



**TCD Andes
Territory, Conflicts and Development in the Andes
Seminar Series**

“Understanding the political dynamics of social protest and elite response around extractive industries”

May 2nd, 2008
Latin American Centre,
St Antony's College, Oxford University

SPEAKERS

Tony Bebbington, IDPM, U. Manchester
Denise Humphreys Bebbington, IDPM, U. Manchester
John Crabtree, Latin American Centre, U. Oxford
Lewis Taylor, U. Liverpool Background
Rosemary Thorp, U. Oxford

RESOURCES

- Tony Bebbington's powerpoint presentation 1
- Denise Bebbington's powerpoint presentation
- Rosemary Thorp's powerpoint presentation
- Tony Bebbington's powerpoint presentation (public talk)

As a key component of the research project "**Conflicts over the countryside: civil society and the political ecology of rural development in the Andean region**" that the School of Environment and Development at the University of Manchester is running, the second seminar was organized in collaboration with the Latin American Centre at Oxford University. The theme of the seminar was: *“Understanding the political dynamics of social protest and elite response around extractive industries”*. Thirty four participants from UK and Latin American academic institutions, civil society organizations and the corporate sector attended the meeting.

At this event the speakers examined current evidence for linkages between political dynamics and extractive industry conflicts in Andean countries.

MEETING REPORT

Rosemary Thorp and Tony Bebbington, in the chair, opened the event with an overview of the TCD Andes research project and a summary of the first seminar held in Manchester on October 21st 2007 (LINK).

Tony Bebbington - *Debating mining in Correa's Ecuador: social movements, constituent assemblies and cabinet frictions* (LINK)

Tony Bebbington opened with an overview of the Ecuadorian context and the recent expansion of mining related activities in the country (in particular concessioning and exploration). He then outlined the geographical extent of mining activity in Ecuador as well as possible geopolitical implications of mining concessions in the Cordillera del Condor (border with Peru).

He then addressed the effects that these attempts to promote mining development have had in terms of both, the reaction of civil society groups who articulate social movements against large-scale mining and the diverse reactions of groups within government who have expressed quite different levels of support (or ambivalence) to a mining-based development strategy.

His presentation concluded by emphasizing the governance implications of the fractures and tensions around mining as manifested in the different stances taken by the Executive and parts of the Constituent Assembly.

Questions from participants hinged around: the extent to which Ecuadorian social movements interact with movement organizations across the border in Peru; the implications of Correa's (Ecuador's President) position for the negotiations between the European Union and the Andean Community; the extent to which it is possible to talk about a "national movement" against mining as opposed to different regional movements; and how far the fact that Ecuador has a petroleum but not a mining history influences the dynamics of current conflicts and debates around mineral expansion.

Tony's reply highlighted that the absence of a mining history means that elites supporting expansion are relatively weaker, and that unions and labour organizations linked to mining have not emerged. This weakens the political base in favour of expansion and suggests a different trajectory for mining development (for instance in comparison to Peru). With regards to communities' and non-mining groups' concerns, Tony pointed out that reactions arise due to the environmental risks that mining brings, particularly water and soil pollution, which threatens further development of other economic activities (banana exports, ecotourism). While recognizing that there are clear regional movements around mining that are not fully articulated at a national level, there remains some sense in which this is a national debate.

Denise Humphreys Bebbington - *The many politics of gas development in Tarija, Bolivia* (LINK)

Denise Bebbington presented the case of Tarija (the Bolivian department in which current gas production is concentrated), while also discussing the role that hydrocarbons production is playing both in the national political economy as well as at a regional level where deposits are on such a scale that they could position Bolivia as a core gas provider for other countries in South America (especially Argentina, Brazil and Chile). She also noted the interesting distinction between Bolivia (in which the extractive industry base is moving from mining to hydrocarbons) and Ecuador (in which some argue that a medium term decline in hydrocarbon reserves means that the economy should move towards mining). She discussed the different movements that have emerged around the hydrocarbon question and noted that actors within these movements range from the quite local in Tarija, through to the international. She also noted that the geography of hydrocarbon exploration has changed over time, moving outwards from its historical core in the Chaco through Santa Cruz and then subsequently westwards.

Denise concluded her presentation suggesting that the fiscal resources that gas is producing in Bolivia have consequences for the ways in which social policies are being designed at national level and also for the emergence of conflicts between communities and government (because communities contest ways in which budget is being distributed geographically).

