

# Spatial Understanding of New Mineral Extraction and Local Contestation: Experience from the Peruvian Northern Highlands, Cajamarca\*

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## ABSTRACT

This article aims to examine one of the most prominent socio-environmental conflicts against the large-scale mining projects by the multinational capital in the Peruvian northern highlands, Yanacocha's Conga mining project in Cajamarca. In particular, the spatial focus of this article demonstrates how neoliberal spaces of capitalist accumulation have been uncovered in the multi-sited contestation expressed by local communities against the project. In other words, the article describes how the power asymmetry between the multinational capital and the state on the one hand, and local communities on the other, has been disclosed in converging spaces of capitalist accumulation and the contestation of local communities. The power asymmetry is revealed by looking at the spatial relationship between the new mineral extraction and local contestation in neoliberal Peru.

**Key Words:** new mineral extraction, socio-environmental conflicts, Conga mining project, Cajamarca, multi-sited contestation

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## INTRODUCTION<sup>1</sup>

Between 3 and 5 July 2012, five people died in confrontations between protesters against the Conga mining project and the police, which took place in two provinces –Celendín and Bambamarca– in the Peruvian northern highlands of Cajamarca. As is usual, the Peruvian mainstream media depicted this story as one of many incidences which frequently occur between ‘radical’ local protesters who oppose to the country’s large-scale ‘development’ projects and ‘public’ security forces which are dispatched from the central government to local communities in order to put ‘law and order’ and thus to guarantee the security of foreign investors’ interests. After having suffered from political and economic crises in the 1980s, Peru opened its economy and adopted structural adjustment programmes under the Fujimori administration in order to reintegrate its economy into the international financial community and to regain access to new financial loans.<sup>2</sup> Extractive industries have received a renewed attention for the country’s economic development and thus the Fujimori government revised the regulations of extractive industries and privatised state-owned enterprises with an aim to attract foreign investors in the sector and encourage national economic growth based on natural resource extraction and export. Consequently, the country progressively witnessed macroeconomic stability and growth, which can be largely attributed to the new mining boom in the 2000s.<sup>3</sup>

Despite the economic growth based on mineral extraction, benefits have been unequally distributed. A recently released report (*Informe Cifras del Pobreza 2012*, Poverty Indicator Report 2012) shows that the poverty landscape in a majority of the Peruvian departments has improved, while (material) poverty continues to be prevalent in departments of Apurímac, Cajamarca, Ayacucho and Huancavelica.<sup>4</sup> While Cajamarca has become one of the most important departments for the country’s new mining boom, a majority of local population living in the department could not

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1 Part of this section is initially based on my presentation at the 2015 LAKIS Annual Conference, ‘라틴아메리카적 세계화의 함의와 전망’, on 24 April 2015 in Busan.

2 For more on the political and economic crises and the subsequent neoliberal reform in Peru, see Seo (2015).

3 According to Lima Chamber of Commerce (*Cámara de Comercio de Lima*, CCL), the Peruvian economy was expected to maintain its growing trend, largely encouraged by the mining and hydrocarbon sectors (see “Economía del Perú crecerá hasta 5.7 per cent en el 2014, estima la CCL,” *La República*, 7 May 2013).

4 “Ayacucho, Cajamarca, Apurímac y Huancavelica son los más pobres del país,” *La República*, 9 May 2013.

escape its precarious socio-economic living conditions, despite the presence of various large-scale mining projects across the region over the last two decades. The abovementioned report indicates that Cajamarca was ranked the second poorest: 54.2 per cent of the *cajamarquinos* continue to be categorised as the poor. This adverse relationship between the mineral extraction by multi-national capitals and the local development has become one of the main reasons for a long list of socio-environmental conflicts over the last two decades not just in Cajamarca but across the country and above.

A large part of literature on the mining-related socio-environmental conflicts in Peru has an institutional focus: the necessity of institutional reform for resource management as well as conflict settlement [see Succurah(ed.) 2008; de Echave et al. 2009a; 2009b; Arellano-Yanguas 2011; Bebbington(ed.) 2012; 2013; de Echave and Diez 2013]. Literature elucidates that a highly competitive access to natural resources such as land and water among different actors increasingly necessitates a better design and implementation of effective resource governance and the lack of the latter has become one of the main causes for socio-environmental conflicts in recent decades. In addition, considering the competing interests around mineral extraction among different actors, the detachment of political decision-making from those who are affected from the impacts of mineral extraction make it increasingly difficult the conflict settlement only with ad hoc dialogue tables. In this sense, the necessity of democratic political reform is highlighted with an aim to promote citizen participation in the process of decision-making. While this 'institutional' focus is relevant for problem solving when it comes to new mineral extraction and socio-environmental conflicts, this approach tends to overlook fundamental causes of these social conflicts, by limiting the 'development' to the imaginary of mineral-based national economic development and hindering our debates over alternative way of development beyond the extraction and export of natural resources. It also has a tendency to distract our attention from the power asymmetry which is inherent in spaces which facilitate the capitalist accumulation via new mineral extraction. In overcoming the limitation of the previous literature, this article gives a special attention to the spatial of capitalist accumulation which is inherent in new mineral extraction, by looking at the converging spaces of the mineral-based capitalist accumulation and the contestation of local communities and also by uncovering fundamental roots of the latter. In particular, based on my field work in the Peruvian northern highlands, this article studies one recent massive mobilisations against the large-scale mining project –the

Conga project— by examining how opponents of the project protest various spaces of neoliberalisation in their multi-sited contestation and thus reveal the power asymmetry embedded in the advances of new mineral extraction in neoliberal Peru. For this purpose, the article first accounts for various spaces of new mineral extraction in Latin America, followed by a brief review of the Peruvian government’s position when it comes to mineral extraction, development and socio-environmental conflicts. It then examines the multi-sited contestation against the Conga mining project in Cajamarca before its short summary and conclusion.

