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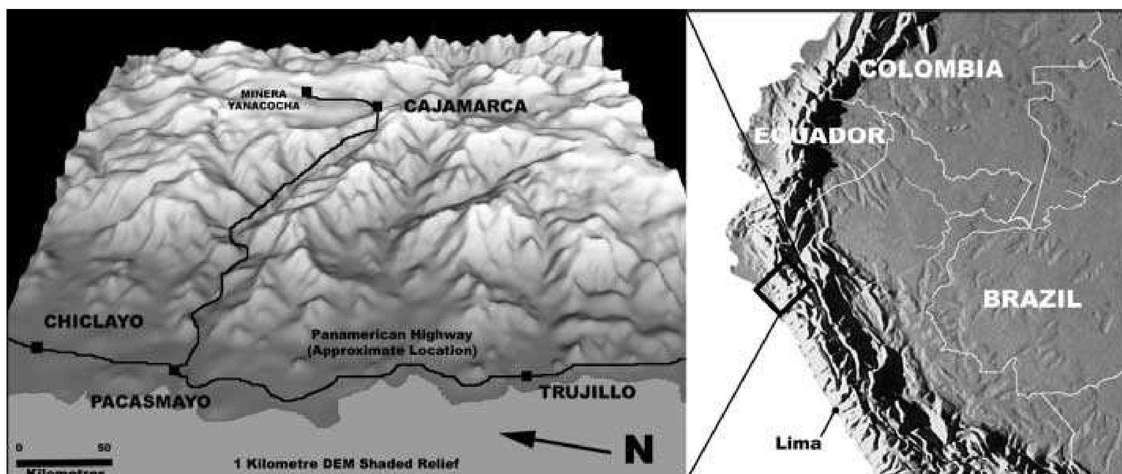
Cajamarca: multiple mobilizations and mining-led territorial transformation

[Cajamarca is] in the Northern Peruvian Andes. More specifically we consider the case of the Yanacocha mine whose operations are located in the high Andes some 35 km. to the North of the city of Cajamarca in an area of traditionally peasant populations organized in communities[1] (Figure 1). The mine – which we refer to as MYSA[2] - is jointly owned by Newmont Mining Corporation (a US based multinational with head offices in Denver, Colorado) with a 51.35% share in the ownership, the Peruvian Compañía de Minas Buenaventura with 43.65%, and the International Finance Corporation (IFC) with 5%. MYSA is a particularly significant mine, not only because it is the largest gold mine in Latin America, but also because it was the first large scale foreign direct investment in Peru following the decade of the 1980s lost to hyperinflation and civil war. While exploration was underway during the 1980s, the first significant investment was made only in 1992 and the first gold presented to the public in 1993. While initially the company insisted that the mine would be small, it has grown steadily ever since and currently MYSA employs some 8000 workers (only 2,243 of whom are regular staff). In the first half of 2006 the Central Reserve Bank of Peru estimated that MYSA's sales reached US$936.5 million, and in 2005 the mine produced 3.3 million ounces of gold, 45 per cent of national gold production.[3]

Figure 1: Yanacocha and Cajamarca



Source: Bury 2004

The acquisition of land is central to the success of an open-pit mine for the obvious reason that such operations require that the mine own surface as well as sub-surface rights. Land, however, has long been a point of political contention in the Andes and, indeed, MYSA's land acquisition program triggered the first rumblings of discontent with the mine. Interestingly, however, the rumblings were less due to asset loss *per se*, but rather the conditions under which land was being acquired. Complaints began to emerge about prices paid, undue pressure exercised on families to sell their land, people selling land to the mine that belonged to absent owners rather than them and inflationary pressures in the local land market. The first stop for these complainants was the parish church in the area most affected by the early activities of the mine. The priest served to link the complaints up with the Diocesan human rights office as well as other human rights organizations in Peru – organizations which in turn presented the complaints to MYSA as well as Newmont headquarters in Denver.

While the local Church played the initial role in linking communities up to proto-social movement organizations, this soon came to an end when the priest was sent to Rome. At this point, however, another actor began to assume this articulating role. This actor was the nascent federation of *rondas campesinas*, peasant vigilante groups whose primary purpose had been to guard against cattle rustling and later assure community security more generally during the times of rural violence in Peru (Starn, 1999). A number of people active within the federation were affected by the expansion and land purchasing activities of the mine, and the federation became a vehicle for contesting these adverse impacts (Chacón Pagan, 2005). The federation (FEROCAFENOP) began to organize protests in Cajamarca itself and further developed its links to international environmental groups (in particular in the Bay Area of the US)[4] – links that also helped it engage in advocacy in the US. In the process, their complaints became more visible nationally and internationally, although federation activists of this period remember it as one when international support and involvement was far greater than support from urban Cajamarca for whom these rural grievances passed as largely invisible and irrelevant. Significantly, though, notwithstanding the grievances that peasants and the Federation had with the mine, the protest during this period was not so much oriented towards getting rid of MYSA[5] as to demanding a different relationship between mine and communities: a relationship characterized by fair compensation, more civil treatment, and greater participation in the benefits that the mine was generating.

