

Struggles over territory and livelihood in neoliberalized environments: transnational mining companies and civil-society networks in the Andes

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Abstract

Socio-environmental conflicts related to the expansion of extractive industries in Andean countries have spread considerably in the current decade. Following the implementation of neoliberal economic frameworks in Peru, Bolivia and Ecuador, transnational companies have increased their investments in the Mining and Hydrocarbon sectors of these countries and, hence, their presence in the rural area. Over the years of such an expansion, the observed and expected gains have been accompanied by fears about the risks of contamination and the effective dispossession of rural territories. That has provoked reaction from local population and civil society organizations who are concerned with people's rights, with the global expansion of transnational companies and/or with questions of ecology. This paper aims to analyze the nature of socio-environmental conflicts and the different roles that civil society organizations, acting both at local and international scales, have played in the emergence and evolution of those conflicts.

Key words: Mining, political ecology, Andes, rural development, NGOs.

Introduction

In the economic history of Andean countries since the Spanish colonization in 1542, extractive industries – and particularly mining – have always been in the focus of foreign governments and private investors as sectors where great profits can be obtained. Unfortunately, in many cases such profit has come at the detriment of the localities and countries in which the resources exist, either due to the environmental damage produced (under forms of resource depletion,

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contamination, species extinction and, overall, threatening the livelihoods of local populations) or to the social and economic costs involved (forced labor, introduction and dissemination of diseases in local communities, enclave economies, prostitution, etc.). The fact that after independence national governments had more control over their natural resources did not substantially change the situation. Successively, governing elites continued to develop national growth strategies relying on mining as one of the main primary commodities sectors and exploiting the resources in similar conditions to those observed in pre-independence periods.

Although the general commodity-based growth model has not changed over the years, since neoliberal models of economic development took root in most Andean countries in the mid 1980s, the ways in which the mining sector has been developed are in many respects quite different to earlier periods. First, the macroeconomic and institutional context in which the sector was re-developed have been substantially different. Second, the nature and behaviour of the 'new' private investors – multinational companies – diverge qualitatively from prior periods. Third, the response of national and local populations to the re-emergence and expansion of the mining sector has also been radically different to what was observed before. It is not only that the reaction of the affected populations has become much more visible, but also that in recent years it has taken a more organized form in which the involvement of non-community organizations (NGOs and civil society networks) has shaped the emergence and evolution of communities' reactions as well as influencing the responses of multinational companies and governments. As a result, the economic and political scenario in each of the Andean countries has become confrontational with – in a very broad sense – the central government and the corporate sector on one side, and local and international civil society groups on the opposite side. In the confluence of transnational companies operating in the mining sector and transnational civil society networks contesting such a presence, arguments from all parties raise two fundamental questions: What kind of development strategy is desirable for the rural areas of Andean environments? And, how legitimate are the actions of these different types of actor in their efforts to shape development trajectories?

This paper aims to show the basis on which conflicts provoked by the expansion of the mining industry arise and the role that the several actors involved in those conflicts have played in

deepening, mitigating or resolving these conflicts and – as a result – in influencing the trajectory of mining expansion in particular territories. Based on on-going and prior research in Peru, Ecuador and Bolivia, and framed within a political ecology approach, we argue that in order to understand how conflicts are produced and why it is that the development effects that Ministries executives and multilateral agencies claim will derive from the expansion of extractive industries might not be observed, it is necessary to analyse two phenomena in particular: mining expansion as part of a neo-liberal development strategy and its geographical implications, and the transnational nature of the role played by civil society actors in challenging that strategy. We elaborate on each one of these elements, illustrating our argument with short cases from our research in Peru (Cajamarca and Piura), Bolivia (Oruro) and Ecuador (Cotacachi). These cases are discussed at greater length in Bebbington et al. (2007, 2008), Bebbington (2007) and Hinojosa (2007).

The new mining *boom* in a neoliberal context

Neoliberal policies and mining as a state financial strategy

That the 1990s have been years when neoliberal policies have spread throughout the Andean countries, producing all manner of unexpected effects, is already a consensus among contributors writing from a range of theoretical and ideological positions (c.f. Gwyne and Kay, 2004; World Bank, 2005). Accompanying macroeconomic stability and growth that has primarily favoured urban areas, signs and events of social and political unrest in rural environments have also been present. Such discomfort has been exacerbated by the fact that, ironically, much of the economic growth that has occurred has been based on the extraction and export of minerals and hydrocarbons, highly valued resources found precisely in some of the poorest areas of the Andean countryside (De Echave, 2005). Indeed, despite the period of optimism experienced in the last 15 years when the GDPs of Peru, Ecuador y Bolivia grew consistently at the (for Latin America) high average rates of 4.66, 4.16 and 3.11 per cent, respectively, poverty – and in particular, rural poverty – has not shown significant improvement, in particular among indigenous people (Pahiros and Psacharopoulos, 1994; Patrinos and van der Welle, 2005).

