

**Pearson Edexcel GCE**

# **Global Development**

**Advanced Subsidiary**

**Unit 2: Global Development Challenges**

**ADVANCE INFORMATION**

June 2014

Paper Reference

**6GL02/01**

## **Information**

Candidates must **not** take this pre-released synoptic resources into the examination as these will be reproduced in the Resource Booklet.

## **Advance Information Use**

Please note that:

- Use of this Advance Information is restricted to your sole use in connection with your delivery of a Pearson Edexcel qualification.
- You may not sell, copy or distribute the Advance Information material outside of your centre without express consent from Pearson Edexcel

*Turn over* ►

**W45579A**

©2014 Pearson Education Ltd.

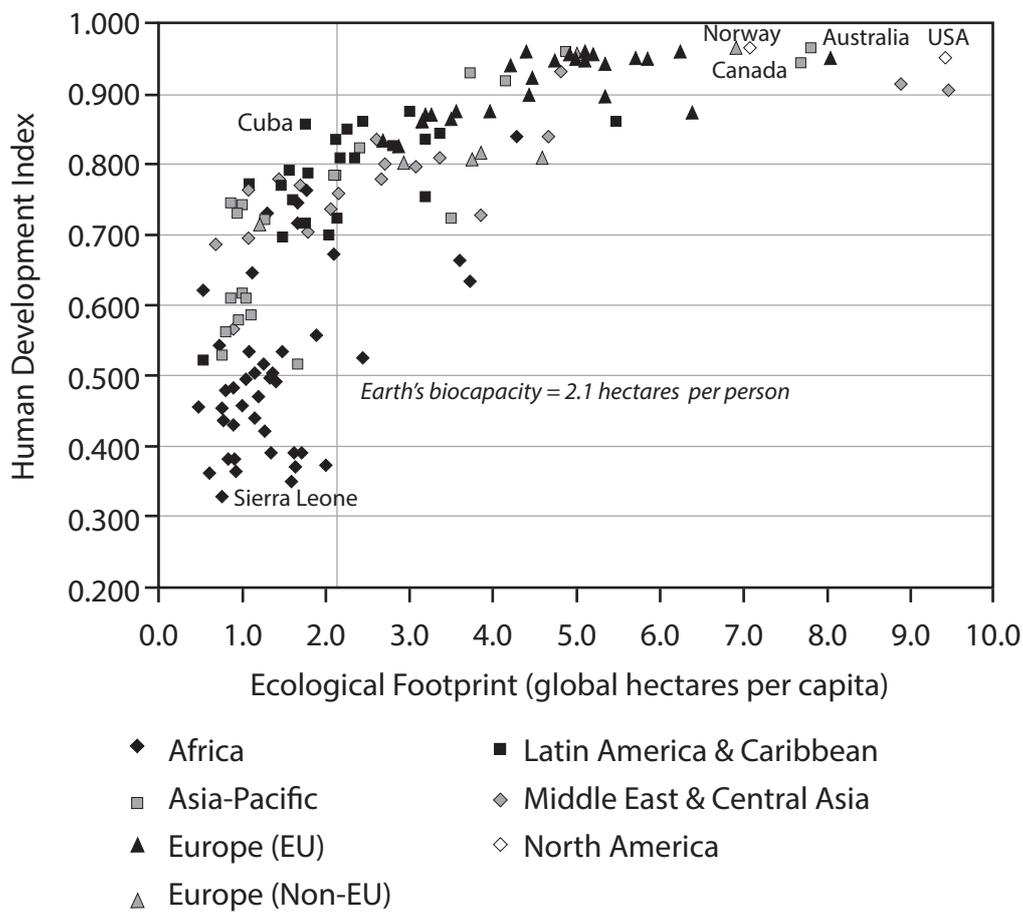
3/3/3



**PEARSON**

**The issue: Economic development is likely to make both environmental and social sustainability harder to achieve.**

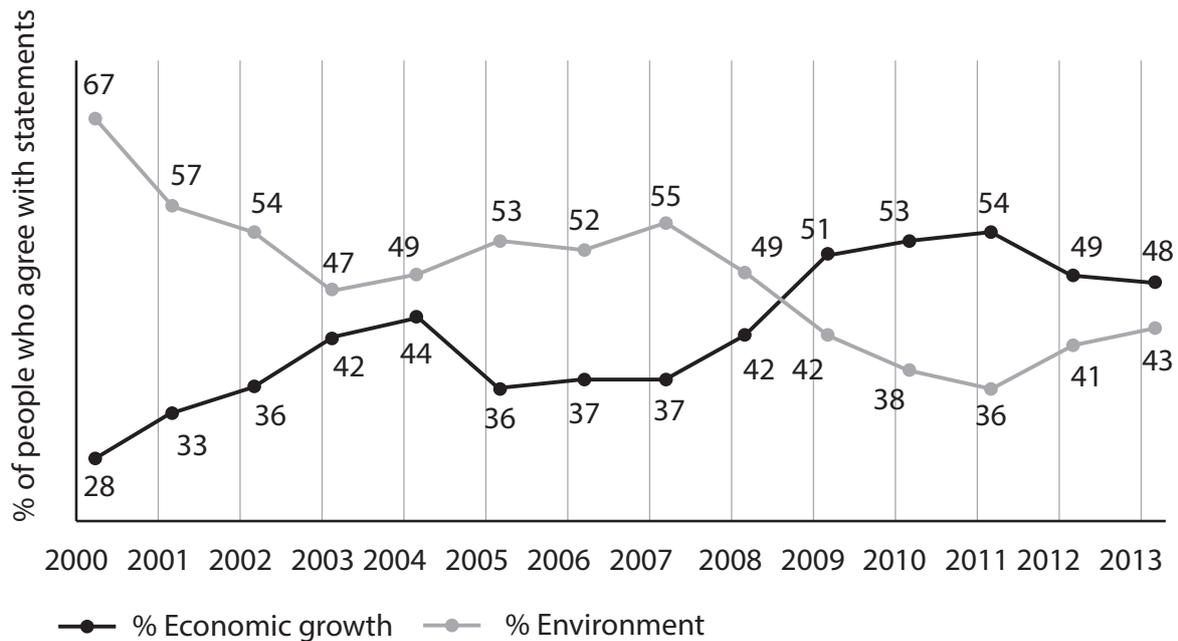
**Figure 1:  
The relationship between the Human Development Index and the Ecological Footprint**



(Source: Global Footprint Network 2008 report (2005 data)  
UK Human Network Index 2007/08)

The most environmentally sustainable communities are amongst the poorest. A glance at Figure 1 is enough to show that as countries become richer their consumption of resources, as measured by their ecological footprint, increases because economic growth inevitably leads to higher output from factories and a greater use of scarce resources such as oil. The richest 1% of the global population, a small fraction who live in the developing world, own 40% of global wealth.

**Figure 2: Changing attitudes to environmental protection and economic growth**



During times of economic depression consumption and output fall but no major politician will applaud this event, although falling output is obviously good for the environment. Similarly when economic growth is fast social inequalities often increase and most academic research suggests that these inequalities are not sustainable. Public opinion also changes according to the health of the economy. Figure 2 shows the changing percentages of Americans who agreed with either 'Protection of the environment should be given priority, even at the risk of curbing economic growth' or, the opposite view, 'Economic growth should be given priority, even if the environment suffers to some extent'.

