

Latin American, the new  
extraction:  
extractive industries and development  
conflicts

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# Why the panel?

There has been a massive surge in extractive industry investment in Latin America since the early 1990s, and especially the mid 1990s

## New geographies of EI investment in Latin America:

- New government policies and institutional arrangements (North and South)
- Technological and price changes
- Between 1990-97,
  - global investment in mining *exploration* increased 90%
  - in América Latina it increased 400%
  - in Perú it increased 2000 % (Banco Mundial, 2005).
- Between 1990 y 2001 (Bridge, 2004)
  - 12 of 25 largest mining *investment* projects were in LAC (9 in Chile, 2 en Perú [Antamina, Yanachocha], 1 in Argentina)
  - Worldwide, of the 10 countries that saw most investment in mining, 4 are in LAC (Chile, 1; Peru, 6; Argentina, 9; Mexico 10)

This investment is going to traditional areas of extraction, but also to new frontiers with no history of extraction

- Among countries: Central America, a new frontier
  - Eric Holt-Gimenez: laying the way for mineral extraction in Guatemala
  - IDB: mining districts in El Salvador
- Within countries
  - New mining and new hydrocarbon areas

These changes in the geographies of investment drive new rounds of conflict and contestation in the region

➤ New conflicts

- Over resource use and control
- Over territorial occupation
- Over relationships between existing livelihoods and mining investment
- ..... Over conceptions of sustainability

El investment surges are being accompanied by other investment programmes apparently designed, *inter alia*, to facilitate the development of extractive economies

- IIRSA - La Iniciativa para la Integración de la Infraestructura Regional Suramericana
- Corredor Logistico Centroamericano
- .... plus earlier sector reforms

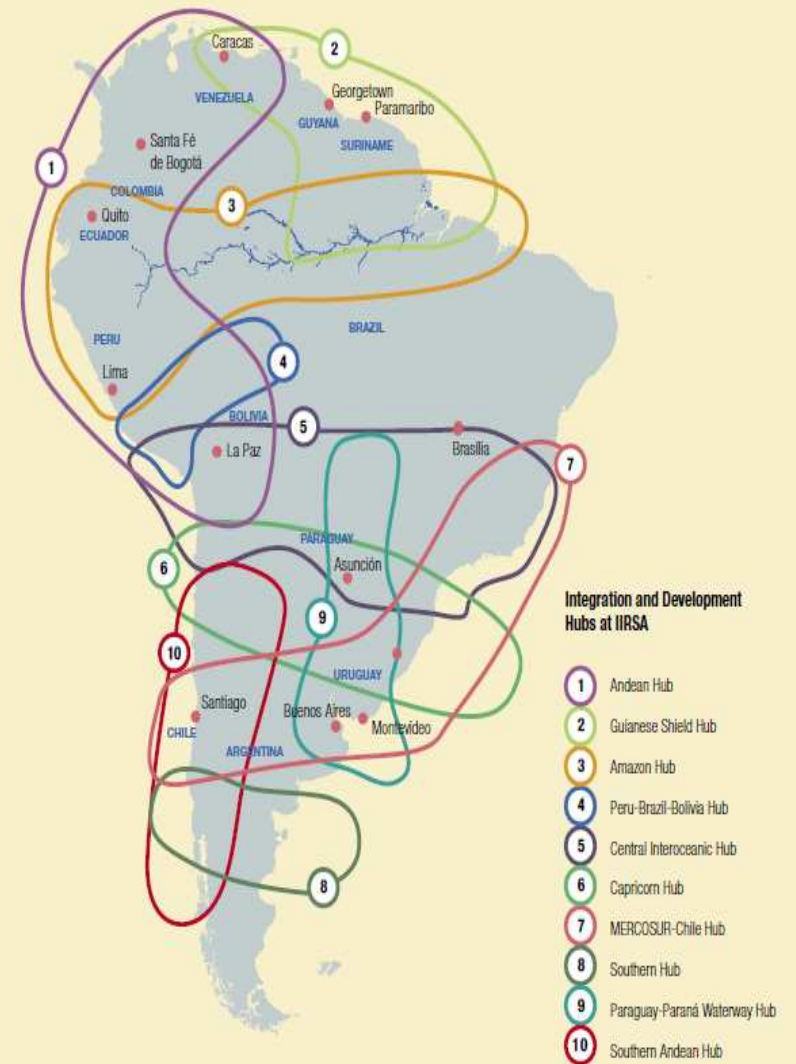
# Building a New Continent

A Regional Approach to Strengthening South American Infrastructure



INITIATIVE FOR THE INTEGRATION OF REGIONAL INFRASTRUCTURE IN SOUTH AMERICA (IIRSA)

Figure 4. IIRSA Integration and Development Hubs (IDH)





