

# Effects of the oil spill at the la pampilla refinery on the economy of the inhabitants of the coastal areas of the lima and callao regions

## Abstract

This article makes a brief analysis of what happened with the oil spill at the La Pampilla refinery, located in the district of Ventanilla, and its impacts on the economy of the people who live from tourism, artisanal fishing and local gastronomy in some coastal districts of the regions of Lima and Callao, belonging to Peru. Based on this review, some proposals for action are proposed, linked to the reactivation of the local economy of these populations that are interrelated with the coastal marine ecosystem, in the short, medium and long term in the regions of Lima and Callao.

**Keywords:** hydrocarbons, negative impacts, coastal marine ecosystem, artisanal fishing, tourism, local gastronomy.

Volume 7 Issue 3 - 2022

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**Received:** August 11, 2022 | **Published:** August 29, 2022

## Introduction

On January 15, 2022, an oil spill in the sea was reported at the La Pampilla refinery, located in the district of Ventanilla, province and region of Callao, Peru. Negative impacts and collateral damage generated to the marine ecosystem and the economy of the local coastal population<sup>1</sup> from the regions of Lima and Callao, which lives off the resource and coastal seascape, as well as the economic income generated by tourists who visit the beaches surrounding the oil spill during the summer, was immediate. These impacts affected and continue to economically affect different social actors (artisanal fishermen, restaurant owners and workers, umbrella makers, rickshaw owners, merchants, among other riverside tour operators) in different riverside districts of the Lima and Callao regions, such as Ventanilla, Ancón, Santa Rosa, Chancay, Huacho and Huaura.

The state authorities and the company in charge of the refinery are trying to date to monitor, supervise and cooperate in the cleaning of the affected beaches, respectively, as well as to help in the cleaning and decontamination of the coastal zone, the sea and the polluted seabed. However, to date, according to official State sources such as the Environmental Assessment and Enforcement Agency (hereinafter, OEFA), as well as according to recent journalistic reports and investigations on said environmental problem, they state that there are still sectors in the sea and the Peruvian coast that continue to be contaminated with oil. It is so, that the OEFA recently reported that, from the first group of sites verified as of August 9, 2022, of a total of 97 sites identified from La Pampilla beach (Ventanilla) to Punta Salinas (Huaura), 25 beaches and 2 points are still contaminated with the presence of hydrocarbons, and only 10 beaches and 3 points would be free of the presence of hydrocarbons (OEFA, 2022b)<sup>7, 10</sup>

It should be noted that the company in charge of the La Pampilla refinery, in parallel, since the oil spill was generated, has been executing to date, the respective economic compensation for the economic damages or loss of profits caused to the social actors mentioned in the previous section, however, this action by the company still does not completely solve the problem, taking into account that the majority of affected social actors live off the resource and coastal seascape, as well as the income generated by tourists who visit the beaches (now affected) during the summer of each year (December to April), which generates extreme and accelerated strategies and activities to clean beaches, the sea and the seabed, above all, so that in the short term, that is, during the coming summer of the year 2023, these social actors are not affected by the closure of the affected beaches.

In this sense, this article seeks to analyze the effects generated by the oil spill at the La Pampilla refinery in the local economy of the inhabitants who live in the coastal maritime areas of the Lima and Callao regions, to then give proposals for reactivation. economy of said social actors, in the short, medium and long term; so that little by little, they seek to solve their environmental and economic problems caused by the hydrocarbon spill in the Ventanilla Sea.

## Methodology

The research methodology that was used for the preparation of this article was through the collection of secondary sources, with recent bibliography on previous quantitative and qualitative studies and journalistic reports that help to understand the effects that the oil spill has caused. At the Pampilla refinery to the local riverside population of the Lima and Callao regions.

In this regard, regarding the quantitative and qualitative studies reviewed, we have the reports generated by the OEFA and the socio-environmental investigations carried out by researchers such as Pulido et al,<sup>3,4</sup> who have developed recent investigations on counting beaches and the marine fauna affected by the spill, as well as opinion and perception surveys of social actors affected by the spill, complementing them with journalistic reports made by the local press and by non-profit institutions that care for the environment, which greatly helped us to delve into the analysis and the degree of impact generated by the oil spill on these social actors and coastal marine resources.

Likewise, it has been taken into account to review other qualitative socio-environmental studies, carried out by Villalobos & Sánchez<sup>5</sup> and Rubiños & Cruzado,<sup>1</sup> as a complementary reference framework that helped to reinforce the analysis of the panorama and the scope of the impacts. negative that can cause poor management in the extraction of hydrocarbons in coastal maritime areas.

In this regard, this article is divided into two chapters. The first describes the negative impacts generated on the riverside population of Lima and Callao due to the oil spill at the La Pampilla refinery and the strategies implemented by the public and private sectors in managing said impacts. In the second chapter, some action proposals are given to reactivate the local economy in Lima and Callao, from a joint work perspective between the private sector, the State and local residents affected by the oil spill at the La Pampilla refinery.