The point we wish to emphasize in this section, however, is that neither investments of such importance nor their effects on growth would have been possible had not a specific set of policies aiming to incorporate the national economies into growing global markets (Gwyne and Kay, 2004) been put in place. In the case of the mining sector, these policies have had the purpose of attracting and facilitating the entrance of large companies, which are viewed as capable of transforming the sector through the injection of fresh capital and modern technology for exploration and exploitation (a position recently argued with particular force by the Peruvian President, Alan García (García, 2007)).

In Peru, the successive governments that ruled since the 1990s guaranteed full advantages to firms willing to invest in the country – they received the same treatment as national investors, all barriers to repatriation of profits were removed, fiscal provisions requiring that they pay no more than regular company tax and long-term stability in taxation rates were guaranteed, and imports of inputs and technology were facilitated (Bury, 2007). In Bolivia, the ‘new economic policy’, implemented since 1985, equally produced a favourable environment to foreign investors (Hinojosa, 2007) and in Ecuador similar policies were established, although at a slower pace, with less enforcement mechanisms and mostly emphasizing the hydrocarbons sector (Anderson, 2004). In addition, domestic policies were given additional support on the external front. For instance, the Peruvian government signed and ratified international agreements on private investments such as those with the Multilateral Investment Guarantee Agency (of the World Bank Group) and the US Overseas Private Investment Corporation, plus 28 other bilateral agreements that guaranteed favourable conditions to private investments operating within Peruvian territory (CONITE, 2001; cited in Bury, 2007).

As a result of these policies, FDI in the extractive industries increased in the three countries (see Table 1). In Peru, investment increased five-fold between 1990 and 2000, with an additional 12 million hectares being given in concession to mining companies and producing an increase of US\$ 3107 millions of the mineral exports over the period 1990-2003 (Bebbington et al. 2007, citing Cooperación data). In Ecuador, where the emphasis was on the oil sector, FDI grew at about 2.5 per cent per year. Conversely, many mining projects have been still unable to achieve significant levels of mineral production, accounting for only 0.2% of the total value of the

country's exports (Anderson, 2004). In Bolivia mining investments were important in the late 1980s and in the 1990s investments in the hydrocarbons sector were dominant.

Table 1: FDI in Bolivia, Ecuador and Peru.1989-1999 (percentages)

Country	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
Latin America & the Caribbean	0.95	2.42	18.11	21.96	0.9	1.3

Notes: FDI growth rate in Bolivia is for 1990-93
Based on Shatz (2001) and Vial (2001).

In order to complete the neoliberal package, investment policies were accompanied by sets of institutional reforms that modified land tenure laws and the legal mechanisms for changing the preferred uses of land, which would affect the regulation that applies to the mining sector in each one of the countries. These reforms were meant to ease the establishment of private capital and individual property in areas of the countryside with rich mineral deposits; however, their implementation took longer than that of investment promotion policies. Superposition of formal laws and contradictions between the formal legal system and the consuetudinary (customary) norms that govern the access to and control of land in the Andes (Bebbington and Hinojosa, 2007) delayed the processes of privatization and land reallocation, but they did not stop them. In spite of all manner of incoherencies, institutional reforms allowed national and transnational companies to occupy and assume a degree of control of rural territories containing mineral

resources (Bridge, 2004; Bury, 2007), many areas which would otherwise have remained under traditional agricultural use and community governance²

From neoliberalization to social conflict: social movement organizations and the challenges to a mining-based development strategy

Our hypothesis to explain the emergence of socio-environmental conflicts in areas where large scale mining is expanding is that the territorial implications of neoliberalism under the macroeconomic and institutional reforms outlined above have threatened the viability of small and medium farm agriculture mainly located in the highlands (and at the very least created the perception of this threat). Mineral and hydrocarbon concessions in Peru and Bolivia cover immense areas for potential exploitation, with similar tendencies in Ecuador.

At the heart of many of these regionalized conflicts appears to be the confrontation between the economic dynamics of neo-liberalism and the political dynamics of a rural population (and certain parts of regional and national society) that seems determined to insist on a right to be heard and to dispute central government's and private capital's arguments regarding the use of rural territories. Furthermore, given that mining investments do not occur in empty territories, but in lands currently occupied by peasants and small farmers, this mineral expansion (as well as the conflicts it catalyzes) challenge the ability of rural people to control patterns of change in their lived environments.

