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SYMPOSIUM 2004: COMBATTING CORRUPTION

GOVERNMENT CORRUPTION AND EXPLOITATION OF INDIGENOUS PEOPLES

Jacqueline Hand*

1. Introduction

In Smoke Signals, the first movie written, directed and acted by American Indians, a scene opens early morning in the radio station on the Coeur d’Alene reservation. The announcer, commenting on the fine spring day, says, “It’s a great day to be indigenous.” This statement has often not been the case for tribal peoples world wide, who have often been subject to a variety of corrupt government actions, particularly involving the exploitation of natural resources. While the devastating effects of governmental corruption are certainly not limited to indigenous people, they have been among the segments of society most intensely affected. It is this particular type of governmental corruption, the exploitation of indigenous peoples and their resources, that is the subject of this paper.

First, we must define our terms. In this context, “corruption” is not just the assertion of power over indigenous people, often by conquest, but actions that are dishonest in the context of the existing legal system, under its own rules or under international law. (This is not unrelated to the initial domination of the indigenous people, since their vulnerability to such exploitation is often a function of the initial conquest.) This corruption is

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characterized by illegal exploitation of land, natural resources or labor of the tribal people in question. This occurs either directly by the actions of governmental officials or by these officials’ tacit acceptance of such actions by private individuals. Indigenous people are often effectively outside the system of legal protection available to other members of the society.

Second, we must infuse meaning into the phrase “indigenous people,” a term which is often used interchangeably with “tribal people.” There is no set definition, but rather a series of shared characteristics which amount to a working definition. The term “indigenous” is generally thought of as referring “broadly to the living descendants of preinvasion inhabitants of lands now dominated by others.”\(^1\) Some groups were not initially substantially affected by colonization because of the geographic remoteness of their land (for example, the isolated peoples in the Amazon and Arctic). With population growth and globalization, however, even the most “isolated groups are now threatened by encroaching commercial, government[al] or other interests motivated by prospects of accumulating wealth from the natural resources on indigenous lands or by strategic military concerns.”\(^2\)

This first characteristic, of having been invaded, remains important because even though the invasion may have occurred centuries ago, tribal people maintain a historical continuity with their pre-invasion ancestors and consider themselves distinct from the dominant society. They are generally determined to protect their ethnic identity and pass it along to their children, in effect, to preserve their continued existence as a people.\(^3\)

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1 ANAYA S. JAMES, INDIGENOUS PEOPLES IN INTERNATIONAL LAW 3 (Oxford University Press 1996).
2 \textit{Id.} at 4.
While invasion is a defining characteristic, it is not a universal one. Although indigenous people exist on all continents except the unpopulated Antarctic, often in Africa and Asia, it is not clear who came first since population movements often date from prehistoric times.\(^4\) While tribal people in Asia and Africa “are generally dominated today by other people who have, by and large, shared the continent with them from time immemorial, those in North America, [Australia and New Zealand] are ruled by alien late-comers whose ancestors alighted, quite suddenly from a far continent.”\(^5\) In Latin America, a third pattern developed. There the power over indigenous peoples is generally held “by a mestizo population that, until fairly recently, commonly camouflaged the indigenous part of its provenance.”\(^6\) By contrast, although ethnic divisions exist in Europe, peoples tend to call themselves nationalities rather than indigenous peoples. The primary exception is the Sami or Lapp people of northern Scandinavia who have begun to make common cause with indigenous peoples from other parts of the world.

Indigenous peoples, who are estimated to number more than 250 million persons, (approximately 4% of the world’s population) include about 5000 distinct groups, living in roughly 70 nations.\(^7\) They generally participate only minimally in the growing global economy, often by their own choice. They typically resist development within their territories, perceiving it as a threat to their survival as a people. This resistance often puts them in direct conflict with the government of the states in which they live, governments that, generally, are intensely committed to fostering that

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\(^{5}\) Id. at viii – xix.