Politicians, whether democratically elected or not, cannot afford to ignore these shifts in public opinion. However, with almost every ecosystem on the planet in measurable decline, there are increasing questions about the conventional definitions of 'development'. To many it suggests a western, ethnocentric view of a belief in ongoing progress with the achievement of economic progress seen as the main purpose of governments to help deliver social progress with higher life expectancy and education. This linear view of history clashes with other cultural views of history which place the environment at the centre and see economic progress as a threat rather than a benefit.

## The issue: Ecuador has difficult decisions to make about exploiting its oil

The government of Ecuador is one of several in South America to have explored a rather different model for their future than the traditional one, which casts them in the role of raw material producers to North America, principally the United States. Governments across the continent, from Bolivia to Brazil, have sought new models of development that place far more significance on environmental and social issues than has traditionally been the case, as well as developing new economic partnerships with emerging powers such as China.



For centuries Ecuador was ruled either by Spanish colonial governors or, since independence, a small but very wealthy elite who, by and large, ran the country to their own advantage. In common with most of its neighbours the population is ethnically mixed but includes substantial numbers of 'native' Americans, historically neglected and geographically isolated in the rainforest regions. They have been economically unconnected with the rest of the country. Most remain hunter-gatherers although contact with the outside world has inevitably caused many changes in these regions, in the name of 'progress'. Ironically these remote regions, the least populated and the poorest, have proved to be rich in that most precious of modern resources; oil. In recent years the government of President Correa has attempted to address the many inequalities in Ecuadorian society, placing people and the environment above the market economy and the formerly unchallenged reign of the private sector. Taking more of the oil revenues in taxes has allowed welfare spending to increase so poverty has dropped from 38% in 2006 to 25% in 2013. Child labour decreased from 17% to 6% over the same period, whilst education spending increased from \$90 million to \$763 million. Satisfaction with quality of life among the poorest 20% in Ecuador grew from 15% in 2006 to 40% in 2012. This highlights that improvements in poverty reduction have been both quantitative and qualitative in nature.