As the process of organization and mobilization was underway in Cajamarca, a similar process was occurring at a national level (de Echave and Pasco-Font, 1999) – a reflection of the rapid increase in mining investments and conflicts during the mid- and late-1990s. This process culminated in the creation of a National Coordinator of Mine Affected Communities, or CONACAMI in Spanish (de Echave and Pasco-Font, 1999). Activists in Cajamarca were an important part of this process, and initially the idea was that the Federation of rondas would be the Cajamarca branch of CONACAMI. However, a series of conflicts between different interest groups, party political currents and leaders (locally and nationally) meant that this alliance was short-lived, and CONACAMI was never able to establish a significant base in Cajamarca. Meanwhile, the struggles

between different leaderships both within and among organizations in Cajamarca began to weaken both the Federation and the more general process of social mobilization.

Meanwhile, concerns about the mine were beginning to grow in the city of Cajamarca – not so much because of any sympathy with the plight of rural communities but rather because of the accumulating evidence that the mine was beginning to have adverse effects on the quality of the urban water supply (Ecovida, 2005; Seifert, 2003). A mercury spill from a mine truck in the village of Choropampa in 2000 further consolidated these concerns while also gaining far greater international attention because of a highly successful video (supported financially and distributed by several international SMOs) that documented the spill and gave visual form to the less than sensitive ways in which both mine and government responded to the complaints and mobilization of Choropampa's residents. Urban environmentalist groups that had begun to emerge at around the same time found themselves somewhat strengthened by these events, as did the coordinating group that had begun to work across these different organizations.

Around the same time as these publicly visible environmental failures of the mine, MYSA finally succeeded in channeling some its social responsibility program finance to FEROCAFENOP,[6] the federation that had for so long been the main organized face of rural contention against the actions of the mine. When this became publicly known, the legitimacy and power of the federation rapidly weakened (and any remaining links with CONACAMI were cut by CONACAMI). As a direct consequence, the anchor of the social movement around the mine quickly shifted from rural to urban organizations, and from organizations based in rural community groups to ones based in urban intelligentsia and professional groups. In the process, movement discourses also began to change. While the rural movement of the 90s had been openly confrontational, it had been neither an environmental movement nor an anti-mining movement. Instead it had been a movement that was more concerned to demand fair treatment and adequate compensation for the forms of dispossession that had occurred in rural communities, and a fuller inclusion of rural people in the mine's activities. In this sense it might be argued that it sought a far clearer and more synergistic articulation of the mining economy and rural livelihoods – rather than the enclave and dispossession model of mining that dominated in the 1990s.[7] With the shift to an urban-led movement, the movement discourse became increasingly a mix of environmentalism and/or of calls for greater national and state participation in both the governance of the mine and the control of its profits. The politics of peasant protest (both populist and radical) were increasingly crowded out by those of an urban environmental left characterized by its own internal differences on the place of mining in the regional economy. This is not to say that peasant protest and mobilization disappeared – indeed, it continued to play an important part in future conflicts with the mine (see below). However, the actors who increasingly defined the debates within which these protests were interpreted were urban – intellectuals, NGOs, occasionally local authorities.[8]

Environmental concerns remained at the forefront of debate in Cajamarca during the early 2000s, as arguments emerged about whether mercury had seeped into the urban

water supply or not, and over whether the overall quantity of this supply was being threatened (Ecovida, 2005). At the centre of this latter discussion was an argument about MYSA's desire to expand operations into an area known as Cerro Quilish. Initial peasant protests against this expansion in the late 1990s had ultimately led to a municipal ordinance that declared Quilish a protected area on the grounds that it was the source of the cities' water supply. The ordinance was, however, contested by MYSA, and after drawn out legal proceedings, a Constitutional Tribunal concluded that the mine's rights to explore in Quilish preceded and were co-terminus with the powers of the municipality to declare it a protected area. In July 2004, on the basis of this judgment and an environmental impact assessment, the central government gave MYSA the right to re-commence exploration on Quilish. Immediately, protests erupted and quickly escalated to the point that the city of Cajamarca and the mine were effectively paralyzed until the central government once more shifted its stance. Confronted with a situation in which its "social license to operate" seemed increasingly in the balance, MYSA withdrew its request for permission to explore in Quilish (though MYSA argues that in the future it may once again exercise this right). In an effort to take advantage of the situation movement leaders called for the creation of a negotiating table to which they committed to bring forward proposals for avoiding future conflicts. After several months, this demand was finally conceded, yet the movement was ultimately unable to exploit the opportunity it afforded. Because of differences of opinion among civil society actors, as well as stalling practices by state and mine, actors could not agree on who would sit at this negotiating table. Again, the movement lost the initiative.