\(^{6}\) Id. at xix.
development. Despite their opposition to the developmental policies of the government, tribal people generally do not aim to establish their own separate nation state (partially because these tribal groups are often very small). Rather, they wish to acquire local control sufficient to protect their own land and culture, as well as a voice in the decision making of the states in which they find themselves. Although these peoples are often in the minority, they are distinguishable from other minorities, such as the Latino population in the United States, in that their primary concern is generally the protection of their culture through preservation of their land base.8

The various UN agencies that deal with the rights of indigenous peoples have, rather than adopting a single formal definition of indigenous peoples, generally developed working definitions that include the following characteristics:

1. A significant historical attachment to territory;
2. An explicit commitment to culture distinctiveness; and
3. A resolve to preserve both territory and culture as a means of reproducing a singular ethnic community.9

This attachment to a specific territory and insistence on the preservation of community on that territory distinguishes indigenous peoples from other ethnic minorities.10

A telling example of the intensity of this attachment to land is found in the litigation brought by the American Ogallala Sioux tribe to reclaim the Black Hills of South Dakota. This area contains the tribe’s sacred sites, legendary landmarks and specific “material resources” which sustain the

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7 Id. at xx.
8 Id. at 9.
9 Id.
10 Id.
continuation of the Sioux as a people.\textsuperscript{11} The tribe’s attachment to that land is so strong that, despite being desperately poor, the Sioux have refused, for over 20 years, to touch a $400 million settlement. Accepting this settlement money would mean relinquishing any claim to the Black Hills.\textsuperscript{12} This situation illustrates a few key characteristics of the relation of tribal people to the land. First, while the land is important for its economic and sheltering benefits, it is crucial for the continued existence of cultures where spiritual belief is directly tied to the social and political identity of the community and is directly linked to particular sacred places. Secondly, it reflects the tribal tendency to hold land collectively, as opposed to individually.

This collective ownership of property “include[s] a combination of possessory, use and management rights . . . ”\textsuperscript{13} Thus, the land base becomes the support for and focus of the group (as opposed to individual) rights held by the tribe. Protection of the collective holding often results in protection of the land itself. As Robert F. Kennedy, Jr. has suggested, “Corporations shun negotiations with organized tribal confederations and instead justify invasions of tribal lands by finding and compensating individuals with colorable claim to the desired parcels. Often, those individuals have never lived by any notion of property ownership and may be ill prepared to assess the market value of land or the long term burden its sale would impose upon children, family, or tribe.”\textsuperscript{14}

History illustrates how continuing to hold land collectively has been
very important to the ability of indigenous people to defend the land against encroachment. However, most modern economic systems are built on a belief in the superiority of individual ownership of land, and actively undermine collective ownership. Where they succeed, the results tend to be disastrous for the tribal community. The paradigm of this effect is the passage of the General Allotment Act of 1885 by the US Congress. Under this law, the land held collectively by many US tribes was divided up and distributed to individual Indian owners, (generally 160 acres per person regardless of its productivity) with the “surplus” sold off to land hungry non-Indians. The end result was that American tribes held 138 million acres and only 48 acres by the 1930’s.15 Thus, the practical result of destroying collective ownership tends to be the loss of land by the indigenous tribal group to members of the dominant culture. In the United States, this destruction of the land base, and hence the culture, occurred under the auspices of a government which saw itself as the trustee and protector of American Indians. In many other countries no such pretense exists; so, that governments in many Latin American countries officially classify large tracts of Indian land as “unoccupied” leaving them open to homesteaders and speculators.16

These characteristics of indigenous peoples, combined with other factors such as their (often) small numbers and generally lower level of technological expertise, lead to their relative powerlessness. These factors in turn make them obvious targets for various kinds of corruption. This vulnerability is reinforced by the fact that most tribal people use a form of political organization, which is quite different from the dominant pattern

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of the last several centuries.

Indigenous peoples have generally “been organized primarily by tribal or kinship ties, have had decentralized political structures often linked in confederations, and have enjoyed shared or overlapping spheres of territorial control.”17 By contrast, the currently dominant form of government, the nation state, developed after the Treaty of Westphalia (1648). It was based upon “a model of exclusivity of territorial domain and hierarchical, centralized authority.”18 Since indigenous peoples did not fit this pattern, they were historically not recognized by international law, creating another source of vulnerability. This vulnerability facilitates the victimization of indigenous people by the corrupt (illegal) exploitation of their resources. This tends to take one of three forms.

1. The most obvious of these is when government officials appropriate the land or resources of indigenous peoples for their own individual gain, in actions which are at least arguably illegal, even under Justice John’s Marshall’s right of conquest.19

2. In the alternative, corruption occurs when government, either by omission or by active support allows private individuals to appropriate indigenous resources (the historical situation in Chiapas, Mexico).

