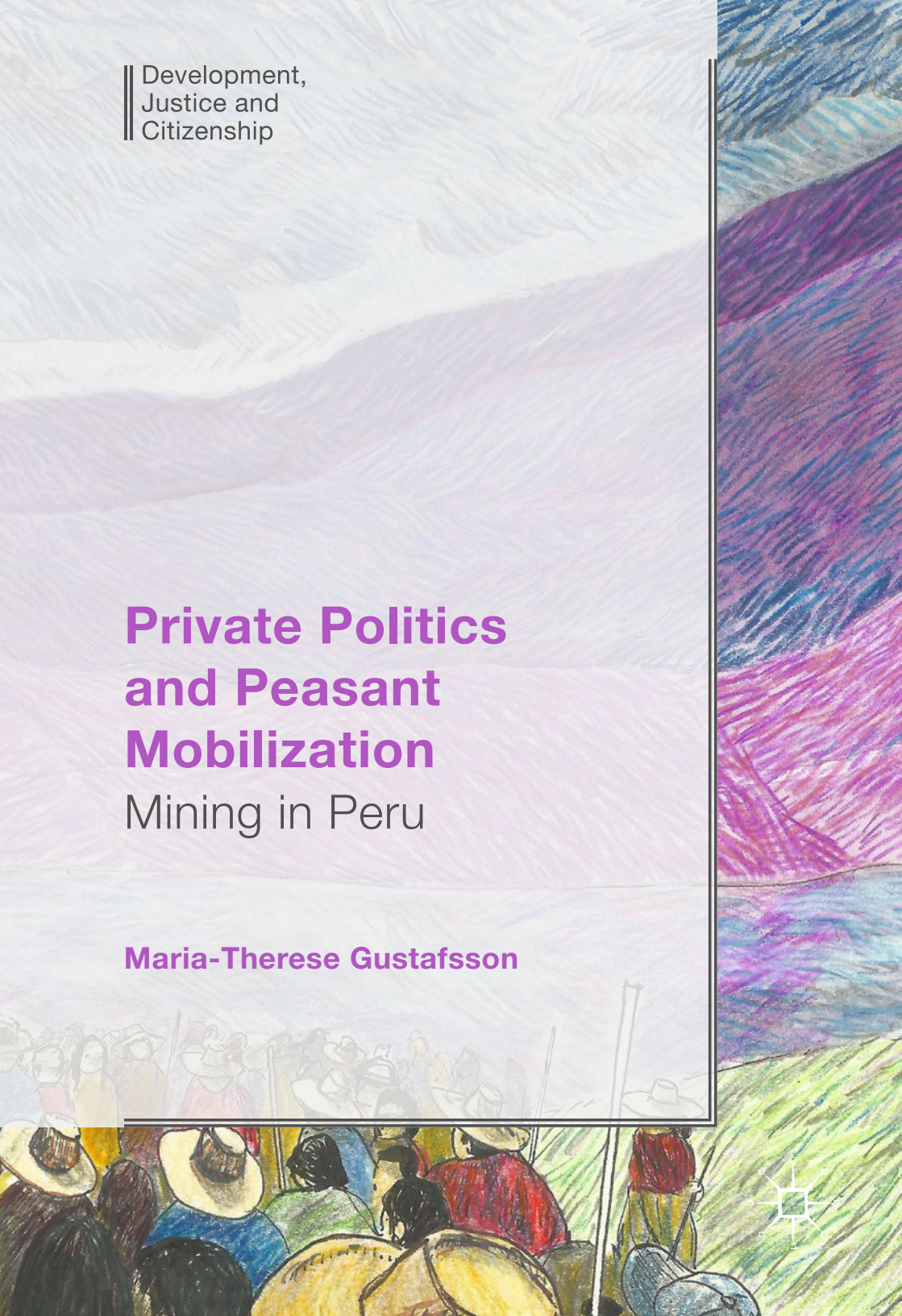
Development, Justice and Citizenship

Private Politics and Peasant Mobilization

Mining in Peru

Maria-Therese Gustafsson



Development, Justice and Citizenship

This series responds to the urgent need to explore the multiple challenges of research International Development from the perspective of justice and citizenship Complex issues such as the global inter-connectedness of places, economies, communities, and ideas, the movement of people, the costs of increasingly intensive and extensive models of capitalist growth, the global economy of energy, finance and production, global scarcity, abundance and consumption, security, health and environmental degradation all bring with them human dilemmas that directly affect people in or from the Global South and are at the heart of current agenda for development studies. The series is inspired by the research approach of the new University of Sheffield flagship research centre; the Sheffield Institute for International Development (SIID) and the colleagues and partners SIID is working with. SIID aims, above all, to set out an agenda for international development that reflects the importance of justice, rights and citizenship for global politics, policy and practices. It seeks to stimulate research for the highest calibre around international development as a question of social, political, economic and cultural justice and global social responsibility. It will showcase theoretical and empirical studies of the multi-level struggles for justice by and ordinary people and the politics and policies that seek to give rise to a fairer and more just global society. The series seeks contributions, therefore, that reveal the multiple ways people operate and engage in forms of struggle for a better world, and that explore the ways states and international actors engage with demands for change. We welcome submissions from scholars across the globe in the form of research monographs, edited collections and shorter, polemic books (pivots) that address this agenda is a direct, scholarly and thought-provoking fashion.

More information about this series at
http://www.springer.com/series/14949

Maria-Therese Gustafsson

Private Politics and Peasant Mobilization

Mining in Peru

palgrave
macmillan

Maria-Therese Gustafsson
Stockholm University
Stockholm, Sweden

Development, Justice and Citizenship
ISBN 978-3-319-60755-9 ISBN 978-3-319-60756-6 (eBook)
DOI 10.1007/978-3-319-60756-6

Library of Congress Control Number: 2017947757

© The Editor(s) (if applicable) and The Author(s) 2018
This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.
The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.
The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Cover illustration: © Fia Lien

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Foreword

The rapid growth of multinational corporate investment in mining and other extractive industries has transformed the local political and economic landscape in many parts of the developing world. In the Andean region of Latin America, much attention has been focused on conflicts between foreign-owned mining companies and local peasant and indigenous communities, typically involving control over land, water, and local environments. As Maria-Therese Gustafsson demonstrates in this groundbreaking work of political ethnography in the Peruvian Andes, these conflicts can play out in myriad ways. Indeed, corporate-community relations—or what Gustafsson calls "private politics"—are not always conflictual. While some communities end up in perpetual conflict with multinational investors, others enter into various types of collaborative or clientelistic relationships in an effort to obtain privately supplied services or benefits that state institutions fail to supply. Such forms of private politics are especially important in a country like Peru, where local political organization and governing institutions are very weak in the Andean region and poorly connected to national-level political institutions.

Based on extensive field research, this book analyzes the development of these different types of local relationships and explains why they exist—and how they evolve—in two large-scale mining projects. In the first of these cases, Rio Blanco, corporate-community relations were routinely confrontational, and local conflicts ultimately blocked the development of a major new mining project. In the second case, Bambas, negotiations between the multinational corporation and the local community produced clientelistic relations with some social groups, but also a type of strategic

collaboration with others that allowed mining to proceed alongside new forms of social investment and private service provision.

Drawing heavily from interviews with participants on the ground and other forms of primary documentation, Gustafsson explores the relationships between different types of actors and institutions in the local governance of multinational companies. She analyzes how prior forms of civic and community organization shape contemporary patterns of grassroots participation and social mobilization. She also explains how community organizations and local governments develop linkages to outside actors like NGOs and regional organizations; how civil society repertoires of contention, negotiation, and collaboration are shaped by corporate strategies; and how these corporate-community interactions are conditioned by the interests and policies of both local political institutions and central state agencies.

In Gustafsson's account, different types of corporate-community relations are determined by two basic factors: the extent to which local power relations are equal or unequal, and the extent to which local communities mobilize around claims for basic rights or for particular services provided by the company itself. When local communities are politically weak relative to a foreign mining company, corporate-community relations are likely to culminate in social demobilization or the clientelistic provision of private services. Where local communities are strong enough to establish a more equal balance of power, however, local relationships tend to produce consistent patterns of either confrontation or strategic collaboration. In her rich portrayals of these four different types of corporate-community relations, Gustafsson sheds new light on the diverse ways in which citizens and social actors at the grassroots level can participate in local governance. She also exposes the many impediments they may encounter in that process.

In the aftermath to neoliberal market reforms in Latin America, citizenship rights at the local level are being renegotiated in contexts where governing institutions are often absent, weak, or bereft of resources, while private corporate interests are both wealthy and powerful. As Gustafsson shows, such power imbalances entail a partial privatization of local governance, but they do not necessarily leave local communities supine or dependent on private corporate beneficence. Citizens and social groups can and do mobilize to contest or regulate corporate extractive activities that threaten community well-being. In so doing, they may activate and empower local democratic arenas for consultation, negotiation, and policy

implementation that redefine the terms under which multinational corporations do business in the Andes.

Activists, policy-makers, and scholars—this writer included—have long struggled to identify effective ways to "deepen" democratic practices and extend democratic participation to new spheres of social and economic interaction. No ready-made formulas or recipes exist to attain such goals; they are only revealed through myriad forms of struggle in diverse local settings. Gustafsson has written a deeply insightful book that shines new light on such struggles in the Peruvian Andes. For readers who are interested in emerging forms of local governance and deeper forms of democratic citizenship, this book is the ideal place to start.

Cornell University, USA Kenneth Roberts

Preface

One day in September 1999, I entered a restaurant in a little Andean village in Peru. An old man approached me and asked where I came from. When I answered, and he spoke to me in Swedish, I could not hide my surprise. The man turned out to be Hugo Blanco, the leader of the peasant movement that struggled for land reform in the 1960s and who was later offered asylum in Sweden. Hugo told me about the innovative participatory budget process in the district and invited me to come back. My fascination with this innovative model, to include the previously marginalized indigenous population into local politics, became a starting point for my interest in Peruvian politics. Since then, I have returned to Peru many times.

As I am about the finish this book, I would like to express my gratitude to the people who have been important during its preparation. First, I would like to express sincere thanks to two colleagues—Anders Sjögren and Kristina Boreus—who have been particularly important in providing guidance and support during this journey. Anders has contributed by way of close readings and posing challenging questions that forced me to develop my ideas. Kristina has also been a constant source of support. Her experience and constructive way of dealing with the different phases of the writing process have been immensely important in allowing me to finish the project on time.

My deepest thanks go to all the interviewees in Huancabamba, Cotabambas, and Lima who shared their experiences with me. I would also like to thank Victor Caballero, Ludwig Huber, and Miguel Levano. A special thank you to Martin Scurrah who has been a great friend and

colleague and has been so helpful in putting me in contact with the right people, and from whom I learned a great deal not only about mining and Peruvian politics, but also about what academia ideally should be about – a desire to constantly learn and to generously share your knowledge with others.

I would also like to thank my dear friend Theresa Squatrito with whom I shared my delights as well as challenges in writing this book. Another great friend and colleague has been Livia Johannesson, who has been a real role model in showing how to combine hard work with joy in academia. I would also like to thank my friends and colleagues at the Department of Political Science at Stockholm University and the Institute of Latin American Studies. A special thank you to those who read my text and provided useful comments throughout: Henrik Berglund, Elin Bjarnegård, Todd Eisenstadt, Elin Hafsteinsdottir, Rickard Lalander, Magnus Lembke, Michele Micheletti, Matilde Millares, Ulrika Mörth, Helena Skagerlind, Sidney Tarrow, Sofie Tornhill, Andres Rivarola, and Fredrik Uggla. A special thank you to Ken Roberts who has been more than generous with taking his time discussing different drafts and for trying to put me in contact with different persons.

I would also like to express my gratitude to my colleagues and generous friends in the Extractive Justice project: María Beatriz Eguiguren R., Arturo Escobar, María A. Guzmán-Gallegos, Esben Leifsen, John-Andrew McNeish, Luis Sanchez Vasquez, Almut Schilling-Vacaflor, Viviane Weitzner, Marilyn Machado, and Miguel Vargas. Over the years, our stimulating discussions about participatory governance in the mining industry have provided me with invaluable insight and excellent feedback on my work.

Thanks, too, go to Deborah Candy for her excellent work with proofreading the manuscript.

On a personal note, I am immensely grateful to my father who, in so many ways, enabled me to write this book. First, by encouraging me to dream of doing something different and for being supportive to me in all my endeavors. But most of all I am grateful that he joined me on a seven-week field trip to homeschool my two children. I know that life in the little Andean city was not always easy—with language barriers and arduous travel conditions—but without my father's help, the fieldwork and dissertation would never have been possible.

My deepest gratitude goes to my two children—Cesar and Leonel—whose childhoods have been profoundly affected by this project. I am very

thankful for their tolerance and flexibility; they have enabled me to finish this project by helping me keep my two feet firmly on the ground and focus on what is most important in life. During the course of this project, my sons have grown into wonderful, intelligent young people. Also thank you to my daughter Simone who was born just a week after the submission of this manuscript. Thank you for letting me finish the book and for being a constant source of joy. Finally, I am truly grateful for Rogier's unconditional love and support; his ability to approach each situation and day with a smile on his face makes it all worthwhile.

Contents

Abbreviations

AIDESEP	Asociación Interétnica de Desarrollo de la Selva Peruana (Interethnic Association for the Development of the Peruvian Jungle)
APRODEH	Asociación Pro Derechos Humanos (Association for Human Rights)
CCP	Confederación Campesina del Perú (Peasant Confederation of Perú)
CNA	Confederación Nacional Agraria (National Agrarian Confederation)
CONACAMI	Confederación Nacional de Comunidades Afectadas por la Minería (National Confederation of Communities Affected by Mining)
CORECAMI	Coordinadora Regional de Comunidades Afectadas por la Minería (Regional Coordinator of Communities Affected by Mining)
CSUTCB	Confederación Sindical Única de Trabajadores Campesinos de Bolivia (Union Confederation of Peasant Workers of Bolivia)
CUNARC	Central Única Nacional de Rondas Campesinas (National Union of Rondas Campesinas)
EIA	Environmental Impact Assessment
FDCC	Federación Distrital de Campesinos de Challhuahuacho (Local Peasant Federation of Challhuahuacho)
FDSFNP	Frente Por el Desarrollo Sostenible de la Frontera Norte del Perú (Front for the Sustainable Development of the Northern Frontier of Peru)

FENCAP	Federación Nacional de Campesinos del Perú (National Federation of the Peasants of Peru)
FOSBAM	Fondo Social del Las Bambas (Social Fund of the Bambas)
FPCC	Federación Provincial de Campesinos de Cotabambas (Provincial Peasant Federation of Cotabambas)
FTAP	Federación de Trabajadores Azucareros del Perú (Federation of Sugar Workers in Peru)
JNE	Jurado Nacional de Elecciones (National Jury of Elections)
MEF	Ministerio de Economia y Finanzas (Ministry of Economy and Finances)
MEM	Ministerio de Energía y Minas (Ministry of Energy and Mining)
MINAM	Ministerio del Ambiente (Ministry of the Environment)
OT	Ordenamiento Territorial (Territorial Planning)
PCM	Presidencia del Consejo de Ministros (Presidency of the Council of Ministers)
PMSP	Programa Minero de Solidaridad con el Pueblo (Mining Program of Solidarity with the People)
PROINVERSIÓN	La Agencia de Promoción de la Inversión Privada (Agency for the Promotion of Private Investment)
SENACE	Servicio Nacional de Certificación Ambiental para las Inversiones Sostenible (National Service of Environmental Certification for Sustainable Investment)
SINAMOS	Sistema Nacional de Apoyo a la Movilización Social (National System of Support to Social Mobilization)
SNA	Sociedad Nacional Agraria (National Agrarian Society)
SNMPE	Sociedad Nacional de Minería, Petróleo y Energía (National Society of Mining, Petroleum and Energy)
SUTEP	Sindicato Unitario de Trabajadores en la Educación del Perú (Trade Union of Workers within Education in Peru)
ZEE	Zonificación Ecológica y Económica (Economic and Ecological Zoning)

CHAPTER 1

Introduction

Our struggle is aimed at making the mining corporations leave the territories that they are occupying illegally.
—Community leader about the Rio Blanco project (Interview 18, January 5, 2011)

We decidedly support the process of promoting private investment in the Bambas mining project, acknowledging that its implementation will signify an important contribution to development and poverty reduction in the entire region.
—Declaration of community leaders and local authorities ("Declaration of Challhuahuacho" [October 2003])

These two quotes illustrate the divergence of different relations between peasant communities and corporations in mining localities in Latin America. The first quote refers to the Rio Blanco project in northern Peru, where the British corporation Monterrico Metals initiated negotiations with the communities in 2003 but did not succeed in advancing the project due to strong opposition. Underestimating their organizational strength, Monterrico Metals tried to break down opposition to the project through patronage and coercion. The conflict reached unusual levels of violence, and seven people died in confrontations over the project. After

© The Author(s) 2018

M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6_1

years of unsuccessful attempts to advance the project, Monterrico Metals finally sold the concession to a Chinese corporation in 2009.

The second quote refers to the Bambas project in southern Peru, where the Anglo-Swiss corporation Xstrata Copper initiated negotiations with peasant communities in 2004 and succeeded in advancing the project through a strategy based on close negotiations and social investments. Community organizations generally perceive the project as an opportunity to get access to basic infrastructure and employment. Some communities have established strategic collaborations with Xstrata, while others have become demobilized or entered into more clientelistic relations with the corporation.

These two cases illustrate the conflict-ridden and conciliatory relationships between corporations and communities within mining localities in the global south. In a broader sense, the cases are illustrative of a trend of *private politics*, in which corporations engage in governance processes by providing social services and engaging in and organizing participatory processes (see Balsiger 2014; Crane et al. 2008; King 2008; and Scherer and Palazzo 2011). Citizens are increasingly engaging with corporations directly, rather than influencing them indirectly through the state (Soule 2009). This trend is particularly clearly reflected in oil and mining localities that are often located in remote areas where existing state-led processes of dispute settlements are weak or do not generate binding agreements. In these localities, corporations can become powerful players. Studies of private politics in oil and mining localities, in different parts of the world, have shown how competing interests and social demands are regulated through direct confrontations or negotiations between corporations and community organizations (Cheshire 2010; Rajak 2008; Idemundia 2009; Kirsch 2014; Guzmán-Gallegos 2012; Li 2015). Corporations seek to gain acceptance by showcasing their positive contributions to local development through investments in infrastructure and social programs (Dougherty and Olsen 2014; Frynas 2005; Newell 2005).

A fundamental point to consider is how these dynamics affect community mobilization and scope of influence. Prior research has analyzed different forms of interactions. Some researchers have shown how competing interests and power asymmetries between communities and corporations will reinforce clientelism and are therefore associated with community fragmentation and demobilization (Bebbington 2010; Cheshire 2010). Other studies (Muradian et al. 2003; Triscritti 2013) have focused upon how comprehensive protests have made it impossible to develop macro-

economically important mining projects, suggesting that peasant communities have a strategic importance that enhances their bargaining position and can enable them to negotiate access to resources and political influence in ways that go beyond the particular mining project (Arce 2014: 131). Community organizations' ability to influence the resource flows and activities of mining companies is intrinsically linked to their capacity to mobilize and negotiate with mining corporations. These actions are particularly important in states where existing dispute settlement processes do not generate binding agreements and where the formal rights of local communities are weak and often violated. In these contexts, protests and different negotiation strategies are fundamental in increasing local communities' bargaining leverage and/or holding the corporations accountable.

As discussed above, corporate-community relations can play out in many different ways, which is partly explained by local communities' different interests in relation to mining projects. The distinction could, for instance, be made between mobilizations driven by "demands for rights", which in many cases seek to stop mining projects, and "demands for services", which are related to disputes over distribution and use of revenues (Arce 2014: 50; see also Bebbington et al. 2008; Ballard and Banks 2003: 298–299). In the growing literature on the struggles surrounding natural resource extraction in the global south, there has been a focus on the first type of more conflict-oriented demand-making, while less attention has been given to the second type. Struggles focused on demands for services have in some cases also been simplified as clientelistic.

This book goes beyond most recent works on corporate-community relations by analyzing how relations characterized by *confrontations, clientelism*, *demobilization*, or *strategic collaboration* affect the scope for influence in fundamentally different ways. In order to analyze those different forms of political contestation, the book shows how they are embedded in different power dynamics at the subnational level. More specifically, the book argues that these different power dynamics are shaped by communities' organizational strengths and corporate governance strategies, as well as how state institutions intervene in those relations.[1] By accounting for the complex configurations of these dynamics in the two cases, and seeking to explain the motives, actions, and power resources of these actors, the book thus takes a broad multi-actor perspective. I have spent in total six months in the two mining localities and in Lima. Based on 115 in-depth interviews and many hours of observations and examination of

written documents, the book reconstructs demand-making, struggles, and accommodations, both as they evolve over time and with an emphasis on the differences between the communities in each of the localities. By offering a detailed account of micropractices and showing how these processes are interpreted by different groups, the book offers a refined understanding of the multiple layers and informal processes that structure relations of power between transnational corporations and local communities.

The Peruvian case speaks in a powerful way to the literature on private politics in mining localities for three important reasons. First, since the early 2000s, mineral extraction in the Peruvian highlands has increased rapidly as a consequence of increased global demand, and mining today is an important driver of economic growth and source of government revenue.[2] As fundamental interests are at stake for both communities and corporations, the expansion of mining has been surrounded by a rising number of protests and negotiations related to the distribution of resources, land rights, and socio-environmental impacts (Arce 2014; Arellano-Yanguas 2011; Bebbington 2012b; Li 2015). Secondly, in contrast to other countries that have experienced waves of protests against neoliberal reforms, there is a general tendency in Peru toward political fragmentation in the face of those reforms (Silva 2009: 241). Protests are, therefore, in many cases scattered and disarticulated and have not been translated into broader national-level mobilizations (Arce 2014, xiv). Finally, the institutional capacity of the state is unevenly distributed across the territory (Eaton 2017; UNDP 2009) and the quality of state institutional interventions, in terms of establishing efficient dispute settlement mechanisms, is generally weak (Arce 2014). In this context, corporations have played an important role in dealing with demands and protests through dialogues and negotiations, by offering compensation and using coercion as well as legal repression.

The first section of this Introduction situates the empirical analysis in the broader context of corporations' involvement in political processes, and the second section elaborates upon the argument. The third section provides a background on mining and community mobilization in Peru, and the fourth discusses the case selection and the methods. Finally, an outline of the rest of the book is presented.

Neoliberal Reforms, Private Politics, and Community Mobilization

In Latin America, neoliberal reforms that were introduced in the 1980s and 1990s not only strengthened the power of corporations but also created opportunities for the rapid expansion of natural resource extraction in many countries (Campbell et al. 2011, 86). Prior research on neoliberal reforms in Latin America has emphasized the weakened capacity of the state to mediate, uphold the rule of law, and protect social rights (Oxhorn 2011; O'Donnell 2010: 165). Because of this, Oxhorn (2011: 56–57; see also Kurtz 2004) argues that it has become more difficult for civil society organizations to exercise influence over policy-making processes through the state. Other researchers argue that economic liberalization has generated a wave of opposition to those reforms (Silva 2009).

The reforms coincided with the strengthening of political democracy all over the region. In various countries, researchers have emphasized that political democracies have not developed into a more substantial form of democracy where marginalized groups can exercise their rights and in which citizens are provided with real meaning in their everyday lives (see Gibson 2005, 2010; Grugel and Bishop 2013; Oxhorn 2011). The rule of law and access to rights are unevenly distributed among social sectors, and marginalized groups, in particular, lack influence over political decisions that would profoundly impact their livelihoods. This is intrinsically linked to O'Donnell's arguments regarding the expansion of so-called brown areas in which informal practices and authoritarian mechanisms can persist (2004: 41; 2009: 165). As he (2010: 165) notes:

> Nowadays, we have political democracies that have resisted relentless crises without breaking down; a diverse political citizenship; national regimes that at times coexist with subnational ones that are authoritarian; sharp inequalities, as well as persistent poverty and indigence; a very uneven extension of civil and cultural rights, jointly with little progress and in several countries regressions in social rights, and in some countries regimes that in a sense are democratic but display the anti-institutional biases that make them delegative, not representative.

Civil society has gone through profound changes at the same time as traditional class-based organizations and parties have become weakened and partly replaced by new, less-centralized forms of associations, commu-

nity-based organizations, indigenous movements, and NGOs (Collier and Handlin 2005: 6; Roberts 2009: 2; Yashar 2005; Van Cott 2005). There are, of course, significant differences between Latin American countries. Many countries, such as Bolivia and Ecuador, have been governed by leftist parties that have made efforts to transform state-society relations by recognizing indigenous peoples' rights and adopting progressive constitutions. Peru, though, with its solid neoliberal model since the early 1990s, could be seen as an exception to this trend. The political dynamics of corporate-community relations must be analyzed in this broader context of challenges to democratic processes and weak representation of marginalized groups in some Latin American countries. Certainly, informal institutions and power dynamics have always played an important role in Latin American politics (cf. Helmke and Levitsky 2004; Adelman 2006; O'Donnell 2004). The situation is, however, exacerbated by neoliberal reforms that have altered the conditions for these dynamics and generated new conflicts and arenas of political contestation in which corporations play important roles. Some researchers even emphasize how private corporations in developing countries have come to assume state-like functions in relation to citizens (Crane et al. 2008: 67–68). Through these engagements, corporations contribute to the creation of political arenas outside the realm of institutionalized politics. Corporations have thereby also become part of the structural framework in which mobilization processes and political influence are shaped. The extension of corporate responsibilities therefore raises fundamental questions relating not only to mobilization and the political influence of marginalized groups but also for social and political development more generally. While some researchers emphasize how corporations could contribute to development outcomes (Jones Luong 2014: 58), others (Scherer and Palazzo 2011: 918) have discussed the democratic potential of new arenas where corporations have assumed a political role. While Scherer and Palazzo's argument refers to global politics, their arguments can also be applied to rural areas in Latin America. In their view, it is necessary to acknowledge corporations' new "political role", and thereby enable corporations to be involved in public deliberations, contribute to the resolution of political problems, and be subordinated to democratic control. Nevertheless, as addressed in this study, the realization of the developmental or participatory potential of these new arenas poses challenges to state institutions and civil society organizations that lack the capacity to counterbalance corporate power in those processes.

Mineral extraction is characterized in several specific ways that affect the relationship between mining corporations and local communities. First, mining projects are dependent upon access to the land and water resources that in many cases are the foundation of local, agricultural economies. As a consequence of the far-reaching impacts on local livelihoods, mining projects often generate disputes with local communities. Second, in the same way that mineral extraction is particularly prone to conflicts, mining corporations are also very vulnerable to protests. Corporations must invest heavily in local infrastructure and therefore cannot easily relocate their operations if they fail to achieve social license to operate (Franks et al. 2014). Protests may in this context impose high economic costs on corporations. Finally, even though states formally govern the operations and responsibilities of corporations in relation to local communities, mining projects are often located in remote areas in the global south where state institutions are weak. The implementation of formal regulations and the quality of state-led dispute settlements are, therefore, often poor. In this context, disputes between local communities and corporations are often dealt with directly, without the mediation of state institutions. From the corporations' points of view, it is necessary to engage with actors that could articulate a credible threat to disrupt their economic activities. Corporations often establish or participate in different dialogues or negotiations with a variety of local interests. While some of these processes involve a broad set of stakeholders, including state institutions, other processes are constituted by bilateral negotiations between corporations and minor groups. These negotiations are often focused upon negative impacts, land rights, and compensation to affected groups. Negotiations are of course also often initiated by local interest organizations that, through protests or threats to disrupt mining operations, seek to directly influence the distribution of benefits. This study takes a broad approach to private politics as constituted by different forms of formal or informal demand-making and negotiations, as well as protests that could take place in different settings such as corporate facilities, community assemblies, and local governments or in the streets.

These interactions could affect local communities in a number of ways. Corporations could, certainly, provide movements of important resources. Various researchers argue that access to a powerful actor could provide opportunities for groups to increase their influence (Haarstad 2012: 242). Damonte (2013b: 12–13), for instance, argues that negotiations with corporations give community leaders experience and political

prominence in their local societies. Idemundia (ibid., 105) claims that corporate-community partnerships could enable different Nigerian communities to communicate and negotiate about social infrastructure and increase trust and social capital. However, close interactions between actors with profoundly different power resources also constitute a risk for the weaker party to become involved in clientelistic dynamics (Bebbington 2010; Cheshire 2010; Smith and Dorward 2014; and Rajak 2008; see also Gerencser 2013).

This book shows that there is substantial variation in the patterns and consequences of corporate-community relations. By empirically accounting for and developing an explanation for this variance, the book makes a two-fold contribution to the literature. First, it adds to the growing and interdisciplinary literature on extractive industries that, to a large extent, has focused upon conflict and resistance to natural resource extraction, while less attention has been given to more conciliatory corporate-community relations. Rendering these divergent dynamics visible is important in understanding the roots of these dynamics and to address them through adequate governance responses. Second, the book contributes to the literature on private politics by increasing the understanding of how these dynamics affect mobilization processes and political influence on the part of marginalized groups, with important implications for broader processes of democratic deepening.

The Argument—The Power Dynamics of Private Politics in Extractive Industries

This book analyzes how communities mobilize in relation to the opportunities and restrictions created by the presence of private corporations in mining localities. Furthermore, it explores how their scope for influence is affected by these interactions. As suggested above, these relations can play out very differently and be characterized by different degrees and combinations of confrontation, clientelism, demobilization, and strategic collaboration. To illustrate the different types of relations accounted for in the empirical analysis, I have developed a four-fold typology that describes the key characteristics of these relations in terms of mobilization patterns and the scope for influence. After presenting this typology, this section develops an explanation for the divergence that hinges on the power dynamics between peasant organizations, corporations, and state institutions. In the concluding chapter, I elaborate further upon this typology based on the empirical analysis of the two cases.

Typology of corporate-community relations

	Demands for services	*Demands for rights*
Unequal power	Clientelism	Demobilization
Equal power	Strategic collaboration	Confrontation

The typology sets out the distinction between demands related to rights and those for services[3] that is often made in the literature. Demands for rights are often linked to environmental concerns (e.g. protection of agricultural lands and/or water supplies) or perceived marginalization of communities (e.g. deficient consultation procedures) and often result in opposition to mining. Demands for services, in contrast, are related to disputes over the distribution and use of revenues from mining (Arce 2014: 50–51). It is important to recognize that these two categories are not mutually exclusive. There is often great variety—both within and between local communities—regarding the manner in which they perceive their interest in relation to mining, and these interests can also often change over time (Bebbington et al. 2008, 2892–2893; Horowitz 2011). Local communities can engage in struggles for rights, to create leverage for bargaining about access to services. Moreover, these two categories of demands could also result in different types of corporate-community relations, depending upon the degree of power asymmetries that characterize those relations. In cases where local communities primarily engage in demands for services, corporate-community relations could take the form of clientelism or strategic collaboration.