The surge of conflict in areas affected by mining and hydrocarbons reflects the pre-eminence given to export oriented resource extraction over the last two decades of economic liberalization and the efforts of civil society groups and social movements to exercise some form of control over these activities and their impacts. These conflicts are as much struggles over whose rights

² These reforms continue as, for instance, in the recent legislation in Peru bringing communal land titling under the auspices of a *special commission* within the Executive for the remainder of the current government (RM 378-2007-AG, 19-05-2007).

and voices count most in political economic decision making as they are arguments over the effects of different types of development.

In their struggles with large scale companies – and in some cases also with their respective governments – rural populations have not reacted alone. Territorially based protest has increasingly become organized in and through a range of *social movement organizations* (SMOs). Examples of such SMOs in Peru would be CONACAMI (the National Confederation of Peruvian Communities Affected by Mining), in Ecuador CONAIE (the Ecuadorian Confederation of Indigenous Nations) and in Bolivia CONAMAQ (Consejo Nacional de Ayllus y Markas del Qullasuyu). These SMOs have been assisted by local and national NGOs (for instance, CIPCA and GRUFIDES in Peru, Acción Ecológica in Ecuador, CISEP, CEPA and FOBOMADE in Bolivia) who have helped to connect them with international organisations in order to obtain financial support and influence negotiations through debate, lobby and direct pressure. NGOs and international agencies and networks (e.g. Friends of the Earth, Oxfam International, the Mining and Communities network, together with their respective national affiliates) have also sought to support or collaborate with these SMOs as part of their broader concerns about the environmental and social justice consequences of the expansion of large-scale extractive industries in developing countries.

Another phenomenon that has accompanied the recurrent – and at times violent – conflicts in mining regions is the involvement of parts of the urban population. In some cases this has been only at the local level, involving parts of the urban districts and municipalities surrounding the mines whose populations become concerned about the environmental implications of the mines' expansion – concerns mainly related to the effects of mining on water quality and quantity, and air and noise contamination. In other cases, the involvement of urban groups at a regional level has had a more 'ideological' and rights based component. Here, to paraphrase many informants, people criticize 'the unfair terms in which multinational companies derive profits from national resources'. In these groups are typically found territorially based movements (e.g. the local or regional *comites de defensa*), broader union-based groups and some regional political parties and activists. It is worth noting, though, that urban support to rural demands is rarely unanimous, just as rural population's opposition against large-scale extractive industries is equally rarely

univocal. At the roots of the discrepancies we can find arguments both in favour of and against multinational companies and the desirability of extractive industries as the basis of a territorial development strategy. In that *urban expansion* of SMOs, NGOs have also accompanied the broader movements – sometimes to the regional level – by providing information, facilitating coordination meetings, acting as technical advisors and making visible the movements through selective media and internet websites.

Conceptual notes on social movement organizations' dynamics and effects

A recurrent factor in the cases that illustrate our argument as well as in many others is the participation of non-community actors in the conflicts between communities and large-scale mining companies. These non-community actors – often referred to perhaps unfairly as ‘outsiders’ – can be grouped broadly into two types of civil-society organizations who, although substantially different in certain respects, share visions, values and principles that involve a commitment to some kind of sustainable and inclusive pattern of development. On one side are the local NGOs, who act together with the regional and national networks of which they are part, and who prior to these conflicts had either had no relations to the communities or had worked with them on the basis of development projects and research. Then, alongside these are international organisations of a more ‘global civil society’ – many of them also from the NGO sector – who hook up with local organisations and offer financial and logistic support, as well as developing their own actions in the international arena where they lobby international organisations and their national governments, and promote national and international campaigns. Another recurrent theme in these conflicts is that the involvement of these organizations is always controversial with business, media, government, and other broadly pro-mining actors criticizing them and questioning their legitimacy and their right to become involved in what these actors seek to cast as national or even local debates. Much of the debate about their role hinges around whether they are viewed as inducing and intensifying these conflicts, or as mitigating and resolving them.

Whatever the case, one thing observed in all the cases reviewed in the next section is that those ‘outsiders’ have played an important role in drawing attention to the asymmetries between big

companies and communities, and also between the state and its citizens. At the same time they have suggested – more or less explicitly depending on the case – that the rapid and deepening roll out of neoliberalism has depended on the existence of such asymmetries. In the face of such asymmetries – and in order to make them more apparent – these actors have pursued advocacy and representation actions at both local and international levels. This role has generally been recognized as valid and useful by communities, particularly when it has produced tangible outcomes.³ Nonetheless, the relationships between communities and NGOs have hardly been always easy and straightforward. On the contrary, it has involved its fair share of disagreements in regard to the degree of representation that NGOs should assume on behalf of communities and the apparent selectivity of people who will finally obtain a benefit from the NGO's activities. These disagreements have had (generally negative) implications for the strength of social movements around mining issues (Bebbington et al. 2007).⁴

Mining and socio-environmental conflicts in Bolivia, Ecuador and Peru

The four cases we use to illustrate our argument on the linkages between neoliberalism, the expansion of extractive industries and the surge of socio-environmental conflicts exemplify the ways in which mining expansion has or has not happened despite fairly similar macroeconomic conditions. Hence, they also show the types of relationships between actors that, one established, have produced dissimilar responses and results.⁵

The Cajamarca-Yanacocha case (Peru)

³ For instance, in the Transredes oil-spill conflict that happened in Oruro in 2002 (a case not addressed in this paper but which was a referent for the Inti Raymi conflict), communities assisted by the local NGOs obtained compensation from the company.

