

Supporting Multi-Stakeholder Dialogue in Barcarena, Brazil

Longstanding, complex issues have shaped disputes between civil society, local government and extractive industry businesses in Barcarena. What are the prospects for multi-stakeholder dialogue in addressing these?

Since the 1970s, extractive industry activity in Barcarena has proved divisive. While greater economic activity has increased GDP per capita and driven skilled job creation, little of these benefits have reached local populations. Furthermore, industrial accidents, environmental damage and unresponsive companies and local government have created grievances among the community. In examining these issues, this brief focuses on the Intersectoral Dialogue Forum as a means to discuss and promote sustainable, responsible, and inclusive development in Barcarena. We provide suggestions for stakeholders to take this process forward.

Brief Points

- Extractive industry operations have increased the economic output in Barcarena, but little of this directly benefits local populations.
- Environmental issues, poor local governance, a fractured civil society and disengaged companies have hindered sustainable development.
- Recent attempts at creating multi-stakeholder dialogue forums appear promising in addressing some of these issues.
- Wider stakeholder engagement, institutionalizing the forum and moving from dialogue to action are core next steps.

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The Research Project

This research project investigated the role that the extractive industry (EI) plays in the Barcarena municipality (population 115,000) in the Northern state of Pará in Brazil. It has a particular focus on the operations of Norsk Hydro, which has been the largest operator in Barcarena since 2011. The project has observed: (i) the interactions between civil society, EI companies and local government; (ii) conflicts between these actors, and; (iii) how these stakeholders can work together to improve prospects for sustainable development in the region.

Commencing in December 2014, the project was directed by Senior Researchers Siri Aas Rustad and Kristian Hoelscher from the Peace Research Institute Oslo (PRIO) in Norway, with Brazilian researcher and lawyer Giselle Hoover Silveira from Recife, Pernambuco.

The goals of the project have been to:

1. Understand the economic, political, and social impacts on local communities in Barcarena related to operations of the extractive industry.
2. Understand how companies and local governments have responded to these issues and promoted development in Barcarena in general.
3. Understand the tensions and conflicts that exist between these three stakeholder groups.
4. Observe the processes related to the Intersectoral Dialogue Forum (IDF) and how, where and to what extent it has been successful.
5. Suggest possible ways that all stakeholders can promote sustainable, equitable development in Barcarena.

During four visits to Barcarena (June 2015, November 2015, April 2016, November 2016), we interacted with community leaders, local government officials, management and workers of Hydro and Alunorte, and researchers from UFPA Abaetetuba and Belém. We visited communities across Barcarena, interviewing over 100 people and surveying over 650 about their opinions of key local issues.

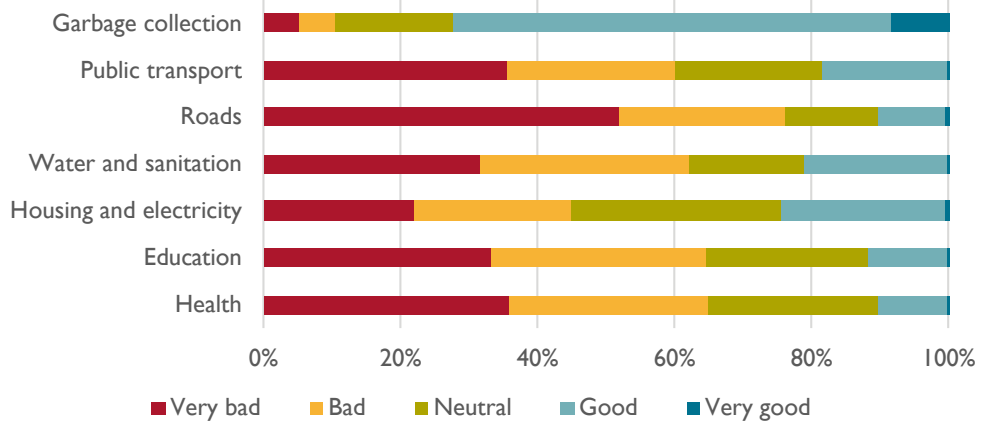


Figure 1: How good or bad do you consider these different public provisions?

Key Stakeholders in Barcarena

Civil Society

There are a large number of civil society organizations with different agendas, focusing on different neighborhoods, women's or youth interests, or trade unions or industry groups. Despite this, civil society is generally quite fractured, with residents often not aware of or not feeling represented by civil society organizations or community leaders. These factors make engaging with or acting as a unified civil society somewhat challenging. In addition, there is often a lack of trust between citizens and the civil society leaders, and between civil society leaders that are engaged in the IDF and those who are not.

