

LIBERTAD Y DESARROLLO

PUBLIC ISSUES

www.lyd.org

Nº 1,164

June 27th, 2014

ISSN 0717-1528

THE COMPLEX INDIGENOUS ISSUE: LAND POLICIES NEED TO BE REVISED URGENTLY

- One of the announcements of the government was the commitment to increase the purchase of lands, a known public policy that over the years has not demonstrated to be the right solution to the problems. The reason is that this measure has not had a considerable impact on improving the quality of life of indigenous peoples, and neither on reducing the acts of violence.
- More than two decades from the enactment of the Indigenous Law, it is time to rethink and introduce modifications to the indigenous policy. It seems convenient to make changes that allows making the sale or mortgage of the lands more flexible so that benefited communities can have access to loans.

The celebration of the National Day of Indigenous Peoples was held amid critical moments for the Region of La Araucanía. Weeks characterized by the increase of violent acts and a series of actions and statements from the regional governor Francisco Huenchumilla, who we assume, in the search for negotiation spaces, ended up making clearly provocative declarations, and quite disrespectful with the institutional framework, such as the invitation to hand over or abandon the lands by those who have more land.

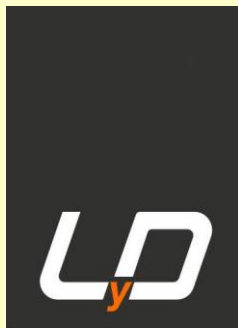
FURTHER INFORMATION

http://www.lyd.com/wp-content/files_mf/sip140aveinteanosdelaleyindigenatiempodiagnosticohernandezabril2014.pdf

http://www.lyd.com/wp-content/files_mf/tp1.144violenciaenlaaraucan%C3%8Damill.pdf

These sayings and the immediate support from *La Moneda* are a disastrous political signal considering the polarized and violent climate, where a call to talk within an open frame is missing, but always respectful of the institutional framework.

The National Day of Indigenous Peoples was also the scenario chosen by the President to make a series of announcements concerning the indigenous policy, although without going into further details, which in any case must undergo an indigenous consultation according to the Agreement 169.



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On this occasion, we wish to focus on one of these announcements, regardless of the need to analyze in detail the whole set further on. We are referring to the commitment to increase the purchase of lands, which is a known public policy, complementing with a profile of the indigenous peoples and their relative income levels and monetary subsidies.

POPULATION BACKGROUNDS

According to the information from the 2011 CASEN Survey, 8.2% of the country's population declares to belong or be descendants from one of the nine indigenous peoples¹ acknowledged by the law, where the Mapuche people is the largest, accounting for 86.4%.

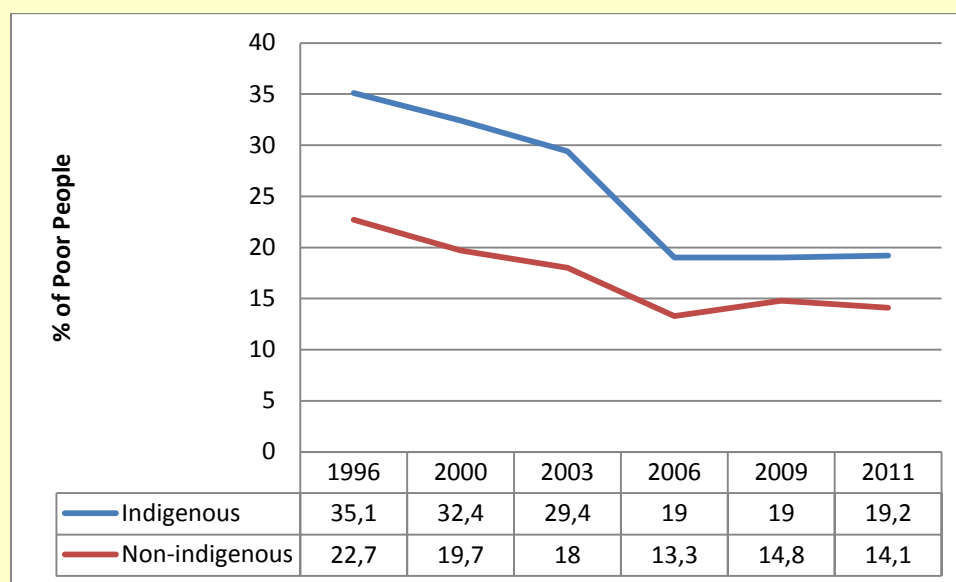
Data from the same Survey indicate that 26.6% of the people who declare themselves indigenous live in rural zones, a proportion that amounts to 11.5% for those who declare themselves non-indigenous. This figure tends to decrease between 1996 and 2011, so there is a considerable increase in the people who migrated to the city (73%). Nevertheless, most of the indigenous public policies have been aimed at the rural sector, according to the Indigenous Law Nr 19,253.