⁴ Our reflection on the relationship between SMOs' internal dynamics and their effects on the ways in which transnational companies enter and operate in developing countries is informed by debates on the transnational nature of NGOs' advocacy work around environmental justice and the exercise of rights with their allusions to NGOs' legitimacy, accountability and representation (Newell, 2000; Hudson, 2001; Radcliffe et al., 2005; Bebbington et al. 2007c, for a recent review). See also the vast literature on 'new' social movements in globalized contexts (c.f. Cohen and Shirin, 2000, for a review).

⁵ The Cajamarca and Cotacachi cases summarize findings presented in Bebbington et.al. (2007a). The Majaz case is based on Bebbington et.al. (2007b) and the Inti Raymi case is based on Hinojosa's fieldwork carried on September 2007.

Minera Yanacocha – a joint-venture between the USA-based Newmont Mining Corporation with 51.35%, the Peruvian Compañía de Minas Buenaventura with 43.65% and the International Finance Corporation from the World Bank Group with 5% – is the biggest gold mine in Latin America and the 5th largest in the world. Its levels of production reached more than 14 million oz between 1993 and 2003 (MEM, 2005, quoted in Bury, 2007), which it produced at an average cost of US\$ 115 by oz. due to the richness and purity of the mineral deposit. These costs are just half of the total production cost registered for the same company in its global operations (US\$ 229 as total/oz cost and US\$ 189 as cash/oz, as quoted in Financial Sense, 2004), making Yanacocha an especially profitable venture.

The mine extends across 10000 hectares in the Cajamarca region (Northern Peruvian Andes), an area larger than the Cajamarca city, 35 km away; its approximate altitude ranges between 3500 and 4000 masl. Given that the land market is quite underdeveloped in the area, the 1386 km² of mineral rights were acquired from peasant households through mechanisms that were imperfect and far from transparent either in terms of the prices agreed or in the manipulation of land titling processes and the exercise of pressure over individuals to sell their land. This, however, did not lead to large scale conflict – at least not in the early years of the mine.

The effects of Yanacocha in the Cajamarca region have been controversial. On the one hand, as Bury (2007) notes, the mine brought significant resources that have had positive effects in the regional economy. Investments reached around US\$860 million, spending on goods and services was approximately \$1720 million between 1992 and 2000 (albeit with only 7% of it spent in the Cajamarca region), \$153.6 million were spent in employment and \$11 million in social programmes. Nevertheless, such injection of fresh capital has also produced criticism by those who argue that an enclave economy has been reproduced with negative effects on the dynamics of domestic markets.

Counterbalancing the economic effects on the transformation of the local and micro economies of Cajamarca, Bury also suggests that MYSA has produced significant environmental impact due to the technology used, based on open-pit mining and cyanide heap leaching. This has drastically changed vegetation patterns and has disturbed the water courses. It is precisely this last effect

which has increased the scope of social conflicts and directly affected the urban population of Cajamarca. Indeed, although initially conflicts between local population and MYSA were primarily rural and localized in the communities directly affected by land purchasing, when Minera Yanacocha attempted to expand its operations into Cerro Quillish – the mountain that is deemed to contain the main water reserves for domestic use in the region – a very large part of Cajamarca’s population reacted against the expansionist project (Bebbington et al, 2007).

By the end of the 1990s three local environmentalist NGOs (ADEA, ECOVIDA and GRUFIDES) had emerged in response to what they viewed as the negative impacts that MYSA was producing – a discontent that was exacerbated by an accident in the village of Choropampa where mercury spilled from a MYSA contractor's truck with severe consequences for the local population, but also with the suspicion that the mercury could have seeped into the urban water supply. In this way, the process of social mobilization and protest gained strength incorporating a number of new actors from rural and urban areas. The NGOs’ work initially emphasized the production of information about the mine’s activities, education and awareness raising among the population. These local organizations also developed international contacts with organizations such as Project Underground (PU), Oxfam America (OA) and Global Greengrants Fund (GGF), above all in search of financial support.