IIRSA—IMPLEMENTATION AGENDA BASED ON CONSENSUS 2005-2010





# Corredor Pacífico de Centroamérica

Corredor Pacífico de  
Centroamérica  
Vía transoceánica más eficiente



# Themes

- implications that the surge in extractive industry investment hold for:
  - the reworking of Latin America as a region
  - the localities in which investments touch ground
  - conflict, democracy and development
  - development and economic geography (and political ecology)

# Panelists

- Gavin Bridge, University of Manchester
- Jeff Bury, University of California, Santa Cruz
- Jessica Budds, Open University
- Matthew Himley, Syracuse University
- Anthony Bebbington, University of Manchester

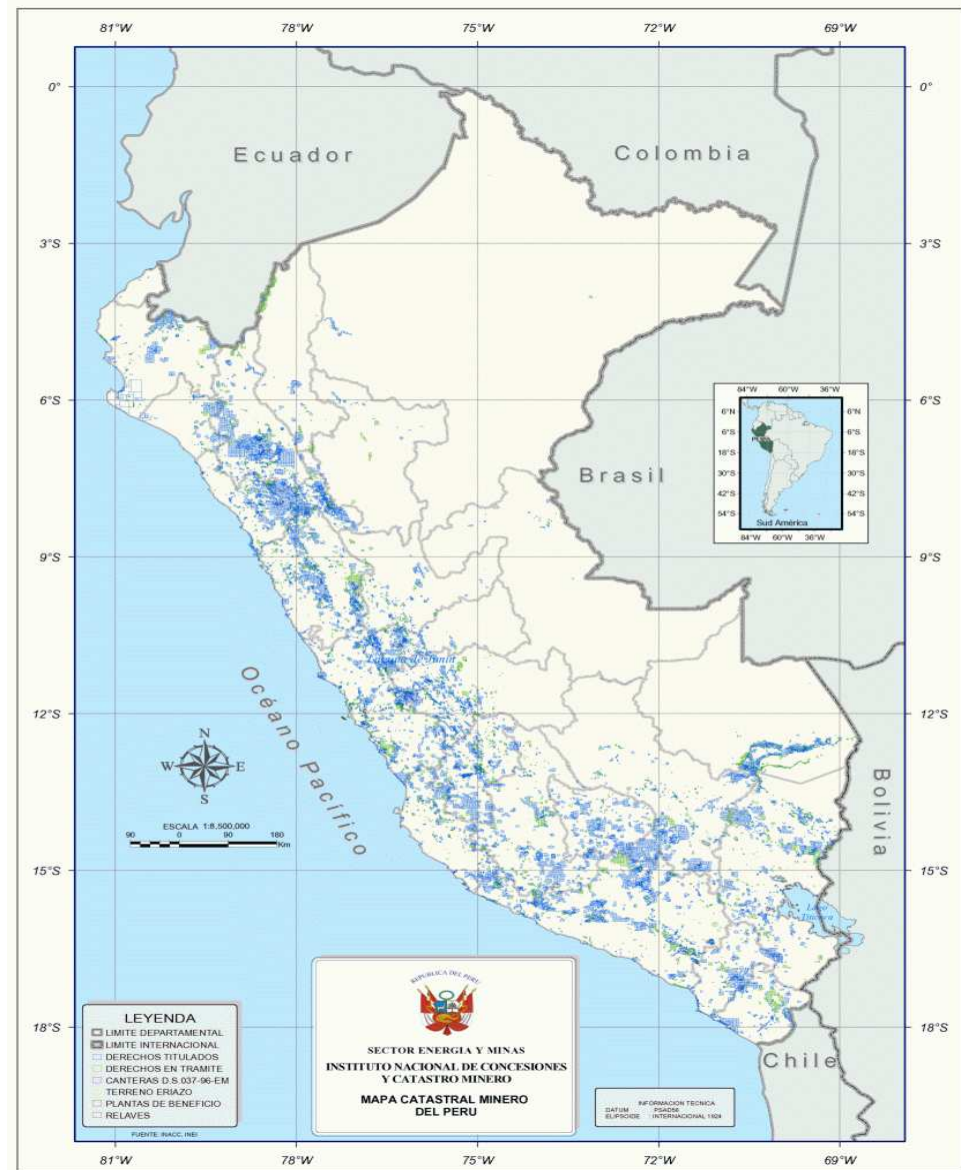
# Extractive industries and development conflicts: a view from Peru (and Guatemala)