## Results and discussion

### The oil spill and its impacts

One of the main negative results of the oil spill in the sea that occurred at the La Pampilla refinery on January 15, 2022, was the damage to the economy of the local riverside population of the Lima and Callao regions, who live off the resource and marine landscape, above all, located in the districts of Ventanilla, Ancón, Santa Rosa, Chancay, Huacho and Huaura. In this regard, the Ministry of the Environment (MINAM) has indicated that 11,900 barrels have been spilled in the Grau Sea, pointing out that the company that manages the La Pampilla refinery, in this case the company REPSOL (hereinafter, the company).<sup>6</sup> This responsibility falls to the company because various scientific entities.

The main negative impacts generated by the oil spill in the sea to the economy of the local riverside population of Lima and Callao, are associated with artisanal fishing, tourism, and local gastronomy. Such is the case of the riverside or coastal artisanal fishermen and shellfish collectors from the districts of Ancón, Ventanilla, Santa Rosa, Chancay, Huacho and Huaura, who to date still cannot carry out their activity of fishing from the coast or of shore, given that most of the beaches, the seabed and the coast in general of Lima and Callao that were affected by the spill, continue to have remnants of hydrocarbon contamination.<sup>7-12</sup> It is so, that the OEFA recently reported that, from the first group of sites verified as of August 9, 2022, of a total of 97 sites identified from La Pampilla beach (Ventanilla) to Punta Salinas (Huaura), 25 beaches and 2 points are still contaminated with the presence of hydrocarbons, and only 10 beaches and 3 points would be free of the presence of hydrocarbons.<sup>10</sup> As can be seen, the magnitude of said negative impact on the economy of the aforementioned artisanal fishermen is tremendous, in view of the fact that their economic income was reduced to zero the day after the oil spill; That is why, mostly, as Villalobos & Sánchez mention,<sup>5</sup> extractive projects have historically generated a negative vision and perception in fishing populations, due to the negative externalities that this extractive activity can generate. Faced with this scenario, many artisanal riverside fishermen and shellfish collectors from Lima and Callao chose to reinvent themselves and go deep-sea or deep-sea fishing, in order to temporarily obtain economic income for their families, while others have had to diversify their economic activities even more, and work as merchants, among other new jobs so as not to starve and avoid returning to poverty or extreme poverty.

Another group of those affected are the owners and workers of restaurants who live from the sale of local gastronomy in the districts of Ancón, Ventanilla, Santa Rosa, Chancay, Huaura and Huacho, given that in the collective imagination of the majority of Chalacos or Limeños, the fear remains that the food served or offered in these food businesses located on the coast may contain oil or may be contaminated with this hydrocarbon.<sup>14</sup> This stigmatization and temporary aversion of Chalacos and Limeños to these coastal restaurants has generated considerable losses in terms of the economic income that these food businesses received before the spill, generating, therefore, that, in many cases, they have to close their businesses or receive only very little daily income.

Finally, another group of stakeholders affected by the spill are those who live directly from tourism that is generated from visits to the beaches of Chancay, Huacho, Huaura, Ventanilla, Santa Rosa and Ancón, in this case, we refer to the rickshaw drivers. (anconeteros); umbrellas; associations of boatmen or fishermen who alternately dedicate themselves to Nautical Tourist Transport or boat rides; Y; to the local merchants, who, like the artisanal fishermen, saw their profits drop to zero the day after the oil spill, since the Peruvian State closed the beaches, and therefore temporarily prohibited, to date, the tourists visiting them (Figure 1) (Figure 2).<sup>11,12,14,15-17</sup>

The strategies of the company and the Peruvian State Benitez<sup>18</sup> to remedy this impact on the local economy of these riverside residents of Lima and Callao, it has focused mainly on:

- Fining the company for the damage caused to the marine ecosystem and the local population
- Cleaning the beaches
- Monitor the quality of seawater and seabed
- Provide economic compensation for installments to the affected residents, and to date (08/10/2022), 8,500 people have received the 1st advance; while 5,800 people the 2nd advance; and, 3,000 people the 3rd advance.<sup>19</sup>



Figure 1 Closure of beaches in the Bay of Ancón. Own source.



Figure 2 Closure of beaches and some businesses in the Bay of Ancón. Own source.

### Proposal for the reactivation of the local economy in coastal marine areas of Lima and Callao

In this section, some action proposals are given to reactivate the local economy in Lima and Callao, from a synergistic perspective, as Villalobos & Sánchez<sup>5</sup> refer, that is, from a joint effort between the private sector, the State and local residents affected by the oil spill at the La Pampilla refinery.