3. In addition, it is also corruption when the government itself acts in ways which are illegal under international law (particularly as developed since World War II).

2. Developments

The classic example of the first type of corruption occurred repeatedly in the westward expansion of Europeans in the United States.

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17 ANAYA, supra note 1, at 15.
18 Id.
19 Id. at 16.
Although international law at the time validated the disposessions of American’s indigenous peoples through the dual doctrines of Discovery and Conquest, laws were, at least, officially in place in the United States to regulate the acquisition of Indian land. The government viewed Indians as genetically and culturally inferior to European-Americans and sought to protect them, essentially, themselves. They undertook to protect the Indians as “wards”. The negotiation of the Treaty of Saginaw with the Chippewa Indians in Michigan in 1835 provides an excellent example of how corruption victimized a tribal people.

The early 19th Century was a time of great upheaval in the upper Midwest. In the sixteen years between 1820 and 1836 the number of non-Indians in the Michigan Territory grew from 8,765 to 174,543 people. As a result, the Territorial Governor Lewis Cass, was instructed by the US War Department to negotiate a treaty to acquire land from the Chippewa people, who held most of the present state of Michigan. Although Cass was responsible for implementing the longstanding US policy of keeping alcohol out of Indian Country, he took with him to the negotiations 39 gallons of brandy, 10 gallons of whiskey and 6 gallons of gin. A variety of white Indian traders assisted Cass in the negotiations. The negotiations, of course, took place in English, a language that the tribal leaders did not speak, and a common situation in treaty negotiations of the period. The resulting Treaty of Saginaw awarded 1/10 of the total land set aside for the Indians to the children of white traders, 25 acres per Indian but 640 acres for traders’ (sometimes part-Indian) children. In fact, many of these children were in

21 Id. at 213.
22 Id. at 216.
fact fictitious (a scam made necessary by the fact that under US law no land could be made directly available to whites). Although the entire process exudes an odor of corruption, it was the shameless exercise of greed by powerful individuals at the expense of the Indians that is most striking about the transaction.

The second form of corruption, governmental support for private corruption also focused on land, with a seasoning of forced labor, is found in the historical situation of the Indians of Chiapas in Mexico. This was brought to world attention by the Zapatista uprising in Chiapas. Before the arrival of the Spanish, the Aztecs operated what was essentially a feudal system of land tenure, with the bulk of the land held collectively by kinship groups. After the Spanish Conquest in 1519, Cortes, contrary to his orders from the throne, granted vast *ecomiendas* (plantation franchises) to himself and his key lieutenants. While all Indian property rights within the *ecomiendas* were extinguished, the King gave the indigenous legal protection to the remaining communal lands called *ejidos*. Nevertheless, Indian property rights remained under constant threat and pressure from the large landowners, many of whom over time were in fact of mixed blood and came to be called *indios*. Initially there were few changes after Mexico’s War of Independence in 1810, but by the middle of the Nineteenth Century the Constitution of 1857 called for the privatization of communal land without any exemption of Indian held ejidos. In the following years, Benito Juarez, desperate for money to pay for the war against the French, authorized the sale of the countries “vacant lands.” As a result over 4 1/2 million acres of

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23 For a fascinating fuller account of this treaty, and of government –Indians in Michigan in general. See CLELAND, supra note 20.
formerly indigenous land passed into private hands. This trend of removing land from indigenous peoples continued until the Mexican revolution, which was partially fueled by a desire for land reform. The Revolutionary Constitution of 1917 contained a key provision in Article 27, which limited the fight of foreigners, churches, charities, corporations and banks to own land. It further provided that all transfers of land from indigenous owners made under Juarez’s 1857 law were declared void; “only those owners who had held less than 50 hectares for more than 10 years were exempt.” In addition, Article 27 provided for the expropriation of the large private holdings to provide land for indigenous people. Originally the Constitution clearly anticipated that Indians would hold the land individually but by the 1930's this changed and in 1937 Article 27 was amended to provide for communal ownership. In 1992, Article 27 was revised again under President Salinas, ending redistribution to landless communities and opening up a market in agricultural land by allowing ejidatarios to sell (or mortgage) their land. The creation of a speculative market in this land is viewed both by thoughtful observers, and by the indigenous groups themselves, as likely to take much of the land out of indigenous control, through means legal and illegal. It is this threat along with the recognition that the centralizing pressures, which was reinforced by NAFTA that led many native Mexicans to join the Zapatista Rebellion. The Rebellion was focused against the central government, as well as the large landowners. Federal troops, federales, often protected illegal intrusions onto indigenous land ownership. Throughout this period the indigenous people faced pressures from the large

\[25\text{ Id. at 548.}\]
\[26\text{ Id. at 544-548.}\]
\[27\text{ Id. at 551.}\]
\[28\text{ Id. at 568-69.}\]
landowners and from the government officials who were aligned with them. Often poverty and local police forced the Indian people into various sorts of forced or indentured labor. 29