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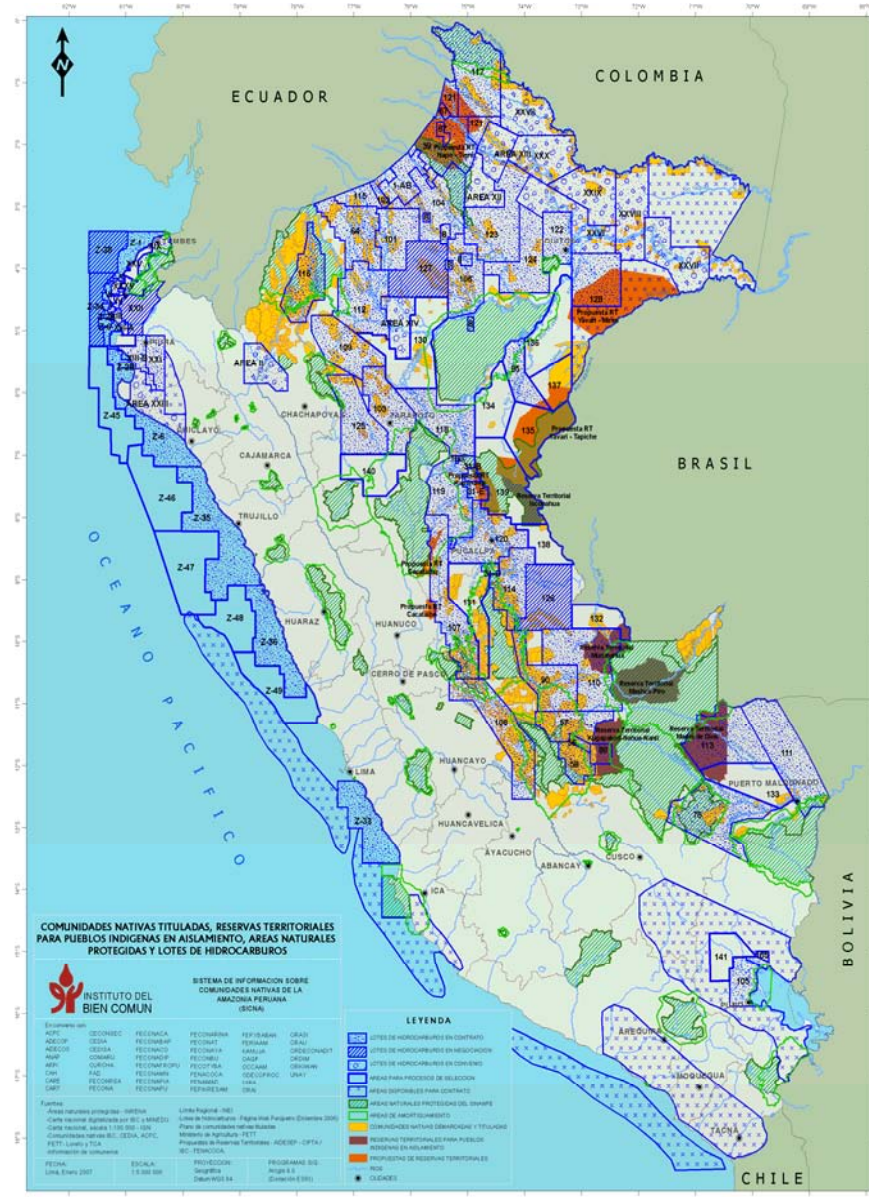
## Peru:

- Post 1991: Peru's new mining economy
  - 1990-2000, mining investment increases five-fold
  - Mining – c. 6-7% of GDP
  - 1990-2003, mineral exports pass from US\$ 1447 million to US \$ 4554 million
  - over 50% of foreign currency generated by exports
  - c. 37% of FDI 2001-3 (WB, 2005)
  - projected to increase
  - a country concessioned?