In a *clientelistic relationship*, the superior party establishes a network of unique relationships with different groups and individuals which become dependent upon the protection and social benefits provided by the superior party.[4] These bonds of dependency often prevent the subordinated party from identifying collective interests and organizing in defense of those interests (Graziano 1976). Consequently, in a clientelistic relationship, local communities may become dependent upon the social provisions of the corporation, may identify their interests in narrow terms—either as individuals or smaller groups—and may abstain from participating in more comprehensive protests against the corporation. Clientelistic relations could thus enable communities to redirect corporate resource flows for minor groups.

A relationship of *strategic collaboration* is characterized by more equal power dynamics, which could arise when corporations are dependent upon access to resources, such as land rights that are controlled by communities. Local communities that lack control over land could also, through protests, succeed in articulating a credible threat to disrupt economic activities. By threatening to impose economic costs on corporations, communities could establish leverage in negotiations regarding investments of services and/or provision of monetary compensations. Those negotiations could potentially bring to bear significant influence over resource flows, even for broader groups.

In cases where local communities primarily pursue more transformatory demands related to rights, corporate-community relations could result in demobilization or confrontation. In relationships resulting in *demobilization*, community organizations lack the capacity to sustain collective action behind transformatory goals. These relationships are characterized by temporary but fragmented protests. However, due to a lack of organizational strength and/or as a consequence of the strategies employed by corporations and/or state institutions, communities are unable to sustain collective action and establish bargaining leverage in relation to corporations. Therefore, these relationships entail very limited forms of influence by community organizations.

Finally, in relationships characterized by *confrontation*, local communities—often supported by networks of actors (e.g. environmental NGOs, local mayors, regional presidents)—have the capacity to sustain a transformatory struggle over time, which could result in the suspension, substantial changes in project operations (e.g. protecting water supplies), and even permanently stopping a project. To achieve this, local communities often rely on a combination of different strategies (e.g., protests, formal negotiations with government representatives, lawsuits) and are often supported by a network of actors.

As suggested above, the variation of corporate-community relations hinges on the power dynamics between peasant organizations, corporations, and state institutions. By drawing on previous research regarding the capacity for collective action, private politics, and extractive industries, I will now further develop upon the way that power resources and strategies employed by these actors could contribute to reinforcing or reducing the power asymmetries of these relations.

Corporate Governance Strategies in Extractive Industries

For initiating mining activities, corporations need to gain social license from local communities, which could mean that they need to go beyond legal compliance (Gunningham et al. 2004). Social license may be achieved through a variety of strategies ranging from social investments and dialogue processes through to coercion and attempts to divide oppositional groups. Corporations have, in general, developed their strategies and become more professional in their interactions with communities (Bebbington et al. 2013a: 43). This is, of course, related to the fact that there is a clear business case to avoid conflicts that could disrupt mining operations and thus impose economic costs on the corporation. In a broad sense, corporate engagements with community organizations are guided by stakeholder principles. In the management literature, stakeholders are often defined as "groups and individuals who can affect the organization" (Freeman 1984: 48; see also Frooman 1999; and King 2008). Still, corporations' engagements with stakeholders are often described as voluntary (Newell 2005: 553), as corporations have a great degree of freedom to define stakeholder groups and compensation. Moreover, corporations can define their responsibilities in relation to each "stakeholder" separately (Frooman 1999: 191). In that sense, stakeholder relations are bilateral, unique relations that are established between the corporation and different groups.

In this book, a particular form of stakeholder relation is discussed—the relationship between corporations and community organizations in mining localities. These communities represent a particular type of stakeholder that is affected by corporate activities and may demand compensation for correcting social damage. Simon et al. (2004) refer to this kind of Corporate Social Responsibility (CSR) engagements as "negative injunction duties" that could be contrasted with "affirmative duties" that are activities aimed at contributing to social good without compensating for previous wrongdoing. Due to those potentially negative impacts, corporate-community relations in extractive industries are particularly prone to conflicts. Moreover, even though states formally govern those relations, mining operations are often located in remote areas where state institutions are weak. These are important points of departure that shape corporate-community relations in extractive industries as illustrated by the burgeoning literature in this area. This literature has reached the three following conclusions that are important in understanding corporate-

community relations: (1) corporate governance strategies vary widely, (2) corporations primarily engage with and compensate directly affected groups, and (3) corporations adapt their strategies to the local context.

First, previous research has shown that corporations employ a number of strategies ranging from dialogues (Anguelovski 2011) and partnerships (Idemundia 2009) to clientelism (Bebbington 2010; Rajak 2008; Smith and Dorward 2014; Cheshire 2010), coercion, and manipulation of scientific information (Kirsch 2014). These strategies have different implications for community mobilization and scope for influence. While clientelism and coercion generally affect communities' capacity to mobilize negatively, the creation of partnerships could enable community organizations to communicate and negotiate about social infrastructure and increase trust and social capital (Idemundia 2009; 105).

Second, corporations define their responsibilities in relation to each local group according to the degree of negative impacts of their operations. Affected groups are, however, often defined in narrow terms (O'Faircheallaigh 2017; Guzmán-Gallegos 2012: 157, 171), and groups that are excluded from compensations often seek to renegotiate on bilateral terms the ways in which areas of influence are defined (Damonte 2013a: 15). Bilateral negotiations about compensation for negative impacts could have important implications for communities' capacity to mobilize. As Bebbington (2010: 107) argues, if corporations negotiate with community organizations separately and offer different benefits, this could fragment existing—or prevent future—collaborations between them. Of course, corporations could also interact with intermediate organizations in cases where they assume the representation of the groups affected by the mining project. Corporations could also organize or participate in multi-stakeholder initiatives in the localities where they operate. Multi-stakeholder initiatives could be defined as "private governance mechanisms involving corporations, civil society organizations, and sometimes other actors, such as governments, academia or unions, to cope with social and environmental challenges".[5] As a broader set of stakeholder are involved, these processes are more likely to focus on "affirmative duties" and how corporations could contribute to more long-term development in the local society, rather than on compensations to minor groups. Consequently, two fundamental questions are (1) which type of organization (isolated grassroot or intermediate organizations) interacts with corporation and (2) whether corporations mainly engage in bilateral negotiations or multi-stakeholder initiatives. These different interactions could have a fragmenting or unifying effect on local organizations.

Third, there is an increasing recognition among mining corporations regarding the importance of adapting their strategies in obtaining social license to local conditions (Dougherty and Olsen 2014; Sagebien and Lindsay 2011; Gunningham et al. 2004).[6] From a corporate point of view, this could be seen as a sort of risk management as protests often play an essential role in influencing corporations (Newell 2005: 542; King 2008: 24). Damonte (2013a: 8), for instance, on the basis of a study of corporate-community relations in a Peruvian mining locality, argues that corporations are likely to engage with well-organized groups with strong interests in corporate activities. This is of course a disadvantage for weakly organized groups.

Local Communities' Capacity for Collective Action

As discussed above, corporate governance strategies could constrain as well as facilitate different forms of claim-making and mobilization processes. At the same time, to be able to defend their interests in interactions with corporations, communities often need (1) to scale up their organizational structures, (2) support by non-state actors, and/or (3) the control over resources that the corporations need to access. First, solid organizational structures are essential for community mobilization and scope for influence. McCarthy and Zald (2009: 203) distinguish between federated and isolated structures, arguing that the former makes it easier to secure a stable flow of resources. In rural areas of the Andes, community organizations are incorporated into federated union structures (Lembke 2006: 234). The strength of the links between communities and federations, however, differ significantly. In some cases, community organizations act independently of the federations, while, in other cases, communities coordinate closely with the federation that could support community mobilization and/or assume the representation of communities in negotiations with corporations. Notwithstanding, as Fox (1996: 1091) argues, isolated grassroots movements are generally more vulnerable to "divide and conquer" efforts from above. To scale up organizational structures and be represented by coordinated political coalitions at an intermediate level is therefore essential for communities' abilities to pursue their interests. Some researchers have suggested that there are "diffusion effects" between different local conflicts. Bebbington (2012a: 71), for instance, argues that social movements and NGOs often provide information and offer resources to community organizations, while state institutions intervene in conflicts in different ways, and thereby create links between

different conflicts. Other researchers (Haarstad 2012: 241) have, however, emphasized the specific "scalar logic" that makes it particularly difficult for local groups to build broader coalitions in opposition to projects. Protests against a mining project can benefit a smaller group in a locality, while the extraction of natural resources creates benefits for a much broader constituency. Nevertheless, at the same time as broader political coalitions may facilitate mobilization processes, it is important to recognize the inherent risk of the "iron law of oligarchy" that points to the difficulties of pursuing transformatory goals through formal, bureaucratic organizations (Michels 1962; Piven and Cloward 1977). It is therefore necessary to pay attention, through careful empirical analysis, as to how participation in broader coalitions affects community mobilization.

Second, non-state actors such as NGOs, the church, or political parties could play an essential role by supporting the organizing of isolated communities (Yashar 2005: 73; Paredes 2011; Bebbington 2012a: 73). NGOs, furthermore, could act as conduits to officials at the national level (Collier and Handlin 2009: 300) as well as provide important resources such as information, expertise, and financial help. This suggests that support on the part of non-state actors could to some extent compensate for the absence of broader political coalitions.

Third, control over resources to which the corporation needs access is an important asset in putting pressure on corporations. Close interactions between actors with profoundly different power resources could constitute a risk for the weaker party to become dependent and involved in clientelistic dynamics. However, as King suggests (2008), corporations can also be dependent upon the resources that are controlled by local groups. Workers can, for instance, withhold their labor (Pfeiffer and Leong 1977: 779, quoted in Frooman 1999: 196) and, in extractive industries, landowners can refuse to offer access to their land for mineral extraction. If these groups succeed in articulating a credible threat of withdrawal of land necessary to initiate mining operations, then the bargaining leverage of peasant communities increases significantly. Guzmán-Gallegos (2012: 157, 171), however, points to an important dilemma that could undermine the effective use of this strategy. In her study of Ecuadorian oil communities, Guzmán-Gallegos shows how the groups that control the land resources within and near the oil field, and therefore have the greatest capacity to pressure the corporation, often lack the incentive to do so as

they benefit from corporate support. Corporate social investments may thus make it difficult for broader coalitions to employ land strategically for increasing the bargaining leverage with corporations.

The Intervention of State Institutions

Finally, the power dynamics of corporate-community relations are also shaped by the nature of state intervention, as state institutions may intervene passively or actively in support of the corporation and/or to protect community organizations' interests and rights. In the global south, mining operations are often located in remote areas where state institutions are weak. Still, it is important to examine existing mechanisms through which state institutions could intervene in support of local communities. Previous research suggests that state institutions could play an important role by (1) organizing efficient consultation procedures and mechanisms of dispute settlement and (2) providing basic services and ensuring the rule of law. It is also important to examine the role of subnational governments in defending the varied interests of different political forces in relation to mining.

First, states could play an important role by implementing consultations and establishing efficient dispute settlement mechanisms. Free, prior, and informed consent (FPIC) is a potentially powerful tool for protecting indigenous peoples' rights by providing balanced information and enabling these groups to influence mining projects. Several studies, however, have shown that the deficient implementation undermines the emancipatory potential of these processes (see Hipwell et al. 2002; Szablowski 2010; Flemmer and Schilling-Vacaflor 2015). State institutions could also mediate in arising disputes by establishing dialogue tables (Anguelovski 2011). It is important to pay careful attention to the power dynamics of these processes, particularly in terms of how community interests are represented and the manner in which the agenda is defined.

Second, state institutions could also play important roles by defending the rule of law and providing for basic social welfare. If state institutions abstain from intervention by not establishing and defending the rule of law, corporations may violate the rights of communities without sanctions (Crane et al. 2008: 67). Corporations can then significantly raise the cost of oppositional action by repressing or discouraging groups from organiz-

ing or expressing their demands, as well as by opening legal proceedings against opposition leaders. The state also plays a crucial role in reducing communities' dependence on corporations by providing social services (Esping-Andersson 1990). A common argument in social movement theory is that external actors gain control over the "goals and activities" of movements by offering monetary resources (Cress and Snow 1996, quoted in Edwards and McCarty 2004: 135). As Edwards and McCarty (2004) point out, what ultimately determines the level of control is whether or not an organization is dependent on one donor or has access to various sources. Consequently, and as also suggested above, if the state (or a non-state actor) provides social services and information to local communities, the dependence on corporations will be less when compared to the situation where a corporation assumes primary responsibility for welfare provision and employment. This is particularly true in a context of widespread poverty, where deficient social rights are likely to increase such dependency.

Finally, as mining is often politically contested at the local level, it is important to examine the role of subnational governments in creating or closing arenas for contestation or in defending political forces with different interests in relation to mining. When groups opposed to mining are supported by subnational governments, they can pursue their demands from within state institutions for advancing their interests (Gustafsson 2017). The state may thus create, open up, or close arenas for contestations.

In sum, this book argues that corporate governance strategies, often discussed in terms of stakeholder relations, create opportunities and constraints for communities to frame their demands and organize in certain ways. In particular, those relations give communities incentives to organize as negatively affected groups that pursue demands for compensation. At the same time, communities relate to those opportunities and constraints differently, depending on their capacity for collective action as well as to the extent they are in control of resources that could be employed strategically for enhancing their bargaining leverage with corporations. In securing their operations, corporations must—in one way or the other—accommodate those pressures. How state institutions intervene to support or block communities' efforts to influence mining corporations is also important.

Table of summary over power dynamics of private politics

	Factors strengthening community mobilization and influence	*Factors weakening community mobilization and influence*
Communities' capacity for collective action	– Strong, pre-existing organizational structures – Support of non-state actors – Control over resources attractive for the corporation	– Weak, pre-existing organizational structures – Lack of support of non-state actors – Lack of control over resources attractive for the corporation.
Corporate governance strategies	– Multi-stakeholder negotiations – Dialogue processes	– Bilateral negotiations – Clientelistic strategies
State intervention	– State institutions guarantee efficient consultation procedures – State institutions provide (1) information, (2) basic services, and (3) rule of law – Subnational governments in support of community organizations	– Deficient consultation procedures – State institutions intervene primarily in support of corporation (e.g. by providing biased information, not providing basic services and not ensuring the rule of law) – Subnational governments in coalition with corporation

The relationship between these factors could not be captured through a simple causal statement. These factors are treated in a probabilistic manner, whereby the strategies and power resources of different actors outlined above can inhibit or enable, rather than directly cause patterns of mobilization and scope for influence. Moreover, as will be shown in the empirical analysis, timing of the different interventions is also important. The initial negotiation phase is, for instance, likely to be particularly important in how the relationship evolves. It could therefore be important if state institutions provide information and establish dialogue processes before the corporation has initiated negotiations with local communities. Distinct outcomes are also likely following different combinations of societal, state, and corporate-level strategies and interventions. For instance, strategic collaboration could potentially arise even in situations where communities have a weak capacity for collective action, if organizational

weakness is offset by the support of non-state actors and/or state institutions. In a similar way, even a community with links to broader political coalitions could become demobilized if faced with a corporation that, supported by state institutions, employed coercive divide-and-conquer strategies for overcoming opposition to the project. In the empirical analysis, it is therefore important to pay careful attention to the different constellations of these power dynamics and resources. To examine how these different power dynamics and resources affect community mobilization and influence in the two cases, I have formulated a number of questions that draw on the theoretical arguments presented above:

(1) How do different corporate governance strategies affect community mobilization and scope for influence?
(2) What types of organizational structures and resources are most important for communities' abilities to pursue demands for rights versus demands for services?
(3) How do different types of intervention of state institutions affect corporate-community relations?

These questions will guide the analysis in the empirical chapters. It is important to investigate these issues empirically in order to demonstrate how different configurations and power dynamics affect the outcome in terms of mobilization processes and scope for influence.

The Peruvian Mining Industry and Community Mobilization

Peru is located in the central Andes and may be divided in three zones: the coast, the highlands, and the Amazon. The political system and state structures in Peru have historically been highly centralized and focused on the coast, while the state, as Crabtree and Crabtree-Condor (2012: 49) argue, has been unable to impose its will in large parts of the highlands and the Amazon. There are large differences in terms of economic and social development in the three zones. Economic development and state institutions have, until today, been concentrated along the coastal area; however, natural resource reserves, such as minerals, oil, and gas, are mainly located in the highlands and the Amazon.[7] While continuous economic growth has reduced poverty levels since the early 1990s, 26 percent of the popu-

lation remains impoverished. Poverty rates are heavily structured along territorial, ethnic, and urban/rural lines; in various departments in the highlands, poverty rates exceed 50 percent (UNDP 2013: 21, 30).

Peru has one of the largest indigenous populations in Latin America, comprising between one-third and 47 percent of the population, depending on how indigeneity is measured (Van Cott 2005: 141). The Vice Ministry of Interculturalism has recognized 54 ethnic groups in Peru,[8] with the Quechuas being the largest, making up 18 percent of the total population (Van Cott 2005: 145). Indigenous identity is a complicated issue in Peru, and, in contrast to Bolivia and Ecuador, indigenous identities and organizations are significantly weaker (Yashar 2005).

As peasant communities are the key actors in this study, I will briefly describe those organizations.

Peasant communities are legally recognized, self-governing organizations which organize the productive process and maintain local infrastructure within a certain defined geographical area. Currently, there are around 6000 recognized community organizations (Eguren 2006: 23), and 50 percent of their territories are located in areas influenced by mining projects (Cuadros Falla 2011: 208; Bebbington et al. 2014).

Peasant communities constitute the lowest unit in a federative structure with organizational layers up to the national level. This is partly the result of the military government's attempt to create peasant federations that were given channels of access to policy-making processes at the national level in the 1970s (McClintock 1981; Cleaves and Scurrah 1980). In practice, the military government never took pervasive control in rural areas, and peasant communities established a degree of local autonomy in many areas (Yashar 2005: 8–9). This explains why the links between community organizations and peasant federations, until today, have remained unevenly distributed within Peru. In some regions, communities collaborate closely with peasant federations at the provincial, regional, and at times even the national level, whereas in others no such links exist to higher organizational stages. This variety of communities' links to peasant organizations is reflected in the empirical analysis of the two cases. In some cases, communities are represented by organizations at the regional level, but in others, they negotiate with mining corporations directly.

Peasant communities were heavily affected by Shining Path's expansion in the central and southern parts of the country in the 1980s. The confrontations between the Shining Path and the Peruvian government had a devastating impact on peasant organizations and democratic institu-

tions (Degregori 1990). In 1990, the government of Alberto Fujimori took control of a country in deep economic crisis and, pressured by international financial institutions, adopted a comprehensive package of economic liberalizations (cf. Wise 2003; Teivainen 2002). An important part of those reforms was to facilitate the expansion of mining in the Andean highlands. The constitutional protection of collective landholdings was weakened, and the central government achieved sovereign control over natural resources (Article 66, Constitution). In general, these reforms were very beneficial for the corporations (Campbell et al. 2011: 89). Consequently, between 1990 and 1997, foreign investment in mining increased 20-fold (World Bank 2005: 13). During the 2000s, corporations have continued to put severe pressure on the government to increase levels of mineral extraction, following the boom in mineral prices mainly due to the rapid growth of China's and India's economies (Laplante and Spears 2008: 72). Today, Peru is the world's third largest producer of silver, copper, and zinc, fourth largest of lead, and the fifth largest producer of gold[9]; and about 70 percent of foreign direct investments goes into the extractive sector (IMF 2015: 6).

The rapid expansion of mining in the Andean highlands has generated both bitter conflicts and different forms of negotiations between peasant communities and corporations.[10] The central government or, more specifically, the Ministry of Energy and Mines (MEM) has the formal authority to promote investment and authorize concessions, but at the same time plays an important role in the monitoring of corporations' compliance with the law. Subnational governments have no formal authority over large-scale mining projects. Civil society actors have criticized the dual role of MEM, and there is a widespread perception that the government is hostage to business interests (Crabtree and Crabtree-Condor 2012: 50; Durand 2016). There are various institutional mechanisms enabling community organizations to participate in and influence mining projects, such as prior consultations, the approval processes of Environmental Impact Assessments (EIAs), dialogue tables on specific projects, and broader state-led territorial planning (*Ordenamiento Territorial*). The Peruvian government adopted a law on prior consultations in 2011. According to the ILO Convention No. 169, indigenous peoples have the right to be consulted by the state whenever measures are planned that would impact them. The Peruvian government ratified ILO 169 in 1994, but did not

incorporate it into national legislation until 2011. However, until recently no consultation processes have been realized in the Andean highlands as it is only in the Amazonian region that the government recognizes the existence of indigenous peoples.

However, as Bebbington et al. (2013b: 23, 67) observe, even though there has been a general development of legislation[11] that promotes community organizations' participation in relation to mining, participatory mechanisms are primarily informative and aimed at preventing conflicts. In a similar vein, Arce (2014: 121) argues that state interventions often lack coherence and rarely result in politically binding agreements. Peasant organizations therefore frequently engage in protest actions to put pressure on the corporations and the state. Corporations assume an important role in dealing with the demands and protests of communities and local populations.

Peasant communities' capacity for collective action is, however, relatively weak in Peru. In general, peasant communities are strongly organized at the community level, but to a large extent fragmented at the regional and national levels (Panfichi and Alvarado 2010: 5). In many cases, they lack the experience and resources to pursue their interests in relation to mining. As Crabtree and Crabtree-Condor (2012: 54) argue, building alliances at the regional and national level in Peru is crucial to the success of social mobilization. However, as discussed above, peasant communities' links to regional and national organizations—and thus their capacity for collective action—are, in general, weak. That said, there are significant differences between regions. In northern Peru, for instance, a particular form of community organization, the so-called Rondas Campesinas, is to some extent an exception to the current fragmentation of peasant organizations in Peru. Rondas Campesinas emerged in the aftermath of the agrarian reform and have maintained relatively strong mobilization structures at the provincial and regional level. Their comprehensive protests against the Conga project, for instance, obliged the central government to declare a state of emergency in Cajamarca and also resulted in the replacement of several ministers (Diez and Echave 2013). This would suggest that Rondas Campesinas, given their strong capacity to mobilize, are in a better position to pursue their interests in relation to mining corporations than the more fragmented organizations in other parts of the country.

Hence, this section has shown that there are certain features that make the Peruvian mining sector stand out when compared to other Latin American countries. Some of the characteristics that have been empha-

sized are the poor quality of state mediation as well as the weakness of peasant organizations at the national level. Still, the results of this study should not be considered as pertaining only to the Peruvian mining sector. Rather, they are illustrative of global political and economic processes that have affected the scope for community organizations to mobilize and influence policy-making processes. This study could, therefore, contribute to our understanding of power dynamics between local communities and extractive corporations in areas where state institutions are relatively weak.

Two Contrasting Cases: Conflict-Ridden Versus Conciliatory Relations

This study analyzes community mobilization in relation to two macroeconomically significant copper projects in Peru—the Rio Blanco project located in the Piura region and the Bambas project located in the Apurímac region. The primary reason for the selection of these two cases is that they represent struggles that involve demands for rights and services. In the Rio Blanco case, corporate-community relations are conflict-ridden as the majority of the directly affected community members are opposed to the project. The British corporation Monterrico Metals used coercive patronage and harassment to break down opposition to the project. This is in contrast to the Bambas case, which in some important aspects is characterized by clientelistic dynamics but also by strategic collaborations on the part of some communities. Most communities have accepted the project and seek to negotiate closely with the corporation in order to gain access to corporate social investments. The Swiss corporation Xstrata Copper, to a greater extent, used social investments and dialogues in the Bambas case to deal with community demands and protests.[12] Hence, in a broad sense, these two cases illustrate two different types of corporate-community relations. At the same time, the empirical analysis of the two cases is focused upon how relations change over time as well as differing substantially within and between communities in each region. These comparisons, over time and between communities in each region, allow for an analysis as to the way the presence of the mining corporation affects community mobilization and scope for influence in a variety of different ways.

A Note on Methods and Material

This book is a political ethnography on corporate-community relations in two Peruvian mining localities. I draw on Edward Schatz's (2009: 5) definition of political ethnography as a *sensibility* to the context and to meanings that insiders attribute to the processes under study. Political ethnography could deepen and reframe established knowledge of political processes through detailed descriptions of a process or a phenomenon (Schatz 2009: 10; Bayard de Volo and Schatz 2004: 268). As described above, the book is primarily based on within-case analysis, even though the differences and similarities between the cases are highlighted in the Conclusion. In each case, corporate-community relations are reconstructed with a focus on different forms of demand-making, struggles, and accommodations over a period of five to eight years. In order to analyze corporate-community interactions, an exclusive focus on formal negotiations is not sufficient: informal negotiations, collaborations on specific issues or projects, protest events, or daily informal encounters are all equally important. These interactions take place in different arenas, such as community assemblies, the streets, local governments, or corporate facilities. Political ethnography is particularly suitable for capturing these types of informal practices at the microlevel. As Kubik (2009: 31, 49) notes, there is no other method that could capture the overlooked or hidden dimensions of power that take place in different arenas. The ethnographic approach has enabled me to collect reliable data and describe those dynamics adequately.

I spent, in total, six months[13] collecting material in Peru. The material consists of in-depth interviews, primary written sources, and news articles. The empirical materials employed differed at times between the two cases because access to the informants and documents were in some cases very difficult. In the Bambas case, the conciliatory corporate-community relations facilitated interviewing and corporate documentation was relatively comprehensive. In the Rio Blanco case, the polarized situation made interviewing more challenging, so that the Ombudsman's comprehensive documentation of the case was an important source of information. The Ombudsman's documentation of the Bambas case was more limited, as the level of conflict was low.

I conducted 115 interviews with community leaders, members and representatives of corporations and state institutions, employees of NGOs, and academics.[14] Most interviews were between 40 minutes and an hour. The interviews with key actors in the two mining projects provided rich

and deep insights into how different groups perceived and acted strategically in those processes. Interviews provided information on the way that peasant communities define their interests, are organized, and frame their demands. Interviews were also used to determine factual actions and/or events. My quest was to interview representatives from community organizations, corporations, and state institutions in both cases. In the Rio Blanco case, I conducted interviews with 16 representatives from peasant communities, 8 representatives of state institutions, and 3 representatives from NGOs involved in the conflict. It was unfortunately not possible to interview representatives of the corporation.[15] In the Bambas project, I obtained more complete interview material that covered both parts: corporate representatives and groups in favor of, and against, the project. In this case, I conducted interviews with 26 representatives from peasant communities, 11 representatives of the corporation, 8 representatives of state institutions, 6 representatives of NGOs, and 3 inhabitants from the locality. In addition, I conducted 15 interviews with politicians or employees at the national level involved in the regulation of mining. As an example, I interviewed the former Vice Minister of Interculturality, one of the Vice Ministers of Environment, the Vice President of Peru, and the government advisor on social conflicts.

In each case, I reviewed the formal documents—Environmental Assessment Report, *Línea de Base Social*—that all mining corporations must present to MEM. These are comprehensive reports that in detailed, highly technical language provide information on technological aspects and environmental and social impacts. These documents provide information on how the corporation defines which groups are affected by the project and what strategies will be used in negotiating with affected groups. However, strategies are often described in broad, general terms: no concrete commitments are made in relation to specific groups.

The Ombudsman provided important information to this study. As social conflicts have increased, the Ombudsman has played an important role in both monitoring and mediating social conflicts. I had access both to the Ombudsman's monthly reports and internal archives on social conflicts. Regarding the Rio Blanco case, I obtained access to around 500 documents and, for the Bambas case, around 100 documents. The material is mixed and contains descriptions and analysis of conflicts, government decisions, agreements, meeting protocols, and public declarations—of peasant organizations and state institutions—as well as media articles. Newspaper articles were also used in the Rio Blanco case for cross-

checking the statements made by the actors and reported in media against actions taken by the actors in different phases of the conflict. These articles offered information on how the government and other public institutions intervened in the conflict and how they justified those interventions.

Finally, the written primary sources were complemented by secondary literature. I have also deepened my knowledge of the Peruvian context and the mining conflicts by regularly reading two of the leading newspapers in Peru—*El Comercio* and *La República*.

The Organization of the Study

As a brief guide, I will now summarize the discussions covered in each chapter. Chapter 2 situates contemporary corporate-community relations in the broader context of a shift from a state-led to a market-oriented development model. Moreover, while the chapter is primarily focused upon the Peruvian case, it also introduces examples from other countries—mainly in Latin America—to situate Peru in a broader comparative context. The first section is devoted to an historical background of state-society relations in Peru and other Andean countries, with a particular focus on the uneven and scattered presence of the state and the evolution of rural mobilization. In the second section, I present an overview of the way that corporate-community relations within extractive industries are regulated in Peru as well as in other countries heavily dependent on mining. Overall, this chapter shows that, in areas where state institutions are weak, private power dynamics dominate and play an important role in shaping mobilization processes and scope for influence. The situation is exacerbated by neoliberal reforms that have altered the conditions for these dynamics and have generated new conflicts and arenas of political contestation in which corporations play important roles.

Chapter 3 is devoted to the patterns and causes of the relationship between the two communities and the British corporation Monterrico Metals in the Rio Blanco case, located in the Piura region. In this case, corporate-community relations are primarily characterized by *confrontation*, even though some groups have become involved in *clientelistic* dynamics with the corporation. The first section of the chapter provides an historical background of state institutions and peasant mobilizations in the region and shows how relatively strong peasant organizations emerged as a consequence of the contestations with the state over territorial control. The second and the third sections analyze the patterns of the initial

interactions with the corporation, demonstrating how the corporation employed a strategy based on patronage and coercion to advance the project. The strongly organized peasant organizations responded forcefully to efforts by both the corporation and state institutions to advance the project. Overall, the chapter shows the importance of broader political coalitions and non-state actors for communities to be able to engage in a sustained struggle opposing a project.

Chapter 4 follows up the analysis of the Rio Blanco case and examines the escalation of the conflict between the communities and the corporation, from 2004 to 2007, focusing on the consequences of the confrontational strategies employed by both parties. In the first two sections, I analyze how corporate-community relations have affected organizational structures. The empirical analysis shows how these interactions created divisions but also gave communities incentives, by drawing on pre-existing networks, to scale up their organizational structures to the regional level. The third section analyzes how peasant organizations, through coalitions with subnational governments, gained access to formal political instruments (dialogue processes, popular consultations, and territorial planning), which could then be used in combination with contentious strategies. Overall, the chapter shows that the confrontational relationship with the corporation had profound impacts on organizational structures and scope for influence. Moreover, it demonstrates that the coalition with subnational governments is key to understanding the communities' ability to sustain the struggle and also illustrates the complexity and tensions within the state with regard to natural resource governance.

