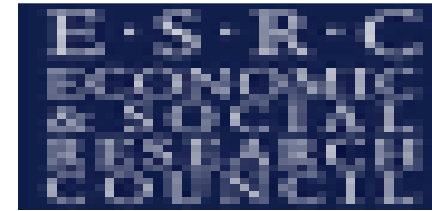




The University of Manchester



**“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

FDI in Peru, Ecuador and Bolivia, 1989-1999 (%)

Country/ Region	Average FDI/GDP		FDI Average annual growth rate		FDI in Primary Sectors (percentage of GDP)	
	1989-93	1994- 98	1989- 93	1994- 98	Average 1990-95	Average 1996-99
Bolivia	1.01	6.70	124.22	60.93	1.8	5.8
Ecuador	1.61	3.28	55.60	11.81	1.9	3.1
Peru	0.46	4.17	84.73	-11.23	0.3	0.3
Andean countries	1.12	3.38	30.38	14.49	1.0	2.1
LAC	0.95	2.42	18.11	21.96	0.9	1.3

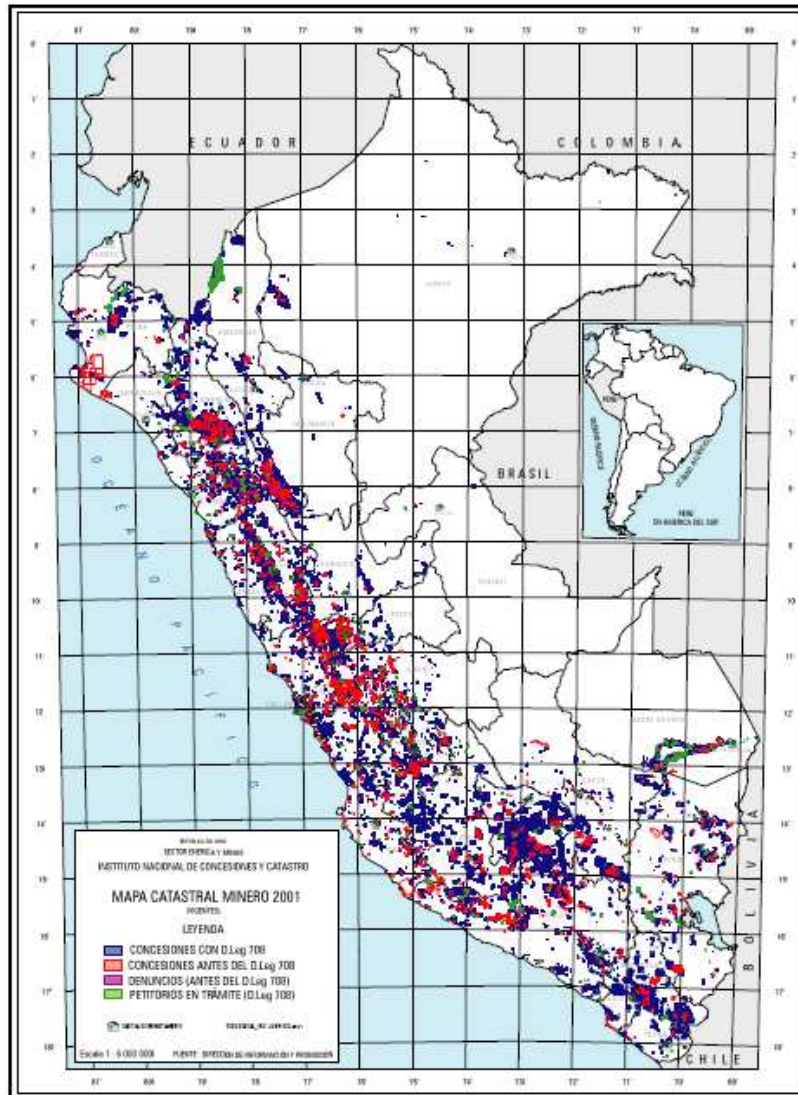
The source of conflicts:

access & control of the rural territory

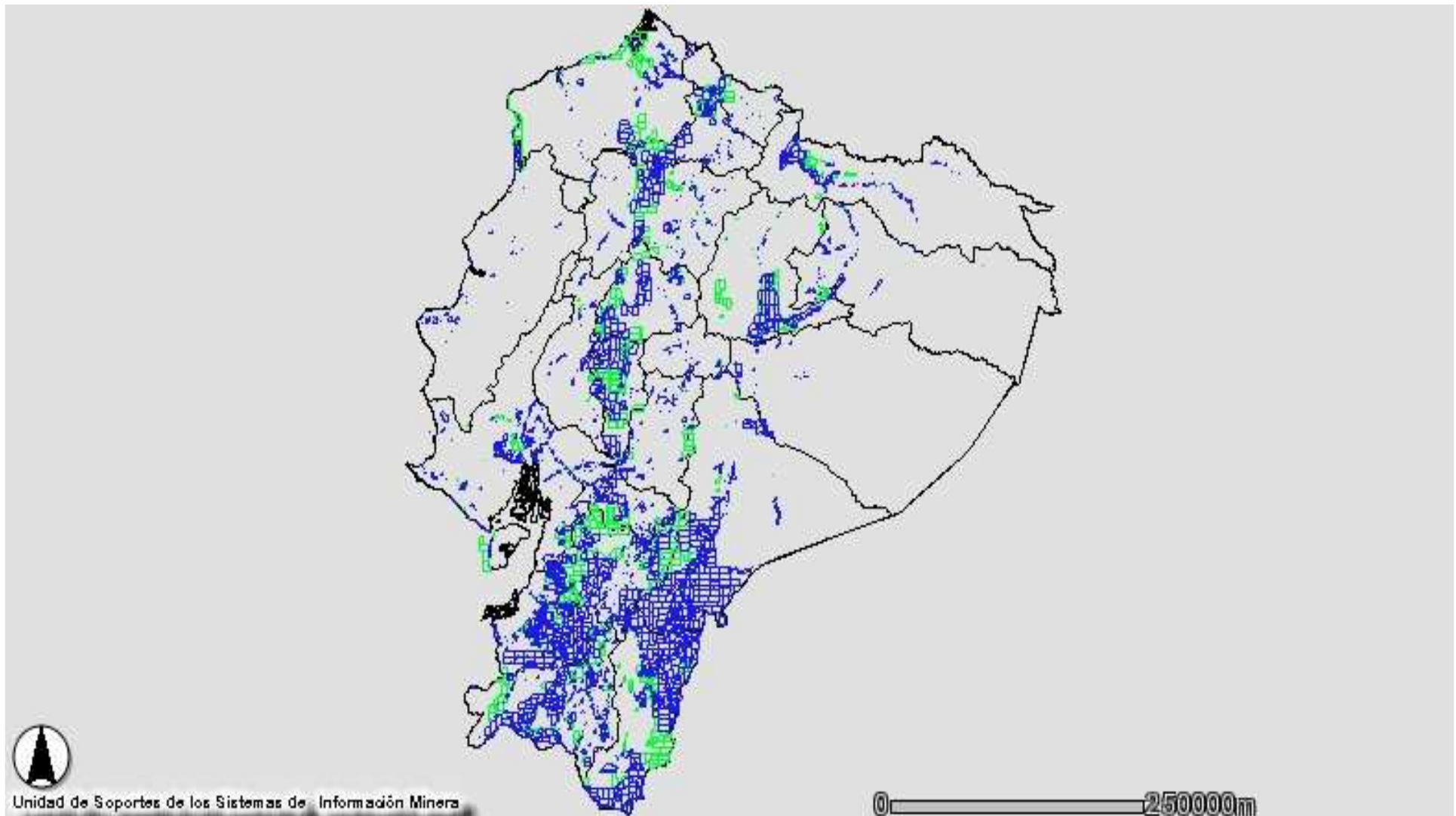
conflicts are:

- struggles over whose rights and voices count most in political economic decision making
- arguments over the effects of different types of development