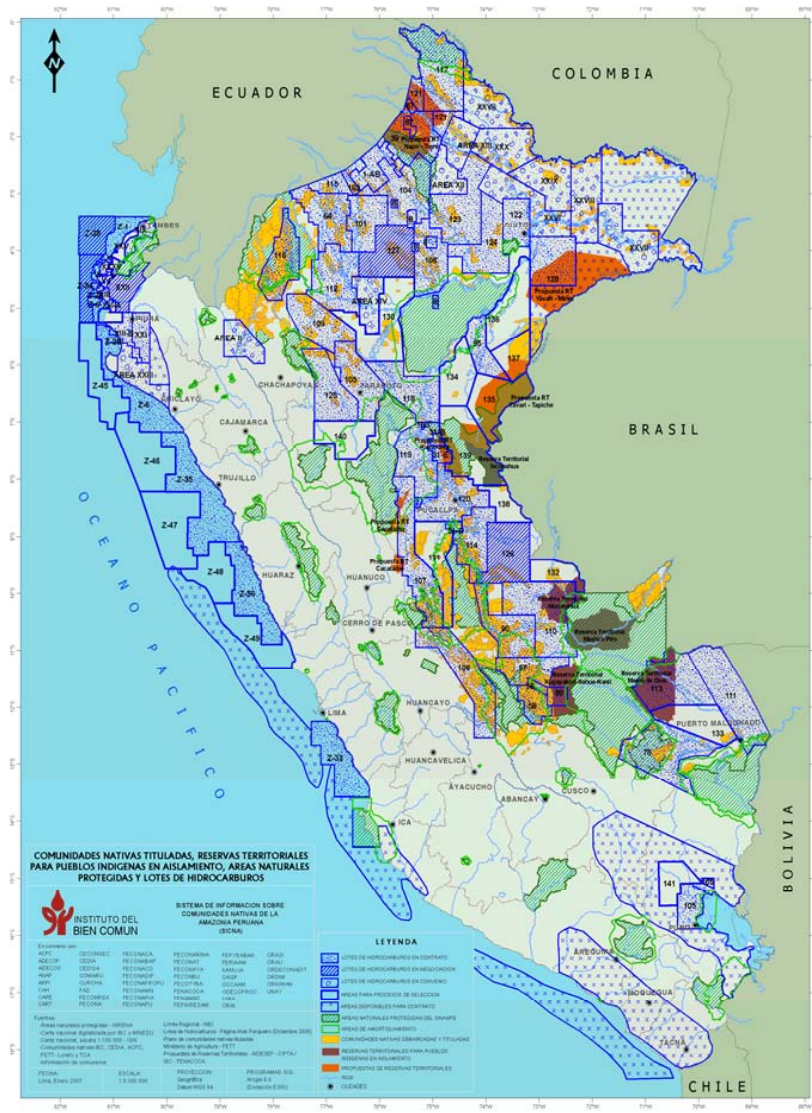
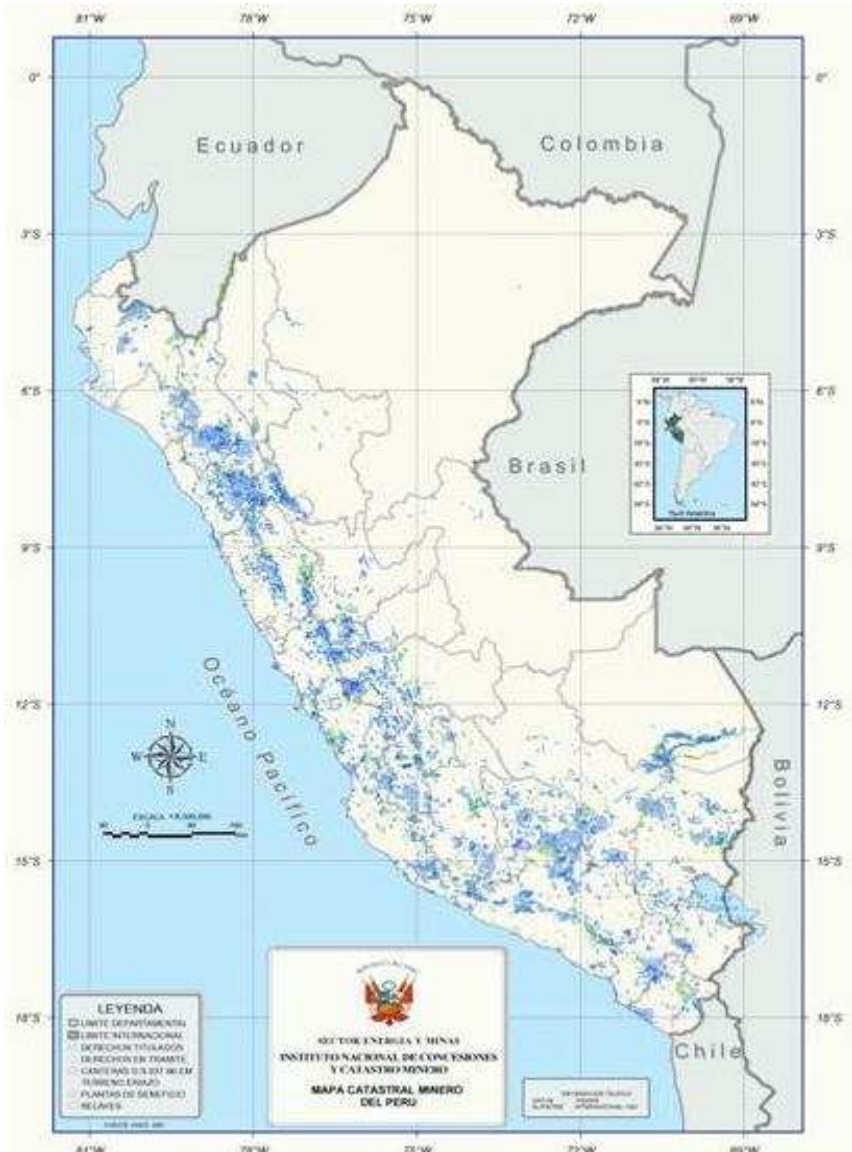
- 1990s: area affected by mining concessions increases from 4 million to 16 million hectares
- 1999, around fifty-five per cent of Peru's six thousand or so *campesino* (peasant) communities influenced in one way or another by mining (de Echave, 2006).