## **MINERAL EXTRACTION IN NEOLIBERAL SPACES OF LATIN AMERICA**

The extraction of natural resources has long been at the centre of debates over development and poverty reduction in Latin America. The mineral extraction is not a new phenomenon, but the opening up and restructuring of economic structure in the region in the 1980s have led to the intensification of natural resource extraction and its export in the following decades. In particular, the recent mining boom has been boosted by several factors in an interrelated and complementary manner. In this part of the article, I will examine spaces of neoliberalisation, which have contributed to the expansion of new mineral extraction and capitalist accumulation of multinational capitals in Latin America: legal, discursive and technological spaces. Although these spaces are not distinctively separate and interrelated in facilitating the capitalist accumulation, this part introduces each space separately for the analytic purpose. This geographical approach to the capitalist accumulation of recent form, i.e. the neoliberal globalisation, can help us understand the main causes (or ‘why’) of a series of contestations by local communities in opposition to neoliberal globalisation and in demand for global social justice, rather than focusing on the dynamics (or ‘how’) of contestations *per se*.

### **Legal Space: New Role for the Neoliberal State**

In the 1980s, international financial institutions (IFIs) recommended the development of extractive industries (including mining and hydrocarbons) to debt-stricken countries in developing countries as one of new development models (see Green 2003; Gwynne and Kay 2004).

Accordingly, many countries revised or rewrote regulations to attract more foreign investment in the extractive industry sector. In the case of mining industry, more than 90 countries around the world have newly made and revised mining codes and regulations after the mid-1980s (Bridge 2004, 407). According to de Echave, Latin America has become a main destination for international mining investors during the 1990s and thus the proportion of investment inflows has doubled from 12 per cent in the early 1990s to 29 per cent in 1995, to more than 30 per cent in the early 2000s (2009b, 105). Motta and Nilsen explained that the deregulation and privatisation have been facilitated by coordination among national elites and international institutions – the transnational ‘historic bloc’ in the Gramscian term. This transnational historic bloc consists of IFIs, transnational capitals, national elites and business groups, and those who have a stake in the implementation of neoliberal reforms (Motta and Nilsen 2011, 12). In bringing reform policies into action, neoliberal states faced a rather contradictory dilemma: while reducing its intervention in the economy, such as the provision of subsidies or public expenditures, they had to reassure foreign investors of the security of capital mobility and social stability by emphasising ‘law and order’ and providing social assistance. In addition, the state also needed to sign different bilateral and multilateral trade agreements, thus ensuring the process of economic restructuring. Boden explained this newly designated role for the neoliberal state:

Fundamental to this recomposition (of the neoliberal state) has been the reinforcement of the separation of the political from the economic, with the insulation of key aspects of the economy from the influence of politicians or the mass of citizens by imposing, internally and externally, binding constraints on the conduct of fiscal, monetary and trade and investment policies. These constraints are themselves produced and reproduced through political mechanisms, with the state’s decision making being further integrated into the dynamics of capital accumulation coupled with the restoration and strengthening of capitalist class power (Boden 2011, 86).

Consequently, these legal articulations such as the rewriting or revision of investment codes and the signature of bi- and multi-lateral trade agreements, which are assigned to neoliberal state as a new role for ensuring the continuous capitalist accumulation, have brought a lot of foreign investors into the extractive industries, leading to an economic boom in the region. This growth in investment in the extractive sector has stabilised the macroeconomic indicators in many countries, by increasing

natural resource exports and generating higher fiscal revenues to a certain degree. Simultaneously, however, this expansion of extractive industries has been increasingly contested by local communities who are affected by their negative consequences. These contestations can be partially observed in converging 'legal' spaces of capitalist accumulation and local contestation, a point which will be examined in the case of the Conga conflicts against the 'transnational historical bloc', including IFIs, the multinational mining capital as well as the neoliberal Peruvian state.

### **Discursive Space for the 'National' Economic Development**

Positive results from the extractive industries, such as increasing foreign investment and export as well as fiscal bonanza, have been gained at the expense of the concentration of benefits and the further marginalisation and dispossession of a majority of the region's poor, phenomenon which partially explain the rise of leftist or progressive governments across the region in the 2000s. Electorates who cast their votes to progressive leaders at the ballot box expect a 'fairer' or more 'inclusive' development agenda as well as policies for recognising differences. Greater state intervention in the economy, more social redistribution as well as exercising national sovereignty over resources are among the demands of the population. Namely, a majority of electorates have raised many questions when it comes to the natural resource extraction: how to accomplish the economic growth as well as social redistribution, ensuring national sovereignty over natural resources; whether economic growth based on extractive industries is sustainable or whether this resource extraction really brings 'development' to the population, especially the poor; and what kind of development the new extraction can be brought or not to the population (see Hogenboom and Jiberto 2009; Kohl and Farthing 2012; Simarro and Antolín 2012; Grugel and Ruggirozzi 2012).