Meanwhile, the regional population who recognizes itself as indigenous is significantly higher among the regions of La Araucanía and Magallanes in the south, and Arica & Parinacota and Tarapacá in the north, exceeding by 18% the regional population in all of them.

A relevant percentage of the indigenous population lives in poverty conditions and social exclusion. If poverty levels are compared at national level between the inhabitants who declared to belong to one of the indigenous groups and those who did not, we can observe how poverty levels among the indigenous exceed by 5 percentage points the poverty levels among the non-indigenous population (19.2% and 14.1% respectively, see Chart 1).

INDIGENOUS POVERTY DROPS MORE RAPIDLY

Chart 1: Evolution of Poverty in the Indigenous and Non-indigenous Population (Percentage of Population in Poverty Condition)



Source: CASEN Survey, Ministry of Social Development.

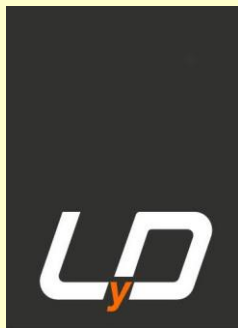
However, when the CASEN Survey is compared over the years, we observe that poverty has decreased more rapidly among the indigenous population. A situation which reduces the gaps in relation to the rest of the population, from 35.1% in 1996 to 19.2% in 2011. The same data show that this is due to the increased migration to the big cities.

This difference in the poverty condition can be explained by multiple factors; among them, average schooling of the population older than 15 years of 9.3 years in 2011, compared with 10.6 years for the rest.

Indigenous households are more dependent on monetary transfers, because the households' mean income by concept of subsidies represents a higher proportion of the average earned income.

Considering the households of the population's poorest 40%, monetary subsidies represent 15% of their earned incomes, compared with 12% for the rest of the households.

In other words, as shown in Table 1, indigenous households receive a lower monthly average income (Chilean pesos Nov. 2011) than non-indigenous households. Instead, they receive higher incomes through government subsidies.



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SUBSIDIES FOR THE INDIGENOUS POPULATION ARE HIGHER THAN FOR THE NON-INDIGENOUS POPULATION

Table 1: Indigenous and Non-Indigenous Subsidy (Subsidies and Incomes in Local Currency 2011)

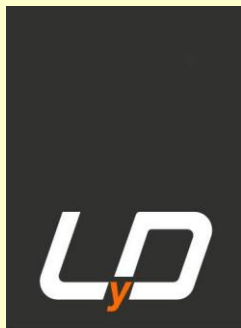
Region	INDIGENOUS			NON-INDIGENOUS		
	Subsidies	Earned Income	Sub. Inc / Earned Inc	Subsidies	Earned Income	Sub. Inc / Earned Inc
Tarapacá	\$ 23,102	\$ 658,487	4%	\$ 13,358	\$ 830,237	2%
Antofagasta	\$ 17,992	\$ 897,874	2%	\$ 13,252	\$ 1,107,134	1%
Atacama	\$ 19,930	\$ 646,342	3%	\$ 16,305	\$ 794,015	2%
Coquimbo	\$ 21,904	\$ 593,774	4%	\$ 19,549	\$ 594,046	3%
Valparaiso	\$ 14,236	\$ 485,712	3%	\$ 15,125	\$ 641,342	2%
Libert. B. O'Higgins	\$ 12,107	\$ 529,857	2%	\$ 15,518	\$ 614,607	3%
Maule	\$ 17,919	\$ 439,099	4%	\$ 24,403	\$ 530,787	5%
Bio-Bio	\$ 28,921	\$ 367,307	8%	\$ 21,884	\$ 620,285	4%
La Araucanía	\$ 39,762	\$ 325,093	12%	\$ 26,511	\$ 659,325	4%
Los Lagos	\$ 31,777	\$ 404,839	8%	\$ 27,452	\$ 653,384	4%
Aysén	\$ 21,150	\$ 630,526	3%	\$ 21,992	\$ 942,306	2%
Magallanes & Antar.	\$ 15,322	\$ 668,050	2%	\$ 15,092	\$ 964,466	2%
Metropolitan Region	\$ 11,008	\$ 679,263	2%	\$ 12,297	\$ 1,007,460	1%
Los Ríos	\$ 32,208	\$ 388,991	8%	\$ 22,423	\$ 619,000	4%
Arica & Parinacota	\$ 19,731	\$ 551,425	4%	\$ 16,574	\$ 730,905	2%
Total	\$ 25,022	\$ 502,586	5%	\$ 16,746	\$ 803,886	2%