- 2004 – 2007 hydrocarbon concessions have jumped from c. 13-14 % of territory to 70 %
- Note overlap with:
  - Protected areas
  - Indigenous communities
  - Reserved land
- Note overlap of mine and hydrocarbon maps

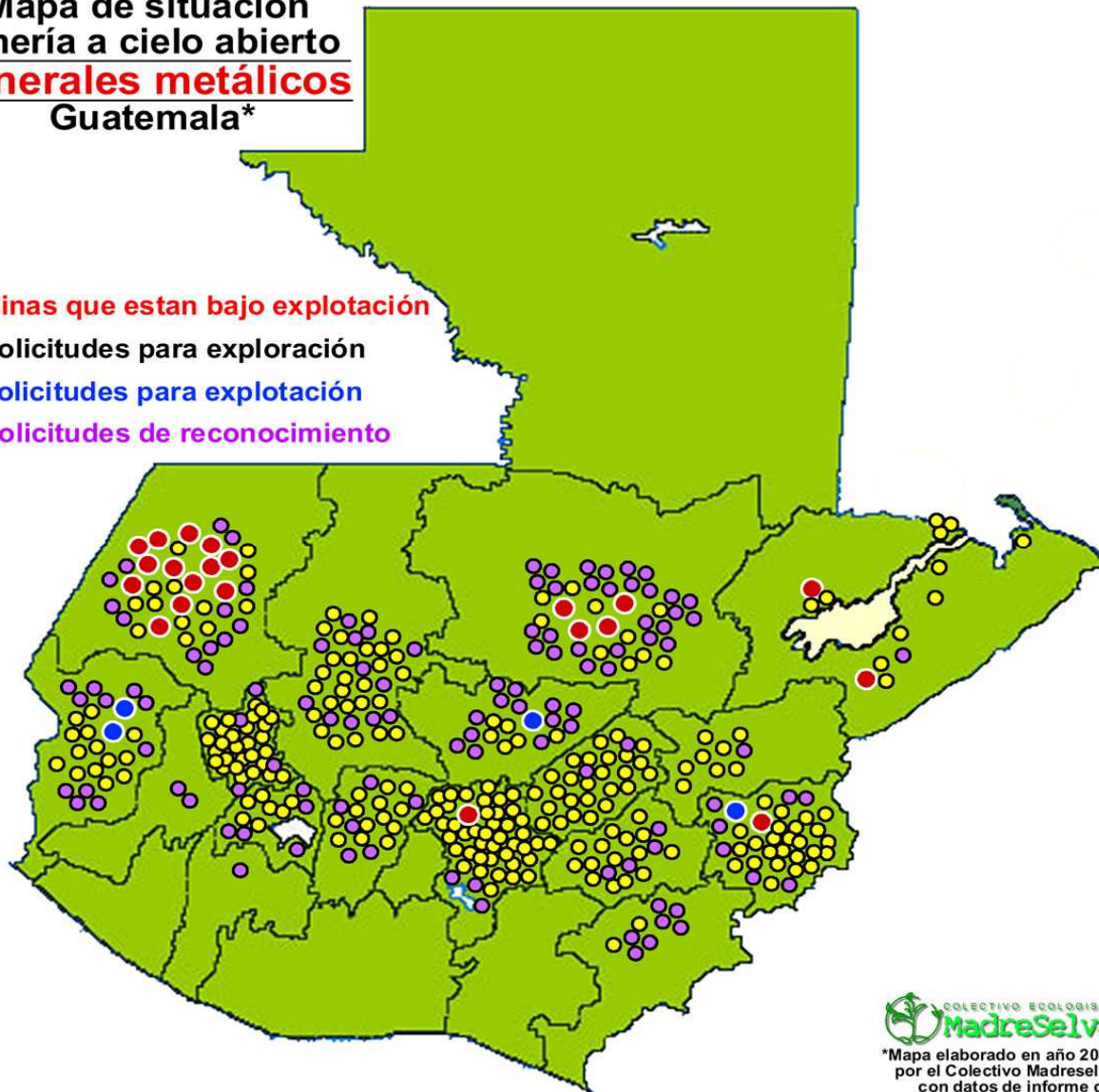






**Mapa de situación  
minería a cielo abierto  
minerales metálicos  
Guatemala\***

- Minas que están bajo explotación
- Solicitudes para exploración
- Solicitudes para explotación
- Solicitudes de reconocimiento




  
 \*Mapa elaborado en año 2004  
 por el Colectivo MadreSelva  
 con datos de informe del  
 Ministerio de Energía  
 y Minas de Guatemala

**Por departamento**

- Minas que están bajo explotación

**Departamento Minas**

Alta Verapaz	4
Chiquimula	1
Izabal	2
Huehuetenango	13
Guatemala	1

- Solicitudes para exploración

**Departamento solicitudes**

Quiché	27
Huehuetenango	13
El Progreso	26
Chiquimula	25
Izabal	11
Chimaltenango	13
Alta Verapaz	9
Guatemala	42
Totonicapán	28
Sololá	7
Jutiapa	2
Baja Verapaz	6
Jalapa	15
Zacapa	8
San Marcos	14