In parallel, national and regional organizations such as CONACAMI and the Federation of Women Peasant Vigilance Organizaitons of Northern Peru (FEROCAFENOP) were also actively advocating for community members’ rights, mobilizing rural people, and connecting to international organizations to get funding and additional support. The trajectory of these organizations, however, has involved increased tensions due to internal disputes and controversial agreements between some of their leaders and MYSA. Indeed, by the early 2000s, efforts to create a regional basis of CONACAMI had failed in Cajamarca.

Nevertheless, in spite of differences among rural organizations as well as among local NGOs, the movement that they produced has influenced the relationships between Yanacocha and the local population, as well as the relationship between mining, livelihoods and development. Furthermore, at an international level, where the relationships between international NGOs and

local organizations have also been characterized by tension and ruptures, Yanacocha-Cajamarca was instituted as an emblematic case and used by *global civil society* organizations (such as PU, OA and GGF) to show how campaigning, lobbying and advocacy strategies can contribute to the furtherance of environmental justice.

The Piura-Majaz (Rio Blanco) case (Peru)

The Rio Blanco site contains deposits of copper and molybdenum. Located in the high Andes and in primary cloud forest at the east of the Piura region (Northern Peru – border with Ecuador) the project will be executed on land that belongs to two campesino communities (Segunda Cajas and Yanta) mostly used for extensive pasturing and as a ‘reserve’ for community purposes.

The Rio Blanco project, whose concession was acquired in 2001 by Monterrico Metals plc. (a London based company that is now owned primarily by Chinese capital) will involve an open-pit mine with froth-flotation extraction processes, dry-filtered storage of tailings and on-site management of waste rock. Via its wholly-owned Peruvian subsidiary Minera Majaz SA., Monterrico began exploration in earnest in 2002-3, following government approval of the company's environmental evaluation – a process that was very far from transparent and which has subsequently been deeply criticized by local and national organizations as well as by the Peruvian Ombudsman. Exploration is complete, and the company now needs to secure approval of its environmental impact study in order to convert the exploration project into a fully fledged mine.

Reaction and mobilization against Minera Majaz began in the early phases of the exploration process. This protest revolved around the legality of the Ministry of Energy and Mines’ (MEM) resolutions that allowed the company to occupy community lands without gaining the legally necessary prior permission from the communities. Protestors also challenged the validity of the environmental evaluation presented by the company in order to begin exploration. In these protests, the two most affected communities were joined by federations of peasant organizations, local municipalities and by communities, municipalities, and activists from two provinces of the neighbouring department of Cajamarca, which, because of their downstream location, would be potentially impacted with the project. Much of the mobilization was non-violent; however, in

both 2004 and 2005 confrontations with the local police ended up in the deaths of two campesinos as well as several casualties.

That incident induced the Regional Government of Piura to create a space for negotiation (the *Mesa de concertación*), to be coordinated by the Centre for Conflict Analysis and Resolution of the Catholic University (based in Lima). However, this initiative failed, as local activists and communities accused those involved of assuming a pro-mining position. Likewise, an earlier mission composed of the provincial Catholic bishop, and a representative from each of Oxfam America and CONACAMI also failed. In this case, however, the mission failed mainly because of interference from the local police and by all accounts the MEM itself. As attempts at negotiation failed, a local and national ‘media war’ ensued in which much of the media sought to produce public distrust of a range of Church, NGO, peasant organization and other actors, accusing them of anti-mining and terrorist sympathies.

During 2007, after the Chinese consortium Zijin Mining Group Ltd. acquired the majority of Monterrico Metals’ shares, local, regional, national and international activists came together to sponsor a citizen referendum on the mine and whether it should proceed. Though not legally binding, and in the face of open government criticism and claims regarding the illegality of the referendum, it went ahead on the 16th of September. The result was a vote in which over 90% of voters rejected the mine. While ministers, politicians, entrepreneurs, and others continued to reject the referendum, it did ultimately induce the creation of a new space for dialogue, this time convened by the Prime Minister. This has also been afflicted by recurrent difficulties, conflicts and arguments over the scope of what can and cannot be discussed (with the Prime Minister insisting that the referendum's results cannot be discussed). Nonetheless, its existence – and the fact that mine has still not presented its EIA and thus cannot advance any further for the present – reflect the effects of protest on neoliberalized forms of capitalist expansion in Piura. Ethnographic work at the time of the referendum suggest that key among peoples' reasons for exercising such a protest vote are socio-environmental concerns – the necessity felt by local people of preserving the natural environment that gives support to their livelihood strategies – as well as annoyance at the perceived bias of the State and the sense that it is both unwilling and incapable of protecting citizen interests in the face of extractive industries (Burneo, 2007).