Chapter 5 is devoted to the relationship between the peasant communities and the Swiss corporation Xstrata Copper in the Bambas case, located in the Apurímac region. In this case corporate-community relations are more diverse as a larger number of communities are affected by the project. While some relationships are characterized by *strategic collaboration*, others are considered more in terms of *demobilization* and *clientelistic* dynamics. The first section of the chapter provides for an historical background of state institutions and peasant mobilizations in the region. In a context where the state had never established rule of law and repressive private power dynamics had predominated, peasant communities have not been able to scale up their organizational structures. The second section analyzes the weak organization of the peasant communities' initial interactions with the corporation. Even though the corporation employed an inclusionary strategy based on dialogues and social invest-

ments, community organizations had difficulties articulating and pursuing their interests in those interactions. The third section analyzes how the central state intervened by providing biased information and conditioned social investments and, in that way, created incentives and constraints for demand-making oriented toward the accessing of those resources. Overall, the chapter illustrates the efforts by previously fragmented communities to organize and explains how they were finally demobilized. Moreover, it also shows how central state institutions increased the communities' dependency on the corporation and shaped community mobilization and scope for influence.

Chapter 6 develops the analysis of the Bambas case, with a focus on the patterns and consequences of the bilateral relationships between different community organizations and Xstrata. While communities are generally engaged in demands for services, this chapter shows how such relations were characterized by different power dynamics, which in some cases resulted in *clientelism*, while others led to *strategic collaboration*. In the first section, I analyze Xstrata's dialogue-oriented, bilateral strategy for dealing with protests and demands by peasant communities. In the next three sections, I analyze the interactions between Xstrata and different peasant communities and the ways they differ in their capacity to put pressure on the corporation. Overall, the chapter shows that control over land is a crucial asset to establish a bargaining leverage in relation to the corporation. However, the chapter also points to an important dilemma with strategic collaborations at the community level. As these relations could be highly beneficial for isolated communities, in inverse proportions, it becomes more difficult to develop political coalitions that could pursue demands rooted in broader collective interests related to provincial development.

Finally, Chapter 7 summarizes the findings, compares the two cases, and outlines the implications for broader debates on private politics in extractive industries and democracy more generally. In the first section, I review my core argument regarding the ways in which the capacity for collective action, corporate governance strategies, and state institutions shape the power dynamics of corporate-community relations. I assess the implications of this argument in relation to previous research on private politics in the extractive industries in Latin America and elsewhere in the global south. In the second section, I elaborate upon the typology of different corporate-community relations. Based on the empirical findings, I discuss the different patterns, causes, and consequences in terms

of mobilization processes and scope for influence of these different types of relations. Finally, I discuss the findings of the book in the light of the fundamental question regarding the implications of corporations' political roles for processes of democratic deepening in "brown areas" of the state. More specifically, I reflect upon whether there is a risk that corporations' effectiveness, when it comes to service delivery, contribute to delegitimize state institutions and undermine the relevance of democracy.

Notes

1. While other authors have made similar claims (see e.g. Bebbington et al. 2008), this book provides for a comprehensive empirical analysis of the patterns and consequences of different power dynamics.
2. Mining represents the majority of foreign investments and contributes 20 percent of the taxes in Peru (http://elcomercio.pe/economia/peru/que-tan-importante-mineria-peru-noticia-1818701, accessed 7 October, 2016).
3. I have borrowed these concepts from Moisés Arce (2014: 50). See also Ballard and Banks 2003: 298–299.
4. Hilgers (2011: 568), for instance, suggests that "in addition to being an exchange in which individuals maximize their interests, clientelism involves longevity, diffuseness, face-to-face contact, and inequality. That is, it is a lasting personal relationship between individuals of unequal sociopolitical status."
5. I have borrowed this definition from Mena and Palazzo (2012: 528). While the definition originally refers to global governance processes, it could also be applied to multi-stakeholder initiatives at the subnational level.
6. It should be noted that Gunningham et al. do not refer to mining corporations specifically.
7. Even though oil has been extracted from Peru's north coast since before World War II.
8. http://www.cultura.gob.pe/es/comunicacion/noticia/ministerio-de-cultura-publica-informacion-sobre-pueblos-quechuas-en-base-de, accessed October 15, 2015.
9. http://www.indexmundi.com/minerals/?product=lead&graph=production, accessed October 15, 2015.
10. Socio-environmentalist conflicts have increased from 2 in 2004 to 133 in 2014 (Ombudsman 2004 and 2014).

11. See Reglamento de participación ciudadano en el sub sector minero, DS. No. 028-2008-EM.
12. The Bambas project was owned by Xstrata until 2013. Today the mine is owned and operated by the Chinese corporation MMG. The research covers the period when the mine was owned by Xstrata, so that current corporate policies, strategies, and practices may be different from the ones analyzed in this book.
13. I undertook three field trips, one in 2010 (one month), one in 2011 (four months), and one in 2013 (one month).
14. Even though I had permission to quote the informants, I have kept most of the people mentioned in this study anonymous and refer only to their position. I have been more open with highly public actors who have expressed similar views in the media or other official contexts.
15. In 2008, the project was sold, and when two of my periods of fieldwork were conducted, the new Chinese owners had only an administrative office in Peru.

References

Adelman, Jeremy. 2006. Unfinished States – Historical Perspectives on the Andes. In *State and Society in Conflict: Comparative Perspective on the Andean Crisis*, ed. Paul W. Drake and Eric Hershberg. Pittsburgh: University of Pittsburgh Press.

Anguelovski, Isabel. 2011. Understanding the Dynamics of Community Engagement of Corporations in Communities: The Iterative Relationship Between Dialogue Processes and Local Protest at the Tintaya Copper Mine in Peru. *Society & Natural Resources* 24(4): 384–399.

Arce, Moisés. 2014. *Resource Extraction and Protest in Peru*. Pittsburgh: University of Pittsburgh Press.

Arellano-Yanguas, Javier. 2011. Aggravating the Resource Curse Decentralization, Mining and Conflict in Peru. *The Journal of Development Studies* 47(4): 617–638.

Ballard, Chris, and Glenn Banks. 2003. Resource Wars: The Anthropology of Mining. *Annual Review of Anthropology* 32: 287–313.

Balsiger, Philip. 2014. *The Fight for Ethical Fashion – The Origins and the Interactions of Clean Clothes Campaign*. Aldershot: Ashgate.

Bayard de Volo, Lorraine, and Edward Schatz. 2004. From the Inside Out: Ethnographic Methods in Political Research. *PS: Political Science & Politics* 37: 267–271.

Bebbington, Anthony. 2010. Extractive Industries and Stunted States, Conflict, Responsibility and Institutional Change in the Andes. In *Corporate Social*

Responsibility, Discourses, Practices and Perspectives, ed. Raman Ravi. London: Palgrave Macmillan.

———. 2012a. Social conflict and emergent institutions: Hypotheses from Piura, Peru. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

———, ed. 2012b. *Social Conflicts, Economic Development and Extractive Industries*. London: Routledge.

Bebbington, Anthony, Denise Bebbington Humphreys, Jeffrey Bury, Jeannet Lingan, Juan Pablo Muñoz, and Martin Scurrah. 2008. Mining and Social Movements: Struggles Over Livelihood and Rural Territorial Development in the Andes. *World Development* 36(12): 2888–2905.

Bebbington, Anthony, John Rogan, and Nicholas Cuba. 2014. *Geographies of Conflict: Mapping Overlaps Between Extractive Industries and Agricultural Land Uses in Ghana and Peru*. Boston: Oxfam America.

Bebbington, Anthony, Martin Scurrah, and Anahì Chaparro. 2013a. Proyecto Industrias Extractivas, Conflictos Sociales e Innovaciones Institutionales en la Región Andino-Amazónica. Documento de Trabajo No. 1. Worcester, Tarija: Centro Peruano de Estudios Sociales, Clark University, Centro de Estudios Regionales de Tarija.

———. 2013b. Proyecto Industrias Extractivas, Conflictos Sociales e Innovaciones Institutionales en la Región Andino-Amazónica. Documento de Trabajo No. 7. Centro Peruano de Estudios Sociales, Clark University, Centro de Estudios Regionales de Tarija.

Campbell, Bonnie, Etienne Roy-Grégoire, and Myriam Laforce. 2011. Regulatory Frameworks, Issues of Legitimacy, Responsibility, and Accountability: Reflections Drawn from the PERCAN Initiative. In *Governance Ecosystems – CSR in the Latin American Mining Sector*, ed. Julia Sagebien and Nicole Marie Lindsay. Basingstoke: Palgrave Macmillan.

Cheshire, Lynda. 2010. A Corporate Responsibility? The Constitution of Fly-in, Fly-out Mining Companies as Governance Partners in Remote, Mine-Affected Localities. *Journal of Rural Studies* 26(1): 12–20.

Cleaves, Peter S., and Martin J. Scurrah. 1980. *Agriculture, Bureaucracy, and Military Government in Peru*. Ithaca: Cornell University Press.

Collier, Ruth Berins, and Samuel Handlin. 2005. *Shifting Interest Regimes of the Working Classes in Latin America*. Working Paper. Institute for Research on Labor and Employment. University of California.

Collier, Ruth Berins, and Samuel Handlin, eds. 2009. *Reorganizing Popular Politics, Participation and the New Interest Regime in Latin America*. University Park, PA: Pennsylvania State University Press.

Crabtree, John, and Isabel Crabtree-Condor. 2012. The Politics of Extractive Industries in the Central Andes. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Crane, Andrew, Dirk Matten, and Jeremy Moon. 2008. *Corporations and Citizenship*. Cambridge: Cambridge University Press.

Cuadros Falla, Julia. 2011. Impactos de la mineria en la vida de hombres y mujeres del sur andino. Los casos Las Bambas y Tintaya. In *Mujer Rural: Cambios y Persistencias en América Latina*. Lima: CEPES.

Damonte, Gerardo. 2013a. *Corporate Governance, Mining Funds and Territorial Development in the Peruvian Andes*. Working paper. Lima: GRADE.

———. 2013b. Transformación de la Representatividad Política Local en Contextos Extractivos a Gran Escala en los Andes Peruanos. *Revista Iberoamericana* 24(1): 65–104.

Degregori, Carlos Ivan. 1990. *El Surgimiento de Sendero Luminoso*. Lima: Instituto de Estudios Peruanos.

Diez, Alejandro, and Jose Echave. 2013. *Mas allá del Conga*. Lima: RedGe and Cooperacción.

Dougherty, Michael L., and Tricia D. Olsen. 2014. Taking Terrain Literally: Grounding Local Adaptation to Corporate Social Responsibility in the Extractive Industries. *Journal of Business Ethics* 119(3): 423–434.

Durand, Francisco. 2016. *Cuando el Poder Extractivo Captura el Estado – Lobbies, puertas giratorias y paquetazo ambiental en Perú*. Lima: Oxfam.

Eaton, Kent. 2017. *Territory and Ideology in Latin America: Policy Conflicts Between National and Subnational Governments*. Oxford: Oxford University Press.

Edwards, Bob, and John D. McCarty. 2004. Resources and Social Movement Mobilization. In *The Blackwell Companion to Social Movements*, ed. David A. Snow, Sarah A. Soule, and Hanspeter Kriesi. Malden: Blackwell Publishing Ltd.

Eguren, Fernando. 2006. Reforma Agraria y desarrollo rural en el Perú. In *Reforma Agraria y Desarrollo Rural en la region Andina*, ed. Fernando Eguren. Lima: CEPES.

Esping-Andersson, Gösta. 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.

Flemmer, Riccarda, and Almut Schilling-Vacaflor. 2015. Unfulfilled Promises of the Consultation Approach: The Limits to Effective Indigenous Participation in Bolivia's and Peru's Extractive Industries. *Third World Quarterly* 37(1): 172–188.

Fox, Jonathan. 1996. How Does Civil Society Thicken? The Political Construction of Social Capital in Rural Mexico. *World Politics* 24(6): 1089–1103.

Franks, Daniel M., Rachel Davis, Anthony Bebbington, Saleem H. Ali, Deanna Kemp, and Martin Scurrah. 2014. Conflict Translates Environmental and Social Risk into Business Costs. *Proceedings of the National Academy of Sciences* 111 (21): 7576–7581.

Freeman, Edward. 1984. *Strategic Management: A Stakeholder Approach*. Boston: Pitman Publishing.

Frooman, Jeff. 1999. Stakeholder Influence Strategies. *Academy of Management Review* 24(2): 191–205.

Frynas, Jedrzej George. 2005. The False Developmental Promise of Corporate Social Responsibility: Evidence from Multinational Oil Companies. *International Affairs* 81(3): 581–598.

Gerencser, Steven. 2013. Corporations and Clientelism: The problem of Democratic Accountability for Corporate Citizenship. In *The Political Role of Corporate Citizens. An Interdisciplinary Approach*, ed. Svedberg Karin Helgesson and Ulrika Mörth. Houndmills, Basingstoke: Palgrave Macmillan.

Gibson, Edward. 2005. Boundary Control: Subnational Authoritarianism in Democratic Countries. *World Politics* 58(1): 101–132.

———. 2010. Politics of the Periphery: An Introduction to Subnational Authoritarianism and Democratization in Latin America. *Journal of Politics in Latin America* 2(2): 3–12.

Graziano, Luziano. 1976. A Conceptual Framework for the Study of Clientelistic Behavior. *European Journal of Political Research* 4(2): 149–174.

Grugel, Jean, and Matthew Louis Bishop. 2013. *Democratization: A Critical Introduction*. 2nd ed. Basingstoke: Palgrave Macmillan.

Gunningham, Neil, Robert A. Kagan, and Dorothy Thornton. 2004. Social License and Environmental Protection: Why Businesses Go Beyond Compliance. *Law & Social Inquiry* 29(2): 307–341.

Gustafsson, Maria-Therese. 2017. The Struggles Surrounding Ecological and Economic in Peru. *Third World Quarterly* 38(5): 1146–1163.

Guzmán-Gallegos, Maria A. 2012. The Governing of Extraction, Oil Enclaves, and Indigenous Responses in the Ecuadorian Amazon. In *New Political Spaces in Latin American Resource Governance*, ed. Håvard Haarstad. New York: Palgrave Macmillan.

Haarstad, Håvard. 2012. Conclusions. In *New Political Spaces in Latin American Resource Governance*, ed. Håvard Haarstad. New York: Palgrave Macmillan.

Helmke, Gretchen, and Steven Levitsky. 2004. Informal Institutions and Comparative Politics: A Research Agenda. *Perspectives on Politics* 2(04): 725–740.

Hilgers, Tina. 2011. Clientelism and Conceptual Stretching: Differentiating Among Concepts and Among Analytical Levels. *Theory and Society* 40(5): 567–588.

Hipwell, William, Katy Mamen, Viviane Weitzner, and Gail Whiteman. 2002. *Aboriginal Peoples and Mining in Canada: Consultation, Participation and Prospects for Change*. Ottawa: North-South Institute.

Horowitz, Leah S. 2011. Interpreting Industry's Impacts: Micropolitical Ecologies of Divergent Community Responses. *Development and Change* 42(6): 1379–1391.

Idemundia, Uwafiokun. 2009. Oil Extraction and Poverty Reduction in the Niger Delta: A Critical Examination of Partnership Initiatives. *Journal of Business Ethics* 90(1): 91–116.

International Monetary Fund (IMF). 2015. *IMF Country* Report No 15/134. Washington DC: IMF.

Jones Luong, Pauline. 2014. Empowering Local Communities and Enervating the State? Foreign Oil Companies as Public Goods Providers in Azerbaijan and Kazakhstan. In *The Politics of Non-State Social Welfare*, ed. Melani Cammett and Lauren MacLean. Ithaca: Cornell University Press.

King, Brayden. 2008. A Social Movement Perspective of Stakeholder Collective Action and Influence. *Business and Society* 47(1): 21–49.

Kirsch, Stuart. 2014. *Mining Capitalism – The Relationship Between Corporations and their Critics*. Oakland: University of California Press.

Kubik, Jan. 2009. Ethnography of Politics: Foundations, Applications, Prospects. In *Political Ethnography: What Immersion Contributes to the Study of Power*, ed. Edward Schatz. Chicago: University of Chicago Press.

Kurtz, Marcus. 2004. *Free Market Democracy and the Chilean and Mexican Countryside*. Cambridge: Cambridge University Press.

Laplante, Lisa, and Suzanne Spears. 2008. Out of the Conflict Zone: The Case for Community Consent Processes in the Extractive Sector. *Yale Human Rights and Development Law Journal* 11: 69–116.

Lembke, Magnus. 2006. *In the Lands of the Oligarchs – Ethno-Politics and the Struggle for Social Justice in the Indigenous-Peasant Movements of Guatemala and Ecuador*. Stockholm Studies in Politics 115. Stockholm: Stockholm University.

Li, Fabiana. 2015. *Unearthing Conflict: Corporate Mining, Activism, and Expertise in Peru*. Durham: Duke University Press.

McCarthy, John D., and Mayer N. Zald. 2009. Social Movement Organizations. In *The Social Movements Reader – Cases and Concepts*, ed. Jeff Goodwin and James M. Jasper. Oxford: Wiley-Blackwell.

McClintock, Cynthia. 1981. *Peasant Cooperatives and Political Change in Peru*. Princeton: Princeton University Press.

Mena, Sébastien, and Guido Palazzo. 2012. Input and Output Legitimacy of Multi-stakeholder Initiatives. *Business Ethics Quarterly* 22(03): 527–556.

Michels, Robert. 1962. *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy*. New York: Dover.

Muradian, Roldan, Joan Martinez-Alier, and Humberto Correa. 2003. International Capital Versus Local Population: The Environmental Conflict of the Tambogrande Mining Project, Peru. *Society and Natural Resources* 16(9): 775–792.

Newell, Peter. 2005. Citizenship, Accountability, and Community: The Limits of the CSR Agenda. *International Affairs* 81(3): 541–557.

O'Donnell, Guillermo. 2004. Why the Rule of Law Matters. *Journal of Democracy* 15(4): 32–46.

———. 2010. *Democracy, Agency and the State*. Oxford: Oxford University Press.

O'Faircheallaigh, Ciaran. 2017. Shaping Projects, Shaping Impacts: Community-controlled Impact Assessments and Negotiated Agreements. *Third World Quarterly* 38(5): 1181–1197.

Ombudsman. 2004. Informe de conflictos sociales. No. 1. Lima: Ombudsman.

———. 2014. Informe de conflictos sociales. No. 125. Lima: Ombudsman.

Oxhorn, Philip. 2011. *Sustaining Civil Society – Economic Change, Democracy, and the Social Construction of Citizenship in Latin America*. University Park, Pennsylvania: The Pennsylvania State University Press.

Panfichi, Aldo, and Mariana Alvarado. 2010. Desconfianza y control. Organizaciones no gubernamentales y políticaenel Perú. In *Usos, abusos y desafíos de la Sociedad Civil en América Latina*, ed. Bernardo Sorj. Buenos Aires: Siglo XXI.

Paredes, Maritza. 2011. Indigenous Politics and the Legacy of the Left. In *Fractured Politics – Peruvian Democracy Past and Present*, ed. John Crabtree. London: Institute for the Study of the Americas.

Piven, Frances Fox, and Richard A. Cloward. 1977. *Poor People's Movements: Why They Succeed, How They Fail*. New York: Pantheon.

Rajak, Dinah. 2008. 'Uplift and Empower': The Market, Morality and Corporate Responsibility on South Africa's Platinum Belt. *Research in Economic Anthropology* 28: 297–324.

Roberts, Kenneth M. 2009. Beyond Neoliberalism: Popular Responses to Social Change in Latin America. In *Beyond Neoliberalism in Latin America – Societies and Politics at the Crossroads*, ed. John Burdick, Philip Oxhorn, and Kenneth M. Roberts. New York: Palgrave Macmillan.

Sagebien, Julia, and Nicole Marie Lindsay, eds. 2011. *Governance Ecosystems – CSR in the Latin American Mining Sector*. Basingstoke: Palgrave Macmillan.

Schatz, Edward. 2009. Ethnographic Immersion and the Study of Politics. In *Political Ethnography: What Immersion Contributes to the Study of Power*, ed. Edward Schatz. Chicago: University of Chicago Press.

Scherer, Andreas George, and Guido Palazzo. 2011. The New Political Role of Business in the World: A Review of a New Perspective and its Implications for the Firm, Governance and Democracy. *Journal of Management Studies* 48(4): 899–931.

Silva, Eduardo. 2009. *Challenging Neoliberalism in Latin America*. Cambridge: Cambridge University Press.

Simon, John G., Charles W. Powers, and Jon Gunnemann. 2004. The Responsibilities of Corporations and Their Owners. In *Ethical Theory and Business*, ed. Tom L. Beauchamp, and Norman E. Bowie, 7th edn. Upper Saddle River, NJ: Prentice Hall.

Smith, Shirley M., and Peter T. Dorward. 2014. Nationalised Large-scale Mining, Trade Unions and Community Representation: Perspectives from Northern Madagascar. *Resources Policy* 40: 31–41.

Soule, Sarah. 2009. *Contention and Corporate Social Responsibility*. Cambridge: Cambridge University Press.

Szablowski, David. 2010. Operationalizing Free, Prior, and Informed Consent in the Extractive Industry Sector? Examining the Challenges of a Negotiated Model of Justice. *Canadian Journal of Development Studies/Revue canadienne d'études du développement* 30(1–2): 111–130.

Teivainen, Teivo. 2002. *Enter Economism, Exit Politics: Experts, Economic Policy and the Damage to Democracy*. London: Zed Books.

Triscritti, Fiorella. 2013. Mining, Development and Corporate–Community Conflicts in Peru. *Community Development Journal* 48(3): 437–450.

United Nations Development Program. 2009. *Informe sobre Desarrollo Humano Perú 2009: Por una densidad del Estado al servicio de la gente*. Lima: UNDP.

———. 2013. *Perú: Tercer Informe nacional de cumplimiento de los objetivos de desarrollo del milenio*. Lima: UNDP.

Van Cott, Donna Lee. 2005. *From Movements to Parties in Latin America – The Evolution of Ethnic Politics*. Cambridge: Cambridge University Press.

Wise, Carol. 2003. *Reinventing the State: Economic Strategy and Institutional Change in Peru*. Ann Arbor: University of Michigan Press.

World Bank. 2005. *Wealth and Sustainability: The Environmental and Social Dimensions of the Mining Sector in Peru*. http://siteresources.worldbank.org/INTPERUINSPANISH/Resources/AAA_Environment_and_Mining_in_Peru.pdf, Accessed 14 Nov 2016.

Yashar, Deborah. 2005. *Contesting Citizenship in Latin America, The Rise of Indigenous Movements and the Postliberal Challenge*. Cambridge: Cambridge University Press.

CHAPTER 2

Peasant Mobilization and the Expansion of Mining in Peru

Several studies on corporate-community relations in the Peruvian mining industry have emphasized three broad characteristics: the weakness and localized nature of peasant mobilizations; the poor quality and biased intervention by state institutions; and, finally, the predominance of private politics in regulating conflicts. The expansion of mining has resulted in an increasing number of mobilizations related to land rights, together with environmental contamination and demands for access to services. There is a burgeoning literature suggesting that, in the context of deficient governance responses, conflicts are often regulated through direct interactions between local communities and corporations. These dynamics of private politics are illustrative of broader processes of governance structures and mobilization patterns that emerged as a consequence of the neoliberal reforms of the early 1990s. These reforms not only contributed to a reduction in the role of the state but also to weakening peasant organizations and an increase in the political power of private corporations. The shift from a state-led to a market-oriented development thereby constitutes a fundamental change with implications—not only for peasant mobilization and political influence but also for democratic governance more generally.

The purpose of this chapter is to situate contemporary corporate-community relations in Peru within the context of this shift. Moreover, while the chapter is primarily focused upon the Peruvian case, examples from other Latin American countries are also introduced, to place Peru

© The Author(s) 2018

M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6_2

in a broader comparative context. The first part of the chapter provides a historical background on the state-interventionist model that developed in different Latin American countries from the 1960s onward. It focuses on how this model promoted certain forms of peasant mobilization and spheres of influence over policy-making. The second part of the chapter accounts for the way in which neoliberal reforms have opened up private politics in the mining sector. It describes how the formal regulations of the mining sector and corporate-community relations developed from the early 1990s until today.

The State-Led Development Model and Peasant Mobilization in the Andes

In Latin America, the history of the indigenous peasants is characterized by their struggles with the oligarchy and the state concerning land and political and social rights. In the mid-twentieth century, pressured by the increasing demands of peasant organizations for land reform and extended social rights, many Latin American governments implemented state-led development models. This section will explain the way this development model shaped particular forms of peasant organizations and exerted political influence in different Latin American countries. This is important as, until today, these organizations were the foundation of peasant mobilization.

Agrarian Reforms and Class-Based Incorporation as Campesinos

The state-led development model was based on corporatist principles and had a class-based orientation. Many scholars have emphasized the strategic importance of working-class mobilization and involvement in politics (cf. Collier and Collier 1991; Rueschemeyer et al. 1992).[1] In rural areas, well-organized peasant movements, which challenged oligarchic groups, emerged as important actors in the 1950s and 1960s. Influenced by the ideas of the Peruvian Marxist Mariátegui,[2] these movements struggled for agrarian reforms and the expansion of social rights in rural areas.

Corporatist policies promoted a form of interest representation based on indigenous-peasant communities that formed federations with organizational layers from the local up to the national level. Through agrarian reforms, the traditional social organization of indigenous peasants—so-called

peasant communities[3]—gained official recognition and was encouraged (Peru, 1969, Bolivia, 1953 and Ecuador, 1964 and 1973). Traditional communities are organized "around subsistence agriculture and survival strategies" (Pape 2009: 114). Communities are based on overlapping class and ethnic identities since these groups' economic and ethnic subordination often coincide; indigenous identity is intrinsically linked to the economic conditions of subsistence agriculture and collective landholdings. Through agrarian reforms, governments sought to emphasize the class-based orientation of these organizations. In Bolivia, community organizations were called "communitarian agrarian unions" (Regalsky 2010: 38). In Peru, peasant cooperatives were created (McClintock 1981), and traditional indigenous communities were redefined as peasant communities. Indigenous peasants were therefore given rights and recognized as agricultural workers or "campesinos". These policies reflect governments' beliefs in radical change through a peasant-proletarian alliance. As Yashar (1999: 82) argues, by strengthening class-based identities, governments sought to achieve national unity.

In most countries, community organizations were incorporated into the traditional union structure closely linked to left-wing parties, something that facilitated the scaling up of those organizations. In Peru, left-wing parties supported the organization of peasant movements (Paredes 2011: 134), and, in Ecuador, the Communist Party organized indigenous populations in the highlands as rural workers in the 1940s (Van Cott 2005: 102–103). In Bolivia, communities were also incorporated into state-sponsored syndicate structures and controlled by the new parties formed after the revolution in 1952 (ibid: 53).[4]

During this period, political rights were restricted at the same time as civil and social rights expanded, as governments sought to build ties with the peasantry and consolidate a base of political support. In cases such as Peru, where agrarian reforms were successfully implemented and oligarchic structures to a large extent dismantled, a power vacuum was left in rural areas that the states intended to fill, though in many cases they were unable to do so (Yashar 2005: 97; Huber and Apel 1990: 166). In countries like Bolivia, left-wing forces strove to dissolve indigenous communities that they perceived as rooted in feudal structures, but the Bolivian government—as happened in other countries—never succeeded in constructing institutions to govern the entire country. Communities were therefore able to extend their local power (Regalsky 2010: 38, see also Oxhorn 2011: 140–145). Crucial to communities' increased local

power was their access to land and the important role of community organizations in providing a basic infrastructure to condition the daily lives of peasants (Regalsky 2010: 40). Indigenous-peasant communities could thereby institutionalize their practices and remain the fundamental basis of social organization in the Andes. Community organizations thus extended their power at the local level at the same time that they were scaling up and obtaining access to national policy-making processes through the peak organizations that were promoted by the government. The question is to what extent their representatives were successful in influencing policy-making at the national level. The following section addresses this issue.

Peasants' Influence in National Policy-Making

Corporatist models were based on institutionalized channels of access of the national peasant and worker organizations which had close ties to political parties. Grassroots organizations were incorporated into government-promoted central organizations. As Collier and Handlin (2005: 19) have argued, there were large discrepancies between organizations' capabilities to translate access into influence. Peasant-state alliances were often temporary and followed by periods when dominant groups blocked other social forces from accessing and pursuing more overarching macro-economic interests (Vellinga 2005: 33; Chalmers et al. 1997: 547; Collier and Collier 1991: 407–416). Detailed state regulation and party affiliation made it difficult for national organizations to influence policy-making, in particular when the peasantry's demands clashed with regime interests. An imminent risk was that national leaders, incorporated in "the iron law of oligarchy", were co-opted. The vertical structure of the organizations made it difficult for local organizations to hold national leaders to account. Moreover, as Fox argues, national organizations usually had difficulty in representing local diversity (Fox 1996: 1091). Political parties and interest organizations were usually characterized by vertical structures, which made them less responsive to grassroots demands. Chalmers et al. argue that "parties tended to be more of an instrument for winning elections than for exercising power and mediating popular demands on an everyday basis" (1997: 548). In this way, various factors prevented national leaders from channeling local interests.

In Mexico, Bolivia, Peru, and Chile, periods of incorporation and progressive agrarian politics were followed by stages when dominant

groups held power at the national level, leading in turn to the reversal of agrarian reforms and reduced support for communal landholdings. Hence, as Petras and Veltmeyer (2002: 59) argue, in many countries, peasant organizations never succeeded in influencing state power to the extent of making agrarian reforms irreversible. In general, labor unions were more privileged compared to peasant organizations (Collier and Handlin 2005: 4).

The Bolivian government involved indigenous communities in the processes of policy-making through "communitarian agrarian unions" organized at the national level. These organized groups subsequently became the *Confederación Sindical Única de Trabajadores Campesinos de Bolivia*, CSUTCB, still the largest peasant union in Bolivia (Regalsky 2010: 38). The government counteracted increased peasant power at the local level by incorporating grassroots organizations in the policy-making process and, when necessary, by co-opting leaders (ibid: 38–39). In Peru, the peasantry was divided into groups opposed to, and supportive of, the government. There was thus no strong, unified actor that could put pressure on the state to accommodate agrarian interests, which is an important factor in understanding these organizations' lack of influence in the policy-making process (McClintock 1981: 261–264). Petras and Veltmeyer (2002: 58) argue that, in most countries, peasant organizations were divided along "official and oppositional lines" and that states either created or reinforced those divisions.

In summary, corporatist policies and social and collective rights were extended throughout Latin America, which, without necessarily being the intention of the governments, created conditions for indigenous-peasant autonomy and power at a local level. The link to the national policy-making process was nevertheless in many cases blocked by the continued dominance of conservative political forces, as well as divisions within the peasantry and the hierarchical nature of interest organizations and political parties. Still, as Chalmers et al. (1997: 548) emphasize, these regimes gave marginalized groups a political voice for the first time. In the following section, I discuss, in greater detail, how the military government of Juan Velasco Alvarado (1968–1975)—due to pressure from different external forces—was obliged to make concessions and thus ended up implementing a social model with many corporatist features. This model of state-society relations had long-term consequences for the organization and political influence of indigenous peasants in Peru.