Comments and questions from participants were around: the limited capacities of local and regional governments for spending the revenues from extractive industries; problems of representation of local groups (for instance those from Tarija city as opposed to those from the El Chaco area); the contribution that corporate social responsibility measures can make to budget management; and the extent to which Bolivia can learn from the Chilean and Peruvian experiences in terms of fiscal decentralisation. It was also noted that the shifting geography of gas production in Bolivia is testament to the argument that not all revenue should return to source regions, highlighting the technocratic challenge of finding formula for the geographical distribution of rents.

John Crabtree - *Social Movements and Political parties: comparisons from Peru and Bolivia*

John Crabtree examined the politics of the triangle of relationships linking social movements, political parties and the state. He emphasized that comparisons between countries need to be made carefully due both to intra-country regional differences as well as to the different purposes and histories of social movements in each country.

He suggested that the linkages between political parties and social movements are vexed but can be complementary. On the one hand social movements can give parties legitimacy, while parties can help articulate movement demands. However, political parties in Latin America have often failed to match up to these expectations – they have often created political cleavages within movements and have related to movements more as patrons than as representatives. Meanwhile, social movements are not necessarily democratic or have democratic agendas.

In Peru, John said, social movements are diverse, localized and have followed a process of segmentation in the last 20 years. This, coupled with a weakening of collective identities as well as of mass organizations (eg. The CGTP, CCP), has undermined their capacity to articulate politically. Similarly, he observed a decline in the relevance of political parties as they have become progressively weaker (a process dating to the 1980s), as well as repressive tendencies in the state, reflecting its own institutional weaknesses. NGOs have increasingly replaced political parties, while new organizations (such as Conveagro) have replaced old social movement organizations. The cocaleros are one of the few movements that have succeeded in making a link to national political processes. He concluded his analysis of the Peru case suggesting that the community consciousness that is evident in Ecuador and Bolivia is difficult to observe in Peru. However, the current process of regionalization and the regional movements that it may foster would have been giving to social actors more space for political representation.

In Bolivia, John proposed that collective action – particularly in the mining sector – has a long history, although it has been weakened by privatization and neoliberalism. In that context the political elites maintained control of the central state and public spending at the same time that the decentralization process (especially the LPP) contributed to the emergence of local movements. That has been in a factor in a strong revival, since the 2000s, of social movements that have protested against liberalization – eg. against attempts for privatizing the water service in Cochabamba. He finished his analysis of the Bolivia case suggesting that the strength displayed by social movements to produce government change has meant the revival

of left-wing politics which articulates a more representative project and implies a new kind of political parties. The MAS, as a party of social movements, is somewhat unique.

These movements intersect with natural resource extraction in various ways, though far more around hydrocarbons (especially around pipeline spills) and water (with a strong current of “water nationalism” leading to the expulsion of Bechtel and Suez), and rather less around mining. In the mining sector, conflicts have been more worker based, or between ayllus and mines (as in Norte Potosí). There has been some movement around the impacts of mining on water.

Overall, the balance of power between movements and the state has been less uneven in Bolivia than in Peru, and conflict mediation (eg by the church) has been more successful than in Peru.

Comments and questions to John centred on the lack of state capacities, which opens up space for the intervention of corporations, often in conjunction with some NGOs. It was also suggested that factors that articulate social movements have changed over time defining new identities (with a combination of ethnic, class and regional elements). John’s reply stressed the fact that there is not much evidence about levels of NGOs co-optation by companies, and that funding gives NGOs certain capacity to link to social movements. Taking in consideration the historical differences between Peru and Bolivia, he said, the mining booms in the two countries have provided the actors involved different types of space for negotiation and control.

Lewis Taylor - *Social protest and elite response in Cajamarca*

Lewis Taylor presented the evolution of the political elite in Cajamarca (Northern Peru) from a historical perspective: large landowners before the land reform in the 1960s, medium-scale farmers, commercial entrepreneurs and drug launderers after the land reform, and, since the 1990s, a commercial bourgeoisie who emerged after an accelerated process of urbanization. To this group, other actors have also been added: senior staff of Minera Yanacocha, APRA and other local leaders, bureaucratic authorities (including the polices) and the church hierarchy. In this sense the contemporary elite is more fragmented and less coherent than the elite of the 1930-50s.