*Income from the following subsidies: Basic Solidarity Pension, Solidarity Pension Payment, Single Family Subsidy (SUF) Social Allowance, Family Allowance, Family Protection Voucher, Mental Disability Subsidy, Youth Employment Subsidy, Unemployment Subsidy, Golden Wedding Anniversary Allowance, Winter Allowance, pension for special reparation laws (politically exonerated people, Valech Law, Rettig Law, discretionary pension), Drinking Water Subsidy, Other State Subsidy.

**Earned income is generated by wages and salaries, earnings derived from independent work, self-provision for goods produced by the household, bonuses, allowances, rents, interests, as well as pensions.

Source: LyD based on CASEN Survey 2011.

The difference between subsidies received by indigenous and non-indigenous is statistically significant to 95% at aggregate level, but it is not individually significant in the regions of Atacama, Valparaiso, O'Higgins and Metropolitan. As for earned income at aggregate level, the difference is statistically significant to 95% at national level and at regional level individually, except in Coquimbo.



As we have mentioned, the country’s indigenous population does not only experience higher poverty levels; among those who are not poor, there are also income differences derived from the fact of belonging to an ethnical group or not. They receive lower average monthly incomes (Chilean pesos 2011) than non-indigenous households.

FAILURE OF THE LAND RESTITUTION POLICY

The Chilean State set the core elements of the legal and institutional frame concerning indigenous peoples, through the enactment of the Indigenous Law Nr 19,253 in 1993.

The key factor of the Indigenous Law is the importance of the land. Although it has meant some progress for the peoples, such as strengthening the indigenous organizations, in practice, this public policy has not solved the problems and demands of the different indigenous groups.

The main piece of the institutional framework is the National Corporation for Indigenous Development (CONADI, in Spanish), which is responsible for promoting, coordinating and executing the State action in favor of the indigenous population. In this context, the work of this institution has resulted in different programs, which are grouped in three funds: Indigenous Development Fund (FDI, in Spanish), Land and Water Fund (FTA, in Spanish), Culture and Education Fund (FCE, in Spanish), and the recently created Indigenous Chile Fund, which expects to look after more than 1,100 communities.

The emphasis of the public policy has been put on land restitution, which has been controversial since its creation. CONADI allocates 50% of its budget to the Land and Water Fund (FTA,) which has considerably increased in the last years; this has been accomplished by granting subsidies for the purchase of lands, financing mechanisms that allow solving land problems (in or out of the courts) and the regularization or purchase of water rights.

BUDGET FOR PURCHASING LAND AND WATER INCREASES STRONGLY
Table 2: Total Budget of the Indigenous Land and Water Fund, 2004-2014
(thousands of CLP\$ of 2014)

2004	2014	Variation
\$ 19,365,317	\$ 44,447,473	130%

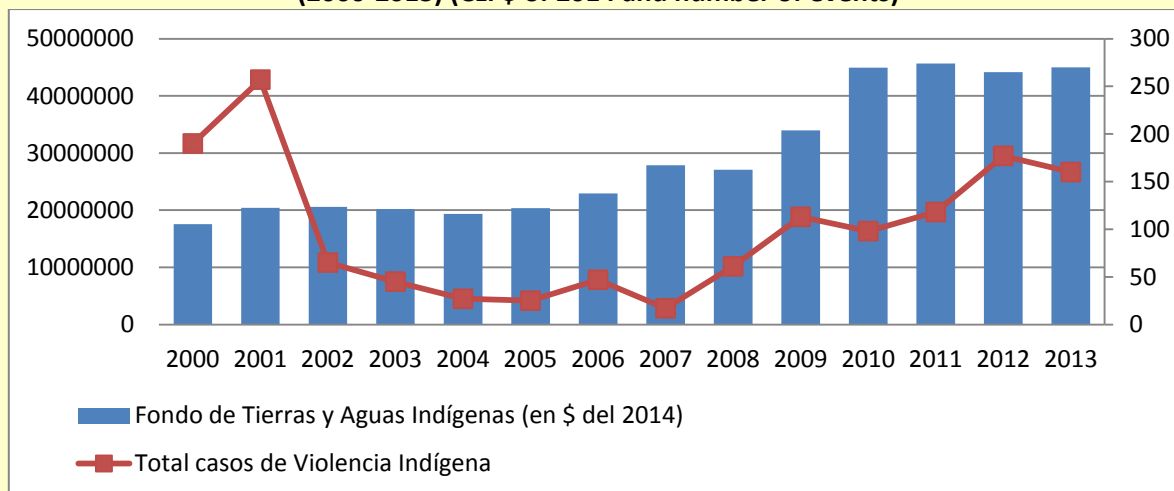
Source: Land and Water Fund, Budget Law.