These illustrations of the first two types of corruption are drawn from the past although their effects continue to the present day. In many ways the third type of corruption, where the excuse is development and the prime mover is a multinational corporation is even more devastating to the continued existence of indigenous people. Often the operations of multilateral corporations, with their promise of large infusions of wealth to the government, or other beneficiaries of its largess, lead to the wholesale displacement of indigenous people from their lands. The development activities, which have been most devastating to indigenous peoples, are logging, mining and dam building. This is true because most remaining tribal people are based on lands that are away from urban centers. For example, the largest remaining harvestable stands of timber in the world are located in the Northwestern US, Canada, Siberia and the rainforests of Asia, Africa and South America. In all of these places indigenous peoples are living in economic intimacy with the coveted timber. Some one million Indians inhabit the South American rainforests while several hundred thousand Pygmies still rely on the forests in Africa. Thirty million of India’s tribals, called adivasti live in its forests.”30 The north’s demand for wood has grown exponentially, increasing from 4 million tons in 1950 to 100 million tons in the year 2,000.31

A similar situation exists for mining. “Some 30 tribes in the US for example, own roughly one-third of the surface accessible coal West of the

29 Kelly, supra note 24, at 547.
30 LAM, supra note 4, at 19.
Mississippi, as well as 15% of all coal reserves, 40% of all uranium ore and 4% of all oil found in the country.32 These holdings along with mining and timber holdings are managed by the BIA, and the agency’s incompetence and corruption of the process has led to perhaps the world largest trust litigation.33

A particularly telling example of the intersection between indigenous land claims, governmental corruption and multilateral corporate pressure can be found in the current situation in West Papua.34 Since the 1960s this region has been claimed by Indonesia, which has labeled it Irian Jaya, over the objections of the local tribal population. This population is made up of about 250 tribal groups. The area is rich in natural resources, including timber, oil and minerals. Soon after it gained control of this area, the Indonesian government entered into a contract with the Freeport McMoral Company of Louisiana to develop and operate what is alleged to be the largest gold, and the third largest copper mine in the world. This initial contract gave Freeport “broad powers over the local population and resources, including the right to take land and other property and to resettle indigenous inhabitants while providing ‘reasonable compensation’ only for dwellings and other permanent

31 LAM, supra note 4, at 19.
32 Id.
33 Cobell v. Norton, 240 F.3d 1081 (D.C. Cir. 2001). This citation represents only the tip of the iceberg of litigation that has continued for years. The government’s records are so bad that it does not know how many individual accounts are charged with administering funds for Indian beneficiaries. The Interior Department’s system contains over 300,000 accounts covering approximately 11 million acres, but it acknowledges that this number is not well supported. Plaintiffs assert that the actual number is nearer to 500,000. In addition to lacking knowledge of the number of accounts, the government had no clear idea of their value. This case represents an almost unimaginable mix of corruption and incompetence going back to the 19th century.”
34 It is located on the western one half of a large island which it shares with Papua New Guinea. See Wikipedia, the Free Encyclopedia, at http://en.wikipedia.org/wiki/West_Papua (last visited Mar. 21, 2005).
improvements. As a result, the indigenous Amungme tribe was removed from its traditional land in the highlands to a hot malarial zone near the coast. In addition to dislocating the tribal people living in the area, the mine has caused severe environmental damage because of its poor environmental practices—inter alia dumping 200,000 tons of mine tailings into local rivers every day. This has rendered large tracts of local forest incapable of providing their traditional subsistence living to several other local tribes. Further, the government has engaged in a deliberate policy of “transmigration”—of importing large numbers of ethnic Javanese in an effort to effectively overwhelm these indigenous people. The profits from this mine go exclusively to the company and to the Indonesian government, with nothing to the local tribes.