Equally important is the framework of Ecuador's new constitution; that is, the indigenous-born and politically articulated concept of 'buen vivir' (living well). Buen vivir as a social belief incorporated into Ecuador's constitution seeks to 'better the quality of life of the population, develop their capacities and potential; rely on an economic system that promotes equality through social and territorial redistribution of the benefits of development; ...establish a harmonious coexistence with nature... promote Latin American integration; and protect and promote cultural diversity' (Article 276 of the Constitution of the Republic of Ecuador). Refreshingly, we see Ecuadorian policies living up to these ambitious constitutional aims based on buen vivir, with President Correa continuing to focus on income redistribution, as demonstrated by the most recent tax on banks.

Buen vivir is described as a blend of indigenous cultural wisdom and Western concepts of modernity, moving away from an obsession with progress and wealth accumulation. It aims at a more holistic, meaningful and practical existence of living in harmony with one another and with the natural environment through cooperation and community solidarity.

### Source A : 'Reversal of fortune' – Patrick Radden Keefe

The jungle outpost of Lago Agrio is in north-eastern Ecuador, where the mountains plummet from the serrated ridge of the Andes to the swampy rainforest of the Amazon Basin. Ecuadorians call the region the Oriente. For centuries, the rainforest was inhabited only by indigenous tribes of native Americans. But, in 1967, American drillers working for Texaco discovered that two miles beneath the jungle floor lay abundant reserves of crude oil. For twenty-three years, a group of companies, led by Texaco, drilled wells throughout the Ecuadorian Amazon. Initially, the jungle was so impenetrable that the consortium had to fly in equipment by helicopter. But labourers hacked paths with machetes, and, eventually, Texaco paved roads and built an airport.

Today, Lago Agrio feels squalid. The Colombian border is ten miles to the north, and drug traffickers and paramilitaries have infested the Oriente, as have sicarios—paid assassins—who post adverts online and charge as little as twenty dollars. In 2010, in a single month, the bodies of thirty murder victims were found along a stretch of road near the border.

In February 2011, a judge in Lago Agrio issued an opinion that reverberated far beyond the Amazon. Since 1993, a group of Ecuadorans had been pursuing an apparently fruitless legal struggle to hold Texaco responsible for environmental destruction in the Oriente. During the decades when Texaco operated there, the lawsuit maintained, it dumped 18 billion gallons of toxic waste. When the company ceased operations in Ecuador, in 1992, it allegedly left behind hundreds of open pits full of malignant black sludge. The harm done by Texaco, the plaintiffs contended, could be measured in cancer deaths, miscarriages, birth defects, dead livestock, sick fish, and the near-extinction of several tribes; Texaco's legacy in the region amounted to a 'rainforest Chernobyl.'

By the time the judge, Nicolás Zambrano, issued his decision, the case had been going on for 18 years. The litigation even outlasted Texaco: in 2001, the company was taken over by Chevron, which inherited the lawsuit.

Chevron, which operates in more than a hundred countries, is America's third-largest corporation. Its annual revenue, which often tops 200 billion dollars, is nearly four times as much as Ecuador's economic output. The plaintiffs, who named themselves the *afectados*—the affected ones—included indigenous people and uneducated settlers in the Oriente. An environmental lawsuit against a major corporation can resemble a war of attrition, and in 1993 few observers would have predicted that the plaintiffs could endure as long as they did. But, on February 14, 2011, their persistence was rewarded. Judge Zambrano ruled that Chevron was responsible for vast contamination, and ordered it to pay 18 billion dollars in damages—the largest judgement ever awarded in an environmental lawsuit.

(Source: adapted from [www.newyorker.com/reporting/2012/01/09/120109fa\\_fact\\_keefe](http://www.newyorker.com/reporting/2012/01/09/120109fa_fact_keefe))

**Figure 3: Clearing up toxic waste near Lago Agrio**



### **Source B: 'The Yasuní in Ecuador: oil or life' – Rafael Calcines**

According to scientific studies, in an area of 9820 km<sup>2</sup> of Amazonian Ecuador, 150 species of amphibian, 121 species of reptile, 598 bird species and around 200 mammal species can be found living in a forest made up of 2113 species of plant, which only includes those that have been identified.

