.

And this is why the debate about the sustainable use of natural resources and the problems of the use, management and protection of indigenous territories and about the preservation of natural and cultural heritage in general, is becoming increasingly relevant and necessary.

We now realize that we have to rediscover the traditional, ancestral ways and apply them to the indigenous peoples' present; in other words, apply them in a manner consistent with the communities' needs and demands.

Following this philosophy, Cuna society has tried to come up with some economic answers by creating and devising our own projects to find economic alternatives: establishing communal cooperatives both in the Cuna Yala District and in Panama City, and organizing our own NGOs under the umbrella of the Cuna General Congress. In some cases, small tourism businesses have been established, managed and controlled by the Cuna themselves, ever respectful of local authorities and the Cuna government itself.

Our goal is to make this the norm by not inviting outside projects in, by promoting a new appreciation of our culture and preparing ourselves to be more in touch with our identity and better serve our society.

**TECHNICAL ASSISTANCE**

As for training and technical assistance, we are proposing that the indigenous peoples begin to engage in horizontal technical assistance, so that our specialists can share technical and cultural expertise. Why not share the Cuna cultural and political experience with other indigenous peoples of Latin America?
RESOLUTION ADOPTED BY THE MEETING OF INDIGENOUS PEOPLES PRESENT FOR THE FIRST ASSEMBLY OF THE INDIGENOUS PEOPLES' FUND

We, the undersigned members of indigenous peoples and organizations of the countries present for this Assembly, have convened prior to the start of said Assembly for our own opportunity for reflection and analysis.

Having examined the history of the Fund and the impact it has had on our organizations and countries, we have concluded the following:

1. All representatives of indigenous peoples and organizations present for this meeting, whether or not their governments have ratified the Agreement establishing the Fund and irrespective of whether they have been accredited to attend this Assembly, should have the right to speak.

2. We have unanimously agreed that the Fund should continue, for it is our forum, the product of the indigenous peoples' long struggle to assert our rights; it is a legal instrument that enables us to become part of a national and international order and a forum that our peoples and the governments negotiated and agreed upon. For us the Fund must truly be of and for the indigenous peoples. Still, we do not now feel it is ours and are calling for a return to its original structure and spirit and asking that our presence on all its administrative bodies be fully guaranteed.

3. The governments lack the political resolve to support the unity of the indigenous organizations and peoples and prefer instead to be a divisive force. We are demanding that they respect the indigenous organizations' choice of delegates to represent us vis-a-vis the Fund. Thus far, the majority of indigenous delegates are appointed directly by the governments. The latter should allow the indigenous peoples in each country to choose their delegates freely, while providing support in the form of infrastructure and financing.

4. We are proposing that NATIONAL FUNDS FOR THE AUTONOMOUS DEVELOPMENT OF THE INDIGENOUS PEOPLES be set up in each country and that they fit our vision of the cosmos.

5. We are speaking out so that the Fund will not become an obstacle to direct relations between our organizations and agencies of international cooperation.

6. Projects submitted to the Fund's deliberative bodies must first be prepared, discussed and approved by the indigenous peoples and organizations. When consultants are retained, the first consideration must be the proposals presented by the organizations and peoples. Any consultant should first have our approval.

We are demanding that the following be the criteria used to select projects: a) priority should be given to projects filed by indigenous peoples whose survival as a people is in jeopardy because of the policies of neglect that have left them in poverty and utter alienation; b) priority
should be given to projects that concern the environment, inasmuch as it is the States that have destroyed and continue to destroy our Mother Nature, without whom we cannot survive.

7. We are requesting that in its dealings, the Fund respect indigenous culture and always work to reaffirm it and strengthen its institutions.

8. We are urging all the governments that have not ratified the Agreement establishing the Fund, to do so as soon as possible.

9. We, the indigenous peoples of the countries that have signed the Agreement, ask that prior to every regular and special assembly, we be convened to coordinate our positions on the issues the assembly in question will consider and that the Fund defray the costs of our meeting.