Corporatism and Peasant Mobilization in Peru

Historically, Lima was the administrative center of the Spanish empire. Crabtree and Crabtree-Condor emphasize that the paradox within the Peruvian state is the "authoritarian tradition of government led by conservative local elites", while, at the same time, the state is unable to impose its will in the highland and in the Amazon (Crabtree and Crabtree-Condor 2012: 49). This paradox is an important point of departure when analyzing the military government's attempts to implement a state-led development model and extend the reach of the state in remote, rural areas in the Andean highland.

In the 1950s, the distribution of income in rural areas of Peru was one of the most skewed on the continent (McClintock 1981: 64). The rural social structure was based on large estates, or *haciendas*, in which landless peasants in many cases worked under exploitative conditions. Some worked under servile conditions in exchange for a land plot, while others received a small salary. The relations between the agricultural workers and landowners had clear patron-client features, in which bonds of dependency and loyalty were developed within highly asymmetrical power relations. In the 1950s and 1960s, a diversity of independent peasant unions emerged to contest oligarchic domination in rural areas (see, e.g. Cleaves and Scurrah 1980: 38). In the Cusco area, Hugo Blanco successfully organized peasant unions that put strong pressure on the government to implement agrarian reform (ibid: 39).[5] Among the most important of the independent peasant unions were *Confederación Campesina del Perú* (CCP), *Federación de Trabajadores Azucareros del Perú* (FTAP) that organized sugar workers along the coast, and *Federación Nacional de Campesinos del Perú* (FENCAP). CCP, founded in 1947 and initially a peasant branch of the Communist Party, played a particularly important role. In the 1960s, CCP participated in the guerilla uprisings, and organized strikes and occupations to force landowners to improve conditions for agrarian workers (ibid: 178–179).

In 1968, General Juan Velasco Alvarado came to power through a military coup in a context of increasing social mobilization. He promised to implement an ambitious vision to transform Peru's basic social and economic structure through a state-led model in which development of the agrarian sector was crucial (cf. McClintock and Lowenthal 1983). Velasco's vision was to lead a revolution based on a "fully participatory social democracy" (McClintock 1981: 40). The underdevelopment of

Peru should have been solved by giving the state a key role in the economic sphere, and in that way dismantling the domination of foreign corporations. Consequently, key industries, such as mining, were nationalized by the government (see Becker 1983).

The Agrarian Reform

In 1969, the military regime enacted the agrarian reform, partly to appease emerging peasant mobilization, but also to destroy the power base of the traditional elite (Sheahan 2001: 97). The agrarian reform in Peru was the most far-reaching expropriation and redistribution of land in Latin America (indeed, one of the most encompassing in the world).[6] Among many important achievements of the regime's land reform was the constitutional protection of different forms of collectively owned land. First, the government officially recognized traditional peasant-indigenous communities (CVR 2004: 255). For this group, the collective system was already institutionalized and deeply anchored in cultural, social, and economic structures. Second, the government created different forms of rural cooperatives using the expropriated resources that had been distributed to the former hacienda workers. The cooperatives were the result of the expropriations carried out under the agrarian reform and were an organizational form imposed by the government. The cooperative members, as former hacienda workers, were unfamiliar with collective labor and ownership; they were skeptical of greater wealth redistribution and state regulation, and were more inclined to favor private property (Eguren 2006; McClintock 1981: 265). Furthermore, the state administrators sent out to the remote cooperatives generally lacked experience (Sheahan 2001: 98). In the end, contradictory interests, maladministration, and patronage undermined the cooperatives.[7]

Traditional communities were, nevertheless, significantly more autonomous from state control than were the cooperatives, but they benefited less, something that ended up creating tensions between these two groups (cf. McClintock 1981).

The military government adopted a *campesinos-oriented* class-based discourse. Since the 1930s, the Peruvian left had tried to de-indianize rural groups and insisted on a class-based interpretation of oppression (Van Cott 2005: 144). In Peru, *indio* (the Spanish word for Indian) has a strongly negative connotation. Rural populations generally define themselves as *campesinos*. In some cases, this class-based identity became linked

to broader political coalitions at the provincial or even national level, but in many cases, it only existed at the community level.

How Corporatism Shaped Peasant Mobilization and Scope for Influence

The military government created a new state structure, the *Sistema Nacional de Apoyo a la Movilización Social* (National System of Support to Social Mobilization, SINAMOS). SINAMOS was a government agency aimed at promoting and supporting social mobilization and authentic mobilization (McClintock 1981: 58). SINAMOS incorporated organizations promoted by the regime into frameworks for demand- and policy-making. The government dissolved critical organizations or sponsored those organizations that it felt should be incorporated within the SINAMOS structure. While in 1972 the *Sociedad Nacional Agraria* (National Agrarian Society)—the powerful bastion of oligarchic groups—was dissolved, the government created a new organization in 1974, the *Confederación Nacional Agraria* (National Agrarian Confederation, CNA). The government claimed that the goal was to establish a form of worker democracy and self-management at the level of different cooperatives while at the same time integrating the peasantry at the national level through the CNA. However, the organization was closely linked to the government and dependent on it for funding, meaning that opportunities to pursue issues independently were therefore heavily circumscribed (McClintock 1981: 38). CNA relatively quickly claimed to represent six million peasants and also blocked any competing organizations, such as CCP (Cleaves and Scurrah 1980: 180–181).

After the agrarian reform, CCP increasingly came to challenge CNA (Cleaves and Scurrah 1980: 183). CCP was particularly active in southern parts of Peru, where it built on the experiences and structures of radical leftist peasant organizations that demanded agrarian reform in the 1950s. These organizations had not benefited from the land reform and were openly critical of the government's policies (McClintock 1981: 56, 260).

Moreover, while the regime extended social rights, there were only limited possibilities for community organizations to influence policy-making processes through their national representatives. Part of the explanation is in the state's weak capacity and inclination to implement its policies in the Andean highlands. It was mainly at the community organization level

that structural changes took place; members could, under what in many cases was sporadic and weak bureaucratic control by the state, manage the productive process. McClintock (1981: 261) describes the rural social structures as "self-managed cooperative islands". Cooperatives located in remote Andean areas that were above all traditional peasant communities enjoyed a greater degree of autonomy than was intended by the government (Yashar 2005: 8–9). According to Hunefeldt (1997: 113), the experience of collaborating and controlling the productive processes created a political consciousness among the peasantry. However, a strong and legitimate peasant organization never emerged that could unify the fragmented base organizations at the national level, despite the attempts of peasant mobilization. de Olarte (1987: 13) has pointed out that the agrarian reform left an "atomized peasantry". However, the strength of peasant organizations differed significantly from region to region in the Andean highlands.

Paredes (2011) emphasizes the differences between northern and southern Peru in this regard. She argues that peasant communities in these regions have historically developed different relationships with the state, national leftist organizations, and political parties. In southern Peru, peasant communities have been more dependent upon the CCP and left-wing parties for developing intercommunal networks. In the early 1980s, these actors had lost some influence in rural areas, which demonstrates their weakness and also partly explains why Shining Path could expand in this area (ibid: 132, 134, 152). This is in contrast to northern Peru, where an autonomous form of organization, the so-called Rondas Campesinas, emerged in the 1970s.

Rondas Campesinas are, according to customary law, responsible for intervening in conflicts within their jurisdiction.[8] Their emergence in the 1970s came about as an indirect consequence of the agrarian reform. Concurrent with the agrarian reform dissolution of oligarchic domination, a void was created in local power structures that the state was unable to fill. Cattle theft became an acute problem. Rondas Campesinas were primarily created to solve this problem of justice through customary law. However, as Gitlitz (1998: 23) observes, Rondas Campesinas do not only administer justice within peasant communities but have come to play a key role in promoting development within communities and have also engaged in broader struggles with the state concerning different policies. Rondas Campesinas have developed strong mobilization structures and a class-based collective identity. In relation to the expansion of mining in the

2000s, Rondas Campesinas have, in many cases, promoted a development model based on agriculture rather than extractive industries.

The 1980s: The Expansion of Shining Path in the Central Highlands

Toward the mid-1970s, the developmental experiment led by the military government came to an end due to institutional weakness and internal conflicts. Different factions struggled to introduce policies according to their interests, which overall resulted in incoherent policy-making and spurred further polarization within leftist organizations (Cleaves and Scurrah 1980). Groups in favor of democratic ideals formed within *Izquierda Unida* (United Left) in 1980, while a more radical faction developed the Shining Path movement that expanded its support in rural areas toward the end of the 1970s (Hunefeldt 1997). The relatively weak peasant organizations, particularly in the central highlands, facilitated the expansion of Shining Path with the result that, during the 1980s, this group controlled large parts of the region.[9] The main difference between the Shining Path and peasant movements of the 1960s was that, while the latter contested society-based oligarchic domination and sought access to the state, the former sought to destroy the state (Mar 1984: 61). During its first years, the Shining Path enjoyed widespread support among the rural poor in the central and southern parts of the highlands. Nevertheless, the cruel treatment of peasants considered to be disloyal, and the oppression of Andean cultural practices which the Shining Path considered incompatible with their class-based struggle, spurred opposition against the organization (see, e.g. Degregori 1990).[10] In the southern and central highlands, the Shining Path's actions and the government's attempt to eradicate the organization had a devastating effect on civil society and democratic institutions. However, the government's focus upon counteracting Shining Path in the southern highlands enabled the Rondas Campesinas in the northern highlands to develop relatively autonomously from the state during the 1990s.

To summarize, the military government's attempt to establish a state-interventionist experiment in the 1960s—and subsequently the 1970s—failed, partly because of internal conflicts and partly because the state was unable to construct administrative structures to govern the entire country (Mauceri 1997: 158) in the sense of establishing rule of law and providing basic social services. As a consequence, peasant communities were strengthened and a class-oriented *campesino* identity was reinforced at the

local level. However, the links between communities and national organizations were only weakly developed as the government implemented incoherent policies with an uneven reach and reproduced already existing cleavages in rural society between hacienda workers and traditional peasant communities (McClintock 1981: 259). In northern Peru, the Rondas Campesinas, in their struggle for autonomy and recognition of customary law, succeeded in scaling up their mobilization structures to the regional level. In the southern and central parts of the country, by contrast, peasant organizations were weakened during the 1980s and 1990s as CCP became less involved in organizing the peasantry into federations and the Shining Path expanded in rural areas. Significant differences in terms of mobilization structures and collective identities were thus reinforced at the local level from the 1960s until the 1980s.

The Market-Oriented Development Model and Peasant Mobilization

In the 1980s, electoral democracy was achieved in most Latin American countries. Multiple forms and arenas for decision-making and participation gradually replaced centralized state power. At the same time, comprehensive economic reforms transformed the institutional structures of the states and reduced their capacity to assume a key role in development planning and provide for social services. Political mechanisms for regulating conflicts of interest have increasingly been replaced by market-oriented ones (Oxhorn 1998: 201). Of course, there are also significant differences between Latin American countries. Brazil's capacity to deliver services has strengthened in comparison to, for instance, Paraguay. However, there is a tendency that conflicting interests are increasingly resolved in the private sphere; at the same time that macro-economic policy processes have become technocratic, citizens generally lack access and influence over them (Collier and Handlin 2009: 298–299). This broader pattern of change also took place in Peru in the early 1990s and is perhaps most clearly observed in the case of the mining industry.

The 1990s: "The Decade of Anti-Politics"

Degregori (2000) has argued that, when Alberto Fujimori won the presidential elections in 1990 and started to implement comprehensive neoliberal reforms, "an anti-political decade" was initiated. Clientelism and

populism were characteristic features of state-society relations during this period. Fujimori took over a country in deep economic crisis, in which the Shining Path had control over parts of the territory. To reclaim the support of highland peasants, Fujimori combined a forceful counterinsurgency struggle with targeted social programs in these areas.

The deep economic crisis also required drastic solutions, and only ten days after assuming power, Fujimori adopted a comprehensive package of adjustment and stabilization measures based on liberalization, privatization, and deregulation (Wise 2003: 179). This process has been described by Teivainen as "one of the most rigorous neoliberal strategies ever applied in Latin America" (2002: 113). To reduce the regulatory role of the state and liberalize the economy, major changes were made to the constitution, the most important for community organizations being the partial withdrawal of the protection of communal landholdings. In 1992, Fujimori suspended the Congress to adopt a new constitution that substantially altered the division of labor between the state and the market. A new investment regime was introduced that formed part of a general policy program, promoted by the World Bank, and aimed at opening up mineral-rich countries to foreign investment (Szablowski 2007: 34).

The overall politics of Fujimori contributed to extend the state's control over its administrative territory to counteract Shining Path. The government extended its presence in, and control over, the central and southern parts of the country. The government increased the power of the executive by governing through different emergency decrees, and the army—a central power base for the government—supported this. In some rural areas, the government re-established law and order and provided social services. In that way, the administration created a previously unknown presence in rural areas, something that enhanced support for the government and also explains much of the support by fujimoristas to this day (Gustafsson 2010). According to Paredes (2011: 151), parts of the northern highlands escaped control as the government focused on counteracting the Shining Path in the south. This also explains how a strong and autonomous peasant movement, the Rondas Campesinas, emerged in northern Peru during the 1980s and 1990s.

In some areas, community organizations interacted directly with the army, but they also established relationships with high state officials and even the president himself, who frequently visited rural areas. Local leaders were able, without cumbersome bureaucratic processes, to get approval for infrastructure projects. In that way, the regime established direct

clientelistic linkages with base organizations in areas that were strategic to counteract the guerrilla movement. While strengthening base organizations supportive of the regime, Fujimori counteracted oppositional organizations, such as labor unions, peasant federations, and political parties, through, for instance, accusations of terrorism (Oliart 1998: 422), by employing anti-terrorist laws in arbitrary ways and introducing legislation aimed at undermining unions. Consequently, political institutions, as well as peasant federations, labor unions, and political parties, were all substantially weakened during the government of Fujimori. Without a doubt, an equally important explanation for the weakness of civil society is that Shining Path attacked municipalities and assassinated leaders in the highlands who did not collaborate with them.

The Weakening of Rights and Impacts on Peasant Communities

Fujimori envisioned a development model in the highlands based on private investment in extractive industries rather than agriculture. To enable the expansion of these industries, the earlier prohibition of the sale of collective land belonging to the peasant communities was modified in the new constitution of 1993. The new constitution thus finally suspended one of the most important achievements of land reform—the special protection of collectively owned land.

Moreover, peasant organizations' right to collective interest representation in policy-making concerning rural development was also formally withdrawn as a constitutional right. Instead, "respect for ethnic and cultural identity" was added.[11] Withdrawal of state support, it was argued, should have been replaced by private alternatives. However, Eguren (2006: 18) argues that this has not been the case and that, instead, the state since the 1990s has introduced temporary social, compensatory, demand-based social programs, which have required communities to suggest specific proposals for assistance. Even though rural groups have felt the presence and support of the state in a previously unknown way, as Eguren (2006: 18) points out, without long-term support of agriculture, these targeted supports have not constituted sustainable forms of development in the highlands.

After the collapse of the Fujimori regime in 2000, the two subsequent administrations have continued on the same macro-economic track, resulting in stable economic growth of over seven percent per year between 2005 and 2010.[12] However, in contrast to Fujimori, both Alejandro Toledo and

Alan García trusted that wealth redistribution would take place through the trickle-down effect of the market rather than through state-provided social programs aimed at counteracting inequality (Cameron 2011: 384; Tanaka 2011; Levitsky 2011). In rural areas, the transference of incomes from the mining industry has played an important role.

The decentralization process was, furthermore, reinforced after 2000, primarily through the Law of Decentralization (Law 27783) that reinforced the role of municipalities and regions. Municipalities have received increased funding but also greater responsibilities over social policies (education and health care). Participatory mechanisms have been introduced at the local level to replace the clientelism that characterized state-society relations during the rule of Fujimori. Participatory decision-making structures have opened up for citizens to influence social and local development policies (McNulty 2011; Remy 2011; Melendez 2005). An important part of the decentralization process was the reactivation of regions that were dissolved by Fujimori in 1992.[13] President Toledo created 25 regional governments in 2002 (*Ley Orgánica de Gobiernos Regionales*). The budget and mandates of regional governments have, however, remained unclear (Dickowick 2006: 11). In recent years, however, Ballon (2012: 196) observes that regional governments have gained some influence "not only as counterpoints to the national government in the struggle over the distribution of resources, but also in defining the orientation of some public policies". Their mandate, however, remains unclear, and in relation to large-scale extractive industries, decision-making authority is confined to the central government and more specifically to the MEM. In some cases, subnational governments have actively intervened and supported social forces in favor of (or opposed to) extractivist projects, by providing resources and information. However, as Eaton (2017) shows, regional governments lack the institutional capacity to provide any real challenge to the power of the national government.

The Expansion of Mining in the Peruvian Highlands

In the early 1990s, comprehensive reforms were implemented to the mining sector.[14] Through these reforms, the state principally assumed the role of a promoter of private investment through a beneficial tax/fiscal regime and protection of property rights (Campbell et al. 2011: 89). From the World Bank's perspective, these reforms are a successful example that has been important in attracting new investment (World Bank 1996: 5–6).

Seventy percent of foreign direct investments goes into the extractive sector (IMF 2015: 6). In a regional context where several of the neighboring countries have experimented with leftist-oriented efforts to reinforce the role of the state, Peru, with its continuity of a solid neoliberal model since the early 1990s, could be seen as an exception. As Crabtree and Crabtree-Condor (2012: 50) (see also Durand 2016) argue, Peru has become a "prime example of 'state capture' by the business community". Paradoxically, in 1994 the government ratified ILO Convention No. 169 that gives indigenous people the right to be consulted by the state whenever measures are planned that would impact them. This right, however, is restricted, since the government at the same time has sovereign control over subsoil resources. Crabtree and Crabtree-Condor (2012) argue that, in practice, corporate interests have significant influence over key economic policies and corporate power has been further reinforced by a number of free trade agreements signed with the United States and other countries. The Left has, since the 1980s, been debilitated and has had significantly less influence over those policies (ibid). The hegemony of neoliberal ideas combined with deep rooted racism in relation to rural communities is probably most clearly expressed by the former President Alan García. In a series of articles in 2007, he criticized indigenous communities for preventing development by resisting the extraction of the country's rich natural resources.[15]

> There are millions of acres of idle forests, other millions of acres that communities and collectives do not and will not cultivate, hundreds of mineral deposits that could not be extracted, millions of acres of oceans where neither mariculture nor production will enter. The rivers floating down the mountain walls represent a fortune that disappears into the ocean without producing electricity…There is a lot of resources that are not used, that are not traded, and that do not receive investment and generate employment. This is due to outdated ideologies, because of idleness, indolence and because of the law of 'the dog in the manger' that says: 'If I don't do it, no one should'.

García delegitimized communities' demands as being opposed to national development. In 2009, two years later and after the Bagua confrontation where 34 people were killed due to conflicts concerning a treaty that opened up the Amazon for gas extraction, García used a similar argument for depoliticizing different development strategies. "I understand that the will to modernize the country rapidly brings conflicts. But we

should not be afraid of the country growing" (Garcia 2009). By making natural resource extraction an overarching, unquestionable national goal that is not to be subordinated to a democratic process, natural resource extraction is located outside the reach of the political.

The widespread protests that have emerged in Peru must partly be seen as a consequence of the highly exclusionary state institutions and government responses that have failed to take local communities' concerns into account. Until the 1980s, contestation concerning extractive industries was focused on labor relations, whereas current protests are increasingly related to the dispossession of land, water, and livelihoods (Bebbington 2009: 8–9). After a three-year review of extractive industries in different parts of the globe, the World Bank concluded that many "grievances from communities and especially from indigenous peoples living near extractive industries projects relate to their claims that their rights to participate in, influence, and share control over development initiatives, decisions, and resources are ignored" (World Bank 2003: 18). Particularly in the exploration phase, primary concerns for communities are the ways they should be involved in decision-making processes regarding the mining project through prior consultation procedures, or how they should be compensated for the loss of their land-based resources. When extraction has been initiated, conflicts often concern distribution of mining royalties (Arellano-Yanguas 2011) but also the extent to which corporations should assume responsibility for the negative social and environmental impacts of mining.

The Peruvian government's promotion of mining is taking place in an international context of increased recognition of indigenous rights and reinforcement of indigenous identities in recent years. Indigenous peasants' rights in relation to mining projects are regulated by ILO Convention No. 169[16] on indigenous people's rights. Even though the Peruvian government had adopted the convention in 1994, it was not integrated into domestic law until 2011.

The Difficulties of Scaling Up Localized Conflicts

As essential interests are at stake for peasant communities, the lack of influence through institutionalized mechanisms gives them strong incentives to engage in collective action. As discussed above, indigenous peasants are strongly organized at the community level, but, with the exception of the Rondas Campesinas in northern Peru, they are to a large extent

fragmented at the regional and national levels (Panfichi and Alvarado 2010: 5). This is in contrast to, for instance, Ecuador and Bolivia where indigenous people are strongly organized at the national level. In Peru, national organizations such as CCP, CNA, and Central Única Nacional de Rondas Campesinas (National Union of Rondas Campesinas) (CUNARC) have generally not been able to channel the demands of peasant communities that are affected by mining projects (Rodriguez-Carmona et al. 2013: 94). As grassroots organizations, communities often lack resources and competent leaders with which to pursue and defend the interests of their members in interactions with state institutions or private actors. Collaboration between communities through provincial or regional peasant organizations is, therefore, essential to influence political processes (Crabtree and Crabtree-Condor 2012: 54).

To counteract this fragmentation, and create a national organization to protect communities' rights and interests in relation to mining, community organizations came together in 1999 and created the *Confederación Nacional de Comunidades Afectadas por la Minería* (National Confederation of Communities Affected by Mining)—CONACAMI. This organization used the discourse of indigenous rights, in some cases radically opposed to mining, and gained attention both at the national and international levels. However, CONACAMI had weak links to peasant communities and has functioned more as a nongovernmental organization (NGO) that involves itself in national political processes. The organization gained some strength during the 2000s but has, in recent years, completely collapsed. Another organization is the *Asociación Interétnica de Desarrollo de la Selva Peruana* (Indigenous Association for the Development of the Peruvian Amazon—AIDESEP). AIDESEP represents Amazonian indigenous people at the national level and has been an important driving force behind national reform processes, such as prior consultation.

The lack of a party system in Peru makes the connection between the state and civil society difficult. Political parties are, to a large extent, electoral vehicles centered around personalities and they do not articulate and represent interests at the local level (Crabtree and Crabtree-Condor 2012: 58).

NGOs have also played an important role in providing communities with information and connections to international allies, as well as facilitating access to policy-making processes at the national level and putting pressure on the state to reform mining policies. As Haarstad (2012a: 241) argues, mining is characterized by a specific "scalar logic" that makes it particularly difficult for local groups to build broader coalitions

in opposition to projects. Protests against a mining project can benefit a smaller group in a locality, while the extraction of natural resources creates benefits for a much broader constituency. Hence, in Peru, the existing fragmentation and particular scalar logic have made challenging the creation of broader coalitions for defending community interests. There are certainly examples of the emergence of broader coalitions, for instance Red Muqui or CONACAMI. These coalitions have, however, found it challenging to sustain them over time. These constraining factors must be taken into consideration when discussing corporate-community relations and their implications. How are the decision-making processes over mining projects and corporate-community relations formally regulated?

Mechanisms of Participation in Extractive Governance in Peru

The government, and more specifically the MEM, has the authority to decide on new mining projects[17] and plays an important role in monitoring Ministry of Environment. Subnational governments thus have no formal authority over large-scale mining projects. However, even though subnational governments are devoid of formal authority over mining policies, they still often engage in processes that support and challenge MEM's policies and thus could affect the outcomes of those processes. Regional governments have, for instance, implemented territorial planning processes autonomously, and, in the Rio Blanco case that will be analyzed in the coming chapter, subnational governments have played important roles. The support by subnational governments is particularly important in a context where it has been difficult to scale up the localized struggles over large-scale resource projects.

In Peru, and globally, there has been a development of formal instruments that promote community organizations' participation in relation to mining. The growing literature on participatory mechanisms in relation to extractive industries has, besides consultation procedures and FPIC, also scrutinized Environmental Impact Assessments (EIAs), dialogue tables on specific projects, and territorial planning. The literature generally shows that these formal instruments could be employed for advancing natural resource extraction, but they could also be used in innovative (and unintended) ways for formulating alternative political projects that would emphasize resource sovereignty and self-determination (Leifsen et al. 2017).

Regarding prior consultations and FPIC, there are divergent interpretations concerning how these procedures should be defined and implemented. As Schilling-Vacaflor and Flemmer argue, interpretations range from seeing:

> prior consultation as the guarantor of due process and of freedom of contract rights, to the strong substantive versions that emphasize the procedure's function in protecting indigenous peoples' rights to self-determination and territorial control. (2013: 5)

The main dispute lies in the difference between consultation and consent. According to Herz et al. (2007: 7), consent involves a sharing or transfer of decision-making authority to those directly affected by a project and can thereby be used to "facilitate more inclusive and collaborative decision making" and even to the suspension of projects. Consultation, in contrast, does not entitle indigenous people to any share of decision-making authority. The United Nations Declaration on the Rights of Indigenous Peoples stipulates that states should seek the FPIC of indigenous people, but ILO Convention No. 169 recognizes only indigenous peoples' right to be consulted.

In 2010, after the comprehensive Amazonian strikes that left 34 dead, the Peruvian Congress voted in favor of the law on prior consultation and it was finally adopted in 2011. Until 2013, there was no formal consultation process under ILO Convention No. 169. MEM arranged generic consultations or workshops to provide information (see DS 028-2008-EM and ministerial resolution No. 304-2008-MEM/DM).[18] This form of consultation did not follow the guidelines of ILO Convention No. 169 regarding prior consultations. Schilling-Vacaflor and Flemmer (2015: 817) argue that these consultations did not enable community members to take part in any form of active decision-making process or influence the projects in any significant sense. In many cases, in their attempts to secure support among—and negotiate[19] with—the directly affected communities, corporations have already established a relationship with these groups before any consultations have taken place.

The process of defining how the law should be implemented reflects the positions and interests of different actors. Perhaps the most contested issue was that peasant organizations demanded consent, but the law only required the government to consult indigenous people (Article 15).[20] To recognize peasant communities' right to consent would enable those groups to veto extractive projects of large macro-economic importance.

This is, however, not unusual. As David Szablowski (2010: 127) observes, there are virtually no countries practicing consent processes. The Bolivian hydrocarbon sector that recognizes consent is unusual in that sense.

A second essential issue is to define who is indigenous and therefore entitled to participate in consultation processes. The government and center conservative political forces have striven for a narrow definition that mainly includes tribal groups in the Amazon. This definition excludes the majority of Andean peasant communities that, through their national spokespersons, have demanded to be recognized as indigenous people. However, at the local level, Andean communities rarely claim indigenous recognition, which points to the discrepancy between the local and national peasant organizations. As discussed above, the question as to who is indigenous in Peru is significantly more complex than in Bolivia and Ecuador, where indigenous identities are more deeply entrenched and have been politicized since the early 1990s. In Peru, the peasant population is often unwilling to identify as indigenous because, for many, this has a strongly negative connotation.

Prior to now, four consultations have been completed in the mining sector.[21] While it is still too early to evaluate the results of the consultations, [22] there is a growing literature on consultation procedures in different parts of the world. This literature generally points to the deficiencies of these processes, and scholars have in particular observed the difficulties in identifying the rights-holders but also the gap between legal norms and the deficient implementation of these consultations (Amparo Rodríguez 2010; Bascopé Sanjínes 2010; Flemmer and Schilling-Vacaflor 2016; Schilling-Vacaflor 2013). A common explanation to the shortcomings of consultation procedures is that governments have few incentives to enable effective participation, because that could delay or even block large-scale resource extractions that are of significant macro-economic importance. In this context of competing interests and divergent interpretations of how these processes should be implemented, scholars have argued that consultation procedures can only postpone—but not transform—conflicts, in any real sense (Bebbington-Humphreys 2012a; Pellegrini and Arismendi 2012; Schilling-Vacaflor 2014; Schilling-Vacaflor and Flemmer 2015).

EIAs are global tools of accountability with two main functions. First, EIA should map out the terrain by creating maps that indicate water resources, soil types, and so on. Secondly, they should identify the impacts that an activity will have (Li 2009: 222–223). Even though there are some differences from country to country regarding how these processes are conducted in extractive industries, O'Faircheallaigh argues that there are

important common features. The technical work in producing the EIA report is conducted by a consulting firm hired by the corporation and then evaluated by the responsible governmental entity. The "impact zone" of a project is, moreover, often defined narrowly and includes only the immediate vicinity of the project (O'Faircheallaigh 2017). In Peru, MEM was responsible for approving the EIA reports until 2015. MEM, however, had the dual role of both promoting and monitoring mining projects, and a common criticism is that EIAs are almost always approved (Bebbington et al. 2013b: 56). However, in 2012, an independent environmental authority, SENACE (*Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles*), was created and assumed responsibility to approve EIAs in 2015 (Law 29968). Although it is too early to evaluate their work, a general limitation within the Peruvian state is the lack of technical capacity which makes it difficult to evaluate EIA reports and creates a dependency by the state on the corporation (Bebbington et al. 2013b: 58). Communities are given the opportunity to come up with objections; nevertheless, due to the highly technical nature of this information, it is difficult for local groups to intervene in the process.

Dialogue tables are another participatory mechanism that the Peruvian government has used for solving conflicts in extractive industries. According to a governmental report, in the context of social conflicts and weak political institutions and mediating channels, the temporary dialogue table is a mechanism to negotiate competing interests and create trust (PCM 2013: 17). Dialogue tables can open up a negotiation process in which the corporation accommodates some local groups' demands.[23] However, until now, the state has established dialogue tables only after the outbreak of a conflict (PCM 2013: 23), an ad hoc manner of dealing with conflicts which offers few opportunities for community organizations to substantially change or influence the design of projects. Studies from other empirical contexts have also shown that dialogue processes generally privilege the more powerful groups (Okamoto and Leifsen 2012: 184; Rodriguez-Garavito 2011).

Finally, territorial planning has in recent years been promoted as a strategy to counteract the exclusionary and technocratic decision-making processes of natural resource extraction in Peru. Currently, development planning is weakly institutionalized, and, according to Bebbington (2010: 105), "[i]n the presence of a public sector institutional environment in which there are no mechanisms to jointly plan mining and local development, the companies themselves become the agents of such plan-

ning." Territorial planning processes would potentially reinforce the state as mediator and development planner, hence the strong opposition by mining and oil companies. Technically, territorial planning processes are based on spatial information and there is substantive research as to the extent the application of Participatory Geographical Information Systems (PGIS) contributes to the empowerment of disadvantaged groups. While some argue that objective, scientific language, and the technical tools of decision-makers could advance the demands of disadvantaged communities (Corbett and Keller 2005; Flavelle 1995), others remain more skeptical given the cost and difficulty of using the data and the often limited and ineffective forms of community participation (Dunn 2007).

