“Fire-fighters or fire-makers? Mining transnational companies and transnational civil-society networks in the Andes”.

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The new mining *boom* in a neoliberal context

*Neoliberal policies and mining as a financial national strategy*

- Peru, Ecuador y Bolivia grew consistently at high average rates (4.66 %, 4.16 % and 3.11 %)
- poverty – rural poverty – no significant improvement

- Much of growth has been based on the extraction and export of minerals and hydrocarbons
Policies for attracting and facilitating entry of TNCs

- equal treatment as national investors
- no barriers to profits repatriation
- no or very low fiscal obligations (other than canon)
- long-term fiscal stability
- facilities for inputs and technology imports
- ratification of international agreements on private investments
<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Average FDI/GDP</th>
<th>FDI Average annual growth rate</th>
<th>FDI in Primary Sectors (percentage of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>1.01</td>
<td>6.70</td>
<td>124.22</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1.61</td>
<td>3.28</td>
<td>55.60</td>
</tr>
<tr>
<td>Peru</td>
<td>0.46</td>
<td>4.17</td>
<td>84.73</td>
</tr>
<tr>
<td>Andean countries</td>
<td>1.12</td>
<td>3.38</td>
<td>30.38</td>
</tr>
<tr>
<td>LAC</td>
<td>0.95</td>
<td>2.42</td>
<td>18.11</td>
</tr>
</tbody>
</table>
The source of conflicts:

*access & control of the rural territory*

conflicts are:
→ struggles over whose rights and voices count most in political economic decision making
→ arguments over the effects of different types of development
Peru (mining)
Ecuador (mining)
Bolivia (mining & hydrocarbons)
Factors of conflict

• the dynamics of neoliberalism have threatened the **viability** of much small and medium farm agriculture
• social conflicts increasingly polarized, recurrent and violent b/c **social discontent**
• challenge the **capability** of rural people to control patterns of change in their lived environments
• Involvement of **civil soc.** and **TNN**
Study sites

• 10 in total
• For this paper:
  - Cajamarca and Piura (Peru)
  - Cotacachi (Ecuador)
  - Oruro (Bolivia)
Cajamarca-Yanacocha

- Newmont Mining Corporation 51.35%, Compañía de Minas Buenaventura 43.65%, IFC 5%
- biggest gold mine in Latin America and the 5th largest in the world.
- 10000 hectares in the Cajamarca region
- land acquired from campesino households through imperfect and hardly transparent mechanisms
Piura-Majaz (Rio Blanco)

- copper deposit
- project includes between 400 and 1000 Ha. of lands belonging to two campesino communities
- concession in 2001 to Monterrico Metals plc. (a London based company)
- open-pit mine dry-filtered storage of tailings and waste on-site
- Initial EIA approved by MEM rejected by CC
Oruro - Inti Raymi

• Newmont Mining Corporation 88%, Beatriz Rocabado 20%
• biggest gold mine in Bolivia.
• 70000 hectares in mining rights (7000 explored)
• land acquired from two communities Chuquina and La Joya
• 2003: Closure of Kori Kollo
Cotacachi-Intag (Ecuador)

- Important copper reserves
- Ascendant Copper Corporation (Canadian company based in Colorado)
- After more than 20 years of initiated the exploration phase, no mine yet.
Mining brought resources to national and local economies…(Bury 2007)

Table 1: Minera Yanachocha economic impacts in Cajamarca (thousands of US$ dollars)

<table>
<thead>
<tr>
<th>Actividades de la mina</th>
<th>Subtotals</th>
<th>Total investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in mining instalations (1992-2000)</td>
<td></td>
<td>85,542</td>
</tr>
<tr>
<td>Exploration (1992-2000)</td>
<td></td>
<td>770,158</td>
</tr>
<tr>
<td>Employment</td>
<td></td>
<td>153,573</td>
</tr>
<tr>
<td>Expenses in goods and services</td>
<td></td>
<td>1,720,497</td>
</tr>
<tr>
<td>Goods and services from Cajamarca (1993-2000)</td>
<td></td>
<td>127,248</td>
</tr>
<tr>
<td>Goods and services purchased in national and international markets (1992-2000)</td>
<td></td>
<td>1,593,249</td>
</tr>
<tr>
<td>Rural development programmes (1993-2000)</td>
<td></td>
<td>11,898</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,741,668</td>
</tr>
</tbody>
</table>
But had environmental impacts

- open-pit mining and lixiviation with cyanide
- Change of vegetation patterns
- Deviation of the course of waters
- Plans for expansion into urban areas (Cerro Quillish in Cajamarca, Kori-Chaca in Oruro)
Conflict & **TNN**
(Cajamarca)

- The conflict moved from rural to urban areas
- Surge of local NGOs
- *Sensibilizacion*, awareness, establishment of international contacts
- Active rural GROs, but at the end divided
- Internationally: an emblematic case
- *Mesas de concertacion*: failure and standby
Conflict (Majaz)

• Reaction and mobilization against Minera Majaz (2002)
• Leadership of GROs
• Marches and confrontation with police
• Failure of negotiation commissions
• Multi-province front (Front for the Sustainable Development of the Northern Frontier of Peru)
• Stand-by process
Conflict (Inti Raymi)

- After IR announced Kori Kollo closure
- Remote communities claim compensation
- The Transredes referent
- Environmental audit
- Process delayed for almost 3 years
- IR acts through ECR + IR Foundation
Conflict & TNN (Cotacachi)

- strong – at some points violent – movement of opposition
- Church/NGOs/private entrepreneur: environmental education
- Strong connections with international NGOs
- High visibility from the beginning
- Alternatives of local development strategies
<table>
<thead>
<tr>
<th>Factors (actors)</th>
<th>Peru</th>
<th>Ecuador</th>
<th>Bolivia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yanacocha-Cajamarca</td>
<td>Piura-Majaz</td>
<td>Cotacachi-Intag</td>
</tr>
<tr>
<td><strong>Local</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local leadership (campesino communities)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Local leadership (local governments)</td>
<td>W</td>
<td>W</td>
<td>✓</td>
</tr>
<tr>
<td>Local leadership (private sector)</td>
<td>N</td>
<td>N</td>
<td>✓</td>
</tr>
<tr>
<td>Local church representatives</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>National/International</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catholic church (national)</td>
<td>N</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Regional Campesino Federations</td>
<td>W</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>National Campesino Federations</td>
<td>W</td>
<td>W</td>
<td>✓</td>
</tr>
<tr>
<td>Local NGOs</td>
<td>✓</td>
<td>N</td>
<td>✓</td>
</tr>
<tr>
<td>National NGOs involvement</td>
<td>N</td>
<td>N</td>
<td>✓</td>
</tr>
<tr>
<td>International NGOs &amp; Watchdogs support</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Central government intervention</td>
<td>✓</td>
<td>✓</td>
<td>W</td>
</tr>
</tbody>
</table>
Factors (structural)

1. Scarcity and poverty of non-mining resources in rural areas
2. Economic priorities in people’s livelihoods
3. Institutional land issues
4. Territorial aspects
5. Asymmetrical relationships between and inside civil society organisations
6. Knowledge gaps
Concluding remarks

- Environmental conflicts are fairly recent
- Factors: Neoliberal dynamics, Actors, Structures
- International concern for the environment (Summits, institutions, financial resources)
- New agenda for governments, international cooperation, NGOs
- Referents for acting through networks (division of labor/tasks)
- The environment as an instrument to claim for economic and social rights
Thank you

www.manchester.ac.uk/sed/research/andes

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