- Solicitudes para explotación

**Departamento solicitudes**

Chiquimula	1
San Marcos	2
Baja Verapaz	1

- Solicitudes de reconocimiento

**Departamento solicitudes**

Quiché	12
Huehuetenango	13
El Progreso	2
Chiquimula	7
Izabal	1
Chimaltenango	6
Alta Verapaz	22
Guatemala	3
Totonicapán	4
Sololá	5
Jutiapa	7
Baja Verapaz	13
Jalapa	4
Zacapa	1
San Marcos	11
Quetzaltenango	2
Suchitepéquez	1

- What is the significance of this?
  - Concessions  $\neq$  mines/wells
  - Concessions **do** mean uncertainty for residents/local authorities
  - New geographies of risk/uncertainty
    - .... And of conflict
    - ..... No presence of state in exploration processes
    - ..... Juniors lack capacity to de-fuse conflict
  - Reworking of rural territories



# Images of uncertainty: Peru, Guatemala



## MÓVILIZACIÓN SOCIAL EN TORNO A LA MINERÍA EN GUATEMALA



### Dicen 'no' a la minería

Vecinos de Sipacapa, San Marcos, votan en medio de pugna legal

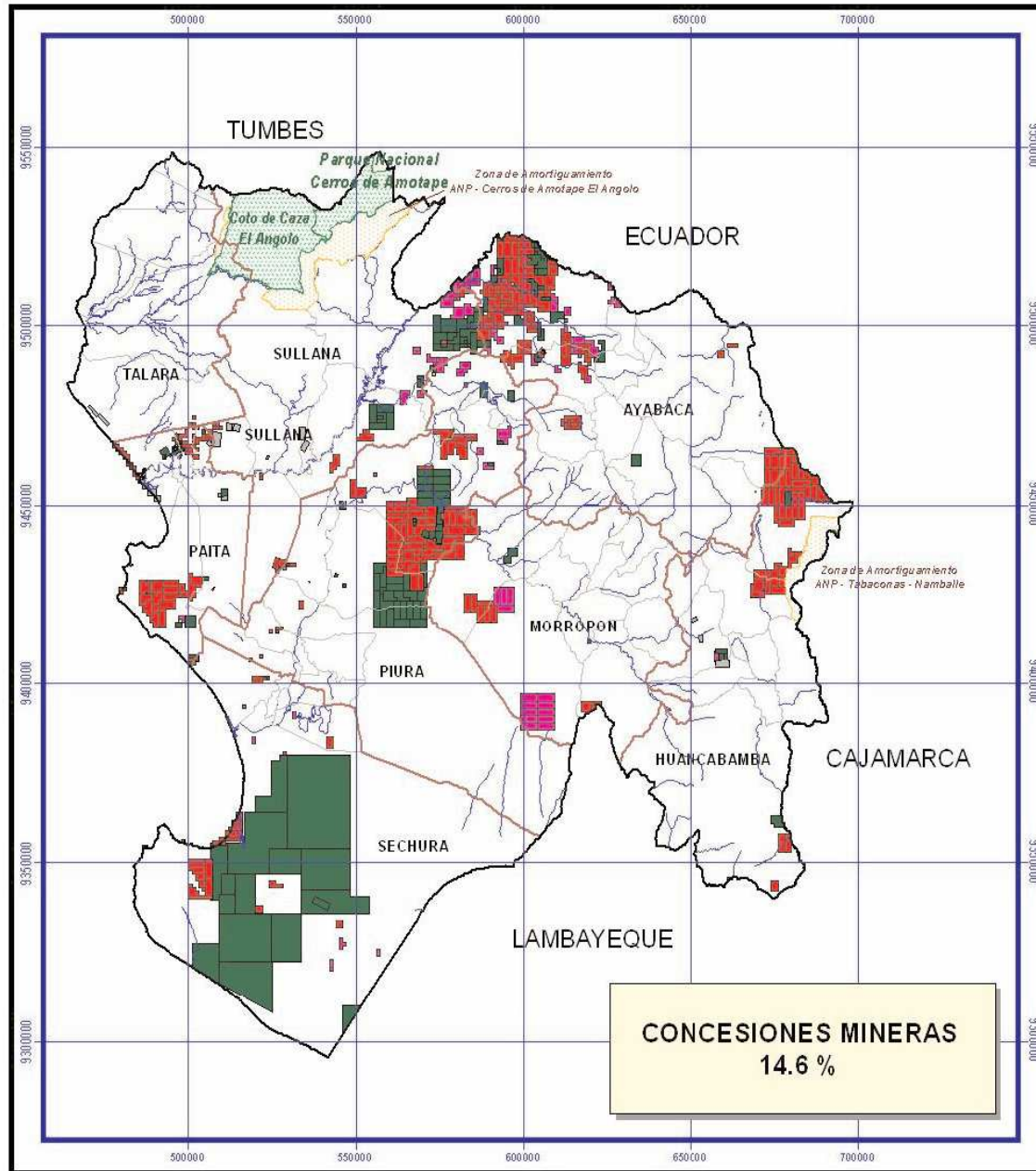
Unas 400 personas formaron fila en la aldea Quecá, para firmar en el libro de actas tras ejercer el voto. Foto Prensa Libre. Myhor De León  
Unos dos mil 600 vecinos de Sipacapa, San Marcos, participaron ayer en la consulta comunitaria sobre minería. De los 13 actas, 71 votaron por el 'no', en una de ellas ganó el 'sí' y otra se abstuvo.