In Peru, several subnational governments in coalition with allies within civil society and the parliament have put pressure on the central government to transfer decision-making powers over natural resources to the subnational level, through the adoption of a law on territorial planning (Gustafsson 2017). These actors propose a law that would unify existing regulatory frameworks and create an integrated and participatory territorial planning process.[24] As expressed by one of the leaders of the *Plataforma para el Ordenamiento Territorial* (Platform for Territorial Planning), a network of civil society organizations created in 2013 to promote a law on territorial planning (*Ordenamiento Territorial*—OT), from their point of view, OT should be a "political and social process of deliberation between different interests for defining the use of the territory".[25] An important aspect of the proposed law is that it would subordinate the granting of mining, oil, and other concessions to a political process, which potentially would circumscribe the power of the Ministry of Energy and Mining (MEM) and private business interests, which in turn explains the private sector's strong opposition to territorial planning. Even though there is no law, to date 13 of the 25 regions in Peru have finished the first phase of territorial planning, the so-called Ecological and Economic Zoning (ZEE), by following the existing technical procedures of MINAM. However, in recent years, there has been increased administrative control on the part of MINAM, which has contributed to a lessening in the autonomy of regional governments in the implementation of territorial planning. Even within these limited political circumstances, Eaton (2015: 133) argues, in a context where the central government has sovereign control over subsurface resources (Article 66, Constitution), territorial planning represents a potentially powerful tool for promoting regional interests and counteracting the power of mining companies.

Hence, overall, as Bebbington et al. (2013c: 23, 67. See also Gustafsson 2016) observe in the Peruvian case, even though there has been a development of legislation to promote community organizations' participation in relation to mining, the participatory mechanisms are primarily informative and aimed at preventing conflicts.

The Distribution of the Income Generated by Mining

In Peru, benefits from mining industries are transferred to subnational governments and peasant communities in three key ways: corporate social responsibility (CSR) programs, social funds, and mining royalties.[26] With the exception of the mining royalties that are taxes distributed by the state, the other investments are regulated by different groupings of private-public partnerships (social funds) or exclusively by the corporations (CSR programs). These transfers are all targeted and follow a compensatory logic, in the sense that the directly affected populations benefit the most. Damonte (2013: 21) argues that "the transference of funds is designed to respond to particular political pressures in order to enable new extractivist projects." Social funds and CSR investments are transferred during the negotiation and exploration phase of a mining project, and both forms of transfer are intended to legitimize the expansion of extractive industries through social investments (see DS 082-2008-EF). The social funds are state funded[27] and, until 2008, were also administered by the state. However, due to pressure from the National Mining and Oil Society (*Sociedad Nacional de Minería, Petróleo y Energía*—SNMPE) and local groups, the funds were privatized.[28] This could be seen as part of a general tendency to localize and privatize social investment in the mining sector (Arellano-Yanguas 2011).

While the social funds were regulated by the state, CSR programs are entirely private. Corporations often invest considerable amounts to gain acceptance among local groups, even though there are significant differences between corporations.[29] CSR programs may be channeled publicly (through partnerships with local governments or different organizations), transferred through community organizations, or relayed more informally to minor groups or individuals (with clientelistic features). Until recently, many corporations have negotiated CSR programs separately with different stakeholder groups—the so-called affected groups—in the context of extractive industries. Corporations thus establish separate and bilateral linkages with each community. However, in recent years, a group of

the most progressive mining companies together with representatives of NGOs and the United Nations Development Program have engaged in an initiative to formulate a vision of the mining industry's contribution to sustainable development in Peru until 2030. An important message in this vision is that mining corporations should abstain from short-term, bilateral engagements with local communities and instead engage in more long-term multi-stakeholder dialogues in which subnational governments are also included.[30] In a context of deficient public investments in social services, access to CSR investment becomes essential. It is, therefore, crucial to strengthen initiatives such as the one mentioned above, in particular, if these broader arrangements could increase the institutional capacity of subnational governments. There is a widespread concern that CSR investments are contributing to replacing and weakening the state. As Marisa Palomino, advisor of the Commission of Energy and Mines in the Peruvian Congress, argues:

> The corporations are replacing the state. If these populations had electricity, water and drainage systems, if they had schools, health clinics, roads, they shouldn't have this need to demand these services from the corporations.[31]

Another limitation of CSR investments is that they are distributed in relation to the negative impacts of the project. In general, the resources originating from mining industries have not been used primarily to finance the extension of needs-based social services, but have mainly benefited directly affected populations. The compensatory logic of the distribution of mining revenues in Peru can be contrasted with the Bolivian and Ecuadorian cases, where revenues from extractive industries have been used to extend social services according to a redistributive logic (Andrade 2016). In Peru, the compensatory logic of social investments has increased community organizations' dependency on corporations for their access to social services.

Private Politics in a Context of Weak Institutions

As has been emphasized in this chapter, states formally govern corporate-community relations, but in a context of weak institutions in remote mining localities, the effective implementation of regulations and participatory instruments is often of poor quality. Particularly in the initial negotiations of land rights that may often take up to ten years, corporations are almost

exclusively responsible for negotiations and obtaining the acceptance of community organizations—the so-called social license. The Peruvian government intervenes primarily by organizing consultations and establishing dialogue processes in cases of arising conflict. In this regard, Peru is in contrast to Ecuador and Bolivia, where the central state plays a more proactive role in arranging prior consultations as well as conflict mediation (Bebbington 2012a: 13; see also Haarstad 2012b: 6).

Before initiating any mining activity, corporations must achieve a land right agreement, signed by two-thirds of the community members (Law 26505). Corporate engagements are thus primarily oriented toward achieving this agreement, and also work to secure acceptance of the project, to prevent any emerging opposition that could threaten the viability of the project. To achieve a land right agreement can be difficult, particularly in large communities (Bebbington 2012b: 73). According to Juan Aste, advisor on mining in the Peruvian parliament,[32] it is common for corporations to reach agreement only with community leaders and thereafter seek acceptance from community members through social investments and participatory processes.

Should a corporation fail to reach an agreement, the state, as owner of subsoil resources, has the ultimate right to intervene and, in the final instance, can expropriate the land.[33] However, as expropriations are likely to generate intensive conflicts that ultimately could make the project unviable, corporations seek to achieve acceptance through strategies ranging from social investments and participatory processes to legal harassment and coercion. Corporations have, in general, developed many strategies and become more professional in their interaction with communities (Bebbington et al. 2013a: 43).

Moreover, social and environmental impacts are seldom restricted to the geographical area where the project will be developed. According to international standards, corporations are responsible for producing the reports which define the areas of impact, but they have an interest in downplaying those impacts (O'Faircheallaigh 2010: 21). Peruvian law states that the impacted area is "the geographic space where mining activities have some sort of environmental or social impact".[34] Groups affected by the project can pursue compensatory claims. According to Damonte, the boundaries are often changed as a result of protest or negotiation. He argues: "The areas of influence are constantly redefined bilaterally between the corporations and the communities according to new interpretations of the political conjuncture, without the interven-

tion of public institutions" (2013: 15). This means that corporations, rather than the state, define which groups should be consulted and which are entitled to compensation and thus have the responsibility to intervene in the core of communities' basic rights. Corporations could, of course, use different strategies, ranging from participatory processes through to social investments, bribery, and exertion of pressure and threats.

Summary

This chapter had a dual aim: first, to situate contemporary corporate-community relations in the context of the shift from a state-led to market-led development model, and second, to account for the formal governance of corporate-community relations. While the focus in the chapter was primarily on Peru, this case was also contrasted with other empirical cases and previous research in a broader global and Latin American context. The chapter demonstrated that the peasant organizations which emerged as a consequence of peasant mobilization and state-society relations in the mid-twentieth century still play an important role. Corporatist arrangements enabled peasant organizations to gain some limited access to, and influence over, policy-making structures. However, the institutional capacity of state institutions varied across the territory and produced very different relationships between peasant communities and the state. In some regions peasant communities remained relatively isolated at the community level, while in others, they succeeded in scaling up, developing connecting structures and strong political identities. As will be seen in the two empirical cases, these different pre-existing organizational structures were also important in understanding local communities' capacities to negotiate with mining companies.

The chapter also showed how the shift to a market-led development model had profound implications for peasant mobilization and scope for influence. This shift has reinforced the political fragmentation and weakened state institutions while at the same time opening up the expansion of mining in the Andean highland. While state institutions have developed instruments—such as prior consultations, EIAs, dialogue processes, and territorial planning—the interventions by the state often suffer as they are of poor quality. In this context, direct contestations and negotiations, so-called private politics, have come to play an essential role for

peasant communities' ability to mobilize and influence issues that will have a large impact on their livelihoods. The marketization has thus created certain state structures and forms of mobilization with profound impacts for marginalized groups' political influence and processes of democratic deepening.

Notes

1. Collier and Collier (1991: 40–41) argue that in the mid-twentieth century the labor movement in Latin America had "an unusual capacity to disrupt the economy and political system which provided it with incentives for collective action".
2. Mariátegui had already, in 1928, in *Siete Ensayos de Interpretación de la Realidad Peruana*, emphasized the key role that these organizations would play in a Latin American socialist revolution, which would be based on traditional forms of collectivism practiced by indigenous communities.
3. "*Campesino*" refers to small-scale, in most cases, indigenous farmers who traditionally owned their land collectively. It is a collective identity intrinsically linked to struggles against oligarchic groups in obtaining access to land and citizenship rights. The Spanish term therefore does not have the patronizing meaning of the English term. Campesino could rather be seen as a political identity intrinsically linked to the rights of peasant communities that were recognized in the 1960s and 1970s.
4. The most important example was the National Revolutionary Movement (MNR). However, some groups rejected the subordination class-based organizations and refused to enter into alliances with nonindigenous groups (Van Cott 2005: 53).
5. In 1964, President Belaunde signed a bill for agrarian reform. However, while the law made landowners pay salaries and gave renters tenure rights, it was inefficient in terms of land redistribution. The law therefore caused frustration among the groups that struggled for agrarian reform (Cleaves and Scurrah 1980: 40).
6. Thirty-nine percent of the land and nearly 8 percent of the livestock were distributed to the agricultural workers on the *haciendas* (Hunefeldt 1997: 110). Even though the share of the beneficiaries was only about 25 percent of the peasantry, the reform had an important effect since it dismantled the social and economic power of oligarchic groups in rural areas (Eguren 2006: 12) and thereby contributed to a greater equality in rural society.
7. Towards the end of the 1970s, most of the cooperatives were bankrupt, and members were distributing the land among themselves (which at that time was illegal) (Hunefeldt 1997: 98).

8. According to Law No. 27908, Article 7: "The *Rondas Campesinas*, based on their traditions, could intervene in the pacific solution of conflicts that emerge between community members or organizations within their jurisdictions or external to it, always when the controversy has its origin in events that occurred within the communal jurisdiction" (*Ley de Rondas Campesinas, adopted in 2002*).
9. However, some researchers have argued that the relatively weak presence of Shining Path from Cusco and southwards was due to the presence of strong peasant and church organizations (Rénique 2004).
10. It must nevertheless be recognized that the governments during the 1980s and 1990s were also responsible for many of the killings of supposed terrorists and, in that context, the peasant communities were located in the line of fire between the Shining Path and the armed forces. A total of 69,280 persons were killed between 1980 and 2000; the Shining Path was responsible for 54 percent of the deaths and the military for the rest, according to the Peruvian Truth Commission (CVR 2004: 17–18).
11. The recognition of ethnic identities simultaneously with substantial liberalization of the economy could be seen as forming part of a continental trend of neoliberal multiculturalism. For a discussion of this concept, see Hale (2005).
12. MEF 2012.
13. The regions were first created in 1987.
14. The most important legislative changes were *Ley General de la Minería*, DL 109, and *Ley de promoción de Inversiones en el sector minero*, DL 708.
15. *El Comercio*, October 28, 2007.
16. The convention has been ratified by 20 countries, including 12 countries in Latin America. The United Nations Declaration on the Rights of Indigenous Peoples stipulates that states should seek the free, prior, and informed consent (FPIC) of indigenous people, which is an important difference, since consent comes close to recognizing the right of indigenous communities to veto projects.
17. MEM has the authority over large- and medium-scale mining projects.
18. The resolution was modified in 2010 by ministerial resolution 009-2010-MEM/DM.
19. Corporations have a legal obligation to reach an agreement with the landowning community (Law 26505).
20. Even though it also stipulates that consultations should be characterized by "a sincere aspiration to reach an agreement or consent" (Article 5a).
21. In July 2016, a total of 24 consultations had been completed. 11 concerned hydroelectrical power plants. http://www.elperuano.pe/noticia-consulta-previa-avanza-sector-minero-43518.aspx, accessed 12 October 2016.

22. The NGO Cooperacción has suggested that the first completed consultation suffered from serious flaws and did not allow the affected community to reach binding, substantial agreements regarding the impacts of the project and the use of the community's land rights. https://www.servindi.org/actualidad/139133, accessed 12 October 2016.
23. From a democratic perspective, there are some positive experiences, like Tintaya, in which peasant communities have been able to pursue their demands in a relatively inclusionary process.
24. Proyecto de ley No. 2522/2012-CR.
25. Interview, March 26, 2015.
26. In the 2006 elections, both presidential candidates promised to temporarily raise taxes on extractive industries, due to the extraordinarily high prices in the mineral markets and the fact that extractive industries in Peru have a low tax threshold by international comparison (Laplante and Spears 2008: 101). The proposal enjoyed broad support among the voters. But finally the government of Alan García, in alliance with National Society of Mining and Oil (SNMP), an influential interest organization of extractive businesses, opted to introduce the so-called mining program of solidarity with the people—Voluntary Contribution (*Programa Minero de Solidaridad con el Pueblo—Aporte Voluntario*). This program involved lower costs for the mining companies and specified that social programs would be directly managed by the mining companies as private funds rather than administered by public institutions.
27. The funds come from the money that companies pay for the purchase of the project, or concession when owned by the state, and should be used for local development (DS 082-2008-EF).
28. This meant that social funds were no longer subordinated to public accountability structures and that the directly affected areas almost exclusively came to benefit from those funds.
29. In 2008, 130 million USD was invested by mining corporations in Peru. However, in the Yanacocha mine alone, 64 million USD was invested (Instituto de Ingenieros de Minas del Perú et al. 2010: 60–61).
30. Interview, with Ricardo Morel, July 8, 2016 (Grupo Promotor 2016).
31. Interview, December 19, 2010.
32. Interview, May 30, 2013.
33. Art. 7, ley 26505.
34. D.S. No. 028-2008-EM. According to this law, the area of influence is determined by the EIA Report, written by the corporations and approved by the state. In general, the communities that own the land on which the infrastructure will be constructed, or those affected by impacts on water resources or movement of earth, are considered as directly affected.

References

Amparo Rodríguez, Gloria. 2010. *La consulta previa con pueblos indígenas y comunidades afrodescendientes en Colombia*. Universidad del Rosario: Bogotá, Colombia.

Andrade, Pablo A. 2016. The Government of Nature: Post-Neoliberal Environmental Governance in Bolivia and Ecuador. In *Environmental Governance in Latin America*, ed. Fábio de. Castro, Barbara Hogenboom, and Michiel Baud, 113–136. New York, NY: Palgrave Macmillan.

Arellano-Yanguas, Javier. 2011. Aggravating the Resource Curse Decentralization, Mining and Conflict in Peru. *The Journal of Development Studies* 47(4): 617–638.

Ballon, Eduardo. 2012. Decentralisation. In *Fractured Politics—Peruvian Democracy Past and Present*, ed. John Crabtree. London: Institute for the Study of the Americas.

Bascopé Sanjínes, Iván, ed. 2010. *Lecciones aprendidas sobre consulta previa*. La Paz: Centro de Estudios Jurídicos e Investigación Social.

Bebbington, Anthony. 2009. Latin America: Contesting Extraction, producing geographies. *Singapore Journal of Tropical Geography* 30(1): 7–12.

———. 2010. Extractive Industries and Stunted States, Conflict, Responsibility and Institutional Change in the Andes. In *Corporate Social Responsibility, Discourses, Practices and Perspectives*, ed. Raman Ravi. London: Palgrave Macmillan.

Bebbington, Denise Humphreys. 2012a. Consultation, Compensation and Conflict: Natural Gas Extraction in Weenhayek Territory, Bolivia. *Journal of Latin American Geography* 11(2): 49–71.

———. 2012b. Social Conflict and Emergent Institutions: hypotheses from Piura, Peru. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Bebbington, Anthony, Martin Scurrah, and Anahì Chaparro. 2013a. Proyecto Industrias Extractivas, Conflictos Sociales e Innovaciones Institutionales en la Región Andino-Amazónica. *Documento de Trabajo No. 1*. Worcester, Tarija: Centro Peruano de Estudios Sociales, Clark University, Centro de Estudios Regionales de Tarija.

———. 2013b. Proyecto Industrias Extractivas, Conflictos Sociales e Innovaciones Institutionales en la Región Andino-Amazónica. *Documento de Trabajo No. 2*. Worcester, Tarija: Centro Peruano de Estudios Sociales, Clark University, Centro de Estudios Regionales de Tarija.

———. 2013c. Proyecto Industrias Extractivas, Conflictos Sociales e Innovaciones Institutionales en la Región Andino-Amazónica. *Documento de Trabajo No. 7*, Centro Peruano de Estudios Sociales, Clark University, Centro de Estudios Regionales de Tarija.

Becker, David G. 1983. *The New Bourgeoisie and the Limits of Dependency*. Princeton: Princeton University Press.

Cameron, Maxwell. 2011. Peru: The Left Turn that Wasn't. In *The Resurgence of the Latin American Left*, ed. Steven Levitsky and Kenneth Roberts. Baltimore: Johns Hopkins University Press.

Campbell, Bonnie, Etienne Roy-Grégoire, and Myriam Laforce. 2011. Regulatory Frameworks, Issues of Legitimacy, Responsibility, and Accountability: Reflections Drawn from the PERCAN Initiative. In *Governance Ecosystems—CSR in the Latin American Mining Sector*, ed. Julia Sagebien and Nicole Marie Lindsay. Basingstoke: Palgrave Macmillan.

Chalmers, Douglas, Martin Scott, and Kerianne Piester. 1997. Associative Networks: New Structures of Representation for the Popular Sectors? In *The New Politics of Inequality in Latin America—Rethinking Participation and Representation*, ed. Douglas Chalmers, Carlos Vilas, Katherine Hite, Scott Martin, Kerianne Piester, and Monique Segarra. New York: Oxford University Press.

Cleaves, Peter S., and Martin J. Scurrah. 1980. *Agriculture, Bureaucracy, and Military Government in Peru*. Ithaca: Cornell University Press.

Collier, Ruth Berins, and David Collier. 1991. *Shaping the Political Arena*. Princeton: Princeton University Press.

Collier, Ruth Berins, and Samuel Handlin. 2005. Shifting Interest Regimes of the Working Classes in Latin America. *Working Paper*, Institute for Research on Labor and Employment, University of California.

———, eds. 2009. *Reorganizing Popular Politics, Participation and the New Interest Regime in Latin America*. University Park, PA: Pennsylvania State University Press.

Comisión de la Verdad y Reconciliación. 2004. *Hatun Willakuy: Versión abreviada del Informe Final de la Comisión de la Verdad y Reconciliación*. Lima: CVR.

Corbett, Jon M., and C. Peter Keller. 2005. An Analytical Framework to Examine Empowerment Associated with Participatory Geographic Information Systems (PGIS). *Cartographica: The International Journal for Geographic Information and Geovisualization* 40(4): 91–102.

Crabtree, John, and Isabel Crabtree-Condor. 2012. The Politics of Extractive Industries in the Central Andes. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Damonte, Gerardo. 2013. Corporate Governance, Mining Funds and Territorial Development in the Peruvian Andes. *Working Paper GRADE.*

Degregori, Carlos Ivan. 1990. *El Surgimiento de Sendero Luminoso*. Lima: Instituto de Estudios Peruanos.

Degregori, Carlos Ivan. 2000. *La década de la antipolítica. Auge y huida de Alberto Fujimori y Vladimiro Montesinos.* Lima: Instituto de Estudios Peruanos.

Dickowick, Tyler J. 2006. Municipalization as Central Government Strategy: Central-Regional-Local Politics in Peru, Brazil, and South Africa. *Journal of Federalism* 37(1): 1–25.

Dunn, Christine E. 2007. Participatory GIS—A People's GIS? *Progress in Human Geography* 31(5): 616–637.

Durand, Fransisco. 2016. *Cuando el Poder Extractivo Captura el Estado—Lobbies, puertas giratorias y paquetazo ambiental en Perú*. Lima: Oxfam.

Eaton, Kent. 2015. Disciplining Regions: Subnational Contention in Neoliberal Peru. *Territory, Politics, Governance* 3(2): 124–146.

———. 2017. *Territory and Ideology in Latin America: Policy Conflicts between National and Subnational Governments*. Oxford: Oxford University Press.

Eguren, Fernando. 2006. Reforma Agraria y desarrollo rural en el Perú. In *Reforma Agraria y Desarrollo Rural en la region Andina*, ed. Fernando Eguren. Lima: CEPES.

Flavelle, Alix. 1995. Community-Based Mapping in Southeast Asia. *Cultural Survival Quarterly* 18(4): 72–73.

Flemmer, Riccarda, and Almut Schilling-Vacaflor. 2016. Unfulfilled Promises of the Consultation Approach: The Limits to Effective Indigenous Participation in Bolivia's and Peru's Extractive Industries. *Third World Quarterly* 37(1): 172–188.

Fox, Jonathan. 1996. How Does Civil Society Thicken? The Political Construction of Social Capital in Rural Mexico. *World Politics* 24(6): 1089–1103.

Garcia, Alan. 2009. *Mensaje a la Nación*, June 17, 2009. https://www.youtube.com/watch?v=07CetVO3Ejo. Accessed 14 November 2016.

Gitlitz, John. 1998. Decandencia y Supervivencia de las rondas campesinas del norte del Perú. *Debate Agrario* 28: 25–53.

Grupo Promotor. 2016. *Hacia una visión para el sector minero Peruano, 2030*. Lima: Grupo Promotor.

Gustafsson, Maria-Therese. 2010. Deepening Democracy Through Public Deliberation? *Iberoamericana* 39(1–2): 139–165.

———. 2016. Private Conflict Regulation and the Influence of Indigenous Peasants over Natural Resources. *Latin American Research Review* 51(2): 86–106.

———. 2017. The Struggles Surrounding Ecological and Economic in Peru. *Third World Quarterly* 38(5): 1146–1163.

Haarstad, Håvard. 2012a. Conclusions. In *New Political Spaces in Latin American Resource Governance*, ed. Håvard Haarstad. New York: Palgrave Macmillan.

———. 2012b. Extracting Justice? Critical Themes and Challenges in Latin American Natural Resource Governance. In *New Political Spaces in Latin American Resource Governance*, ed. Håvard Haarstad. New York: Palgrave Macmillan.

Hale, Charles R. 2005. Neoliberal Multiculturalism: The Remaking of Cultural Rights and Racial Dominance in Central America. *PoLAR: Political and Legal Anthropology Review* 28(1): 10–19.

Herz, Steven, Antonio Vina, and Jonathan Sohn. 2007. *Development Without Conflict: The Business Case for Community Consent*. Washington, DC: World Resources Institute.

Huber, Ludwig, and Karen Apel. 1990. Comunidades y Rondas Campesinas en Piura. *Bulletin Institutional Francais Études Andines* 19(1): 165–182.

Hunefeldt, Christine. 1997. The Rural Landscape and Changing Political Awareness: Enterprises, Agrarian Producers, and Peasant Communities, 1969–1994. In *The Peruvian Labyrinth—Polity, Society, Economy*, ed. Maxwell A. Cameron and Philip Mauceri. University Park, PA: Pennsylvania State University Press.

Instituto de Ingenieros de Minas del Perú and Ministerio de Energía y Minas. 2010. *Minería Peruana: Contribución al Desarrollo Economico y Social*. Lima.

International Monetary Fund (IMF). 2015. *IMF Country Report No 15/134*. Washington, DC: IMF.

Laplante, Lisa, and Suzanne Spears. 2008. Out of the Conflict Zone: The Case for Community Consent Processes in the Extractive Sector. *Yale Human Rights and Development Law Journal* 11: 69–116.

Leifsen, Esben, Maria-Therese Gustafsson, Almut Schilling Vacaflor, and María Antonieta Guzmán-Gallegos. 2017. Introduction to Special Issue "New Mechanisms of Participation in Extractive Governance—Between New Technologies of Governance and Resistance Work". *Third World Quarterly* 38 (5): 1043–1057.

Levitsky, Steven. 2011. A Surprising Left Turn. *Journal of Democracy* 22(4): 84–94.

Li, Fabiana. 2009. Documenting Accountability: Environmental Impact Assessment in a Peruvian Mining Project. *PoLAR: Political and Legal Anthropology Review* 32(2): 218–236.

Mar, Jose Matos. 1984. *Desborde Popular y crisis del Estado*. Instituto de Estudios Peruanos: Lima.

Mauceri, Philip. 1997. State Development and Counter-Insurgency in Peru. In *The Counter-Insurgent State: Guerrilla Warfare and State-Building in the Twentieth Century*, ed. Paul B. Rich and Richard Stubbs. London: Macmillan Press.

McClintock, Cynthia. 1981. *Peasant Cooperatives and Political Change in Peru*. Princeton: Princeton University Press.

McClintock, Cynthia, and Abraham Lowenthal, eds. 1983. *The Peruvian Experiment Reconsidered*. Princeton: Princeton University Press.

McNulty, Stephanie. 2011. *Voice and Vote: Decentralization and Participation in Post-Fujimori Peru*. Stanford: Stanford University Press.

Melendez, Carlos. 2005. Mediaciones y conflictos: las transformaciones de la intermediación política y los estallidos de violencia en el Perú actual. In *El Estado esta de Vuelta: Desigualdad, Diversidad y Democracia*, ed. Victor Vich. Lima: Instituto de Estudios Peruanos.

O'Faircheallaigh, Ciaran. 2010. Public Participation and Environmental Impact Assessment: Purposes, Implications, and Lessons for Public Policy Making. *Environmental Impact Assessment Review* 30(1): 19–27.

———. 2017. Shaping Projects, Shaping Impacts: Community-controlled Impact Assessments and Negotiated Agreements. *Third World Quarterly* 38(5): 1181–1197.

Okamoto, Tami, and Esben Leifsen. 2012. Oil Spills, Contamination, and Unruly Engagements with Indigenous Peoples in the Peruvian Amazon. In *New Political Spaces in Latin American Resource Governance*, ed. Håvard Haarstad. New York: Palgrave Macmillan.

de Olarte, Efraín Gonzales. 1987. *La lenta modernización de la economia campesina*. Lima: Instituto de Estudios Peruanos.

Oliart, Patricia. 1998. Alberto Fujimori: The Man Peru Needed? In *Shining and Other Paths*, ed. Steve J. Stern. Durham: Duke University Press.

Oxhorn, Philip. 1998. Is the Century of Corporatism Over? Neoliberalism and the Rise of Neopluralism. In *What Kind of Democracy, What Kind of Market? Latin America in the Age of Neoliberalism*, ed. Philip Oxhorn and Graciela Ducatenzeiler. University Park, PA: Pennsylvania State University Press.

———. Philip. 2011. *Sustaining Civil Society—Economic Change, Democracy, and the Social Construction of Citizenship in Latin America*. University Park, PA: The Pennsylvania State University Press.

Panfichi, Aldo, and Mariana Alvarado. 2010. Desconfianza y control. Organizaciones no gubernamentales y políticaenel Perú. In *Usos, abusos y desafíos de la Sociedad Civil en América Latina*, ed. Bernardo Sorj. Buenos Aires: Siglo XXI.

Pape, I.S.R. 2009. Indigenous Movements and the Andean Dynamics of Ethnicity and Class: Organization, Representation, and Political Practice in the Bolivian Highlands. *Latin American Perspectives* 36(4): 101–125.

Paredes, Maritza. 2011. Indigenous Politics and the Legacy of the Left. In *Fractured Politics—Peruvian Democracy Past and Present*, ed. John Crabtree. London: Institute for the Study of the Americas.

PCM (Presidencia del Consejo de Ministros and Oficina Nacional de Dialogo y Sostenibilidad). 2013. Mesas de Diálogo, Mesas de Desarollo y Conflictos Sociales en el Perú. *Willaqniki* 5: 1–55.

Pellegrini, Lorenzo, and Marco O. Arismendi. 2012. Consultation, Compensation and Extraction in Bolivia After the 'Left Turn': The Case of Oil Exploration in the North of La Paz Department. *Journal of Latin American Geography* 11(2): 103–120.

Petras, James, and Henry Veltmeyer. 2002. The Peasantry and the State in Latin America: A Troubled Past, an Uncertain Future. *Journal of Peasant Studies* 29(3–4): 41–82.

Regalsky, Pablo. 2010. Political Processes and the Reconfiguration of the State in Bolivia. *Latin American Perspectives* 37(3): 35–50.

Remy, Simatovic María Isabel. 2011. Participación Ciudadana y Gobiernos Descentralizados. *Cuadernos Descentralistas* 28: 1–82.

Rénique, José Luis. 2004. *La Batalla por Puno: Conflicto Agrario y Nación en los Andes Peruanos*. Lima: IEP/SUR/CEPES.

Rodriguez-Carmona, Antonio, Miguel Castro, and Pablo Sánchez. 2013. *Imaginarios a cielo abierto - una mirada alternativa a los conflictos mineros en Perú y Bolivia*. Madrid: Acsur Las Segovias.

Rodriguez-Garavito, Cesar. 2011. Struggle, Identity and the Collective: Ethnicity: Global Governance, Indigenous Peoples, and the Right to Prior Consultation in Social Minefields. *Indiana Journal of Global Legal Studies* 18(1): 263–593.

Rueschemeyer, Dietrich, Evelyn Huber Stephens, and John D. Stephens. 1992. *Capitalist Development and Democracy*. Chicago: University of Chicago Press.

Schilling-Vacaflor, Almut. 2013. Prior Consultations in Plurinational Bolivia: Democracy, Rights and Real Life Experiences. *Latin American and Caribbean Ethnic Studies* 8(2): 202–220.

———. 2014. Rethinking the Link Between Consultation and Conflicts. Lessons from Bolivia's Gas Sector. *Canadian Journal of Development Studies* 35(4): 503–521.

Schilling-Vacaflor, Almut, and Ricarda Flemmer. 2013. Institutionalizing the Right to Prior Consultation. The Case of Perú from a Comparative Perspective. *GIGA Working Papers*. Hamburg: German Institute of Global and Area Studies.

Schilling-Vacaflor, Almut, and Riccarda Flemmer. 2015. Conflict Transformation Through Prior Consultation? Lessons from Peru. *Journal of Latin American Studies* 47(4): 811–839.

Sheahan, John. 2001. *La economía peruana desde 1950 – buscando una sociedad major*. Lima: Instituto de Estudios Peruanos.

Szablowski, David. 2007. *Transnational Law and Local Struggles: Mining, Communities and the World Bank*. Oxford: Bloomsbury Publishing.