This all makes up Yasuní, the most biodiverse area on the planet, holding more animal species per hectare than the whole of Europe. It is no wonder that the indigenous inhabitants, some of whom are still completely isolated from civilization, all translate the word 'yasuní' as 'sacred land'.

However, 846 million barrels of heavy oil lie in the subsoil of the Ishpingo-Tambococha-Tiputini (ITT) oilfields at its most eastern point, which represents 20% of the known crude oil reserves in Ecuador. Extracting this oil would obviously have a considerable impact on both the unique environment and the remote communities of indigenous peoples.

A solution was set out in 2007 by President Correa, to submit before the General Assembly of the United Nations; the Yasuní-ITT Initiative, in which Ecuador promises to indefinitely refrain from exploiting the oil reserves in the ITT oilfield.

In exchange, it proposed that the international community contributed at least US \$3.6 billion, which would be only half of what the country could get for the exploitation of these oilfields. As a result, an administrative fund was created by the United Nations Development Programme.

The benefits of this go beyond the borders of Ecuador, as its implementation would prevent the emission of more than 400 million tons of CO<sup>2</sup> into the atmosphere, which is not insignificant. As experts point out, this quantity is higher than greenhouse gas emissions in Brazil and France for a whole year. It will further allow for better preservation of the priceless wealth of biodiversity of the area for all mankind.

With the received funds, the Ecuadorian authorities also set out to promote the implementation of renewable energy sources and the social development of the inhabitants of the majority ethnic groups – the Waorani, Kichwa, Achuar and Shuar.

(Source: adapted from [www.theprisma.co.uk/2011/09/04/the-yasuni-in-ecuador-oil-or-life](http://www.theprisma.co.uk/2011/09/04/the-yasuni-in-ecuador-oil-or-life))

**Figure 4: Waorani youths practising using blowpipes in the Yasuni reserve**



(Source: <http://www.naplesnews.com/photos/2010/aug/23/242699/>)

### **Source C: 'Amazon Oil Expansion in Ecuador's Southern Rainforests' – Amazon Watch**

In August 2010, while the Ecuadorian government made strides in advancing the historic Yasuni-ITT proposal to keep three major oil reserves permanently underground beneath Yasuni National Park, news began to leak that President Correa has no plans to keep the rest of the country's oil in the ground. The administration plans to offer 11 oil blocks up for auction, all of which are in Ecuador's south-eastern Amazon. These lands are the ancestral territories of the Waorani, Kichwa, Achuar and Shuar, who have fought off previous efforts to sell off their homelands and pledged renewed resistance to any oil projects in their territory.

Back in 2002 the government was set to begin taking offers for similarly zoned concessions, only to have to reduce the size set for auction from the original 5 million acres down to 1 million after outcry from civil society and outright opposition from indigenous inhabitants of the area opposed to the auctioning off of their lands to the highest bidder. Eight years later, the dynamics in Ecuador's oil patch have changed dramatically. A second Amazon-Andean heavy crude pipeline was completed in 2003, increasing export capacity, and Ecuador rejoined OPEC in 2007 after a 15-year gap, with high hopes of upping output. A new oil law enacted in July 2010 that improved contract terms for the government has rattled northern investors, giving state-run Petroecuador a larger role and limiting foreign companies to service contracts. As a result many US firms have left Ecuador, with major players now including state-run oil companies like China's Sinopec, CNPC, and Petrochina, Brazil's Petrobras and Venezuela's PDVSA.

This proposed oil block auction is the single greatest threat to Ecuador's remaining wild rainforests and intact indigenous lands. Currently, more than half of Ecuador's Amazon is leased in concessions to oil companies. If this massive auction were to indeed go forward, it would leave only small pockets of rainforest sandwiched between oil blocks.

But if history is any lesson, the Waorani, Kichwa, Achuar and Shuar's steadfast resistance might just keep the companies' and country's drilling plans at bay. These indigenous groups not only derailed a government plan in 2003 to attempt to auction off these same oil blocks that Correa has his current sights set upon, they've also impeded drilling attempts in two blocks since 1996. All have consistently opposed drilling, and to date have thwarted any attempts by the companies to move forward. Their resistance is an inspiring story of cultural defence of indigenous lands and rights, and a telling tale for prospective oil companies and future government plans to drill in the area.

(Source: adapted from <http://amazonwatch.org/work/challenging-emerging-threats-in-ecuador>)