He then asked how this elite has responded to the rise of social movements in the region. He suggested that Minera Yanacocha has acted in ways that seek to divide movements, using a “carrot-stick” strategy aiming to create a “cordon social de seguridad” (a social buffer zone) areas around the mine, at the same time as deploying efforts to connect with local leaders and community representatives, and capturing the local media. This has also involved the establishment of NGO-type development interventions (for instance, microcredit) which, in the end, undermine communities’ cohesion. One example of this is the Asociación Los Andes de Cajamarca. Another is work it has supported via federations of rondas campesinas.

To understand the State’s response in Cajamarca he suggested that one must first understand that MYSA has, through the Benavides family network (Yanacocha owners through Minera Buenaventura), exercised considerable influence on the regional and national governments. The mechanisms used for that purpose were to provide direct finance to the APRA political campaign and to hire advisors and staff from APRA elites. This has created a popular perception that such financial forms of cooption have touched all candidates in Cajamarca as well as public servants in the regional government (who have been co-opted by means of scholarships offered by MYSA). Yanacocha has also induced repressive forms of state

intervention (through ‘seguridad del Estado’) against those who demonstrated against the mine’s activities and impacts. Meanwhile the government sponsored *mesas de dialogo* to find agreed solutions to conflicts are perceived to be a distracting mechanism only. All this said, Lewis also noted that one cannot paint the state with a single brush and that there are groups within government and also the forces of law, order and intelligence that are less supportive of MYSA.

Lewis then turned to the response of the Church, and suggested that the emergent social movements initially got support from the local church; however, with changes in the Catholic Church hierarchy, such support has become less evident in later stages of the conflict. Here too, however, there are divisions – and while the Church hierarchy has become increasingly critical of and distant from the movements, there are a number of parish priests and laity who are much more supportive.

Commercial elites, because of their own economic dependence on the mine and their overall support of this model of economic growth, are generally supportive of MYSA and critical of movements. However, at times parts of these elites criticize the mine when they feel that the company is sourcing too many supplies and services in Lima rather than from within Cajamarca.

Lewis concluded his presentation suggesting that Minera Yanacocha has been relatively successful in disarticulating and placating the urban social movements who opposed the mine expansion. However, underlying sources of conflict remain, and more community-rooted groups (such as the Rondas Campesinas) have gained ground in environmental struggles. In the process the main nodes of social mobilization have moved somewhat, towards San Marcos and La Encañada.

Questions and comments to Lewis’ presentation highlighted the complexity involved in understanding the evolution of social movements when there is change in the composition and nature of local and regional elites. The implications for social capital building (and theories of this) were also emphasized. Lewis finished his intervention pointing out that Minera Yanacocha now has to pay more attention to its image and that the state needs to increase its capacity (particularly of spending) to demonstrate that mining can produce benefits for the Cajamarca region and that the environmental damage can, somehow, be mitigated or compensated.

Rosemary Thorp - *The micro and the macro of protest and response: the case of Tintaya*(LINK)

Rosemary Thorp presented the case of the Tintaya copper and gold mine in Southern Peru. Tintaya had been a state owned mine, that was subsequently owned by BHP-Billiton and later Xstrata. Starting with a recapitulation of the recent history of the mine, she centred her analysis of the evolution of protests and conflict against the mine on certain structural factors underlying the conflict (land issues, human resources and environmental characteristics) and the role played by civil society organizations (CONACAMI, Oxfam, Cooperaccion) and the Ombudsman in facilitating negotiation processes.

Rosemary gave a detailed account of how the negotiation space (*mesa de dialogo*) functioned and highlighted the positive outcomes that arose from *the mesa* in terms of the voice it gave to people and the new political balance achieved between grassroots organisation and the company. Such an outcome, she added, was possible due to the company’s goodwill, the

strength of grassroots organizations and the developmental support they got from the national and regional governments. In the end, however, the progress achieved unravelled and violence broke out again in 2005. In discussing how difficult it has been to achieve sustainable solutions, she noted the mismatch between needs and expectations of local population on the one hand and the resources (human and financial) that were available to local and regional governments and companies on the other. To face that constraint, a stronger national government is needed. She also noted how difficult it has been for both local and national groups to achieve consensus on the types of development they want.

Comments and questions to Rosemary hinged around how far it might be possible to foster positive relationships between communities and companies, both within Peru and other countries, through both corporate social responsibility measures and an involvement of regional and national government in promoting a coherent institutional set up that facilitates dialog, negotiation and the implementation of developmental projects. The question also arose as to how far it might be possible to ask independent 3rd parties to arrange *mesas de dialogo* - in that sense, the role of actors such as the Australian Ombudsman has been important for monitoring and reducing conflicts and trying to reduce its occurrence. The discussion also focussed on issues of history – the question was asked, “in some contexts is the history just so bad that no amount of negotiation and dialogue can resolve conflicts.