Against this backdrop, some commentators have called the development based on extractive industries 'especially by so-called leftist or progressive governments' 'neo-extractivism' or 'new developmentalism'. These governments in accordance, particularly in the Andean countries such as Bolivia, Ecuador, Venezuela, and Peru<sup>5</sup>, justified this resource-based

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5 Although successive Peruvian governments are not necessarily included into the so-called new leftist governments, their political discourse and development model ('new extractivism') have much in common with leftist governments in the Andean region. While the incumbent Humala government was elected with seemingly leftist electoral promises, once in government his administration appears to be more in line with

development as follows: more national sovereignty over natural resources ensures national economic growth and more fiscal resources designated for the social distribution. In particular, this new extractivism stands out in a political discourse and is best illustrated by the comments of different presidents. The now famous comment ‘*el síndrome del perro del hortelano*’ (‘the dog in the manger syndrome’), uttered by the Peruvian ex-president Alan García, one of the most enthusiastic proponents for extractivism, is often repeated by other leftist presidents in the region. García argued for the necessity of the extractive industries for the country’s ‘development’ and ‘poverty reduction’ and criticised indigenous opponents of extraction in the Amazonian regions as having ‘the dog in the manger syndrome’. Similarly, in his justification of the expansion of hydrocarbon extraction and in his criticising NGOs’ naivety of opposing this expansion, the Bolivian president Evo Morales said, “What, then, is Bolivia going to live off if some NGOs say ‘Amazonia without oil?’ They are saying, in other words, that the Bolivian people ought not to have money, that there should be neither IDH [a direct tax on hydrocarbons used to fund government investments] nor royalties, and also that there should be no *Juancito Pinto*, *Renta Dignidad* nor *Juana Azuero* [cash-transfer and social programs]” (cited in Bebbington 2009, 16). Likewise, in an interview with the Ecuadorian president, Rafael Correa, he fiercely criticised the opponents of natural resource extraction and argued for the rationale of development based on extractive industries. Correa said,

It is madness to say no to natural resources, which is what part of the left is proposing – no to oil, no to mining, no to gas, no to hydroelectric power, no to roads. This is an infantile left, which can only legitimate the right. [...] We cannot lose sight of the fact that the main objective of a country such as Ecuador is to eliminate poverty. And for that we need our natural resources. [...] What we need to do is exploit those resources in the right way. [...] [T]he proper exploitation of natural resources can help to conserve nature rather than destroying it (Interview with President, Rafael Correa 2012, 95-96).

In explaining this ‘new extractivism’, Bebbington et al. (2013) pointed out that it has been carried out by three strategies of political discourse: to take the control of debates over ‘development’; to define the extractive industry as the only and best way of achieving this development; and to treat all the opponents of this extractivism as either naïve or romantic

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conservative political forces. This is why the country’s poor, who gave their electoral support to Humala, condemn him for being a betrayer.

leftists or environmentalists or even extremists, anti-developmentalists or neo-communists.<sup>6</sup> What development is for these governments coincides with ‘economic’ growth and poverty reduction (in material terms). In parallel, extractive industries are one of their development priorities since it brings economic growth as well as tax revenues for social programmes. In this way, those who are against mining projects or oil, gas extraction can be regarded as obstacles to the country’s development (Bebbington et al. 2013, 329-331).

It still needs to be seen if this discursive justification of the resource-based ‘national’ development can bring benefits to the region’s population, overcoming the ‘resource curse’ and thus moving towards ‘post-neoliberalism’, e.g. the twenty-first century socialism that several leftist leaders have argued for. For instance, in their analysis of the newly enhanced role of the state in terms of natural resource management and development in Bolivia, Ecuador and Argentina, Grugel and Ruggirozzi point out that ‘post-neoliberalism’ is still in emerging yet displaying all the weaknesses which plague ‘market-oriented, export-led growth’ (2012, 16).<sup>7</sup> When it comes to the constraints of post-neoliberalism, it is worth mentioning Boden’s comments. Boden mentions the difficulties of moving towards post-neoliberalism given the structural constraints of neoliberalism.

Neoliberalism although in crisis across Latin America has not been fundamentally challenged by the various centre-left governments, which as Petras and Veltmeyer argues is highly dependent on agro-mineral elites for their export-development policies, which provided the funds for limited forms of redistribution that these governments have carried out. As a result, centre-left regimes have been constrained within the structural parameters of neoliberalism and have both demobilized and back-tracked in their promises to its mass base, paving the way for a revival of the right and the ruling class (Boden 2011, 87).

These comments are reassured by protests of local communities against

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6 For an account of recent exchanges of comments over development based on extractive industries in the Peruvian media, see Marco Arana(2013), “De izquierdas, derechas y ecologismo libertario,” *El Comercio*, 27 March 2013, Alfredo Ballard(2013), “Los neocomunistas,” *El Comercio*, 30 March 2013, and Roger Merino(2013), “¿Por qué algunos acusan a los ambientalistas de comunistas?,” *Servindi*, 31 March 2013.