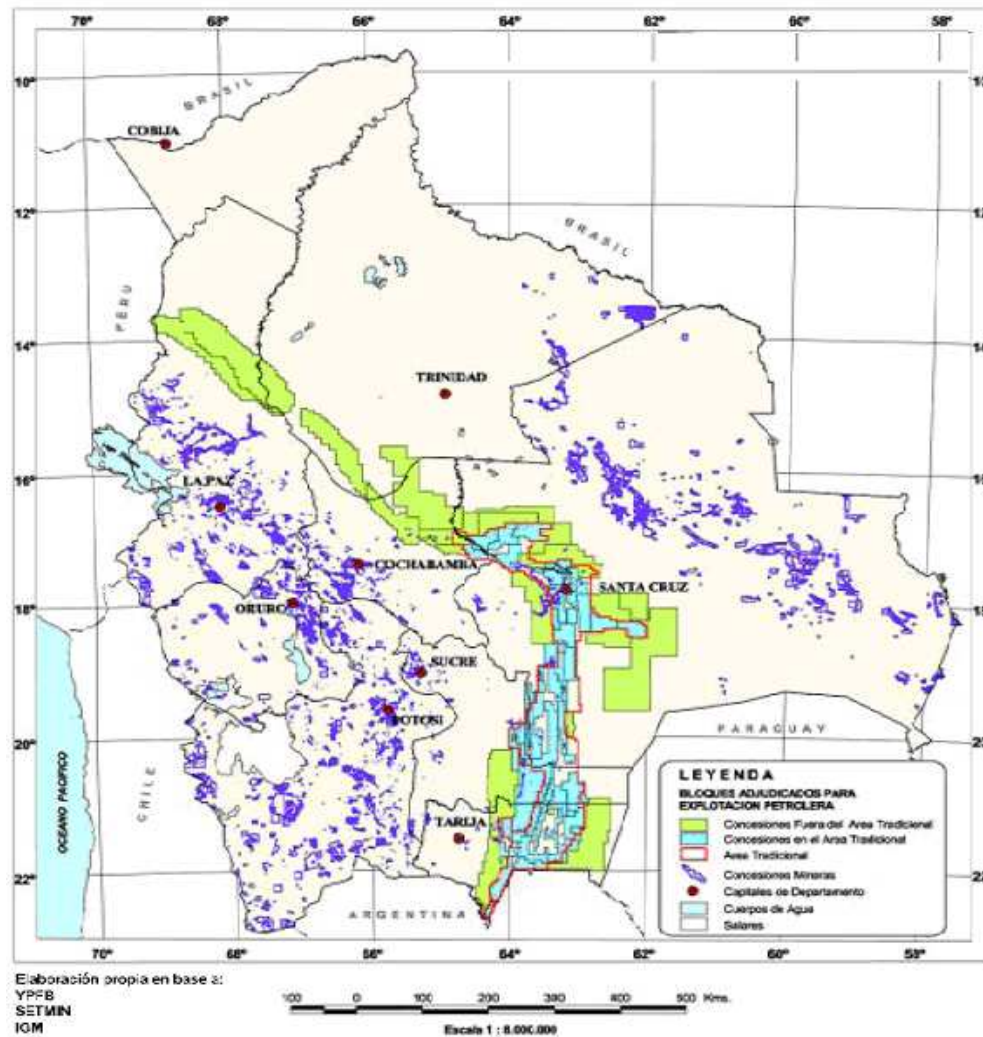
Peru (mining)



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)

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

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 stand-by

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

Factors (actors)		Peru		Ecuador	Bolivia
		Yanacocha-Cajamarca	Piura-Majaz	Cotacachi-Intag	Oruro-Inti Raymi
Local	Local leadership (campesino communities)	√	√	√	√
	Local leadership (local governments)	W	W	√	W
	Local leadership (private sector)	N	N	√	N
	Local church representatives	√	√	√	N
National/International	Catholic church (national)	N	√	√	N
	Regional Campesino Federations	W	√	√	W
	National Campesino Federations	W	W	√	No influence
	Local NGOs	√	N	√	√
	National NGOs involvement	N	N	√	√
	International NGOs & Watchdogs support	√	√	√	W
	Central government intervention	√	√	W	√

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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