Local Government

In Barcarena, local government is often perceived as ineffective in how it develops the municipality. As throughout Brazil, municipalities have the constitutional power to approve local laws, collect taxes and receive funds from the state, yet lack power to make many other types of decisions which are managed and provided at the state or federal level. This includes decisions related to the distribution of revenues from extractive industry activities, and how much remains in the municipality where extraction or processing occurred.

Among the population of Barcarena, there is generally limited trust in local government and poor perceptions of service delivery provided. Our survey reported that 90% of those interviewed had little or very little trust in local government; and Figure 1 shows the general dissatisfaction with public service provision.

Extractive Industries

Located adjacent to the capital Belém in the Northern state of Pará, Barcarena is situated on the Amazon River delta, and is served by strategically important road, rail and sea links. Due to deep-water port facilities, Barcarena has been an important site for the production and export of much of the world's bauxite and alumina, and Kaolinite. Given this, there are numerous extractive, refining, supplier and logistics companies operating in the municipality. In addition to mining operations, Barcarena is one of the busiest ports in Northern Brazil, with soya and cattle being major exports.

Mining activity in Barcarena began at the end of the 1970s. The Brazilian state-owned company Vale established the Albras plant in 1978, with the world's largest alumina refinery Alunorte following in 1995. In 2011, Norwegian company Hydro acquired majority stakes in Alunorte and Albras from Vale. This expansion of international extractive companies spurred the economic and physical growth of the region.

The Intersectoral Dialogue Forum

Despite Barcarena having the third highest GDP per capita in Pará state, environmental damage, poor governance and economic benefits not going to local populations are ongoing and important issues. Recognizing the challenges facing Barcarena, a dialogue was established in 2007 between the Pará State Public Prosecutor and leaders of several civil society organizations to find ways to address challenges EI operations had generated, particularly the disparities between the wealth created in the

municipality and the poor living conditions of the population.

As a result, the International Institute of Education in Brazil (IEB), together with the Norwegian Church Aid, established Barcarena's Social Capacity Project to strengthen the formal and informal associations affected by environmental disasters. The goal was to create a political space to build a progressive agenda where the responsibilities to address local challenges could be shared between companies, government and civil society.

In order to achieve the goal of a shared political space, it was important for the project to establish a common arena for dialogue between civil society, the extractive industry and the local government. In 2012 the process of establishing the IDF commenced, and in March 2014 the Forum was officially established.

Participants include representatives from different civil society groups and community leaders, members of local government agencies, and members of CSR department of Hydro, who remains the only extractive company in Barcarena who has joined the IDF.

Core Challenges to Address

Based on interviews, a survey and observations over the past two years, we have identified several core challenges to address to improve the situation in Barcarena.

- Despite extractive industry activity, little of the revenues created are productively used in Barcarena to support the local population. This combined with disengaged local governance has seen inadequate public service delivery across the region.
- This is exacerbated by issues of decision making and policy coordination over multiple levels of local, state and national government. It is often unclear who has the authority or responsibility to deliver particular services or provide public goods.
- Civil society has long felt excluded in Barcarena, and there has been a lack of long-term, inclusive and participatory development planning. An important way forward is to find ways that a range of stakeholders can engage in developing

and working towards a long-term vision of Barcarena that includes all citizens.

- Beyond just paying taxes and providing employment in the region, there are common perceptions that companies should be responsible for providing services that the government fails to provide. While companies cannot deliver what the government has a responsibility to offer, there is a need for companies to support local communities in a more meaningful way.
- The legacies of environmental degradation and industrial accidents are key issues in the region. Even where companies are not themselves responsible for past accidents, there are strong perceptions that companies do not acknowledge the impact their activities have on the local environment.
- The unequal power relations between local stakeholders are also a challenge, as companies and the local government represent stakeholders with greater capacity and influence than civil society.
- In addition, other problems related to progress towards equitable, sustainable development include: legacies of disengaged or paternalistic attitudes of companies towards civil society; and limited trust among citizens towards the government, industry and civil society leaders.

Observations from the Intersectoral Dialogue Forum

From observing the development of the IDF over the past four years we outline here:

1. The progress that has been made as part of the IDF.
2. Some of the challenges that the IDF has encountered while establishing a dialogue between stakeholders related to communication, legitimacy, and equality.

Progress

- The IDF has successfully established a regular, open, respectful communication between stakeholders and set out key issues to be addressed.
- There is a clearer understanding of

shared concerns in Barcarena. Since early discussions about establishing the forum, the atmosphere has shifted from contentious to cooperative.