7 Grugel and Ruggirozzi argue that post-neoliberalism is ‘the set of *political aspirations* centred on reclaiming the authority of the state to oversee the construction of a new social consensus and approach to welfare, and the body of economic policies that seeks to enhance or rebuild the capacity of the state to manage the market and the export economy in ways that not only ensure growth but are also responsive to social need and citizenship demands’ (2012, 2-3).



large resource-based development projects across and beyond the region, contestations which take place in spaces of neoliberal way of capitalist accumulation with their own discursive way which I will examine with the case study of the Conga conflicts. Here the converging ‘discursive’ space which facilitates the capitalist accumulation and is simultaneously located and contested by local communities coincides with the discursive justification of national governments which associate ‘development’ with the persistence of extraction and export of natural resources by not permitting alternative way or debates of ‘development’.

### **Technological Space: Industry’s Advances for Capitalist Accumulation**

Alongside with legal and discursive spaces, the investment rush to the extractive industry has been brought about by technological advances for the continuous capitalist accumulation in the context of rising commodity prices. High mineral prices in international markets and the rise in demand for minerals, oil and other natural resources by developing countries continue to make resource extraction economically viable. In particular, the economic growth of China and its rising need for minerals have diversified investment portfolios in Latin America’s extractive sector (see Veltmeyer 2013; Veltmeyer and Petras 2014). In parallel, the extractive industries have expanded into regions with little or no records of mining extraction. In particular, previously unviable extractive projects have been made possible with the development of new technology, including the cyanide heap leaching open pit mining.<sup>8</sup>

However, these extractive incursions into green lands do not seem to bring the promised development to everyone. Along with the unequal distribution of economic benefits from mining, natural resource extraction has brought about a series of new issues. These rejuvenated extractive activities occur largely in inhabited areas, often dislocating residents, endangering the way of their life, and pitting them against multinational companies in terms of the access to natural resources such as land and water, thereby dispossessing the local population. In addition, the scale of new mineral extraction and its use of toxic materials have raised concerns among local communities, given the negative impacts on their access to resources and the dangers of environmental degradation, concerns which have become one of the main causes of local communities’ protests against

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8 For more on the gold extraction via cyanide heap leaching, see Seo (2015).

the form and scope of capitalist accumulation. Before uncovering converging spaces of new mineral extraction and contestation in the Peruvian northern highlands, the next section will look into the national context under the incumbent Humala administration when it comes to neoliberal mineral extraction and development. This is relevant since converging spaces of neoliberal capitalist accumulation and local contestations are largely observed in the national level, in particular where the nation-state of neoliberal sort such as Peru sides with or is categorised into the above-mentioned ‘transnational historical bloc’ for the continuous capitalist accumulation and thus take an antagonistic and repressive position vis-à-vis those who are regarded as obstacles to this way of development, i.e. neoliberal extractivism.

## **NEW MINERAL EXTRACTION UNDER THE HUMALA ADMINISTRATION: THE STATE VIS-À-VIS CONTESTATION**

Humala, once denounced as a radical ally of Hugo Chávez and defeated by Alan García in 2006, moderated his electoral campaign for the 2011 elections. In the second round, Humala and his allies showed that he was a less ‘dangerous’ candidate who could govern the country, announcing his electoral promises under the banner of the so-called ‘*la Hoja de Ruta*’ (‘The Roadmap’). This plan promised a more equitable and inclusive economic model while maintaining macroeconomic growth and stability. Electoral promises for ‘change’ gained the attention of many Peruvians. After decades of economic liberalisation, the socio-economic and political marginalisation of a majority of Peruvians has not improved substantially, even in the context of relatively stable economic growth.

For the first few months, the new government enjoyed comparatively high popularity. Within three months of his rule beginning, support for the Humala government rose to over 60 per cent (62 per cent, Apoyo), as compared to his predecessors, Toledo, 32 per cent in 2001 (Apoyo) and García, 60 per cent in 2006 (IOP). The government’s outlook seemed favourable until its internal tensions surfaced in a number of social conflicts related to large-scale mining projects, such as the Conga mining project in the department of Cajamarca and the Tintaya in Espinar (Cusco). Initially many politicians from the left joined the administration, while the economic team was mainly composed of orthodox liberals. The seemingly

well-balanced composition of Humala's first cabinet could not overcome distinct positions on how to deal with social conflicts in particular. It was the conflicts against the Conga mining project which put an end to the first premier, Salomón Lerner, and his cabinet when the government declared a state of emergency in four provinces of Cajamarca on 4 December 2011 after the repeated failure to achieve a consensus with local opponents. While the Humala government gained strong electoral support from the long term marginalised, who have suffered both socially and environmentally from mining activities as those in Cajamarca, once in power, his administration had to decide between economic growth (based on mining) and socio-environmental issues (such as ensuring local population their access to sufficient and clean water resources). In the case of Cajamarca, facing massive mobilisations against the Conga project, Humala now argues that '*el oro*' (gold) and '*el agua*' (water) can go hand in hand. With this changing position of the administration, local population, who had high expectations for Humala's government, given his electoral promises, felt betrayed even when he implemented a series of social programmes such as *Pensión 65*, *Cuna Más*, *Beca 18*, among others. Words from one local NGO leader in Cajamarca region suggest local opponents' distrust with the government when it comes to the mineral extraction:

During his electoral campaign, Humala said that he was going to implement alternative economic model and highlighted the importance of water before the exploitation of gold. Thus people [in Cajamarca] were really convinced that he was the candidate who could govern the country in a 'different' way. In fact, he allied with politicians from the Left during the campaign process. But he has never been a leftist. Now he is in power and what he does is to ally himself with the right (Author's interview in Cajamarca, on 13 March 2012).