# Conflicts over the countryside: civil society and the political ecology of rural development in the Andean region

- Program analyzing these conflicts and their implications for territorial change
  - Territories affected by mineral expansion
  - Territories affected by hydrocarbon expansion
  - Territories of stagnant rural economies
  - Peru, Bolivia, Ecuador
- Qn: What forms does social mobilization take and how does it affect territorial dynamics under such political economic conditions?

- Rural territories become spaces of, and are produced through the articulation of :
  - Conflict over styles and discourses of development
  - Conflicts over distinct “territorializing projects” (Fiona Wilson)
    - Between different projects regarding how, and by who, space should be occupied
    - Between different meanings given to that space (spaces of extraction and spaces of livelihood)
  - Conflicts over governance
    - Who defines the rules governing these territories
    - Which rules ultimately govern?



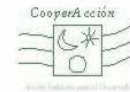
### CONCESIONES MINERAS

SIMBOLO	DESCRIPCION
	Derechos Mineros en Trámite
	Derechos Mineros Titulados
	Derechos Mineros Extinguidos
	Plantas de Beneficio, Canteras y otros
	Derechos Mineros otorgados desde Nov. 2005 No se conoce su estado

#### MAPA POLITICO DEL PERU



### MAPA DE CONCESIONES MINERAS DEPARTAMENTO DE PIURA



Fecha: Noviembre del 2006

Ubicación: Departamento de Piura

Escala: 1:1'800,000

Fuente: I N A C C



- Mining in a new frontier (Piura)
  - Issues:
    - Export agriculture and water
    - Growth shortfalls
    - Public revenue shortfalls
    - Tradeoffs – over time, across space and with (chronically) imperfect information
  - Tambogrande, export agriculture, human settlements and mining
    - Conflict, referendum, company withdraws
  - Majaz/Rio Blanco
    - The next battle in the same war
    - One mine or many?
    - Arguments over mining? Or over development?

## Piura 1: Tambogrande

- Deposit beneath town, in an irrigated valley dedicated to agricultural exports
- MEM grants concession to Canadian junior
- Social mobilization: 1999-
  - Defence fronts formed linking various actors
  - Agro-exports as counter-proposal
  - Violence
  - 2002, Popular referendum, organized by local government, support from international networks
    - 98% against mining
  - Not legally binding but company leaves
  - Rural resource use continues as before:
    - Agro-exports
  - But:
    - Congress and MEM still want mining expansion en Piura
    - Attacks on international actors

## Piura 2: Majaz

- Deposit in upper reaches of drainage basin
- MEM grants concession to UK junior
- Social mobilization: 2003-
  - Tambogrande and Yanacocha as a points of reference
  - Social organizations and local authorities take lead
  - Peasant agriculture as counterproposal; coupled with concerns about water resources downstream
  - Violence
  - Movement far less consolidated, counter-proposal for rural resource use less coherent
  - International support again, but more cautious (defensive)
  - Idea of referendum .... But who should participate
  - .... watch this space