- The forum has given civil society – a less powerful stakeholder group – the opportunity to directly discuss concerns with extractive companies and government actors.
- Although it has taken time, the forum is beginning to collectively participate in local policy discussions, especially inputs into urban and municipal plans.

Challenges

Communication

- While progress has been made, maintaining dialogue between the stakeholders of the forum remains a challenge.
- There is also limited awareness of the forum within civil society. Our survey shows only 18% of people surveyed were aware of the IDF.
- There are challenges related to how the forum is viewed by different stakeholders. Civil society sees the forum as a means to effect change in Barcarena, whereas government officials and members of Hydro generally view it more as a place for discussion rather than action.

- Civil society stakeholders often want change in the short term, especially around basic services and environmental damages. The local government and Hydro, however, generally see this as a long-term forum to discuss structural challenges in Barcarena and to find ways to fix these in the long term.

Legitimacy

- A key challenge is creating and sustaining widespread buy-in to the forum.
- In many cases there are highly committed individuals, but they may not necessarily hold the views or have the support of the larger organization, institution or community they represent.

Equality of Stakeholders

- The lack of power of civil society relative to extractive industry (i.e. Hydro) and the local government is a challenge.

Stakeholders should discuss and find ways to address this imbalance.

Suggestions to Stakeholders

There are several ways stakeholders can take this dialogue forward. Below we outline these both in general and for specific stakeholders.

General Recommendations

- All stakeholders should continue to appreciate the perspectives, concerns and visions of others. Progress has already been made and continuing this will build towards a shared, collective vision of sustainable development in Barcarena.
- But to do this, local government and extractive industry stakeholders need to address civil society grievances and support development of Barcarena in the short term. This includes companies internalizing the long-term environmental impacts of the extractive industry (even where they were not directly responsible), and local governments improving accountability to civil society.
- This should include extractive industry companies acting as socially and environmentally responsible actors; and local government prioritizing delivery of basic services.
- Civil society actors should also realize that companies are not responsible for all social or environmental problems in Barcarena and in many cases provide economic and social benefits.
- Improvement in Barcarena has to be viewed both in the short and long term. In the short term immediate needs and building relations are important, while in the long term capacity building and long-term development planning is central.

Civil Society

- Civil society could improve wider inclusion by mapping and reaching out to relevant organizations not currently included that could benefit from joining the IDF.
- It is also crucial that civil society stakeholders in the forum represent the interests of the whole community, and not just their own personal interests.

Extractive Industry

- While Hydro should be acknowledged for taking part in the forum, there is a need for companies involved to take both short-term and long-term actions to improve conditions in Barcarena.
- Companies also need to recognize they have far greater power and influence than civil society, and if they truly wish to support dialogue and solutions they must support strengthening civil society.
- Rather than just their participation being enough, companies should create concrete goals to achieve that will benefit the community. These should be tangible, measured and easy to communicate.
- Lastly, Hydro (and all IDF stakeholders) should leverage its influence in the region to persuade other extractive companies to join the forum to improve its impact.

Local Government

The local government in Barcarena should work to improve its transparency and accountability to local populations. Using the forum to include civil society perspectives in policy making is vital.

- The local government must also improve its visibility in the community, both through

openness to citizens and by providing public goods and services.

- Local government engagement in the forum should be supported by connections to institutions of the state and not simply personal connections.

Forum

- The forum could create a communication plan to disseminate their activities more widely and increase awareness among civil society in Barcarena.
- Through company and government financing, the forum could establish a social fund to support short-term projects identified by civil society. Relevant projects could begin supporting positive solutions in the short term, and empower civil society in the local development of Barcarena.
- The forum could seek other support where necessary. Joining with local universities could help with services such as accounting, legal issues, and public outreach.
- Finally, the forum should try to achieve both positive short-term and long-term impact. Stakeholders should work to improve conditions where they are most required today, but also find ways to have wider stakeholder involvement (from civil society, government and companies) to address long-term challenges moving forward. ■

THE AUTHORS

Siri Aas Rustad and Kristian Hoelscher are Senior Researchers at PRIO. Their research examines how politics, natural resources and citizenship affect peace and conflict, security, inclusion and development.
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THE PROJECT

The project 'Impacts, Dialogue, and the Extractive Industries in Brazil' examines the impacts of extractive industries in Barcarena, Brazil, and opportunities for multi-stakeholder dialogue between civil society, local government and extractive industry companies.

PRIO

The Peace Research Institute Oslo (PRIO) is a non-profit peace research institute (established in 1959) whose overarching purpose is to conduct research on the conditions for peaceful relations between states, groups and people. The institute is independent, international and interdisciplinary, and explores issues related to all facets of peace and conflict.