As suggest this interview, alongside with the multinational capitals, the Humala government which maintains the resource-based development model of his predecessors has come to be considered by local communities as one of the main culprits of negative impacts of neoliberal resource extraction particularly when it comes to its position to those who oppose to large-scale extraction projects. In the following section, the article will look into one of the emblematic conflicts against large-scale mining project in the Peruvian northern highlands, Cajamarca, i.e. the Conga mining project. In particular, it will demonstrate how the local opponents uncover and contest spaces of neoliberalisation for the continuous capitalist accumulation in their multi-sited contestation.

## CONGA MINING PROJECT AND MULTI-SITED CONTESTATION IN CAJAMARCA

At the centre of the anti-Conga conflict is the issue of water resources and one of the largest economic investments in Peru. The multinational mining consortium Yanacocha develops the Conga project around four lakes which are located in the districts of Huasmin and Sorochuco (the province of Celendín) and Encañada (province of Cajamarca), in the department of Cajamarca.<sup>9</sup> In order to exploit two open pit mines, Yanacocha plans to ‘construct four artificial reservoirs (Chailhuagón, Perol, Superior and Inferior) to substitute four lakes (Chailhuagón, Perol, Azul and Mala) at the mine site’ (Seo 2015, 190). Opponents of the project argue that the project is located in an ecologically vulnerable area which is important for the region’s water provision and guaranteeing its quality. In the meantime, Yanacocha contends that the quantity and quality of water resources will not be affected by the operation because it will construct four artificial reservoirs instead, which can provide the region with an even larger amount of water. In addition, the company argues that its modern technology will not affect the environment much. For the central government, the Conga project is estimated to invest US\$ 4.8 billion, one of the largest economic projects in the country. The government maintains that this amount of investment is critical not only for the country’s continuing economic growth but also for generating fiscal bonanza in order to implement social programmes for the poor.

It is understandable, however, why the local population is worried about the project and its possible impact on the quality and quantity of their water resources. It is pointed out that one of the main reasons for the conflicts is that *cajamarquinos* distrust Yanacocha since its operations have not brought ‘the promised development’ to the region and negatively

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9 Yanacocha (*Mineral Yanacocha S.A.*) is a multinational mining consortium composed of three shareholders: the US Denver-based Newmont Mining Company (51.35 per cent), the Peruvian *Compañía de Minas Buenaventura* (43.65 per cent), and IFI (International Financial Corporations, 5 per cent). The company initiated its mineral extraction in the department of Cajamarca since 1993 and continues its mining activities over the last two decades. It has developed several large-scale open pit mining projects: Carachugo (1993), Maqui Maqui (1994), San José (1996), Yanacocha (1997) and La Quinua (2001). Its operations are largely located in the department’s southern and central regions, particularly in three districts of the province of Cajamarca: La Encañada, Los Baños del Inca and Cajamarca. The Conga mining project is one of expansion plans of the Yanacocha’s mining complex in Cajamarca and it plans to exploit two open pit deposits (Chailhuagón and Perol) over the next 19 years (see Seo 2015).

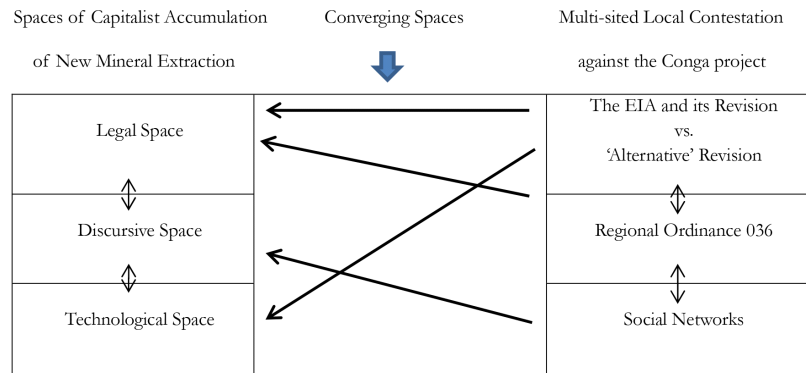
affected the region's environment and water resources to a great degree. In addition, when President Humala visited Cajamarca as a candidate, he said that water comes first and then comes gold. Now in power, he argues that water and gold can go hand in hand. Local communities, who once gave their electoral supports to Humala, now say that they are deceived by the government again. However, local populations do not want to sit with their hands crossed and plead for more benefits and better treatment any more. One of the local leaders in opposition to the project justifies their *lucha* (contestation) in a regional march, 'We defend our water, our environment and our life' (author's fieldnote, 9 March 2012). In a similar vein, one *campesino* participant showed distrust for the government when I asked for the necessity of the *lucha* of their own in opposing the Conga project:

first, we should open our eyes... they (the politicians) are not to be blamed. We, idiots, voted for them. We should know who is a real candidate to represent us, not an opportunist like Humala. He ran the campaign with beautiful words and we gave him a vote. But he changed himself. This is a betrayal. It is easier to militarise civilised people than to civilise the military (insinuating Humala) (Author's fieldnote, 9 March 2012).