The Cotacachi-Intag case (Ecuador)

The canton Cotacachi is located in the North-West Ecuadorian Andes, some two hours' drive to the North of Quito, and extending across both high altitude grassland (with a dominantly Quichua population) and humid tropical valleys (with a colonist and mestizo population). It includes the Intag sector where copper reserves were found in the 1980s by an exploratory mission funded by the Belgian and Ecuadorian governments. In the 1990s after a larger scale phase of exploration financed by the Japanese International Cooperation Agency, the project passed to Bishi Metals (a subsidiary company of Mitsubishi), was latter on sold to Roque Bustamante who, in turn, sold the concession to Ascendant Copper Corporation (Canadian company based in Colorado). Ascendant Copper transferred the property to its subsidiary Ascendant Ecuador in 2005 (Bebbington et al, 2007).

After more than 20 years since the exploration phase began, and despite the significant reserves found during a period characterised by a boom of copper production responding to high international prices and increasing demand coming from emergent economies such as China, the project at Intag has still not progressed towards more detailed geological exploration. This thus far stalled expansion of mining capital can be explained by various factors.

First, from the beginning there has been a strong – at some points violent – oppositional movement grounded in the local population assisted by the Catholic church and national (Acción Ecológica - AE) and local (DECOIN) environmental NGOs. Indeed, DECOIN was created (with participation of the *campesino colonos* as well as more urbane activists) in response to the initial activity of Bishi Metals.

Second, this local mobilization has been combined with an active programme of environmental education with local people – especially youth and women – facilitating and financing visits to

areas already affected by mining.⁶ Acción Ecológica, DECOIN, certain local activists and the international networks of which they are a part have played important roles in this process. Third, given the existing connections between Acción Ecológica and important international networks/NGOs (such as Friends of the Earth International, Rainforest Action Network and Global Greengrants Fund), between certain residents of Intag and foreign nationals, and the innate connections within the Catholic Church, the Intag case quickly acquired visibility and international support.

Fourth, and perhaps most importantly, the case shows the importance of the position assumed by the local government in determining the trajectory of these conflicts and the expansion of mining capital. While in Piura municipalities have also assumed an oppositional stance, in Cotacachi the same has occurred but in the presence of a mayor of great national and international stature.⁷ In this case, the Mayor, Auki Tituaña, assumed an environmental and progressively more anti-mining discourse on local development. Early on in his (to date) twelve years as mayor, and in response to the arguments of DECOIN, the Mayor declared Cotacachi an ‘ecological canton’. This declaration has served as a foundation for arguing against mining, as well as for devising alternative strategies for local development.

The Oruro-Inti Raymi case (Bolivia)

Oruro is a department located in Bolivia’s high plateau. Its economy is based on four main sectors: services and commerce, mining, manufacture and agriculture. Social indicators are remarkably poor (61.88% of the population is in poverty and 46.3% in extreme poverty). At the same time, the department is host to the Inti Raymi gold mine (operated by the Inti Raymi Mining Company – EMIRSA by its Spanish acronym), owned primarily by Newmont Mining

⁶ Groups from Intag went to La Oroya in Peru – a large scale mine in exploitation since 1922, owned by the Peruvian government from 1974 until 1997, and then privatized and purchased by the Doe Run company of Missouri. The plant gives off a list of toxins that includes high levels of lead, arsenic, cadmium, and zinc. A 1999 study of school children in La Oroya found that 99 percent of them were suffering from lead poisoning and 20 percent were so contaminated that they should have been hospitalized.

⁷ The mayor has won international prizes and recognition for the form of participatory and intercultural democracy that he has promoted since being elected in 1996.

⁸ Poverty incidence at the highest line is 72.8%.

Corporation and operating across two sites (Kori Kollo and Kori Chaca). Kori Kollo, the initial site, is an open-pit mine located 125 miles southeast of La Paz and 28 miles northwest of Oruro. The mine is 12,120 feet above sea level. Kori Chaca, the second site, is closer to the city of Oruro (3.1 miles). The area of Inti Raymi's direct influence includes the provinces of Cercado, Saucarí and Dalence in the Department of Oruro.

After almost 20 years of operation, EMIRSA decided to close down its Kori Kollo site. In the face of this reality, rural communities in the surrounding areas began to voice their concerns about the environmental damages which they argue have been produced by the company and demanded the government's intervention to ensure compensation. In the end, the decision was taken to conduct an environmental audit of Kori Kollo following receipt by the Bolivian Government in 2003 of complaints from populations located in the lower watershed of the Desaguadero river and in the areas neighbouring Lakes Uru-Uru and Poopó. Those complaints led to a process of community consultation that was conducted by the State with support of local NGOs and with the acceptance of the company. Complaints hinged around the negative environmental impacts that the Inti Raymi mine had provoked and the toxic contamination that would be caused by mining residues once Kori Kollo had been closed.