———. 2010. Operationalizing Free, Prior, and Informed Consent in the Extractive Industry Sector? Examining the Challenges of a Negotiated Model of Justice. *Canadian Journal of Development Studies/Revue canadienne d'études du développement*. 30(1–2): 111–130.

Tanaka, Martin. 2011. A Vote for Moderate Change. *Journal of Democracy* 22(4): 75–83.

Teivainen, Teivo. 2002. *Enter Economism, Exit Politics: Experts, Economic Policy and the Damage to Democracy*. London: Zed Books.

Van Cott, Donna Lee. 2005. *From Movements to Parties in Latin America—The Evolution of Ethnic Politics*. Cambridge: Cambridge University Press.

Vellinga, Menno. 2005. State Reform and Traditional Political Practice in Latin America. In *Authoritarianism and Corporatism in Latin America—Revisited*, ed. Howard J. Wiarda. Gainesville: University Press of Florida.

Wise, Carol. 2003. *Reinventing the State: Economic Strategy and Institutional Change in Peru*. Ann Arbor: University of Michigan Press.

World Bank. 1996. A Mining Strategy for Latin America and the Caribbean. *Technical Paper No. 345*, World Bank.

———. 2003. *Striking a Better Balance : Volume 1. The World Bank Group and Extractive Industries. Extractive Industries Review*. Washington, DC: World Bank.

Yashar, Deborah. 1999. Democracy, Indigenous Movements, and Postliberal Challenge in Latin America. *World Politics* 52(1): 76–104.

———. 2005. *Contesting Citizenship in Latin America, The Rise of Indigenous Movements and the Postliberal Challenge*. Cambridge: Cambridge University Press.

CHAPTER 3

Demands for Rights and Confrontations in the Rio Blanco Project

The massacre in Rio Blanco should not be left unpunished. We demand justice.

This message met me when I arrived at the community Segunda y Cajas in January 2010, to participate in the anniversary celebrations of the community. Below the text there were pictures of peasant leaders killed or injured by police in the 2009 confrontations related to the Rio Blanco mining project. The mining conflict was a recurrent theme in speeches, songs, and conversation that night.

The British corporation, Monterrico Metals, initiated bilateral negotiations with two communities, Segunda y Cajas and Yanta, in 2003 and, over the years, had tried to impose the project using a strategy of coercion and clientelism. However, from early on there had been strong resistance and the two communities have, by drawing on relatively strong organizational structures and support of non-state actors, been relatively successful in their efforts to prevent the implementation of this macro-economically important project. The two communities claim that the corporation occupies their land illegally as they have not signed land rights agreement. Moreover, they claim that the project will have negative impacts on agriculture in at least three districts as well as destroy the region's vulnerable ecosystem—the so-called *páramos*. Protests and violence have

© The Author(s) 2018

M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6_3

characterized corporate-community relations, and the central and regional governments, on various occasions, have intervened to support the corporation. Even though some groups have become engaged in clientelistic dynamics with the corporation, this case could primarily be seen as one where communities are engaged in demands for rights and where corporate-community relations are characterized by confrontation.

This chapter analyzes the dynamics of corporate-community relations in the initial negotiations with a focus upon the power base and strategies employed by the two communities, the corporation, and the state institutions. First, I provide an historical background of state-society relations and peasant mobilization in the region, and secondly, I describe the expansion of mining in the highlands of Piura. Thirdly, I analyze the initial interactions between the corporation and community organizations, with a focus on the power dynamics and strategies employed by the two parties. Finally, I address the way that the state intervened, through consultation and dialogue processes, and consider how these interventions have shaped corporate-community relations.

State-Society Relations and Peasant Mobilization in Piura

The mineral deposits of the Rio Blanco project are located on the land of two peasant communities: Segunda y Cajas and Yanta, situated in the provinces of Huancabamba and Ayabaca, respectively.[1] These provinces are, in turn, located in the Piura region in northern Peru. The highlands of Piura are at a lower altitude and are more densely populated than the central and southern highlands. The population speaks Spanish and do not generally consider themselves as indigenous people. Conditions for developing agriculture are relatively favorable, compared to the southern and central highlands of Peru, allowing the local people a degree of resource independency. Community members can subsist on cultivation of different products, such as coffee, sugar, fruits, corn, wheat, root crops, and beans. As a consequence, the two communities do not see the mining project as the only alternative to their economic subsistence. Still, official poverty rates are fairly high with 76 percent of the population living in poverty of which 38 percent exist in extreme poverty (INEI 2010), deficient in even basic services.[2] This suggests that the state has a weak presence as a provider of basic services (see Revesz and Oliden 2011: 8).

Until the agrarian reform, state structures were very weakly developed in vast parts of the highlands, and hacienda owners served as intermediaries between the local and national levels (Mauceri 1997: 154–155). The agrarian reform in 1969 dissolved oligarchic domination, but also created a void in local power structures that the state was unable to fill. State structures became unevenly distributed across the national territory, particularly in the Andean highlands. Following the agrarian reform, the state established some presence through state officials who were engaged in the implementation of the agrarian reform of former haciendas, which were transformed into peasant cooperatives. However, in Huancabamba, there were few haciendas, and the communities were therefore comparatively less affected by the agrarian reform.[3] The absence of a traditionally strong oligarchic elite within the province implies that local society is not marked by historic relations of domination and an elite that retains some of its power through local politics. This also means that, after the agrarian reform, peasant communities were more autonomous from the state and benefited less from state support compared to communities that were created through the expropriations of the agrarian reform of the 1960s.

The weak state presence proved to be a serious problem in 1982, when intense rains destroyed the entire region's agricultural production and produced a severe economic crisis. As a consequence, cattle thefts became a grave concern that affected most of the population (Huber and Apel 1990: 168). An interviewee described how he even used to sleep with his animals, to protect them.[4] The state did not establish the rule of law: police officers and judges were corrupt and sometimes even involved in cattle thefts (Revesz and Oliden 2011: 7).

Huber and Apel (1990) argue that the weak state presence took northern Peru in a different direction from the southern and central parts of the country where stronger community organizations mitigated the lawlessness to some extent. In northern Peru, problems of security and crime, rather than agricultural production, gave communities the incentive to organize. Peasant communities organized in rural vigilante patrols—so-called Rondas Campesinas—that patrolled the communal territory during the nights. The first Rondas Campesinas emerged in Chota, Cajamarca, in 1976 (see Starn 1992). The emergence of Rondas Campesinas is an indirect consequence of the lack of state institutional structures at the local level.

In the early years, Rondas Campesinas developed relatively autonomously at the community level without much interference from leftist

parties or the national peasant organizations that were controlled by the government. In Cajamarca, national organizations linked to the government interacted with the Rondas in the 1970s. However by around the mid-1970s the influence of CCP, as well as other leftist parties such as *Alianza Popular Revolucionaria Americana* (American Popular Revolutionary Alliance—APRA), diminished and Rondas Campesinas found some autonomy from these actors as well as from state institutions at the community level (Paredes 2011: 144). The state initially supported the Rondas Campesinas and allowed them to develop autonomously, but, in the 1980s, when it became aware of their growing mobilization capacity and power, the state began a period of systemic harassment. In their exercise of customary law, Rondas were accused of different crimes such as kidnapping and extortion. In response to state harassment, Rondas Campesinas scaled up their mobilization structures to defend their right to organize and practice customary justice (ibid: 144, 147).

Inspired by the Rondas Campesinas in neighboring Cajamarca, peasant communities in Huancabamba and Ayabaca came together in 1982 and created a Rondas organization covering the two provinces. As in Cajamarca, the police and judiciary sought to prevent the Rondas from exercising customary law (Huber and Apel 1990: 166). The organizations, nevertheless, succeeded in growing as Rondas gained recognition and authority for their capacity to solve problems of justice.[5] By 1990, the Rondas in Huancabamba and Ayabaca had 14,000 members in 174 grassroots groups organized into a hierarchical union structure (ibid: 174). Hence, state harassment and the need to solve problems of justice gave peasant communities strong incentives to scale up their organization. Moreover, Paredes (2011: 147, see also Revesz and Oliden 2011: 7) argues that periods of autonomy, alternating with struggles against the state for recognition of customary law, have generated a new political identity—a "we" against "the other". Orin Starn (1992: 104) emphasizes that Rondas Campesinas developed a strong anti-state identity. This identity has, to a large extent, a class-based orientation even though the Rondas were the first in the highlands to back the ILO Convention No. 169 which offers legal support for their claim to the autonomous exercise of customary law. However, their primary identity is as "ronderos" rather than as indigenous people (Paredes 2011: 147).

By the 1990s, the Rondas Campesinas were already a strong social force: Starn (1992: 90, see also Diez Hurtado 1999: 214) describes them as one of the "largest and most sustained rural movements in the late

twentieth century". At that point, Rondas Campesinas had come to play an important role, not only for the administration of justice within peasant communities but also for the promotion of development, agricultural production, and engagement in broader struggles with the state (Gitlitz 1998: 23). In the late 1990s, however, Rondas Campesinas lost some of their previous strength (Starn 1999), as state institutions assumed responsibility for justice.

Autonomy in relation to the state played a key role for Rondas Campesinas in northern Peru. This is in contrast to Rondas Campesinas in central and southern Peru which the government of Fujimori, during the early 1990s, tried to control and incorporate within the structure of the Ministry of the Interior as a way of counteracting the insurgency of the Shining Path guerrillas. In northern Peru, Rondas Campesinas were created to resolve local concerns and, to a large extent, they maintained their autonomy from the government. However, it was also the strength of the Rondas Campesinas in northern Peru that partly explains why Shining Path never succeeded in establishing a strong presence in the northern highlands in the 1980s (Paredes 2011: 132).[6] This, in turn, meant that the uprising did not devastate civil society and democratic institutions in this region to the same extent as in the central highlands. Moreover, as Shining Path was located in the central and southern highlands, the government focused on establishing control over this part of the territory and also persecuting leaders of the national peasant organization, CCP (ibid: 151).

In the early 2000s, Rondas Campesinas in Piura were organized at a provincial level, while they were more fragmented at the regional level. There are currently various Rondas Campesinas organizations, some incorporated within the Ministry of the Interior according to a corporatist logic, while others defend their autonomy in relation to the state.[7] Even though, the Rondas Campesinas of Huancabamba are affiliated with the national Rondas organization—*La Central Única Nacional de Rondas Campesinas del Perú* (CUNARC), the links between these two organizational levels are not particularly strong. The Rondas Campesinas of Huancabamba has a significantly closer collaboration with the Rondas at the regional level in the neighboring region of Cajamarca.[8] These organizations have, since the early 1990s, experienced the expansion of mining in the region and, in this way, developed a strong class-based ideological orientation. The proximity to Cajamarca is important, since peasant mobilizations and the expansion of mining are part of a regional context in which peasant organizations share their previous experiences.

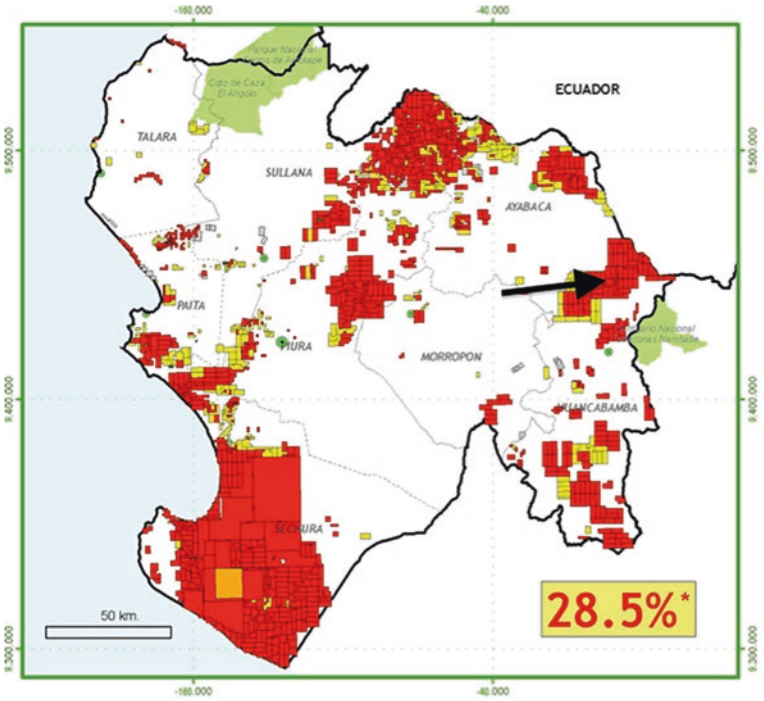
In summary, relative autonomy in a context of weak power dynamics has enabled community organizations to strengthen their mobilization structures and organize at the provincial—and to some extent regional—levels and to develop a combination of class- and culturally based collective identities. Periods of autonomy from the state, followed by struggles with the state for the exercise of autonomous customary law, have forged a strong collective identity and enabled community organizations to scale up their mobilization structures. These previous organizational structures at the regional level are important. As Fox argues, in contrast to isolated communities, regional organizations could have the strength to challenge elite power and advance the interests of the rural poor (1996: 1091–1092).

The establishment of the Rio Blanco project must be analyzed against the background of these pre-existing mobilization structures and defense of autonomy in relation to the state. As will be shown in the next section, these pre-existing mobilization structures facilitated the building of networks and alliances and were, therefore, important for the communities' capacity to oppose the project. However, the support of non-state actors, such as NGOs, also played an important role.

The Expansion of Mining in the Highlands of Piura

Mining is a recent development in the highlands of Piura. In the coastal areas, oil and phosphates have been extracted and have contributed substantially to the regional economy since the beginning of twentieth century (Revesz and Oliden 2011: 3). Piura is also located close to the region of Cajamarca where large-scale mining has been developed since the early 1990s, which creates an opportunity to draw on the experience of peasant organizations in this area.

Since the 2000s, the regional and central governments have promoted the expansion of mining in the highlands of Piura. Rio Blanco is the first of various projects that have been conceded and, if developed, would turn the highlands into a mining district.[9] If the peasant communities accept this project, it would open the way for the establishment of various other projects.[10] Communities, therefore, were additionally motivated to put up strong opposition because not just one project, but several, were at stake—and all of which will affect the environment and agricultural activities. The Rio Blanco project is, in itself, a macro-economically important copper project that MEM in 2003 declared of 'national interest' (DS 023-2003-EM). The project involves a total investment of USD 1500 million (MEM 2014), which could be compared to the Bambas project that involves an investment of USD 5200 million.



Concession map of the Piura-region. The Rio Blanco project is marked by the arrow and is located at the border of the two provinces of Ayabaca and Huancabamba, close to the Ecuadorian frontier. Twenty-eight percent of the territory of this region is concessioned to mining projects (Source: Cooperacción)

The project will be developed on land owned by peasant communities Segunda y Cajas and Yanta. The project site is, however, located over a day's walk from the populated areas of the communities, on land that is not currently in use for agriculture or livestock raising. The importance of the geographical distance should not be underestimated. The distance made it more difficult for the communities to establish control over the project site and provide credible evidence that they would be negatively affected by the project. Several scholars suggest that control over resources to which the corporation needs access is an important asset in increasing local communities' bargaining leverage (Frooman 1999; King 2008). This could be contrasted to the Bambas project, where an entire community had to be

relocated before the extraction of minerals could be initiated. The distance in the Rio Blanco project implied that control over land could not be used in the same strategic way for putting pressure on the corporation and that communities had to rely to a larger extent on their capacity to mobilize.

In the EIA report from 2008, Monterrico Metals maintained that the population will not suffer from any "direct impacts", as the mountains constitute "natural barriers between the populations and the mining site". In this report only 10 percent of the families in the Segunda y Cajas community are defined as indirectly affected (Rio Blanco Copper 2008: 2–3, 23).[11] As O'Faircheallaigh (2010: 21, 2017) explains, corporations have an interest in downplaying negative impacts and often define the impact zone of a project narrowly and include only the immediate vicinity of the project. How the impact zone is defined, however, is important, as directly affected population are in a better position to negotiate with the corporation compared to populations where no impacts have been recognized. In the Rio Blanco project, the former Minister of the Environment, Antonio Brack, has also rejected the existence of those impacts in an interview.[12] The British organization, Peru Support Group, made an evaluation with a multidisciplinary research team and which concluded that the environmental impacts are not as severe as the peasant organizations claim (Bebbington et al. 2007: 69).

Another factor that affected the communities' perception of the project is the struggle that surrounded the . In 2003, after five years of sustained conflict, the Tambogrande project was permanently suspended. This was the same year that negotiations regarding the Rio Blanco project were initiated. The Tambogrande conflict engaged a broad political coalition and was particularly important in giving rise to the creation of Red Muqui, a network of NGOs offering support to communities involved in mining conflicts and which seeks to influence national mining policies in Peru. Bebbington emphasizes the importance of the support provided by Red Muqui (2012c: 73). This previous experience, in which a project was permanently suspended due to the population's rejection, most likely gave the two communities an exaggerated perception of the negative impacts of mining as well as inspiration from a case where local populations actually had succeeded in halting a project.

The Power Base of the Principal Actors

The key actors in the Rio Blanco case are the two communities and their representatives, Monterrico Metals, and different state institutions. First,

the representatives of the two communities have organizational structures at different levels—from community organizations, to provincial and regional Ronda Campesinas, as well as the recently created regional organization *Frente por el Desarrollo Sostenible de la Frontera Norte del Perú (Front for the Sustainable Development of the northern border of Peru)*—FDSFNP. These organizations have, in different phases and processes, played a key role in defending the communities' interests. As will be further elaborated upon, the capability to draw on pre-existing organizational and acquired support from non-state actors contributed in an important way to reduce power asymmetries and to strengthen community mobilization and influence.

The community of Segunda y Cajas is located about an hour from the provincial capital of Huancabamba. However, the city of Piura, where regional markets and labor opportunities are found, is located an eight-hour drive away, along a winding dirt road. Community members are therefore, to a large extent, dependent upon small-scale agriculture. Community members, in general, define themselves as ronderos rather than indigenous.

Segunda y Cajas was created in 1949 and was therefore not a result of the expropriations of the agrarian reform. The community is unusually large, covering an entire district that is divided into 31 subunits,[13] populated by 1663 families. Traditional peasant communities are self-governing entities that play a key role in organizing agriculture and maintaining basic infrastructure such as irrigation systems and roads. However, in northern Peru, community organizations are less important and communal control over natural resources (land and water) is minor, compared to other regions in Peru (Diez Hurtado 1999: 332). This is also the case of Segunda y Cajas, which has weak communal structures. Community members own their land individually. According to Huber and Apel (1990: 166), this is explained as the area has a favorable environment for agriculture that does not require collaboration. Community organizations, therefore, do not play the same central role as in traditional Andean communities.[14] Segunda y Cajas is primarily responsible for providing basic infrastructure (such as water and roads) and security through the Rondas. Land property is individually owned and the community is generally not characterized by a strong communal culture and authority. Informants explained that, before the arrival of the mining corporation, community members did not strictly attend community assemblies, and the community organization was not particularly centralized. Power and decision-making over many issues were decentralized to different territorial subunits within the

community, partly because Segunda y Cajas is an unusually large community. This is an example of a community with weak "administration of power" (Huber and Apel 1990: 171).

However, as discussed in the previous section, Rondas Campesinas play an important role, particularly in times of crisis when they assume leadership over the community. The Rondas Campesinas at the provincial level have been key actors in the stance taken against the mining project. The third representative of the communities that has played an important role is the regional organization FDSFNP, created in 2006. FDSFNP organized a broader coalition comprising the two communities, subnational governments and peasant organizations in Piura and Cajamarca that shared a common opposition to the project.

Regarding the corporation, it must be acknowledged that there are major differences in the ways that corporations deal with community organizations. Monterrico Metal, the corporation responsible for the Rio Blanco project, is a UK-registered so-called junior corporation that undertakes initial exploration for the presence of minerals, before later on seeking investors to underwrite the costly mineral extraction process. Various analysts have argued that, in contrast to large integrated mining companies engaged in long-term mineral extraction, junior corporations often lack the resources, time and motivation to engage communities in participatory processes and contribute to local development through social investments. These conditions make junior companies prone to conflicts (Bridge 2004: 240; Bebbington 2010: 103). Monterrico Metals is a typical junior corporation in that sense. It initiated negotiations with the two communities with few human resources and without a well-planned strategy. Rather than achieving the acquiescence of a two-thirds majority of community members, as required by law (26505), the corporation signed an agreement with just a few leaders. After that, negotiations collapsed and a forceful opposition to the project emerged. Despite several efforts to overcome opposition against the project, the corporation never succeeded in repairing the broken trust. In 2008, after five years of sustained conflict, the project was finally sold to the Chinese corporation Zijin Mining Group, a significantly larger corporation than Monterrico Metals. Zijin can therefore afford to wait until the conflict dissipates (Bebbington 2012: 83). Until 2016, Zijin had made few attempts to advance the project, which is temporarily suspended.

Regarding different state institutions, such as MEM, the central and subnational governments, and the Ombudsman have all played an important role in the Rio Blanco case. While MEM, the central and the regional

governments have intervened in different phases in support of the corporation, the Ombudsman has intervened to ensure the rule of law and protect the rights of the two communities. The provincial and local governments have also been important in opening up subnational arenas of contestation and supporting the two communities. There are various factors at play that shaped the power dynamics of corporate-community relations, such as a collective identity focused on autonomy, strong mobilization structures, and access to external networks, as well as a corporation that has employed coercion and patronage in relation to the two communities. All these factors are likely to enable the communities to engage in confrontations with the corporation in a struggle related to environmental concern and territorial rights. I will now discuss the first interactions between Monterrico Metals and the communities and explain how both pre-existing organizational structures and corporate governance strategies affected the development of the relationship.

Private Negotiations in the Early Project Phase

According to ILO Convention No. 169, governments have a responsibility to consult indigenous people before taking a decision that affects their land, resources, livelihoods, or culture. Corporations, for their part, have a legal obligation to reach an agreement with the community that owns the land and where the operations are to be developed (law 26505). However, until the ILO Convention No. 169 was integrated into domestic law in 2011, there were no formal consultation procedures that followed the principles of the Convention. In many cases, in their attempts to secure support and negotiate access to land, corporations have already established a relationship with community members before state institutions organize participatory workshops to inform the community about projects.

The strategies that the corporation employs in this phase, for channeling the concerns and demands of community organizations, are crucial and could have long-standing impacts on how corporate-community relations evolve. It is clear, as other scholars have emphasized, that peasant communities also shape those relations through their different demands and strategies (Dougherty and Olsen 2014).

Violations of Rights in the Context of Weak Institutions

State institutions play an important role in providing information and ensuring the protection of rights of local communities in private politics.

In the context of weak institutions, local communities become dependent upon the information provided by non-state actors, and corporations may violate the rights of communities without any sanctions. Monterrico Metals employed a governance strategy that contributed to weakening community mobilization and influence. In 2002, Monterrico Metals approached community leaders in Yanta and Segunda y Cajas in an attempt to obtain the rights for mineral exploration in communal territory. The corporation established an agreement with the community leaders to perform "seismic tests", but without mentioning the mining project. According to one of the leaders of the groups opposed to the mine, the communities received only some minor infrastructural investments in exchange (Tabra 2010: 35).[15] MEM approved the project based on this agreement, despite the fact that it was legally invalid.[16] From the viewpoint of Wilson Ibanez, provincial mayor of Huancabamba 2010–2014, it was the corporation's strategies that generated opposition against the project. Monterrico Metal lacked respect for the two communities' land rights and made no important contributions to local development. However, it is also important to emphasize that the state enabled the corporation to violate the communities' rights by approving the agreement. The Ombudsman later criticized MEM's approval of the project, but MEM argued that it was not their responsibility to control whether the agreements were valid or not.[17] In this context of weak monitoring and provision of unbiased information by the responsible ministries, the extent to which community organizations' rights are protected is, to a large extent, dependent upon the goodwill of corporations. In this case, Monterrico Metals, by deceiving the leaders, clearly violated the property rights of the communities. This confirms Crane et al.'s (2008: 67) argument regarding the importance of state institutions in ensuring the rule of law in the context of private politics. The role of the Ombudsman in the protection of local communities' rights is, therefore, particularly important to emphasize in a broader institutional context where powerful ministries such as MEM acted in defense of corporate interests. An informant who works as an advisor on mining in the Peruvian parliament argues that it is a common strategy among corporations to reach agreement with community leaders only and thereafter seek acceptance from community members through social investments and participatory processes.[18] What is noteworthy in this case, however, is the communities' ability to react forcefully to these actions.

After the agreement was reached, the corporation continued to visit the community and offered employment and modest support to minor groups according to a clientelistic logic. Over time these groups came to establish a close relationship with the corporation and became promoters, in a way, of the project within the community. However the presence of the corporation, as a Yanta community leader explains, created suspicion regarding its real intentions.[19] As discussed above, even though Segunda y Cajas has a relatively weak communal authority, the Rondas Campesinas have, since the 1980s, been engaged in protecting the communal territory from intruders. They could draw on those experiences in organizing patrols to control those who entered the community.

While some individuals within the communities were in favor of the project, the leaders came into contact with Red Muqui and actors that had been engaged in the struggles surrounding the Tambogrande project, which had finally been suspended due to its incompatibility with local agriculture. Red Muqui played an important role by offering support and information, primarily on the negative socio-environmental impacts of mining and, in the absence of other sources of information, the communities came to rely on this information. As O'Donnell (2004: 41) argues, access to non-censored information is a requisite for citizens' ability to participate in public debate and assess the impact of different decisions and policies. Control over, and access to, information is therefore an important source of power in corporate-community relations and, in cases like this when state institutions do not provide information, communities become dependent on the information provided by the corporations or NGOs.

These first interactions demonstrate how, in contexts where state institutions do not ensure rule of law, corporations play a crucial role in the protection or violation of communities' rights. Moreover, these interactions also illustrate the importance of pre-existing collective identities and organizational structures as well as the support of non-state actors that are important resources able to strengthen communities' ability to mobilize and pursue their interests in relation to mining corporations. In this case, community members were sensitive to the presence of foreigners in the communal territory but open to establishing collaboration with NGOs and peasant organizations in the region—something that community members in other cases, such as the Bambas project, have rejected.

Consultations: Participation Without Influence

Prior consultation is a potentially powerful tool for rights protection, democratization, corporate accountability, and conflict resolution. However, previous research has also demonstrated that governments have few incentives to enable effective participation that may risk large-scale resource projects (Haarstad 2014). Until the law of prior consultations was adopted by the Peruvian government in 2011, MEM had only organized information workshops about large-scale mining projects.

In January 2004, 18 months after Monterrico Metals reached the agreement with community leaders, MEM organized a workshop about the project, where representatives from the corporation and different state institutions provided information in the community assembly. During the time that had passed since the agreement was reached, a community leader of Yanta explained that the communities had become aware of the negative environmental impacts of mining.[20] After the suspension of the Tambogrande project, there was a network of NGOs and experienced leaders in the region willing to support the two communities. These interactions, and the information provided by those actors in this early phase, are important in explaining communities' responses and environmental framing of the struggle.

At this point, corporate-community relations had already started to polarize and, in this context, it was difficult to establish a dialogue. It is also, as Bebbington et al. (2007: 64) point out, important to take into account the strong rejection of the state in this area. The rejection of the state made it difficult to trust any information provided by the state, as a former community leader of Yanta explained. In his opinion, the information provided by the state at this meeting was biased, as only positive impacts were mentioned.[21]

The communities had invited the former mayor of Tambogrande to the workshop. According to one of the leaders, the former mayor interjected during the meeting and challenged the information provided by the state. The same leader described how the former mayor accused the corporation of "destroying the environment", and "bringing hunger, poverty, misery, division, imprisonment". The peasants were, in contrast, described as defenders of the environment (Tabra 2010: 34).[22] Hence, the environmentalist framing of the struggle was introduced from the beginning and originated from actors involved in the Tambogrande conflict.

The polarization between the two positions taken during this workshop made it impossible to establish a dialogue. As a solution, the participants reached an agreement to create a technical committee led by MEM to investigate the environmental impacts of the project. The committee concluded that the project's environmental impact was insignificant.[23] However, the two communities did not recognize the results, formally declaring the agreement with the corporation invalid and noting that the community of Segunda y Cajas "prohibited mining activities in all communal territory".[24] From the two communities' perspectives, this decision implied that the corporation had no right to enter communal territory, or to interact with community members. The communities therefore put up roadblocks that prevented the corporation from accessing the mining camp.

These first interactions and dynamics suggest that the communities were concerned about the environmental impacts, but also that they felt marginalized and excluded from decision-making procedures. According to a community leader of Segunda y Cajas:

> People have become aware that the most important thing is to defend the land—mother earth that feeds us and gives us everything. Our survival is dependent upon water that is a scarce resource in the world. The glaciers are melting and that will bring an enormous problem for the climate.[25]

However, when asked if mining is incompatible with the ecosystem in Huancabamba, the leader argued that their struggle is aimed "to make the mining corporations leave the territories that they are occupying illegally". The quote is typical in the sense that environmental impacts are referred to as the main reason for rejecting the project, and the impacts are used as a justification for the attempts to force the corporation to withdraw. Lack of respect for communal territories, however, also seems to be an important concern that created a forceful reaction by the Rondas Campesinas which have a long history of defending their autonomy in relation to the state. These two framings—environmentalism and territorial control—open up different strategic opportunities and constraints. The environmental framing provides opportunities for negotiations regarding the definition of those impacts. However, the lack of impartial information makes it very difficult for community members to evaluate the information provided about the project. EIAs are highly technical, complex matters and it is hard to evaluate the veracity of contradictory accounts provided by state

institutions, the corporation, and NGOs.[26] Community leaders have made their own interpretations of these assessments. Community members were distrustful of the information provided by the state, which is not surprising given the Rondas Campesinas long-standing antipathy toward the state (Starn 1992: 104). While demands related to environmental impacts could be negotiated, demands for territorial control are more prone to result in confrontation. The demand for territorial control originates in Rondas Campesinas' struggles for collective land rights and customary law and opens up the option of legal battles regarding the legality of the presence of the corporation. But this struggle may provide more coercive strategies to force the corporation to withdraw from communal territory.

In the end, from the state's viewpoint, the purpose of the consultative workshop was only to inform about the project, not to enable the communities to influence the project design. Various factors prevented the workshop from even enabling an open debate: that it took place after relations had already become polarized, the general lack of objective information on the environmental impacts, and the communities' deeply rooted distrust of the state.