When political and economic liberalism is dominant, policy making is concentrated on the decisions of technocrats, with little possibility of introducing political debates on development model. Democratic reforms open only limited room for civil participation, if any, and debates over development are to be accepted by the central government if not challenging the core concerns of neoliberalism. In this sense, the protesters against the Conga project conduct 'multi-sited' contestations, by uncovering its technological, legal as well as discursive spaces where the 'transnational historic bloc' is located and simultaneously contesting the neoliberal mode of capitalist accumulation. The rest of the paper will examine how local communities attempt to expose the power asymmetry, which is embedded in the development of the large-scale mining project and the continuous capitalist accumulation, in converging spaces which opponents of the project meet in their 'multi-sited' contestation (see Diagram I).<sup>10</sup>

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<sup>10</sup> The following part on 'multi-sited contestation' is initially based on my presentation at the 5th SKK International conference, 'Transnationalism in Action: Politics, Economy and Culture', at Keimyung University, Daegu, 7-8, May, 2015.



Articulated by the author.

Diagram 1. Spaces of Neoliberal Capitalist Accumulation and Local Contestation

## Contestation I: Environmental Impact Assessment (EIA) and its Revision

After lifting the first state of emergency in Cajamarca, the Humala administration announced that it would turn to international experts to re-examine the Environmental Impact Assessment (EIA) of the Conga project. The EIA forms the basic conditions under which the mining exploration can start in Peru. Yanacocha passed the EIA for the Conga project in October 2010, with the authorization of the Ministry of Energy and Mining (MEM). Opponents of the project argue that this EIA is inappropriate for the initiation of the extraction since it does not reveal the substantive impact of the mining operation on the area. In addition, the process of how the MEM authorised the EIA has left much room for doubt. The mining project is planned for an ecologically vulnerable area and the region's water resources could be irreversibly affected since the operation is to be conducted in open-pit mines of large scale by using toxic chemicals such as cyanide. Alongside with the project design *per se*, the environmental regulations lack of trust among local communities. According to opponents, it is inappropriate for MEM to be both a promoter of foreign investment in the mining sector and judge for the award of environmental permissions such as the EIAs. Responding to their arguments, the government came up with the idea of re-examining the EIA by international experts. However, many local people doubted the real intention of the government, arguing that this process would only serve as another reason to support the Conga project. As one local magazine pointed out,

the purpose of this examination of the EIA is to identify and propose several measures which could better mitigate the environmental impacts caused by the Conga project, with the aim to generate social peace and trust among local population. [...] It does not allow any discussion over the viability of the project from a point of view which respects the environment (Hilderbrandt, 13-19 April 2012, my translation).

Moreover, the process of designating three international experts does not demonstrate the government's sincerity about the issue. The government delayed the announcement of these three experts several times and when these were finally made it public, their career history put in doubt the legitimacy regarding the task of examining the EIA.<sup>11</sup>

Against the backdrop of the absence of appropriate environmental regulations and the exclusion of local people in the decision-making process, opponents of the project suggested an alternative: if the government wants to argue the viability of the Conga project based on 'technical' grounds, they are also ready for this specific debate. This approach results in locating as well as contesting 'legal' and 'technological' spaces, i.e. the deregulation of environmental regulations as well as the technological advances of the mining industry, which facilitate the continuous capitalist accumulation of the multinational mining capital and the Peruvian state in the neoliberal form of development. A local environmental NGO, GRUFIDES (*Grupo de Formación e Intervención para el Desarrollo Sostenible*), supported an 'alternative' version of the EIA and an internationally recognised expert in the area, Dr. Robert Moran, reviewed the EIA. This 'alternative' version of the review implies that the opponent's position is technically justifiable. In other words, the Conga project is 'technically' unviable as its EIA was reviewed by the international professional and thus the project cannot go ahead (*Conga no va*). Based on this alternative revision of the EIA, protesters insisted once again that it is impossible to proceed with any mining project in the headwaters of basin. Since the area is an interconnected ecosystem and, once started, the mining operation will generate irreversible environmental problems and result in negative impacts on the local population, violating their 'basic rights' to water.