While, as in each of the preceding conflicts we have discussed, there are a variety of positions at play, at the core of the conflict is a direct confrontation between two quite distinct positions. On the one hand the company argues that its operation was developed within a framework of environmental protection, complying with environmental standards and taking steps towards reducing the risks of environmental damage: "the closed circuit in which Kori Kollo operates avoids any risk of environmental contamination of any place beyond the territory that is currently under its ownership" (Newmont now and beyond, 2005). On the other hand, local communities argue that there are signs of significant environmental damage in the ecological landscape and the natural and economic resources not just of the area that the company owns, but of all communities downstream on the River Desaguadero. Frustrating any resolution of this difference are differences of viewpoint on three separate issues: i) the geographical scope across which the environmental damage would or could be observed and evaluated; ii) the nature of the knowledge used to recognize the incidence of environmental damage, its scale and scope; iii) the qualities

that a third party evaluator would need to have in order to be deemed competent and legitimate by the parties.

To support their arguments, each party uses diverse instruments to establish the terms upon which the environmental audit should be conducted. They also apply singular measures of lobby and negotiation with the *Dirección de Medio Ambiente* – the regulatory entity who will administer the assessment process and which has the authority to enforce the implementation of corrective measures, if any. In their struggle, the parties in conflict do not act alone. EMIRSA relies on its External Community Relations team, which is in charge of easing relations between the company, the communities and the state, and the group of external advisers (lawyers, consulting companies and experts) that it hires for the particular purposes linked to the audit. Local communities have been assisted by a group of NGOs. These NGOs, CISEP and later CEPA, are both local NGOs working in Oruro and leading actors within the Bolivian Forum on Environment and Development, FOBOMADE.⁹ They provide support to the communities in different ways: providing information, advice and financial support, and also acting directly by lobbying and advocating to state representatives in La Paz (currently Bolivia's capital city).

Given the controversy around the scope of the environmental audit, successive Bolivian governments simply avoided the issue in the hope that time would lead it to go away. At the same time they sought a process of *reconcertación* (a new consensus) between the parties in conflict. Thus, while the initial call for the EA was made in October 2004 and the process was supposed to have been concluded by December of that year, multiple negotiations have delayed the process and to date the EIA has not still been initiated. Throughout this process CEPA has argued that the government has acted under pressure from the company and the communities located closer to the mine (which are more pro-mine and have benefited from contracts, job offers and community projects). To defend its position, EMIRSA relies on several 'technical' assessments that would give account of its environmental and social performance in the region.

⁹ Fobomade is the *Foro Boliviano sobre Medio Ambiente y el Desarrollo*, a network of 20 organizations whose agenda includes research, lobby, campaigning, advocacy and the promotion of sustainable projects in divers areas related with natural resources.

Given that those types of assessments have granted Inti Raymi several awards both in the country and internationally, EMIRSA argues that its presence in Oruro complies with Newmont's corporate protocols of environmental and social responsibility – establishing environmental and social standards far beyond what is required by the Bolivian regulatory bodies.

By way of conclusion

As we noted in an earlier piece (Bebbington and Hinojosa 2007), the expansion of mining in Andean countries over the last decade, as well as the reactions that it has produced, are characterized by a significant presence of international actors in all the spheres involved in that process. In one corner, the mining industry is now dominated by large-scale corporations who operate worldwide making commercial arrangements with the largest national companies and, through these partnerships, inserting themselves into some of the remotest localities of the Andes. In another corner are the international civil society organizations who connect with their national and local partners on the basis of long-standing relationships, but also develop new agendas and forms of action around the new challenges presented by mineral expansion in the areas where their local partner organizations operate. And, finally, in a third corner are the international (multilateral and bilateral) organizations from the global governance system who engage in and influence the design and implementation of economic and social policies, and the institutional apparatuses needed to sustain them.

In all these spheres it has been argued that established relationships between international actors and national or local ones are asymmetric (c.f. Bebbington 2003, on civil society organisations, Bannister et al. 1994, on global governance institutions and Mortimore 2000 on the corporate world). The roots of those asymmetries are of a political economy nature – i.e. the dominant actors are those who control the economic resources upon which the other actors depend – and also reflect unequal access to information and to the spaces in which the decision-making processes happen. As result, while actors interacting in the same sphere might seek a division of labour among themselves that aims to be instrumental (some playing “international” roles, others “national” roles and so on, these same divisions can also end provoking mutual criticism, tension

and rupture within the coalitions from the same sphere as well conflict when actors from different spheres interact.