While ostensibly the protests over Cerro Quilish were over water, some commentators argued that underlying the intensity of feeling among many of the protestors was a deeper grievance - an annoyance at the arrogant behavior of the mine and its employees and over the increasingly conspicuous consumption associated with mine employment and indicative of growing inequalities within the Cajamarcan middle and upper-middle classes (Gorriti, 2004). In this sense, the mobilizations brought together groups motivated by quite different concerns: worries over threats to rural water; concerns for the supply of urban water; desires to see the mine subject to national ownership; annoyance at the relative loss of middle and upper-middle class status and authority; and annoyance at the seeming impenetrability of the mine and its unwillingness to listen. These positions ranged from anti-mining, to pro-mining, to commitments to distinct ways of governing mining.

As the process of social mobilization has unfolded in Cajamarca, it has incorporated a growing number of actors. These actors, while united by a general sense that MYSA has dispossessed them of something, differ in the specific nature of their concerns. In this sense, while the movement channels grievance it has not channeled any coherent, alternative proposal for livelihoods and territorial development, not least because the actors who make up the movement have quite different positions on if, and how, mining should proceed in the region.

The existence of these internal differences has not meant that the movement has had no effect on the relationship between mining, livelihoods and development in Cajamarca.

Indeed, the mine has changed some of its practices as a result of these mobilizations and protests. Furthermore, it appears to have been more responsive since the movement "urbanized" – viewing such urbanized protest as ultimately more threatening than purely peasant protest. Thus, between 1999 and 2004 MYSA's investments in environmental remediation almost trebled while those in social responsibility increased almost ninefold (Morel, 2005).[9] These programs have been shown to increase the financial and human capital asset bases of household livelihoods, while weakening their social capital (Bury, 2004, 2007).[10] Protest has also forced some rethinking of expansion plans, as evidenced in the mine's withdrawal from Quilish. It has not, though, broken its tendency to combine social responsibility programs with practices of intimidation against activists and others who appear to stand in its way, nor has it stopped the overall expansion of the mine. This expansion, which demands access to both land and water, continues to transform livelihood options in the areas directly affected, primarily through its effects on the natural capital assets on which many livelihoods depend. Meanwhile, and perhaps more importantly, the money spent by MYSA in local contracting and purchasing increased almost sevenfold over the same period – a direct response to urban criticisms that the mine operated too much as an enclave (cf. Kuramoto, 2004a, b). This response increases greatly the urban stake in the continued activities of the mine.

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[1] These communities are generally not as strong as those in the Central and Southern Andes of Peru. Also their members are Spanish-speaking and tend to identify themselves as "campesino" rather than "indigenous" (Chacón Pagán, 2004: 363).

[2] This is for its acronym in Spanish, Minera Yanacocha Sociedad Anónima.

[3] El Comercio, 29th August, 2006 page B1.

[4] Especially the now-defunct Project Underground (2003, 1999).

[5] Though at one point, there appears to have been a plan to attack the mine site – Project Underground dissuaded the federation from pursuing this option.

[6] We remain unable to explain how this occurred. It is a case so full of mutual recriminations that it is difficult to know what actually happened. What is clear is (i) that the mine had already invested (through its hiring practices) in finding ways into social movement organizations and (ii) that at least some of the leaders of the federation were always more of a mind to ensure adequate community compensation for the mine rather than the closure of the mine. These two postures certainly helped make this financial flow possible.

[7] Even more forgiving studies, in part supported by MYSA, viewed the mine as something of an enclave (Kuramoto, 2004a,b; see also Dirven, 2006).

[8] Chacón (2004: 3) puts it far more forcefully and cynically. Speaking of protests in Bambamarca, a community near Cajamarca, and the Choropampa protest itself, he states (our translation): "in general, the terms of debate are defined by the latter, specifically provincial political authorities and intellectuals, while the former, above all the *rondas campesinas,* sound the initial bell, and then serve as the sacrificial lamb."

[9] However, MYSA profits also grew significantly over the same period.

[10] Bury draws particular attention to the weakening of community based organizations and of household social networks and relationships of trust.