In response, the government underlined that the Moran report is not technically based, but has a political purpose. As is usual, the 'political' should be detached from the 'economic' from the 'neoliberal' standpoint

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11 One of these three 'experts' once criticised people in Islay who were opposing the mining project *Tía María* (the Peruvian southern department of Arequipa) as 'uncivilised' radicals. For more on illegitimacy of these international experts, see the blog: <http://celendinlibre.wordpress.com/tag/rafael-fernandez-rubio/>

of the government. Then Minister of Environment, Manuel Pulgar Vidal, insisted that the report presented by the regional government of the Cajamarca was basically 'political' and does not demonstrate any 'technical' evidence, a justification made by the government for the continuance of the mining project (*El Clarín*, 13 March 2012). If *cajamarquinos* are worried about the quantity and quality of their water, the government argues that it will make sure that environmental damage would be mitigated and the provision of more water would be guaranteed according to the recommendations of international experts. In others words, the Conga project can go ahead (*Conga va*) under several conditions. The government did not have any intention to turn over the decision on the Conga project or to discuss environmental issues from the start of the process. In this sense, one local newspaper pointed out,

Conga va. [...] in this way the contract has been made between the government and three international experts. This is why the government needed to militarise the whole city of Cajamarca. [...] In the contract, it was only water which would be treated, and issues such as land, impacts on biodiversity have not been mentioned. It was not about the viability of the Conga project (*El Mercurio*, 16 April 2012, my translation).

This technical contestation around the anti-Conga conflicts raises several questions. When considering the extent of Yanacocha's mining activities in the region and their influence on local people's livelihood, the process of decision-making should include the participation of those who are affected by the mineral extraction, particularly local communities.<sup>12</sup> To a certain degree, this lack of participation within democratic institutions can explain why it is difficult to strike a consensus through crisis-based roundtables, particularly when faced with mining-related conflicts. Moreover, according to protesters, environmental regulations need to be reformed in a more ecologically integrated way in order to deal with mining-related environmental degradations. In addition, if MEM continues to act as both a promoter of mining investment and a judge of EIAs, local people will not recover their trust in the EIA. In this sense, democratic regulations should be placed in check if they are really intended to increase the participation of those who can be affected by mining activities. In other words, in a series of contestations related to the EIA and its revision,

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12 In this vein, although the Humala government passed the law of *Consulta Previa* (prior and informed consent process) when it comes to development projects, with the aim to increase local people's participation in the process of decision-making, the effectiveness of this law is too early to assess.



opponents expose technological and legal spaces of capitalist accumulation by the multinational capital and the neoliberal state and contest these roots of their opposition to this mining project.

## **Contestation II: Regional Ordinance 036**

When protesting against the Conga project, the regional government of Cajamarca approved Regional Ordinance 036, which declared the protection of the basin headwaters and the cancellation of the Conga mining project, on December 2011. The public prosecutor appealed to the Constitutional Court, arguing the unconstitutional nature of this ordinance. Faced with this, protesters and the regional government responded by turning to the Inter-American Court of Human Rights. The contestation over Regional Ordinance 036 reveals a lot of controversies in terms of mineral extraction. First, it is about competing legal jurisdictions between the central and regional government in the context of the process of decentralisation.<sup>13</sup> Second, this contestation brought up the core issue of who can make a decision over access to natural resources. Mining activities pit private companies against local communities over issues concerning natural resources such as water and land, since modern mining needs a considerable quantity of water and occupies large areas of land. Therefore, the commodification of these resources can put local livelihoods at risk as the local communities experience shrinking access to these essential resources while guaranteeing their access to water and land protects their basic human rights. Therefore, opponents of the project argue that the decision over these basic resources should be made by those who are affected by the mineral extraction, including the regional authorities as well as the local population. In other words, priority over the use of natural resources should be given to the local population rather than to private investors. In the end, the Constitutional Court declared the unconstitutionality of the regional ordinance on the same day when three international experts announced the report of their examination of the EIA about the Conga project. In others words, the project would proceed despite all obstacles. Therefore, while this contestation of opponents over regional ordinance turns out to have a limited influence in contesting the Conga project, it is still relevant since they locate the 'legal' spaces, which encourage the accumulation of the mining capitals by devolving

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13 Although decentralisation with the aim of 'deepening democracy' has been pursued since the Toledo administration (2001-2006), decision-making powers have still been concentrated in the central government.

and guaranteeing the legal authority of decision making of mineral extraction to the central government as well as the private sector, and open space for ‘political’ debates about alternative way of development.

### **Contestation III: Social Networks**

The role of social networks cannot be underestimated given the preponderance of the main stream media in support of extractive industries in Peru. The major media has mainly described social conflicts as a social disturbance, and part of many ongoing police cases. It also emphasises the division among movement leaders, describing that their intentions are purely ‘political’ in order to gain popular support and to win the presidency in future elections, for instance. Opponents of large-scale development projects have been mostly described as being manipulated by anti-mining and anti-development radicals, extremists, terrorists and naïve environmentalists. When it comes to the anti-Conga conflicts, despite the success of the National March for Water<sup>14</sup>, the majority of the media diverted its attention to the capture of Camarada Artemio, a leader of the Shining Path (*Sendero Luminoso*), and to the arrival of three designated international experts for EIA at the country. In the meantime, Milton Sánchez, the president of the PIC (*Plataforma Inter-Institucional Celendina*), an important local organisation, made a point that popular support and their backing all along the road to Lima boosted participants’ and leaders’ determination to continue their *lucha*.

In response to a hostile media which discursively facilitate the neoliberal form of capitalist accumulation, protesters have come up with their own alternatives by using blogs and social network sites. In an interview with a young environmental journalist in Celendín, he argued,

The alternative media can provide graphic testimonies. When people listen to these real testimonies, their opinion can be changed. Pictures and testimonies can also have greater impact on your opinion. Those images are more convincing. People in Lima, university students, and people from other countries sympathised with the cause of the *lucha*. One image can be worth more than a thousand words. Social networks like Facebook have contributed a lot to the distribution [of information] about what is really happening as well (Author’s interview, 28 March 2012).