Taking into account this criticism, and given that pro-mining interests view these non-community organisations as one of the most important factors fuelling the conflicts, NGOs have become the centre of critical attention from both companies and governments. In the majority of cases local NGOs have been disqualified as genuine representatives of people's interests and even less so of regional and national interests. They have also been criticised as embodying a biased environmentalism and anti-developmentism, and as being driven by foreign anti-globalisation agendas, and lacking knowledge about what both communities and countries *really* need.¹⁰ As such, openly or implicitly, NGOs and networks of civil society organisations have been classified as a threat to the supposedly *well intentioned* efforts of governments to promote their countries' development by attracting (foreign) investments – particularly in those sectors where the countries have absolute or comparative advantage, like mining.

Effects of NGOs' involvement in mining conflicts

In the four cases revised in this paper the participation of NGOs and networks in mining conflicts has varied depending on the particular national contexts and the types of connections that local NGOs and community organizations have developed with international groups. In the Yanacocha case local NGOs (e.g. Grufides) have consistently assisted the communities in conflict and have channelled financial and logistic support received from international agencies who, in turn, have developed lobby and advocacy activities in international spaces. In Cotacachi, while Acción Ecológica supported the local organizations' initiatives at the very grassroots level (the local parish and the local government in alliance with local entrepreneurs), its international

¹⁰ See, for instance, the declarations made by Peru's President to a national radio in the context of the Majaz referendum (http://www.rpp.com.pe/portada/politica/96600_1.php?font=3) (accessed 2/1/08)

connections with civil society transnational networks were at the same time useful to obtain financial support and international visibility for the case. In the Majaz-Piura case, a number of NGOs have delivered practical support that mainly included the production and diffusion of information, the provision of legal advice and the facilitation of connections between community activists and local government representatives from the affected districts with their fellows from neighbouring regions. For the referendum, they also helped bring in external observers in order to give more transparency to the process. Their connections to international agencies have been critical in spreading information about events at Majaz (via publications, news, etc.). In the Oruro case, the local NGOs – initially CISEP and later on CEPA – have provided direct advisory support to the communities in conflict. CISEP helped to channel funds from the CAF (the Andean Development Corporation) that were used to collect the almost 7000 letters of complaint against the company. When CEPA took over as the coordinator of FOBOMADE, it further developed direct advocacy work and representation. No direct involvement – other than the usual financial support given to local NGO's development projects – of any international agency in the conflict has been registered.

While we must not generalize too much about the forms in which NGOs participate in mining conflicts, certain dimensions of the internal dynamics of the forms of social mobilization produced in these cases do help explain the uneven effects of protest on mining expansion. These dimensions refer in particular to: the extent to which NGOs have been able to develop close collaboration with community organisations; the extent to which such collaborations have in turn developed alliances with local governments; the strength of the alliance between local NGOs and international actors; and the role played by central government. Two out of the four cases described above – the cases located in Peru – show that intensive involvement of local and national NGOs and the deployment of international support has created awareness of, and drawn media attention to, the conflicts between mining expansion and the deepening of rural citizenship. In Ecuador and Bolivia where the conflicts have been kept at a 'more local level' and where central governments have played a less clearly defined (though still pro-mining) role, the mining companies have had to deal directly with the communities and their organisations. In the Ecuadorian case the result has been (so far) that mining industry has not developed in Cotacachi. In the Bolivian case the company has found ways to continue its expansion, but at the same time

producing compensatory mechanisms to reduce the sources of conflict.

Together with these elements regarding NGOs involvement, there are also other fundamental factors that need to be taken into account in assessing how the expansion of the mining industry has – or has not – been successful. Those factors have to do with the strength and cohesiveness of local capacities (of individuals and community organizations) to organize and mobilize – and eventually propose alternatives – when it comes to oppose mining expansion. They are also related to the degree to which ‘transnationalism’ means not merely the presence of local, national and international actors, but also the elaboration of well articulated strategy that both cuts across geographical scale while also giving prominence – particularly in the public sphere – to community organizations.

In that sense it can be argued that, notwithstanding the fact that civil society actors, though collaborating, have also been pursuing different (and at times self-interested) overall aims and strategies, NGOs accompanying the communities have played a useful role in reducing some of the asymmetries (especially regarding knowledge and information) that give mining companies and central governments so much more power than communities in these conflicts. They have also played an important role in giving some *representation* to community concerns in those spaces where for practical reasons it is quite unlikely that communities could assume a direct presence.

Finally, whilst it is argued that capitalist development has tended to promote internationalization of capital, and with this the internationalization of states facilitated by the hegemony of neo-liberalism (Glassman, 1999), the potential for transnational coalitions among various fractions of civil society has been no less strong. This creates opportunities not only to strengthen the position of each coalition but to rethink and reformulate the basis on which civil society, state and the private sector relate to each other.

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