From its application, the State of Chile has allocated increasing public funds to this matter. The Fund’s budget grew 130% in the last 10 years (see Table 2).

In this sense, it is worthy of note that the Executive assumes responsibility for the need to make changes to the indigenous policy, even though we ignore the scope of the announcement regarding a new cadastre, since the experience has already demonstrated that the mere increase of the purchase of lands is not the solution to the current problems. Despite the substantial financial resources used, this measure has not had a considerable impact on improving the quality of life of indigenous peoples, nor reduced violent acts with indigenous connotation concerning land demand issues (see Chart 2).

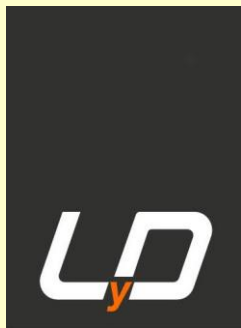
BUDGET INCREASE AND MORE VIOLENT ACTS WITH INDIGENOUS CONNOTATION

Chart 2: Land and Water Fund and Violent Acts with indigenous Connotation (2000-2013) (CLP\$ of 2014 and number of events)



Source: Prepared by L&D based on each year’s Budget Law and Violence Surveys of Libertad y Desarrollo.

Although we cannot detect a causality between the FTA budget increase and the violent acts with indigenous connotation, there is actually a correlation. A proof thereof is that we are still witnessing an escalation of violenceⁱⁱ and increasing land demands. We should ask ourselves whether the indigenous policy, strongly focused on land transfer, might not be generating perverse incentives that exacerbate the conflict.



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We are dealing with a public policy that has remained almost intact since its enactment in 1993. Moreover, it was elaborated with a rather collectivist and not very flexible approach, while granting community titles and preventing the sale or rent of the lands transferred by the CONADI. Here is where disagreements appear.

CONCLUSIONS

It is a good moment to rethink and modify the indigenous policy, because 20 years have passed since the enactment of the Indigenous Law in 2013 and there are many shadows in its diagnosis.

In a frame of land offer shortage, increasing demands and recurrent cases of irregularities such as the purchase of lands with overprice, the result was that many communities were prevented from accessing to this benefit. Therefore, we should not miss the focus and reevaluate the mechanisms and incentives in land restitution issues; avoid the purchase of lands for communities incurring in violent acts or inappropriate pressure; and evaluate if it is pertinent to establish more restrictive criteria regarding the limits to the purchase of lands, since the demands are increasing and it is not easy to meet the expectations.

Likewise, it seems convenient to introduce changes that allow making the sale or mortgage of the lands more flexible so that the benefited communities can have access to loans.

REFERENCES

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- Ministry of Social Development (2011). CASEN Survey.
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ⁱ The State recognizes nine indigenous ethnic groups in Chile: Mapuche, Aymara, Rapanui, Atacameño or LikanAntai, Quechua, Colla, Diaguita, Qawasqar and Yamana or Yagan of the southern channels.

ⁱⁱ In the cases accumulated since 1991 by category, there are two clear increases in the acts of violence: as of 2000-2001, with the application of the policy of “lands in exchange for social peace”, which coincides with the emergence of radicalized groups such as the Coordinadora Arauco Malleco (CAM); and then as of 2008-2009, with the implementation of the *Re-conocer* policy, which promised to restore lands through direct purchase. In 2010 and 2011 there were a series of hunger strikes from Mapuche prisoners who protested against the conditions in which legal proceedings against them took place, which maintained this ongoing upward trend.