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14 The March gained national and international support when protesters marched from Cajamarca to the capital Lima for ten days (1-10 February 2012) with an aim to raise popular consciousness of the cause of their *lucha*. For more on the March, see Seo (2015).

He continued to emphasise the necessity to recover his local radio programme since radio is one of the most important channels for *campesinos* to get information. At the same time, he strongly denounced the pressure exerted by the mining company's anti-movement campaign. This way of contestation by those opponents of the project actually uncovers the 'discursive' space of new mineral extraction, which is mainly articulated by the mainstream media in line with the government's position in regard to neoliberal extractivism. In particular, the contribution of social networks is made in bringing dynamics and diverse debates over development model across and beyond the country. Sometimes they introduced a lot of national and global criticism and solidarity over the government's antagonistic stance and repressive measures against protesters of neoliberal extractivism.

## CONCLUSION

Over the last two decades, the mineral extraction and its capitalist accumulation have intensified through various spaces –legal, discursive as well as technological– in neoliberal Latin America. While the economic liberalisation in the 1990s has led to a new mining boom, resulting in macroeconomic stability and fiscal bonanza, this new mineral extraction has become a main cause for social conflicts across the continent, which this article attempted to examine via neoliberal spaces of capitalist accumulation. These spaces are mainly observed in the power asymmetry between the 'transnational historic bloc' and local communities with regard to neoliberal extractivism. This article also intended to elucidate converging spaces of these two sides by examining the latter's multi-sited contestations against the Conga mining project in the Peruvian northern highlands.

Nearly 70 per cent of populations live in the countryside in the department of Cajamarca. Yanacocha has been conducting its mining activities over the last twenty years, causing social and environmental impacts on local communities. Since November 2011, local communities initiated its protests against Yanacocha's new expansion plan, the Conga mining project. After nearly two years of massive mobilisations, the project has been temporarily suspended by the Humala administration. While the central government, likewise its predecessors, rather discursively justifies the necessity of the mining industry not only for the country's economic growth but also for policies of social inclusion with generated fiscal resources,

opponents of the project insisted that Yanacocha's presence of two decades has not benefited the region. From the latter's standpoint, Cajamarca continues to be one of the country's poorest regions despite the mineral extraction by one of the world's largest gold mining company. In addition, the local communities have been suffering from environmental degradation and more importantly negative impacts on the quantity and quality of the region's water resources. Moreover, the Conga project designs to operate in the ecologically vulnerable headwaters of lakes, environment of which, protestors argue, can be adversely affected given the scale and nature of the project.

The article shows that protesters locate and contest neoliberal spaces of capitalist accumulation by the multinational capital in line with the Peruvian government in their multi-sited contestations against the Conga project – the EIA and its revision, Regional Ordinance 036 as well as social networks. By examining these contestations, the article focuses on the converging spaces between capitalist accumulation of neoliberal extractivism and local contestations, and thus uncovers the roots of the conflict, i.e. the power asymmetry between the former and the latter. While these contestations have limited consequences, i.e. a temporary suspension of the project, they open up spaces for political debates for alternative development model, by uncovering spaces of capitalist accumulation. In this sense, what protesters demand in their multi-sited contestation is not only the suspension of the mining project, they intend to extend the debate to the creation of an alternative development model. Under the present economic model, the dominant discourse has been concentrated on economic growth based on the extraction and export of natural resources.

Here, it is worth referring to one of my interviews with local leaders in Cajamarca. One of the local leaders, Idelso Hernández, the president of Front of Defense of Cajamarca and Unitary Committee of the Movement (CUL), maintained, 'what we are doing in our *lucha*, in coordination with the fronts of defense, local mayors and the regional government, is to promote an alternative development model. We are suggesting a new vision of how to deal with our resources in an alternative way. At the same time, we demand a respect for human rights considering the reality. Our *lucha* is not only for the environment but also for alternative development model' (Author's interview, 28 March 2012). Similarly, another leader, Padre Marco Arana, repeated this position, in a local meeting, by saying

that this *lucha* is against the Conga project as well as for another economic model and democracy. He continued, 'what is at stake is to change the legal framework about the politics, the environment, and private investment, among other things. A majority of population wants another future' (Author's fieldnote, 28 February 2012). To this end, protesters have conducted their contestation and disclose legal, technical as well as discursive spaces of capitalist accumulation. This uncovers the power relationships which are inherent in the process of neoliberal extraction promoted by the 'transnational historic bloc' and thus becomes one of the main causes of local contestations against mining projects. In other words, this spatially embedded power relationship enables the persistence of new mineral extraction and its capitalist accumulation and causes a long list of socio-environmental conflicts across the country. In this sense, the spatial approach to the new mineral extraction and local contestation is relevant for understanding the roots of contestations by local communities against neoliberal globalisation as well as their debates over 'alternative' way of development. This article only opens a space for further academic/theoretical debates in regard to global justice movements (or anti-neoliberal globalisation movements) as well as debates over post-neoliberalism or post-development alternatives in Latin America in the future.

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