- The company must continue to make the compensation that corresponds to those affected identified so far by the oil spill

at sea, in its “Single Register of Those Affected by the Spill” in synergic coordination with local governments and those affected by the spill.

- b. The company must alternatively hire the affected riverside fishermen and shellfish collectors to continue cleaning the beaches and the contaminated coastal zone, in view of their extensive knowledge of said ecosystem, which would allow to accelerate the remediation works of the ecosystem. damaged marine, thus generating, in the medium and long term, that both riverside fishermen, such as shellfish collectors, tricicleros (anconeteros); umbrellas; associations of boatmen that alternately dedicate themselves to Nautical Tourist Transport or boat rides; Y; local merchants, can reactivate their economic activities as soon as possible, with a view to the coming summer in 2023.
- c. The company must continue to support the riverside fishermen’s associations of Lima and Callao that were affected by the spill through technical-productive training and the delivery of seed capital that allows them to improve their fishing infrastructure, and if applicable, their diversification of their economic activities, so that they can temporarily or permanently carry out other economic activities, such as deep-sea fishing or become micro-entrepreneurs, so that these new activities allow them to obtain economic income for their family until the time the cleanup lasts of the coastline, as well as the seabed and polluted beaches.
- d. The Agency for Environmental Assessment and Control (OEFA) and the Supervisory Agency for Investment in Energy and Mining (OSINERGMIN), must continue to monitor and supervise compliance with the process of remediation of the contaminated marine ecosystem, carried out to date by the company, giving , if applicable, the corrective measures so that said remediation is carried out effectively.
- e. The company must promote in coordination with government entities such as the National Fisheries Health Agency (SANIPES) and the National Fisheries Development Fund (FONDEPES), the execution of effective communication campaigns on the responsible human consumption of marine products in restaurants and food stalls in the districts of Chancay, Santa Rosa, Ancón, Huacho, Huaura and Ventanilla, so as to gradually demystify Little in the collective imagination of the people of Lima and Chalacos, the association of oil contamination of marine products that are offered in these coastal districts.<sup>20</sup>
- f. The company must continue to support tricycle associations (anconeteros); umbrellas; associations of boatmen that alternately dedicate themselves to Nautical Tourist Transport or boat rides; Y; to local merchants in the districts of Chancay, Santa Rosa, Ancón, Huacho, Huaura and Ventanilla, who were affected by the spill, through their support in training and seed capital for local business ventures, in a way that allows them to these social actors, little by little, diversify their economic activities, thus generating more alternatives of economic income for their families.<sup>14-17</sup>

## Conclusion

The oil spill has generated negative impacts associated with the direct effect on the local economy of the riverside population of Lima and Callao, which lives off the resource and coastal marine landscape, for which it is appropriate to prepare, in the short, medium and long term, a action plan, in order to carry out the remediation of the contaminated marine ecosystem and carry out compensation and reactivation of the local economy of the affected coastal population.

The action plan proposed in this article for the gradual reactivation of the local economy of the riverside population of Lima and Callao must be worked on synergistically between the State, the company and those affected by the hydrocarbon spill at the La Pampilla Refinery, in a way that promotes in the near future, the economic reactivation of said affected social actors quickly and responsibly, above all, at the gates of the beginning of the next summer of the year 2023.

## Annexes

Next, Table 1 and Figure 3 present the list and location of the beaches and coastal points reported by the OEFA as affected by hydrocarbons, as well as those that are free of hydrocarbons to date:

**Table 1** List of beaches and points affected by hydrocarbons, as well as those that are free of hydrocarbons as of August 9, 2022

	Beaches	Tips
Hydrocarbon free sites	Bahía Blanca, San Francisco Chico, Playa Hermosa, Playa Hermosa - Yach Club Ancón, Viñas, La Calichera, Chorrillos – Chancay, El Hatillo, Punta Salinas, Chancayllo – Arena Blanca.	Punta Salinas, Punta Lachay and Punta Grita Lobos
Sites affected by hydrocarbons	Ventanilla, Costa Azul, Los Delfines, Cavero, Pachacútec, La Playuela, Hondable, Santa Rosa Grande, beach in front of the cliff in front of Isla Mata Cuatro, El Solitario, Club Naval de Ancón, Huaquilla, San Francisco Grande, Playa de Ancón, Miramar , Las Conchitas, Pasamayo, Peralvillo, Cascajo, Chacra y Mar, Chancayllo, Playa del Óvalo, Chrysanthemum Chancay, La Puntilla, and Santa Rosa Chica.	Punta Nero and Punta Santa Rosa.

Font: (OEFA, 2022b)



**Figure 3** Location of beaches and points affected by hydrocarbons, as well as those that are free of hydrocarbons as of August 9, 2022. Source: (OEFA, 2022b).

## Acknowledgments

None.

## Funding

None.

## Conflicts of interest

I declare I have no conflict of interest.

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