A Governance Strategy Based on Coercion and Clientelism

After the communities formally rejected the project, the leaders refused to continue a dialogue with the corporation. Informants describe how Monterrico Metals maintained its presence in the community and made aggressive attempts to penetrate the organization from below, approaching individuals who were in favor of the project. Moreover they describe how the corporation, through these individuals, distributed employments and other benefits.[27] One interviewee claimed that some individuals were even given the status of promoters of the mine, and were taken to visit other mining sites, and trained to argue in favor of mining so that they could convince their neighbors about the advantages of mining.[28]

Dante Vera, a well-known advisor of mining corporations, has promoted this strategy—he calls it the "safety belt"—among corporations in Peru. He argues that if the group closest to the mine benefits from the project, and sees it as "their own", this group will constitute a safety belt that defends the project. In advancing a project, he argues, it is necessary to have this kind of support from the population. He emphasizes that it should be a relationship of mutual benefit and that the corporation must contribute to development. However, he also acknowledges that some corporations use this strategy to achieve groups that will become "loyal to

the project".[29] In that sense, the strategy seems to be based on clientelistic practices that reinforce dependency relations. As two experts on mining in Peru argue, the purpose of the "safety belt-strategy" is to identify which groups can be controlled and then create divisions.[30] As Guzmán-Gallegos (2012: 157, 171) argues, this kind of strategy implies that the group with the greatest capacity to put pressure on the corporation often lack the incentive to do so, as they benefit from corporate support. This is an example of a clientelistic governance strategy that could contribute to significantly weaken the capacity of communities to mobilize and exercise influence.

In Segunda y Cajas, this strategy was only partially successful and contributed to the formation of a group that was closely linked to the corporation which promoted the project from within the community. According to one of these individuals:[31]

> The state does not invest here so we don't have a hospital or qualified professionals here. Therefore, we wanted the corporation to improve the roads, contribute to agriculture and health care. We demanded computers for the schools and a technical school for young people.

As the quote suggests, some individuals were driven by collective interests and convinced that the mining project would be beneficial for local development, while others saw opportunities and applied for jobs more on a discreet basis. I will provide some more representative examples of these clientelistic dynamics as described by community members. Even though it is difficult to confirm the veracity of each case, there are various descriptions of similar situations from groups that were both opposed to, and in favor of, the project. This suggests that, even though specific details may not coincide, the descriptions enable us to understand practices and dynamics of corporate-community relations.

A former community leader tells about the construction of a school in his neighborhood that was divided between groups in favor and groups opposed to the mining project. He describes how the group in favor had applied for support from the corporation for the construction, but the group opposed to the project had constantly tried to stop the construction. Monterrico Metals, therefore, hired police officers to protect the building day and night so construction could be finished.[32] In the interviews that the Ombudsman conducted with groups in favor of the project, various informants gave examples where the corporation, in collaboration with minor groups or individuals within the community, tried

to distribute food or other goods, to improve the roads, and make constructions in alliance with minor groups.[33]

In some neighborhoods the group linked to the corporation has been large, well organized, and/or consisted of influential individuals, as seems to be the case with the school construction within the community. This balance of power in favor of groups supportive of the project explains why the school construction could be finished. In other cases, informants describe the pro-mining group as in the minority and weak, and thus not able to enforce the implementation of the project. A group of community leaders described how the corporation, through a group of community members, attempted to impose a project which was forcefully rejected by community members.[34]

These examples illustrate how corporate strategies generated different responses and internal disputes as community members sought to defend and/or force the corporation to leave. Both the community members and the corporation used coercion and force, and the strategies of the corporation must be seen as partly shaped by community members' strong rejection of the project. As Dougherty and Olsen (2014: 421) argue, mining corporations increasingly adapt their CSR programs to "unique social contexts rather than applying a one-size-fits-all model". Illustrating their argument, the dynamics in the Rio Blanco case demonstrate how the coercive strategies used by both actors contributed to the escalation of the conflict.

The community assembly had prohibited community members from working for, or receiving any support from, the corporation.[35] Some individuals violated this decision, which created disagreements and conflicts within the Segunda y Cajas community. Respect for collective decisions is essential within traditional Andean communities, and the Rondas Campesinas also demand a strict respect for rules. Violations are generally taken seriously and can lead to physical punishment, retraction of benefits such as access to water, land, and protection, or, in the extreme, exclusion from the community organization.

The Rondas Campesinas perceived the individuals who supported the corporation as betrayers of the community and attacked them verbally and, on occasion, physically. Community members therefore describe how the corporation in some cases arranged for a police escort to protect these individuals.[36] However, the individuals in favor of the project in most cases lacked influence and legitimacy within the community, which made it more difficult for them to expand support for the project and challenge

the community leaders and the Rondas Campesinas. It was mainly the poorest or otherwise marginalized individuals who accepted offers from the corporation, while the majority rejected them. Thus, the coercive patronage of the corporation did not have the intended results. While the resultant internal conflicts weakened the community's capacity for collective action, the corporation was also perceived as a threat that enabled community leaders to mobilize in a struggle for territorial control.

Community Strategies for Maintaining Organizational Unity

A recurrent theme in the interviews is the coercive nature of the social investments, and the corporation's illegal presence at the communal territory.[37] The Rondas Campesinas' perceptions and forceful responses to the corporation's strategies could be seen as reflecting their traditional role of protecting the communal territory and defending their autonomy in relation to the state. In 2004, the communities made various highly confrontational attempts to take control of the territory and enforce the withdrawal of the corporation by installing roadblocks that impeded mine employees from entering the camp. These roadblocks were relatively well organized, which demonstrates the discipline and strong mobilization capacity of the Rondas. The Ombudsman has documented various conflicts and clashes that were a consequence of these roadblocks. In Yanta, for instance, community members caught a manager from Monterrico Metals trying to reach the mining site, hidden in a car that belonged to a member of the regional government. According to one community member, a large group of community members quickly gathered and forced the manager to sign an assurance that he would not return to the communal territory.[38]

The two communities, furthermore, organized assemblies in April 2004 in which they gave the corporation an ultimatum to leave the communal territory (Ombudsman 2008). However, when the corporation remained in the camp, the two communities took the decision to march to the camp, to evict the corporation from communal territory.[39] Threatened by the massive mobilization, Monterrico Metals struck an agreement with the communities in which it promised to leave the communal territory,[40] but which it ultimately broke as the corporation remained in place.

The march took over three days and resulted in the death of one community member, Reemberto Herrera, who was killed by a tear-gas grenade thrown by police officers protecting the mining camp. A former community leader of Yanta describes the march in the following way:

> There was a killing—a massacre of people who were tortured—and afterwards they denounced community members and leaders. Later, people were against them and retaliated even more. Because of that we are now conscious. To enter your house, they need to consult you; that is written in national law and also in the ILO 169 Convention. We know that.[41]

This framing, in terms of repression and violence, was efficient both internally and externally. Community members often refer to the way their rights were violated in their attempts to defend communal territories and the environment.[42] Internally, this experience has, as suggested by the quote, contributed to the unification of community members against an external enemy and, at the same time, increased their political awareness. However, in order to maintain the unity of the communities, the leaders also used force against groups in favor of the project. One interviewee in favor of the project described how Rondas Campesinas forced community members to participate:

> Before the first march, they threatened to turn off our water, make us pay a fine of 50 soles [$14] and give us ten lashes of what we call a "chicote", if we did not participate. I did not participate and I was threatened, and I wanted to leave my house because of those threats.[43]

Ronderos thus also used coercive, even authoritarian strategies, to maintain the unity of the community in response to the clientelistic strategies employed by the corporation. However, to understand the conflict, it is also necessary to discuss how state institutions intervened.

State Interventions in Defense of Corporate Interests

After the first march in 2004, the central government took little interest in the emerging conflict, in contrast to the regional government led by the center-right APRA party that, in the early years, took an active role in promoting the project. In 2004, the regional government initiated a dialogue process—*Mesa de Concertación Rio Blanco*. The stated purpose of the dialogue process was to "disseminate information about the economic, social and environmental impacts of the project to facilitate the communication between the population and the corporation".[44] However, as previously discussed, community members distrusted information coming from the

state. From the beginning the regional mayor, César Trelles Lara, made clear that there was no room to debate environmental impacts or the legality of the corporation's presence on communal territory. These questions, at the heart of the communities' opposition to the project, were thereby excluded from the meeting. When participants brought up the environmental impacts during the debate, Trelles Lara accused them of seeking to create conflicts. He claimed that they had politicized an administrative and technical issue and urged them to "abstain from political attitudes and interests from outside the region".[45] By not recognizing the communities' concerns and the competing interests in relation to mining, Trelles Lara undermined the effective participation of community members in the dialogue process. Another important shortcoming was the weak representation of community members. At the first meeting, no community representative was included and, at the second and third, only one representative was present. In total, 23 representatives from public institutions, the corporation, the church, the regional government, and local mayors participated.[46] What further reinforced the deliberative inequality of the dialogue process was that, compared to these actors, community leaders lacked experience in speaking in public and negotiating. They demanded to be represented by the provincial Rondas Campesinas, whose leaders were more experienced, but the regional government refused to recognize the Rondas as valid representatives.

The lack of effective participation by the communities is clearly reflected in how the main cause of the conflict and possible solutions was described. The participants concluded that a lack of information, rather than opposing interests, was the main cause of the conflict. A professional conflict management team was therefore engaged to organize workshops to inform community members about the project. A former community leader described the informative workshops in the following way:

> They were talking about the latest technology, describing the advantages in the most beautiful way. But they never mentioned the other side of the coin. We demanded that they should not lie to us, since we know that the mine will cause contamination and therefore we told them to leave.[47]

This statement is illustrative of a general lack of trust in the information provided by the state. The dialogue process did not enable community members to influence the agenda-setting or influence the outcome of the process in any significant way, and so the process did not reduce the distrust. However, as the regional government's motivation in the

creation of the dialogue was not to create a deliberative process, but rather to overcome opposition to the project, the political opportunities to exercise influence through this process were therefore close to non-existent.

In 2005, Trelles Lara made a public statement that USD 440,000 would be invested in infrastructure in the highlands if community members would accept the project.[48] The regional government thus offered access to basic services as a compensation for accepting the project, rather than distributing investments according to a rights- and/or needs-based logic. The communities rejected the offer. In the same year, a group of 3000 community members marched to the camp to once again force the corporation to leave communal territory and to push the central government to the negotiation table.[49] At the mining camp, community members were met by police officers and corporation security forces who used tear-gas grenades against the protesters, resulting in the deaths of two community members. Thirty-two people were captured in the next 48 hours, and, during this time, they were exposed to various forms of physical and psychological violence. The violence of the corporation, in collaboration with state institutions, reinforced the conviction of groups opposed to the mine and also achieved support from external actors. In 2009, a legal proceeding against Monterrico Metals was initiated in the English High Court with the support of European NGOs.[50]

The Central Government's Attempts to Control the Rondas Campesinas

In northern Peru, the Rondas Campesinas have become key actors in social conflicts surrounding mining projects. Particularly in Cajamarca, where modern mining was developed in the early 1990s,[51] the Rondas Campesinas have been engaged in the protests against mining[52] ensuring transnational relations of domination are forcefully rejected: "The principal enemy is the savage capitalism governed by the World Bank, IMF, United States and Europe." The goal of the organization is to "launch a proposal for equality and social justice and not a kind of politics that benefits the transnational's [mining corporations]".[53]

During the 2000s, as a response to the increased number of conflicts within the mining industry, governments attempted to restrict the autonomy of the Rondas Campesinas and gain control over them by offering benefits, such as access to social security programs.[54] The government has attempted to incorporate the organizations within the Ministry of

the Interior, according to a corporatist logic, which would mean that they collaborate with the police and governors. This arrangement would deprive Rondas Campesinas of their autonomy and put them under pressure to accept the government's mining policies. The risk of close interaction with the state is that organizations become co-opted and controlled (Adler-Hellman 1992: 56; Collier 1995: 137–138). At the same time, these agreements can be beneficial since the state offers social programs and equipment in exchange. The Rondas Campesinas of Cajamarca have forcefully rejected these attempts:

> The Ministry of the Interior, together with mining corporations, "Apristas" and conservative parliamentarians intervene in the base organizations of the Rondas to divide the movement. The state uses social programs to demobilize and neutralize the Rondas movement so that we will accept the plundering politics of private investments in the mining sector.[55]

The expansion of extractive industries has thus polarized relations between the state and the Rondas Campesinas and, particularly in northern Peru, has led to Rondas Campesinas questioning the expansion of extractivist projects and demanding a more state-interventionist development model, based on agriculture rather than extractive industries.[56]

Conclusion

This chapter sets out to analyze the dynamics of corporate-community relations in the initial negotiations with a focus upon the power base and strategies employed by the two communities, the corporation and state institutions. The chapter has demonstrated that Rondas Campesinas had relatively strong organizational structures and benefited significantly from the support of NGOs and regional peasant organizations. While they tried to establish territorial control as a way to put pressure on the company, the geographical distance from the communities' land to the project site made this strategy difficult to enforce. Hence, the most important power base that explains the two communities' abilities to engage in a sustained transformatory struggle over time therefore seems to be the pre-existing organizational strength and support by a network of actors. To overcome opposition to the project, the corporation employed a strategy based on a combination of coercion and clientelism. This strategy was, however, only partially successful and, while it created divisions within the community, it

also gave the two communities legitimacy and incentives to continue the struggle against the corporation.

Finally, it is crucial to consider the way the state intervenes in support of different interests. In the initial negotiation phase, it is particularly important for the state to protect communities' rights and interests by mediating and providing information. In this case, MEM did not organize a consultation before Monterrico Metals initiated negotiations with the two communities. Hence, state institutions did not protect the communities' rights in this crucial part of the negotiation process. In general, the regional and national governments have intervened in a reactive manner to promote the project and support the corporation. These interventions have, in general, lacked sensitivity to community members' concerns. The Rondas Campesinas have interpreted the interventions of the state through the lens of a deeply rooted distrust that has reinforced their rejection of the project. However, it is necessary to emphasize that the Ombudsman has intervened to protect communities' rights.

Overall, the strategies employed by the corporation and the most powerful state institutions have reinforced power asymmetries. Communities were, however, able to reduce power asymmetries by developing broader political coalitions, which is an important explanation of their ability to confront the corporation in a sustained manner. In the next chapter, the analysis of corporate-community relations in the Rio Blanco case is further elaborated upon with a focus upon how the two communities scaled up their organizational structures and sought to create new political arenas of contestation through subnational governments.

Notes

1. The main part of the fieldwork was, however, conducted in Huancabamba. Due to deficient roads, it is approximately 18 hours' drive between the two communities.
2. In 2006, 68 percent of the population did not have access to running water, 74 percent did not have access to electricity, and 56 percent of children suffered from malnutrition. The human development index is at 0.51 (compared to the average of 0.6 in the country) (Foncodes 2006).
3. Even though the province of Ayabaca contained a larger number of haciendas that were disbanded in the 1950s and the land was distributed to the hacienda workers. These communities later benefited from the agrarian reform and were transformed into peasant communities (Huber and Apel 1990: 166).

4. Interview 20, with a former community leader of Segunda y Cajas, March 24, 2011.
5. In a survey in 1990, 95 percent of the rural population preferred to contact the Rondas and not the judiciary for solving problems of theft and land dispute issues (Huber and Apel 1990: 179).
6. In Huancabamba, where the mining project is located, Shining Path never succeeded in defeating the Rondas. Interview with Alejandro Diez Hurtado, researcher, December 22, 2010.
7. *Andina*, July 18, 2008.
8. Interview with Idelso Hernandez, current president of CUNARC, February 15, 2011, and Daniel Idrogo, part of the advisory council of CUNARC, December 21, 2010.
9. An extent of 6472 hectares have been conceded to mining projects for the Rio Blanco project, and an additional 29,000 hectares conceded for other projects (Revesz and Oliden 2011: 22).
10. Regional Government of Piura, 2007. In the regional development plan of Piura, it is emphasized that the expansion of mining in the highlands would constitute a significant source of revenue for the region.
11. Compared to the Bambas project, that recognized 38 communities as directly affected (Xstrata 2010: 25).
12. La Mesa Técnica de Apoyo al Caso Majaz 2007.
13. In Spanish they are called *caseríos*. Larger communities are divided into a large number of caseríos, like *Segunda y Cajas*. The average size of a community is around 200 families.
14. At high altitudes, developing agriculture is challenging. Community members need to cultivate plots at different altitudes. In such a demanding environment, communities need to collaborate to develop their agriculture. Traditional peasant communities are centered around collective management of agriculture (Huber and Apel 1990: 166).
15. Such as the construction of an irrigation channel and the extension of a road. See also interview 5, December 21, 2010.
16. Which more specifically means that MEM approved the EIA report (Ombudsman 2006).
17. MEM 2008.
18. Interview, May 30, 2013.
19. Interview 5, December 21, 2010.
20. Interview 5, December 21, 2010.
21. Interview 5, December 21, 2010.
22. A group of community leaders stated that, prior to the consultation, they had been informed by an NGO that their animals would die because of pollution from the mine (Interview 17, February 3, 2011).
23. Ombudsman 2007.

24. See Community Resolution No. 001-2004.
25. Interview 18, January 5, 2011.
26. Bebbington et al. even argue that the state lacks resources and the capacity to evaluate environmental impacts, and relies on the corporations' assessments (2013: 58).
27. Interview 20, with a former community leader, March 24, 2011; and Wilson Ibáñez, March 22, 2011.
28. Interviews 32 and 46 with two community members of Segunda y Cajas conducted in 2006 by the Ombudsman.
29. Interview, May 29, 2013.
30. Juan Aste, expert on mining in the parliament and involved in the Tambogrande conflict and José de Echave, former Vice Minister of the Environment and Director of the NGO Cooperaccion, both interpret the strategy in this more critical way.
31. Interview 41, March 9, 2011.
32. Interview 20, February 24, 2011.
33. Three community members of Segunda y Cajas describe the following situations. In interview 10, 2006 (Ombudsman), the interviewee claims that the corporation in secret supported the construction of the houses of some families. In interview 32, 2006 (Ombudsman) the interviewee describes how she was employed by the corporation to distribute food to community members and, at the same time, talk about the benefits of the project. However, the Rondas Campesinas forcefully rejected the food distribution. She describes how she needed a police escort to protect her against Rondas attacks. In interview 34, 2006 (Ombudsman), the interviewee tells about how the running water projects of the corporation were suspended due to the opposition by some groups.
34. Interview 17, February 3, 2011.
35. Community Resolution No. 001-2004.
36. Interview 32, 2006 (Ombudsman).
37. See, for instance, group interview 17 with community leaders, February 3, 2011, and interview 20 with a former community leader, March 24, 2011.
38. Interview 48, 2006 (Ombudsman).
39. Interview 5 with a former community leader of Yanta, December 21, 2010.
40. *Correo* April 24, 2004.
41. Interview 5, December 21, 2010.
42. See, for example, interviews 15 (January 1, 2011) and 2 (February 21, 2011).
43. Interview 41, March 9, 2011. Community leader opposed to the project confirms threats and punishments occurred, but claims that it was a result of angry individuals acting on their own initiatives. Even though it could

be claimed that the Rondas, by not sanctioning those actions, implicitly approved them (Interview 20, February 24, 2011).

44. Regional government, 2004.
45. ibid.
46. ibid.
47. Interview 2, February 21, 2011.
48. *Correo*, August 21, 2005.
49. *La Republica*, July 26, 2005.
50. In 2009, a legal proceeding against Monterrico Metals was initiated in the English High Court with the support of European NGOs. In 2011, the court froze the corporation's assets. In 2011, Monterrico Metals settled the case out of court by payment of compensation but without admitting liability (Leigh and Day Co 2011).
51. There is, however, a long tradition of mining in some parts of the region. In Hualgayoc, for instance, mining dates from colonial times.
52. In the late 1990s, Starn (1999) argued that the Rondas had lost some of their previous importance and ability to mobilize. However, the expansion of mining has generated new conflicts in which the Rondas have come to play an important role.
53. Federacion Regional de Rondas Campesinas y Urbanas Cajamarca 2009.
54. Ibid.
55. Ibid.
56. Federacion Regional de Rondas Campesinas y Urbanas Cajamarca 2009.

References

Adler-Hellman, Judith. 1992. The Study of New Social Movements in Latin America and the Question of Autonomy. In *The Making of Social Movements In Latin America: Identity, Strategy, and Democracy*, ed. Sonia E. Álvarez and Arturo Escobar. Boulder: Westview Press.

Bebbington, Anthony. 2012. Social Conflict and Emergent Institutions: Hypotheses from Piura, Peru. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Bebbington, Anthony, Michael Connarty, Wendy Coxshall, Hugh O'Shaughnessy, and Mark Williams. 2007. *Mining and Development in Peru with Special Reference to the Rio Blanco-Project, Piura*. London: Peru Support Group.

Bebbington, Anthony, Martin Scurrah, Anahì Chaparro. 2013. Proyecto Industrias Extractivas, Conflictos Sociales e Innovaciones Institutionales en la Región Andino-Amazónica. Documento de Trabajo No. 2. Worcester, Tarija: Centro Peruano de Estudios Sociales, Clark University, Centro de Estudios Regionales de Tarija.

Bebbington, Anthony. 2010. Extractive Industries and Stunted States, Conflict, Responsibility and Institutional Change in the Andes. In *Corporate Social*

Responsibility, Discourses, Practices and Perspectives, ed. Raman Ravi. London: Palgrave Macmillan.

Bridge, Gavin. 2004. Mapping the Bonanza: Geographies of Mining Investment in an Era of Neoliberal Reform. *The Professional Geographer* 56(3): 406–421.

Collier, David. 1995. Trajectory of a Concept: 'Corporatism' in the Study of Latin American Politics. In *Latin America in Comparative Perspective: New Approaches to Methods and Analysis*, ed. Peter H. Smith. Boulder: Westview Press.

Crane, Andrew, Dirk Matten, and Jeremy Moon. 2008. *Corporations and Citizenship*. Cambridge: Cambridge University Press.

Diez Hurtado, Alejandro. 1999. *Comunidades Mestizas: tierras, elecciones y rituales en la sierra de Pacaipampa*. Lima: Pontificia Universidad Católica del Perú, Fondo Editorial.

Dougherty, Michael L., and Tricia D. Olsen. 2014. Taking Terrain Literally: Grounding Local Adaptation to Corporate Social Responsibility in the Extractive Industries. *Journal of Business Ethics* 119(3): 423–434.

Foncodes. 2006. *Mapa de pobreza*. Lima: Foncodes.

Fox, Jonathan. 1996. How Does Civil Society Thicken? The Political Construction of Social Capital in Rural Mexico. *World Politics* 24(6): 1089–1103.

Frooman, Jeff. 1999. Stakeholder Influence Strategies. *Academy of Management Review* 24(2): 191–205.

Gitlitz, John. 1998. Decadencia y Supervivencia de las rondas campesinas del norte del Perú. *Debate Agrario* 28: 25–53.

Guzmán-Gallegos, María Antonieta. 2012. The Governing of Extraction, Oil Enclaves, and Indigenous Responses in the Ecuadorian Amazon. In *New Political Spaces in Latin American Resource Governance*, ed. Håvard Haarstad. New York: Palgrave Macmillan.

Haarstad, Håvard. 2014. Cross-Scalar Dynamics of the Resource Curse: Constraints on Local Participation in the Bolivian Gas Sector. *Journal of Development Studies* 50(7): 977–990.

Huber, Ludwig, and Karen Apel. 1990. Comunidades y Rondas Campesinas en Piura. *Bulletin Institutional Francais Études Andines* 19(1): 165–182.

Instituto Nacional de Estadistica é Informatica. 2010. Mapa de Pobreza Provincial y Distrital 2009. Lima: INEI. Accessed 13 November 2016. https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib0952/Libro.pdf

King, Brayden. 2008. A Social Movement Perspective of Stakeholder Collective Action and Influence. *Business and Society* 47(1): 21–49.

Mauceri, Philip. 1997. State Development and Counter-Insurgency in Peru. In *The Counter-Insurgent State: Guerrilla Warfare and State-Building in the Twentieth Century*, ed. Paul B. Rich and Richard Stubbs. London: Macmillan Press.

O'Donnell, Guillermo. 2004. Why the Rule of Law Matters. *Journal of Democracy* 15(4): 32–46.

O'Faircheallaigh, Ciaran. 2010. Public Participation and Environmental Impact Assessment: Purposes, Implications, and Lessons for Public Policy Making. *Environmental Impact Assessment Review* 30(1): 19–27.

Paredes, Maritza. 2011. Indigenous Politics and the Legacy of the Left. In *Fractured Politics – Peruvian Democracy Past and Present*, ed. John Crabtree. London: Institute for the Study of the Americas.

Revesz, Bruno, and Julia Oliden. 2011. Piura: Transformación del Territorio Regional. *SEPIA* 84(14): 151–176.

Starn, Orin. 1992. I Dreamed of Foxes and Hawks: Reflections on Peasant Protest, New Social Movements, and the Rondas Campesinas of Northern Peru. In *The Making Of Social Movements in Latin America: Identity, Strategy, and Democracy*, ed. Sonia E. Álvarez and Arturo Escobar. Boulder: Westview Press.

Starn, Orin. 1999. *Nightwatch: The Politics of Protest in the Andes*. Durham: Duke University Press.

Written Primary Sources:

Comunidad Campesina de Segunda y Cajas, Community Resolution No. 001-2004.

Federacion regional de Rondas Campesinas y Urbanas Cajamarca. 2009. Informe organico de la federación regional.

Foncodes. 2006. *Mapa de pobreza*. Lima: Foncodes.

Instituto Nacional de Estadistica é Informatica. 2010. Mapa de Pobreza Provincial y Distrital 2009. Lima: INEI. https://www.inei.gob.pe/media/MenuRecursivo/publicaciones_digitales/Est/Lib0952/Libro.pdf. Accessed 13 Nov 2016.

Mesa Técnica de Apoyo al Caso Majaz. 2007. Entrevista a Antonio Brack sobre el caso Majaz. 28 Aug 2007. Lima. Peru.

Ministerio de Energia y Minas. 2014. Cartera Estimada de Proyectos Mineros. Jan 2014. Lima: MEM.

———. 2008. Oficio No 0219-2008-MDCF-A/S. Lima: MEM.

Ombudsman. 2006. Informe N 001- 2006/ASPMA-MA. Lima: Ombudsman.

———. 2007. *Informe*. 23 Sep 2007. Lima: Ombudsman.

———. 2008. Oficio No 1463-2008-CS-PNP-Hbba/Seincri. Lima: Ombudsman.

Regional Government of Piura. 2004. Acta sesion 1. 23 July. Piura: Regional Government.

———. 2007. *Plan de desarrollo regional*. Piura: Regional Government.

Rio Blanco Copper. 2008. *Resumen ejecutivo del EIA semi-detallado*. Lima: Rio Blanco Copper.

Tabra, Mario. 2010. *La Resistencia de las Comunidades de Ayabaca*. Lima: CONACAMI and FEPROCCA.

Xstrata. 2010. *Resumen Ejecutivo EIA Proyecto Minero Las Bambas*. Lima: Xstrata.

Newspaper Articles:

Andina. Ministro del Interior firma convenio con rondas campesinas en Piura para fortalecer seguridad ciudadana. July 18, 2008.

Correo. Rondas y autoridades logran acuerdo. April 24, 2004.

——— Peligra diálogo si no hay ambiente de paz. August 21, 2005.

La Republica. No vamos a retroceder y tomaremos el campamento de em- presa minera Majaz. July 26, 2005.

Leigh Day. Peruvian torture claimants compensated by UK mining company. Published July 20, 2011. http://www.leigh-day.co.uk/News/2011/July-2011/Peruvian-torture-claimants-compen-sated-by-UK-minin. Accessed 13 Jan 2015.

CHAPTER 4

Struggles to Open Up New Political Spaces to Control Natural Resources

The previous chapter described how organizational strength, the support of non-state actors, as well as corporate strategies based on coercion and clientelism were important explanations of the confrontational mobilization in the Rio Blanco case. This chapter takes the analysis a step further by analyzing how corporate-community relations evolved from 2005 until 2008, with a focus on the power dynamics and strategies employed by key actors involved in the contestation regarding the mining project. Moreover, it analyzes how the communities, aware of the limitations of conflict-oriented strategies and direct confrontations with the corporation, developed their strategies in two important ways. First, they scaled up their organizational structures to the regional level. Secondly, they extended power over subnational governments and gained access to formal political instruments that could be employed strategically in parallel to contentious strategies. The support by a broad network of actors in subnational governments and civil society was crucial for the communities' ability to sustain a transformatory struggle over time.

First I discuss the way that corporate strategies have affected community mobilization and scope for influence. I then analyze the Rondas Campesinas' strategies to mitigate the negative impacts of corporate strategies on their mobilization structures, by using customary law to punish groups in favor of the project. Next, I look at the way the communities, together with a broader coalition, put pressure on the central government

© The Author(s) 2018

M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6_4

to establish a dialogue table; I show how they gained power over subnational governments and thereby gained access to formal political mechanisms such as popular consultations and territorial planning that could be used to challenge the central government and expand their influence over natural resources. In the final section, I reflect upon how, given the political opportunities of the Peruvian mining sector, those different strategies are related to political influence.

Fragmentation and Scaling Up—The Dual Impact on Mobilization Structures

As recounted in the previous chapter, Monterrico Metals' initial strategy was based on a coercive form of patronage that, together with the interventions by the state, reinforced opposition to the project. However, the corporation's increased use of force must also be seen as a response to the confrontational strategies used by Rondas Campesinas. In this section, I analyze the different strategies employed by Monterrico Metals and Rondas Campesinas in pursuing their interests.

After the two marches, the corporation tried to delegitimize the Rondas Campesinas by framing them as anti-democratic—even accusing them of terrorism,[1] which behind the background of the political violence of the 1980s is a term that produces fear and justifies decisive action. Monterrico Metals, moreover, claimed that the Rondas Campesinas were not representative of community interests, as the following quote from Andrew Bristow, manager of Monterrico Metals, shows:

> We know that the position of the Rondas Campesinas is in favor of poverty in these zones—that they will not accept development of any kind. Hopefully we can obtain the true representation of the communities. The people from Cajamarca who resist mining are becoming involved in the organizations.[2]

By this framing of their opponent, the corporation tried to justify its attempts to break down opposition to the project. As described in the previous chapter, the government also intervened and tried to control the Rondas Campesinas by incorporating them into the Ministry of the Interior in exchange for access to social programs. As will be demonstrated below, these attempts to delegitimize and control the Rondas instead reinforced a consciousness of common interests among different groups

affected by the project, and incentivized them to scale up their mobilization structures to the regional level.

Monterrico Metals supported the establishment of organizations similar to the community organizations and the Rondas Campesinas. In 2005, Monterrico Metals supported the creation of the parallel community organization, *Frente de los intereses de desarrollo de la comunidad Segunda y Cajas* (Front of the Interests of Development of the Community of Segunda y Cajas—FIDCSC). While the stated purpose of this organization was to promote development projects, in practice it soon challenged the existing community organizations. Indirectly, the government also supported FIDCSC through the governor—the local representative of the central government—who offered advice and supported the organization.[3] Both the corporation and the government thus sought to undermine communal organizational structures.

Scaling Up Organizational Structures

A majority of members within the two communities claimed that the project constituted a significant threat to agriculture and the environment—not only within their communities but throughout the entire province. The corporation and government, in contrast, argued that the project would affect only a minority of the population in the two communities. The boundaries of negative impacts of the project were thus at the core of the contestations. In 2006, the two communities came together with other groups that claimed they would also suffer negative impacts from the project[4] and created the regional organization *Frente por el Desarrollo Sostenible de la Frontera Norte del Perú* (Front for the Sustainable Development of the Northern Border of Peru—FDSFNP). FDSFNP organized a broader coalition comprising the two communities, subnational governments, and peasant organizations[5] in Piura and the northern part of Cajamarca. The creation of a regional organization demonstrates that a new consciousness of common interests had emerged, the boundaries of which were defined by the perceived impacts of the project. In this case, negative impacts thus contributed to the unification of peasant communities.