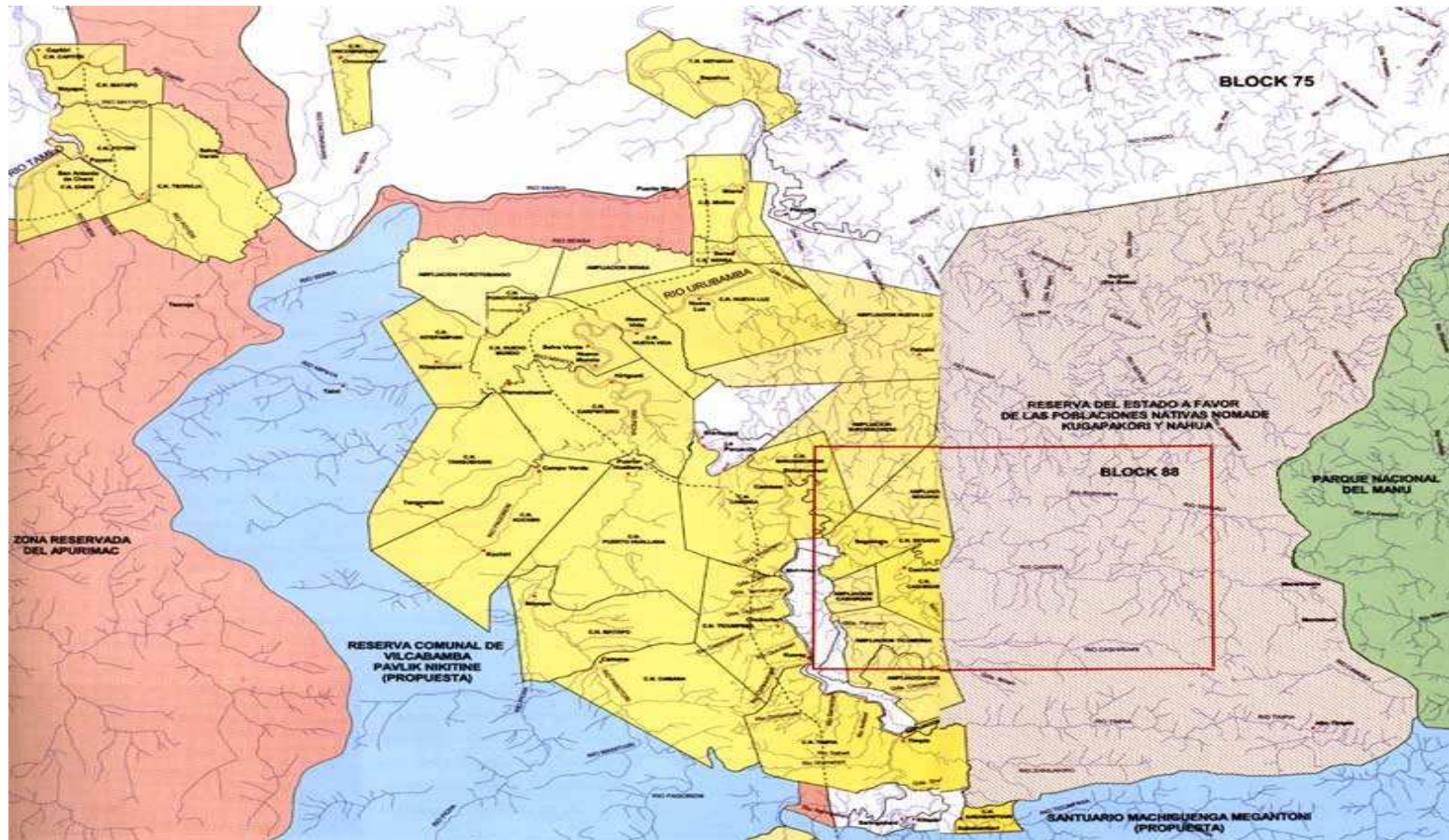
➤ Dynamics of rural transformation defined through:

- Interactions between state, society and business
- Relations of power
- Power relations hinge around:
  - Relative social cohesion of the different social actors
  - The relative political economic coherence of their proposals
  - The resources they can mobilize (including their networks) in aiming to determine territorial dynamics

# The CAMISEA Pipeline

- Camisea is the largest natural gas field in the Americas
- It is said that it will add 0.8% to Peru's GDP growth for each year of the project's life
- The concessions and pipeline cuts across the territories of some of the last non contact peoples of South America

“the last place on earth” to drill  
for fossil fuels ...



# CAMISEA Natural Gas Project

- A US\$1.6 billion project involving:
  - a consortium of private investors for gas exploration (Hunt Oil, USA, Pluspetrol of Argentina, SK Corporation of Korea, Tecpetrol); and
  - another consortium (TGP) is operated by Techinct to transport the gas - among the investors are BUNDES of Brazil, the Andean Development Corporation (CAF), and the Inter-American Development Bank (IDB)



- Successful campaign to keep Shell from expanding its operations in the mid 90s fought by large coalition of environmental activist and conservation organizations
- Anti-drilling coalition reconvenes in 2000 (Indigenous organizations in Peru: COMARU, AIDASEP, FENAMAD; Peruvian NGOs: Racimos de Ungurahui , Shinai Serjali; International NGOs and networks: Oxfams, FOEI, Amazon Watch, Amazon Alliance; Bank Information Center. Absent: Large conservation organizations)
- But faces a more complicated scenario with multiple and unknown investors, rapid implementation, and lack of public information

- Lack of common ground among coalition members on strategy
  - Some felt project too large and too important to oppose
  - Others opposed project on grounds that area should be a “No Go” zone
  - Project generally supported in Peru, “No” campaign is seen as externally driven
  - Differences over where to take the campaign?

# What's happened?

- Project on line as of August 2004
- First spill December 20, 2004 Consortium and government initially deny environmental damage
- Expansion into Block 56 (Camisea 2) temporarily suspended – Peruvian government cedes to pressure: affected indigenous and campesino communities organize peaceful march
- Coalition remains firm but has there been enough effort to engage with the public sphere in Peru, to build allies with other movements in Peru?
- No traction inside IDB