OPEN DISCUSSION

A final round of comments raised the following themes:

- While the cases presented in the seminar explore interesting specificities in the cases, it remains important to engage larger theoretical questions and to locate these cases in terms of those questions. The question the programme needs to ask is whether these cases and national dynamics suggest that new forms of governance of extractive industries are emerging in the Andean region which themselves have implications for theory.
- There are really two waves of expansion in the region, with different dynamics and actors – one in the 1990s to 1998, the other in the 2000s. Have social movements learnt anything from the first round?
- The implementation of Washington Consensus policies left the state in a weak situation and without many possibilities of continuity in national development plans. What possible/feasible roles are left for the state in a context in which it has been weakened in these ways? In that context, any effort at institution building and development of democratic institutions requires better understanding of the different ways in which large companies and communities interact and in which social movements have evolved.
- The relevant role that states can play in development depends on the revenue they can capture from different economic sectors. However, mining resources do not necessarily strengthen the state and, on the contrary, produce a vicious circle of increasing resources and weak states.
- Territorial conflicts are, in fact, developmental conflicts; consequently, there is need to look at the linkages between territory and development.
- In cases such as Colombia, large scale mining is exacerbating conflicts. Big corporations have taken over some of the state’s roles and this has constrained opportunities for collective negotiation. The idea that private companies are accountable to communities is simply not true.
- Comparisons between countries are insightful to understand differences with regards to environmental conflicts, and state and governance issues.

- Exploring the connections between social movements and political parties is useful in order to understand conflicts that occur within the state.
- The resource curse seems to be reproducing itself at a micro level (and not just a macro level). At a local level we see weak states, enclave economies and political dynamics reflecting resource dependency rather than citizen demands.
- The ICMM has documented for some cases how the resource curse can be avoided (for instance, Botswana and Chile). Insights from those studies suggest that good governance and the development of partnerships between private and public sector are essential to achieve goals of poverty reduction, dispute resolution and revenue management. The four main stakeholders in those experiences are: government, the international donor community, local communities and mining companies. Workshops in order to share experiences (such as the recent one held in Lima which was co-promoted by the corporate sector) are useful to facilitate learning both in local governments and companies.
- Institutional factors need more attention. Andean countries have different development trajectories, some are more state-centred and others are corporate or community centred. In each, what is at play is sovereignty over natural resources.
- With the upcoming EU-Latin America summit, what are the EU's views as regards extractive industry? Does the EU also see LAC as a region of extraction?
- Are we imposing western understandings both of the role of money and of citizenship in the ways in which we assess these conflicts? In some cases, for community members the nature of loss may be such that money cannot compensate for it – such as cultural losses, territorial losses, organizational transformation etc. Likewise the nature of political representation may not reflect the models we have in the west.

Tony Bebbington closed the seminar suggesting that one of the messages of the presentations and discussion was that of “dilemmas and contradictions.” He noted several more specific tensions:

- That political parties can help articulate movement demands, but the minute they do so movements are delegitimized on the grounds that they are politicized
- That loosely controlled distribution of rents to local authorities often leads to unproductive investment and corruption, but tight central controls can reduce investment also (as in the SNIP in Peru)
- That CSR from companies is important and called for but immediately creates (at least the sense of) cooptation
- That both enclave economies, nor economies that transform regions profoundly (eg Cajamarca) generate conflict and protest

More significant perhaps are the following tensions:

- That development and conflict appear as flip sides of the same coin, and in ways that are particularly apparent for extractive industries
- That the resources generated – even by extractive industry – are still less than those demanded by the development challenge. This requires some sort of mechanism to allocate resources and prioritize their use. One mechanism has been conflict and claim making. Another would be a more rational form of politics (as noted by Rosemary Thorp) which in turn requires a state with capacity to moderate this political process and then implement its conclusions.

However in our cases these capacities are lacking; and the largest internal contradiction is that the process of mineral expansion may further deepen these weaknesses. This raises the issue of sequencing and the possibility that (as noted

by Diego Sanchez) maybe countries should move more slowly on extractive industry development.

FUTURE SEMINARS

The next seminar (third in the TCD Andes seminar series) will be co-organized with ICMM and hosted in London in October. All participants are invited and confirmation of date, venue and program will be announced conveniently.