The actions have occurred in context of a long and bloody political struggle by the indigenous Papuans to assert their right to independence. The response of the Indonesian government, which combines military actions with the various strategies outlined above, has been characterized by some commentators as genocide. As a result, this situation represents a fairly

38 Elizabeth Brundige, Winter King, Priyeha Valhali, Stephen Vladeck and Xiang Yuan, under the auspices of the Allard K. Lowenstein International Human Rights Clinic of Yale Law School., Indonesian Human Rights Abuses in West Papua: Application of the
extreme example of military might enforcing political corruption, as well as a rather ordinary example of how globalized development can be devastating to the very existence of indigenous peoples.

These clashes between the forces for change in land use, generally a marriage of the corporate push for resources and the governmental impetus toward development, and the demand for preservation of existing uses and values by indigenous people, are ubiquitous. They range from the massive relocation of tribal people for massive dam project such as the Sardor Sandovar dam in India to the encouragement of illegal miners and farmers in the region of the Amazon at the expense of tribal people.39 Historically, the very powerlessness that has made the lands of indigenous attractive targets for exploitation has made them unable to resist it. While that fact remains generally true, the development of the international law of Human Rights, in conjunction with the United Nations, in the post World War II period has led, over time, to enhanced recognition of the rights of indigenous people. This new field, the only aspect of international law that allows for intrusion on a nation’s sovereignty, has caused a small shift in the balance of power between tribal peoples and the dominant forces in the states in which they live.

While a focus on protection of human rights in general was triggered by the atrocities of the Second War, it took several decades before the particular concerns of indigenous people received substantial attention. In 1982 the United Nations created the Working Group on Indigenous

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39 Larry Rohter, Brazilians Battle Indians: “This land is Our Land,” N.Y. TIMES, Oct.
populations (WGIP), conferring on it two mandates:

1. It reviews developments affecting indigenous peoples, providing a forum for them to testify about their specific problems. This includes the generation of expert meetings and studies.

2. It is charged with developing standards for protecting indigenous rights. This led to the preparation of the Draft Declaration on the Rights of Indigenous Peoples completed in 1994. The Declaration was then sent to the Commission on Human Rights, which in turn created in 1995, the Working Group of the Commission on the Draft Declaration on the Right of Indigenous peoples, to review the document.

This document has been widely discussed with growing support among the world’s nations. As such, there are good arguments that the process of crystallizing its concepts into customary international law has begun. In particular, it has begun to be adopted by international financial institutions. The World Bank has been the most active in its support of these principles. In the early 1990s, it adopted Directive 4.20, which established standards of conduct applicable to the Bank’s treatment of indigenous peoples. It also adopted Directive 4.30, which articulated standards for resettlement of peoples displaced by bank projects. These Directives were supported by the enforcement mechanism of Inspection Panels, which provide a forum for indigenous people, and others affected by Bank projects, to directly file claims that the Bank has violated its own regulations without going through their national governments.

Despite the movement in many quarters toward protection of

40 MILLER, MARC S., STATE OF THE PEOPLES 49(Beacon Press 1993).
41 LAM, supra note 4, at 51.
42 See generally, David Hunter, Using The World Bank Inspection Panel to Defend the
indigenous rights from injury by governmental action, corrupt or otherwise, resistance remains strong. In particular the right of self-determination remains the most controversial and arguably the most important of the rights which have been asserted by indigenous peoples since the 1970’s. Part VI of the UN Draft Declaration recognizes the right of indigenous people to control of their traditional land, territories and resources including the right to have the states in which they live obtain their informed consent for any action affecting these lands. This important right of self-determination includes not only autonomy but also participation in the larger political order.

In general the US has fought strongly against any recognition of the right of self determination for indigenous peoples arguing that international law does not recognize collective rights, that indigenous peoples are not peoples as such, and that the right of self determination applies only in the colonial context, which does not include the situation of indigenous peoples. As a result, the Draft Declaration remains just that, a “Draft” and is likely to remain so for the foreseeable future.

As the relatively truncated discussion above suggests, the application of the international law of human rights has begun to provide indigenous peoples a mechanism for protecting themselves and their culture from the corruption and exploitation which threatens their very existence. This progress is, nevertheless tentative and weak, and much remains to be done before it is really “a good day to be indigenous.”


Id. at 50-51.

ANAYA, supra note 1, at 111.

Similarly, several Asian nations have deflected the issue by asserting that their region does not contain the relevant category of people.