Compared to community organizations, FDSFNP as a regional organization had access to both monetary and human resources. As social movements scholars emphasize, resources are crucial in enabling organizations to mobilize. As Edwards and McCarty (2004: 135) argue, the origin of resources as coming from internal or external sources is particularly

important, as the latter could entail conditions and constraints that affect an organization's activities. FDSFNP's resources came from a combination of internal and various external sources, and constraints were therefore less likely to be severe.

Monetary resources enabled the organization to employ strategies that may otherwise have proven too costly. FDSFNP employed a wide array of strategies such as information campaigns, trips to establish contact with other groups, as well as the organization of the popular consultation discussed later in the chapter. Human resources and, more specifically, experienced leaders were important assets in negotiations with the government. FDSFNP also had access to experts such as lawyers, engineers, and geologists provided by NGOs.

In addition to resources, FDSFNP had other advantages as a regional organization. As Fox (1996: 1091–1092) points out, one of the advantages regional organizations have in pursuing the interests of peasant communities is that, while they are strong enough to challenge elite power, they are often more representative of local interests than national organizations. Regional organizations can, furthermore, play an important role in strengthening mobilization structures by providing information regarding the "shared problem and common enemies that is the precondition for broader interest articulation and collective action" (ibid).

FDSFNP is illustrative of Fox's arguments, and had these advantages over the community organizations. Undoubtedly FDSFNP, since its creation, has been the most important organizational platform to articulate opposition against the Rio Blanco-project. FDSFNP has contributed in reframing the struggle in terms of regional sustainable development and using negotiation and institutionalized political processes to influence the mining project. This is in contrast to the provincial Rondas Campesinas that, to a larger extent, emphasized local environmental impacts and territorial control. The corporation and state institutions had contributed to delegitimize this struggle by framing the ronderos as violent and authoritarian.

FDSFNP has increasingly framed the struggle in terms of regional sustainable development. More specifically, it has pointed to the incompatibility between an extractivist-capitalist development model and a traditional agricultural version based on collective landholdings. This framing has opened up new strategies. First, framing the mining project as a broader regional problem facilitated alliance-building with groups involved in similar conflicts as well as with advocacy groups pursuing demands for national

reforms aimed at opening up the political space of mining. FDSFNP has collaborated with national and international organizations and institutions, proving important in its capacity to pursue its demands.[6] Secondly, reframing by FDSFNP also enabled a connection to broader political solutions that are pursued by other actors in the national debate. This, in turn, raised issues such as redistributive mechanisms and territorial planning and questioned the need for an increased regulatory role by the state over the mining sector.[7] In that sense, FDSFNP has promoted a framing of different development models that facilitate the formation of broader collective interests, and alliance-building, as well as expanding the political opportunities for influence over mining projects.

However, as FDSFNP gained strength, Monterrico Metals maintained and became even more aggressive in its attempts to promote support for the project within the communities and to persecute and delegitimize oppositional leaders. In 2007, FIDCSC—the parallel community organization supported by the corporation—together with a few parliamentarians, made accusations of terrorism against 35 of the most prominent leaders within FDSFNP, in response to their protests against the mining corporation.[8] Terrorism is a powerful delegitimizing framing that, additionally, has various practical implications for the accused party. During a terrorist investigation, the accused is arrested, which in theory could facilitate the pro-mining group to take over leadership of the community. Even though the prosecution was closed after a year due to lack of evidence, informants described the process as intimidating and time-consuming and said that it prevented them from engaging in other political activities.[9] At the same time, these accusations drew attention to the conflict and facilitated the support of national and international organizations for groups opposed to the project.

Struggles for Controlling the Community Organization

To advance the project, the corporation needed a valid land rights agreement with the two communities. In that sense, the corporation was thus dependent on resources that—at least in a formal sense—were controlled by the two communities. Monterrico Metals had tried to offer social investments in exchange for land rights but, as both communities refused, the negotiations collapsed. Hence, to obtain a land rights agreement, Monterrico Metals started to intervene more aggressively within the community and sought to gain control over the organization by encourag-

ing their allies to assume leading positions. For similar reasons, it was crucial for groups opposed to the project to control the leadership positions within the community. Leaders could use their authority internally, to convince community members to accept decisions. The leaders also represented the community in dialogues and negotiations regarding the project. If groups in favor of the project would assume leadership of the community, they would thus be able to replace FDSFNP as the community's representative. A former community leader in Segunda y Cajas describes how, in 2009, a struggle ensued between various candidates in the communal elections, something unusual in Andean communities where leadership is an unpaid service to the community. He describes how one candidate even tried to buy votes:

> It was very obvious that one of the candidates got support from the corporation. He had colored posters, he offered matchboxes containing 5 soles [approximately $1.5], and he killed a bull and offered food to everyone who supported him. How could he pay for that?[10]

Finally, groups opposed to the project won the elections. Of the members of groups in favor of the mine in the elections, 156 were accused of betrayal and were excluded from the community.[11] The excluded group, supported by the corporation,[12] presented a petition to suspend the community's legal representation and called for new elections. The legal procedures took two years and, during this time, as claimed by a leader of the parallel organization, there were only a few occasions when they were able to represent the community in dialogue with the regional and central governments. However, it is difficult to confirm whether or not those dialogues actually took place, although it appears that the constant protests from FDSFNP and the ordinary community leaders prevented this group from entirely controlling the representation of the community.[13] The constant pressure for FDSFNP to assume representation of affected groups prevented the government from including only pro-mining groups at the community level.

These internal conflicts became deeply entrenched and created profound divisions within the community: neighbors were divided between groups opposed to, and in favor of, the project, and this led to distrust and at times confrontations.[14] These divisions are most likely to have a durable impact on community members' ability to collaborate and engage in collective action in the longer term.

In 2008, the project was sold to a Chinese corporation, Zijin Mining Group. In 2009, Zijin secretly sought to invest in infrastructure and agricultural production through an NGO. However, the communities soon found that the corporation was behind the NGO and demanded it withdraw from the community. However, as community members worked for, and thus benefited from the presence of the NGO, it was difficult to enforce its removal, which suggests that the corporation succeeded in making those groups dependent upon their resources and established clientelistic ties with some groups. However, Rondas Campesinas forcefully rejected those attempts. Approximately 200 Rondas Campesinas watched daily over the workers who were protected by the police[15] and organized various protest marches to enforce the NGO's withdrawal. In 2009, news reports described Rondas Campesinas' mobilization of 4000 people in a strike.[16] Due to the strong opposition of Rondas Campesinas, the corporation's attempt failed to make community members dependent upon their resources.

Since 2009, Zijin has made few attempts to approach the communities. However during fieldwork in 2011, I observed that, even though the corporation was not present at the local level, the conflict had become internalized within the community and shaped patterns of interactions between different groups as well as political processes.[17] Political parties have, for instance, been created along this divide. The political party, Agro Si (Yes to Agriculture), that won the provincial elections in Huancabamba in 2010, represented groups opposed to the mine. In that sense, corporate-community relations have had profound impacts on political dynamics and interest representation in local society.

The Division of the Rondas Campesinas

The Rondas Campesinas organizations at the provincial level have, since the 1980s, been relatively well organized in Huancabamba. At the regional level, however, the Rondas Campesinas have been more fragmented. In the 2000s, to reduce opposition to mining projects, the government tried to increase its control over the Rondas Campesinas with different degrees of success. In the neighboring region Cajamarca, Rondas Campesinas forcefully rejected those attempts even though the Ministry of the Interior had reached agreements with some local Rondas Campesinas organizations.[18] In Piura, however, there are various parallel Rondas Campesinas organiza-

tions at the regional level. In 2008, one of these organizations reached an agreement of collaboration with the Ministry of the Interior in exchange for access to social insurance programs.[19] The Rondas Campesinas in the Huancabamba province have, however, protected their autonomy in relation to the state and rejected those offers. The corporation, though, succeeded in penetrating the community as well as neighboring districts, which affected the unity of the Rondas Campesinas at the provincial level. During the 2000s, groups opposed to the project controlled the leadership of the provincial Rondas Campesinas organization. Then, in the 2010 elections, a group that defended the mining project challenged the Rondas Campesinas which, in their view, was unrepresentative of provincial interests. The group that defended the project was partly composed of individuals who worked for the corporation.

As a consequence of these internal disputes, the provincial Rondas Campesinas split into two branches: the first, representing groups opposed to the project (the majority in the district of Carmen de la Frontera), and the second representing groups in favor of the project.[20] Gavin Machado, a leader of the second organization, claims that, from a provincial perspective, the majority of their members are in favor of the project, as it would bring investments and job opportunities, and only Segunda y Cajas is opposed.[21] The provincial election in 2010 suggests that this assertion is incorrect. The candidate who won the elections had been involved in the struggle against the mine and used the slogan "Agro si—mina no" (Agriculture yes! Mine no) during the campaign.

Following the division within the Rondas Campesinas, the group opposed to the project was rewarded by an alliance with FDSFNP and affiliations with national and international organizations and institutions. These external links gave the group access to monetary and human resources, and thus increased the strength of their mobilization structures, in contrast to the more isolated Rondas organization in favor of the project. This latter group was dependent upon the resources and support provided by the corporation.

The corporation encouraged these internal struggles. While there are always heterogeneous interests within communities, in this case the corporation clearly fomented those divisions. As a consequence, the original territorial representation of these organizations has been partly replaced by a representation based on different groups' interests in relation to the mining project. Hence, organizational structures have been significantly altered. Moreover, because of the conflict, both groups established links to

external actors with different ideological orientations and perspectives on development, which is reflected in the reinforcement of more overarching, political framings of the struggle. Through their allies, the group opposed to the mine has related the local struggle to the more central questions of sustainable development and influence over development policies that are intrinsically linked to the expansion of mining. This, in turn, has led to new forms of political contestation that take place within the communities, where some groups claim to defend a traditional development model based on agriculture, while others promote the expansion of mining. The negotiations with mining corporations have put strong pressure on community organizations as these competing interests have emerged and must be dealt with. This process has resulted in increased tension between individual and collective rights.

The Communities' Counter-Strategy: The Suppression of the Opposition

Rondas Campesinas responded to the interventions of Monterrico Metals by counteracting internal opposition through customary law. According to customary law, the Rondas Campesinas are responsible for resolving conflicts within the community (Law 27908, Article 7).[22] The Rondas Campesinas have seen as their main task the securing of respect for the communal prohibition of collaboration between community members and the corporation and have, in their attempts, used both coercion and violence. Their task is complicated because not all groups within the community are opposed to the project and some openly challenge communal decisions. In cases when community members have violated this decision, they have first been warned and thereafter punished according to customary law. A common punishment is forcing someone to carry out heavy manual work for one or two days and/or receive a number of whippings. In the case of repeated offenses, the person could lose access to water, be excluded from the community organization or, as a last resort, even be deprived of land rights. From 2006 to 2009, a number of cases were reported to the Ombudsman where individuals were punished in these ways. I will offer a brief account of a few typical cases as the informants described them.

In July 2009, ronderos captured two individuals who worked for the corporation as they were on their way to work. They were accused of betrayal at the general assembly of the community and forced to labor

while being beaten. They were finally forced to sign a paper promising they would stop working for the corporation.[23] In other cases, individuals lost their membership of the community; this was the case with one community member in Yanta, accused of betraying the community as he had provided housing to police officers and, in that way, indirectly supported the corporation.[24] Other individuals who worked with the corporation claim that they fear returning to the community following threat of being punished.[25] In 2006, the police stopped approximately 250 ronderos from removing a family that had supported the corporation.[26] In 2009, the community in Segunda y Cajas took the decision at the general assembly to dislodge a family which had been working for the corporation.[27] In Yanta, two families were deprived of their land rights for collaborating with the corporation.[28] In other cases, community members claim that ronderos have forced them to participate in protest events by threat of physical punishments or fines.[29]

Ronderos' forceful and even authoritarian strategies to counteract oppositional groups within the community has not only affected individuals' rights but also had a negative impact on democratic procedures for channeling opposing views within the community. Under normal circumstances, the opinions and interests of different individuals and groups are expressed and discussed in the general assembly (Diez 1999: 189–190). Rondas Campesinas' firm rejection of the project has, however, made it very difficult for groups in favor of the project to express their views. A Yanta community member described how he was accused of being co-opted by the corporation when he tried to discuss the different impacts of mining without defending or rejecting the project.[30] In that sense, corporate-community relations have affected not only mobilization structures but also internal democratic processes.

The Rondas Campesinas justify such actions by referring to customary law and the need to preserve the cohesion of the community, to prevent the corporation from intervening in communal matters. They are furthermore of the view that these practices form part of their responsibility to resolve conflicts within the communities.[31] In various cases, community members, supported by the corporation, have initiated legal processes against Rondas Campesinas for these actions, accusing them of kidnapping, extortion, public disturbance, and terrorism. In one case, ronderos detained one person for a day. Fourteen persons were thereafter accused of

kidnapping, and the prosecutors demanded 20 years in prison.[32] A former community leader reflects upon these accusations:

> That is not kidnapping. It's the tradition of the Rondas Campesinas to capture a malefactor—a person with bad habits—and make him work, according to the size of the infringement, one day, two days or three days, up to a week. Kidnapping is very different; it is for benefit or revenge.[33]

There are over 300 legal proceedings against ronderos involved in the Rio Blanco-conflict.[34] A community leader in Yanta had, for instance, 16 court cases against him, and is accused of torture, kidnapping, and public disturbance among other crimes.[35] In various cases the legal processes have been preceded by media campaigns against the leaders. In 2010, the corporation was condemned for defamation of one of the leaders.[36] There is some evidence that the Ministry of the Interior has been involved in the defamation campaigns by distributing reports of a "terror network" among journalists supportive of the government.[37] According to human rights lawyer David Velasco, the state and the corporations use these strategies since it is easier to condemn leaders with a bad reputation in the court. In the end, the state, the corporation, as well as the Rondas, have all used coercion and force to pursue their interests.

From the ronderos' point of view, resolving such conflicts is an internal, communal matter. Corporate interventions and the legal processes initiated against ronderos for their practices of customary law have many similarities to the state's attempt to control the Rondas Campesinas in the 1980s.

At the end of the 1990s, Gitlitz (1998) argued that the Rondas Campesinas had lost some of their initial strength. However, as the empirical analysis shows the mining conflicts have given the Rondas a new role. The legal processes and attempts to circumscribe customary law have reactivated this old struggle and reinforced unity among ronderos. To defend their right to practice customary law, Rondas Campesinas in Huancabamba—in collaboration with other Rondas organizations in the northern region—have developed a law proposal to provide amnesty for ronderos involved in social conflicts.[38] The proposal was, however, not adopted by parliament as there are powerful forces within the state behind many of the attempts to criminalize protest-related activities.

FDSFNP's Strategies to Open Up New Political Spaces

So far, the analysis has been focused upon how corporate strategies have affected the organizational structures of the Segunda y Cajas community. The corporation, as well as other actors, opened the way for opportunities as well as constraints on community mobilizations. Given such possibilities and limitations, how have the communities mobilized and pursued their interests? The marches had demonstrated the difficulty of making the corporation abandon the project by force, and the leaders had realized that it was necessary to negotiate with the government. FDSFNP therefore sought to open up new political spaces at both the national and subnational level. In negotiating the withdrawal of the corporation, it was necessary to enter into dialogues with the central government, even though the political opportunities at this level were very limited given the strong support of the project by the powerful ministries. Given the adverse political opportunities at the national level, support by subnational governments came to play an important role as it gave groups opposed to the project the possibility to employ formal instruments, such as popular consultations and territorial planning, to advance their interests. In the process of entering the formal political arena, the two communities have altered their interpretative frameworks and developed more overarching, political framings of the struggle that facilitate collaboration with other actors. The central government was, however, determined to advance the project and circumscribed those attempts in different ways.

Dialogues with the Central Government

As the central government has the power to close the project, FDSFNP sought to negotiate with the government at the same time as it attempted to establish territorial control through confrontational strategies. The first meeting was held in January 2006. During this meeting, MEM recognized FDSFNP as a valid representative of the affected population. Initially, the government had been reluctant to deal with FDSFNP, and had attempted to establish a dialogue process including only the community leaders, the government, and the corporation; however the community leaders refused to participate and demanded that FDSFNP represent them.[39] According to a former community leader of Segunda y Cajas: "The government wanted

to dialogue with the poorest people that they considered easier to intimidate. There was hard pressure on us to enter into dialogue and accept the project."[40] According to Carlos Martinez, the president of FDSFNP, the government accused his organization of being the cause of the conflict and the leaders of being terrorists without legitimacy to participate in a democratic dialogue process.[41] At the same time, strong pressure applied by FDSFNP was difficult to disregard, since the organization had rapidly developed a capacity to mobilize community members, and also gained support from the Ombudsman and national and international civil society networks. Therefore, the central government reluctantly integrated FDSFNP into the dialogue processes.

FDSFNP wanted to negotiate the withdrawal of the corporation based on the illegality of its presence in the two communities' territory. Even though MEM was the relevant institution with which to raise this issue, the MEM representatives who participated in these processes were employees without decision-making authority. Decisions therefore could not be taken directly during the meetings and were postponed; however, the participants agreed that the legality of the corporation's presence should be investigated.[42]

Furthermore, FDSFNP and the government had very different reasons for pursuing the dialogue process. From a community leader of Yanta: "MEM wanted to inform about the implementation of the project, but we wanted to discuss the legality of the presence of the corporation on our land."[43] Therefore, at the second meeting, the dialogue process almost broke down due to the irreconcilable positions of both actors. According to Carlos Martinez, the next meeting became very tense.[44] At this meeting, MEM threatened to withdraw its recognition of FDSFNP as the representative of the affected communities and had invited groups in favor of the project. FDSFNP demanded the exclusion of these groups from the dialogue process.[45] FDSFNP thus attempted to monopolize the representation of affected groups. Simultaneously, the government constantly attempted to frame FDSFNP in negative terms focusing upon their lack of representativeness of both local and national interests as well as their authoritarian practices. Before the fourth meeting, MEM suspended dialogue with FDSFNP with reference to those arguments.[46] From Carlos Martinez' viewpoint, "the meetings did not give any result, any fruit, they were more than anything a salute to the flag, that is a formality".[47]

After the dialogue collapsed, the Ombudsman conducted an investigation into the legality of the corporation's presence, and the resulting

report concluded that there was no legal support for the corporation's presence on communal land.[48]

In the end, the government conceded to the strong pressure from FDSFNP and established a dialogue table. However, neither FDSFNP nor the government was willing to compromise, and the process finally collapsed.

One of the government's key arguments was that FDSFNP lacked representativeness of the communities' interests. Therefore, to demonstrate that the majority of people were opposed to mining, FDSFNP organized a popular consultation in 2007 where the population in the three districts was asked to give their opinion of the project.

Popular Consultation to Gain Democratic Legitimacy

According to ILO Convention No. 169, consultation procedures should offer affected communities the opportunity to express their views. However, as illustrated in this and the previous chapter, the Peruvian government had, until 2014, not implemented consultations in the Andean highlands according to the principles of the ILO Convention. In this context, popular consultations have in recent years become a more common strategy to challenge centralized decision-making procedures all over Latin America (see, for instance, Fulmer 2011; Rasch 2012). In a similar vein, FDSFNP used the popular consultation as an alternative strategy for the communities to express their views on the project. FDSFNP was aware that the consultation lacked legal force, but Carlos Martinez still considered that the government had a moral duty to accept the opinion of the people.[49] Consequently, from Martinez's perspective, communities should have the right to consent, which is actually one of the most contested aspects of consultation processes in Peru, as elsewhere (see Szablowski 2010).

The intervention on the part of different state institutions shows the limited political opportunities available to implement popular consultations. The national election agency—Jurado Nacional de Elecciones (JNE)—declared the popular consultation "illegal and anti-democratic" and threatened that legal processes would be initiated against the organizers.[50] A month before the community consultation, MEM signed a "stability agreement" with the corporation and thus demonstrated its support for the project.[51] The Ombudsman, in contrast, argued that the organization of popular advisory consultations was a constitutionally recognized

right.[52] Even though influential forces within the Peruvian state, such as MEM, seek to promote mining projects, these examples also illustrate how conflicting interests are articulated by different state institutions.

A week before the popular consultation, the corporation offered the two communities a of $80 million if they accepted the project. The communities rejected the offer and continued on with the consultation. Of the 60 percent of the population that participated in the voting, 93 percent voted against the mining project.[53] The consultation was transparent, according to independent monitors, even though community leaders prevented groups in favor of the project from campaigning before the consultation.[54] The information that the organizers provided exaggerated the negative impacts as the following quote of a community leader, illustrates:

> We went to all the neighborhoods to tell them why they should vote no and not yes—to inform them that the mining corporations had come to invade our territories, infringe our rights and that, in the future, we will have serious consequences. We told them that, with time, we would be evicted from our land.[55]

The quote illustrates that the popular consultation was aimed at defending a particular outcome; as a democratic procedure it therefore suffered from deficiencies. With a similar focus on the outcome of the consultation, President Alan Garcia argued that the result lacked importance since it did not correspond to the general, national interests, but was rather the result of ideological manipulation of "liars, demagogues, false prophets and false Christs who want to leave people in misery".[56] Anthony Brack, the Minister of the Environment, took a similar position and argued that:

> We cannot believe that a population elect for anti-development. Mining will bring significant funds. It will bring electricity, roads, and products could more easily be marketed. There will be a fund to improve their [agricultural] production. For me, there is no other alternative. Everything else is politicized.[57]

The government thus dismissed both the process and the outcome of the popular consultation. A few weeks later, the regional government of Piura organized an alternative consultation regarding the Rio Blanco-project, in which the population in the coastal provinces of Talara and Sullana were asked to provide their opinion of the project. According to the regional President Cesar Trelles Lara, the government unofficially supported the

implementation of this popular consultation.[58] There is, however, no information on the results of this voting. These provinces are located a great distance from the mine and, as Trelles Lara argues, any royalties that the expansion of mining in the highlands would bring would affect them in a positive way. At the core of these disputes is the difficult question of how to define affected groups. Cesar Trelles Lara considered that the entire region was affected and therefore should have a say in the popular consultation,[59] whereas FDSFNP argued that only the three districts where the popular consultation took place would be negatively affected by the project, as it was their water reserves that would be contaminated. Nevertheless, as the independent report of Bebbington et al. (2007: 69) shows, FDSFNP tended to exaggerate the geographical scope of the impacts.

These disputes are illustrative of the competing claims and interpretations of social and environmental impacts that are used to pursue different interests in relation to mining (O'Faircheallaigh 2010: 21). Even though there are some political opportunities to frame opposition to mining in terms of environmental impacts, it is very difficult to provide solid evidence for such impacts. Consequently, it is also difficult to determine who should be consulted.

In the end, both FDSFNP and the regional government attempted to alter the electoral boundaries to achieve a majority for their preferred outcome. For these reasons, both consultations were used as strategies for legitimizing different positions in relation to the mining project, rather than as a democratic process through which citizens could gain influence over the expansion of mining.

At the time of the popular consultation, there was still no law that made it compulsory to consult communities, and corporations played a key role in informative workshops[60] even though the government organized these processes. The popular consultation, however, demonstrated the importance of consultation procedures in enabling communities to express their views and exercise effective influence over the development of mining projects. Two years later, in 2010, and triggered by the Amazonian strikes, Congress passed the law on prior consultation. However, according to the Ombudsman's lawyers, the consultation in the Rio Blanco case was also crucial in justifying this initiative and indicating how to respond to similar conflicts (Bebbington 2012b: 79). Very similar disputes to those surrounding popular consultation came up in the process of adopting the law on prior consultation. I will therefore briefly present the main disputes that emerged in this process.

The Adoption of a Law on Prior Consultations in Peru

In 2010, the Peruvian Congress passed the law on prior consultation and thereby took an important step in increasing indigenous peoples' rights and protections. President Garcia made observations on the law in order to change certain aspects of the law but was not able to obtain sufficient support in Congress. Therefore, it took an additional year before the newly appointed government of Ollanta Humala finally adopted the law in September 2011 and brought it into force in April 2012.[61] To represent their interests in the process of regulating the law, indigenous and peasant organizations formed a broader coalition, the *Pacto de Unidad* (Pact of Unity).[62] Pacto de Unidad was critical of the government's law proposal and claimed that it constituted a "violation of already achieved rights of indigenous people".[63] Pacto de Unidad suggested a number of changes that the government was unwilling to accept.[64]

The most contentious issue was that the government would have the final decision-making power should it not be possible to reach an agreement with those indigenous people being consulted (Article 15). The law requires the government to consult indigenous people but not to achieve their consent.[65] Without recognition of the right to consent, the government will have no obligation to harmonize different interests, although both parties are required to negotiate in good faith in an effort to achieve this. Pacto de Unidad claimed that it should be obligatory to achieve consent, while the government refused to recognize this right. It is, however, very unusual for states to recognize the right to consent (Szablowski 2010: 127). One exception is the Bolivian hydrocarbon sector that have recognized this right (law No 3058).

Another controversial issue was the decision of which groups would be defined as indigenous people. The government has almost exclusively recognized tribal groups in the Amazon as indigenous people, which excludes the majority of the population in the Andes. Even though Andean peasants do not claim recognition as indigenous people, they would most likely qualify as indigenous under the terms of ILO Convention No. 169. This can be explained by the weakly anchored indigenous identities in Peru. Mining conflicts and the opportunity to refer to ILO Convention No. 169 have, however, spurred some organizations to define themselves as indigenous and claim recognition for those rights. A third related problem concerned the fact that only directly affected groups should be consulted according to the law. Pacto de Unidad considered that indirectly affected

groups should also be given this right. Their demand was not accepted. However, as illustrated by both of the cases analyzed in this study, the boundaries of social and environmental impacts are often contested. A far-reaching but vague legal definition of impacts is likely to generate contestations by groups that strive to be included in consultation processes and wish to participate in negotiations over compensation.

The disagreements regarding the Consultation Law concerned issues similar to those raised in the implementation of the popular consultation. These disagreements are illustrative of a general lack of consensus among scholars, states, corporations, and indigenous people regarding how such processes should be implemented (see Szablowski 2010). There are still some clear contradictions between ILO Convention No. 169, the Consultation Law, and the regulations of the law. Even though the convention should prevail formally, these contradictions mean that years and even decades may pass until the issues are resolved in national and international tribunals. In the meantime, governments which are opposed to, or at best ambivalent about, consultation will most likely apply the most restrictive interpretation possible.

New Attempts to Negotiate with the Government

One of the main purposes of the popular consultation was to contest the government's framing of FDSFNP as unrepresentative of local interests. Therefore, after the popular consultation, FDSFNP wanted to re-establish the dialogue process to discuss the results and put pressure on the government to suspend the project. In Carlos Martinez' opinion, the popular consultation had clearly demonstrated that FDSFNP was representative of the communities' interests.[66] The government and the corporation were, however, still unwilling to open a dialogue with FDSFNP. The corporation demanded that the community leaders should join them as the principal dialogue partners.[67] The government continued to dismiss opposition to the project, as the following quote by Juan Valdivia, Minister of Energy and Mines, suggests: "I am in favor of a dialogue but I do not want to lose time hearing no to mining."[68]

This time the Prime Minister, Jorge del Castillo—an actor with decision-making authority over mining—led the dialogue process. FDSFNP, together with groups in favor of the project, and the corporation, were all included. FDSFNP wanted to negotiate the closure of the project directly

with the Prime Minister and demanded the withdrawal of the other two invited actors[69] who, in the end, participated as observers.

As in previous dialogues, the government and FDSFNP had difficulty in agreeing on the agenda for the process. FDSFNP wished to discuss the withdrawal of the mining corporation and had developed concrete proposals for agricultural projects that could constitute an alternative to the development model based on natural resource extraction.[70] MEM, however, continued to insist on discussing how the project should be developed. When FDSFNP brought up the illegal presence of the corporation, MEM claimed it was impossible to establish if the corporation's presence was illegal or not, but they were willing to discuss the "different existing perspectives on this issue".[71] This argument was contrary to the Ombudsman's report which had established that the corporation lacked the necessary agreements with the communities.[72] As Ryan and Gamson (2009: 168) point out, if the adversary succeeds in defining which facts are relevant through their framings, the contest is lost. The government, in its attempt to implement the project, sought unsuccessfully to downplay the corporation's lack of land agreements.

By the third meeting, the negotiators had still not agreed upon either an agenda or participants. During this meeting, FDSFNP continued to insist that the government should recognize the illegality of the corporation's presence and accept the result of the popular consultation. At this stage, the Prime Minister decided to suspend the dialogue process. As Bebbington et al. note, the government, civil society actors, and the corporation never had any real interest in participating in a genuine dialogue. Their purposes in entering into the dialogue were too different and their interests irreconcilable (2007: 4).

After the dialogue process collapsed, FDSFNP attempted to put pressure on the government to establish new negotiations, but without success. Media reported that on a few occasions the regional or national government entered dialogues with groups in favor of the project, but without including FDSFNP.[73] In 2009, for example, the regional president organized a meeting to re-establish a dialogue process in which the central government, the governor, and the parallel organizations were represented.[74]

These two processes demonstrate that, while compensations and minor modifications of the project could be negotiated in dialogues with the government, the political opportunities for negotiating the withdrawal of the mining project was as good as non-existent. In the absence of con-

sultation procedures or other institutionalized frameworks for including community organizations in decision-making processes, the government temporarily conceded to the demands of the well-organized groups, on an ad hoc basis, through the dialogue processes. However, more recently, the government of Ollanta Humala has made attempts to develop dialogue processes as mechanisms for negotiating competing interests and creating trust (PCM 2013: 17).

The Political Opportunities to Influence Mining Projects Through Territorial Planning

As discussed above, before the adoption of the law on prior consultation, there was a narrow legal ground for peasant communities to claim collective land rights and oppose mining projects. Besides protesting, the only way to influence mining projects was by demonstrating that a project constituted a real environmental threat. In the Rio Blanco-case over the years, the two communities have, in collaboration with FDSFNP and NGOs, reinforced the environmentalist framing of their opposition against the project. Environmental impacts, however, require solid evidence, something that could be very difficult to obtain given the resources and technical skills required in evaluating environmental impacts.

In 2009, Segunda y Cajas implemented the first phase of a territorial planning process (*Ordenamiento Territorial*—OT) to provide evidence of the ecological unsustainability of the project. Peruvian peasant organizations, critical of the technocratic and closed processes through which MEM approves mining projects, have in various cases used territorial planning as a mechanism to influence the expansion of mining (Eaton 2015). Territorial planning is a political process mediated by governmental institutions at different levels, in which different societal interests are represented in the negotiations.

Territorial planning is constituted by two interlinked but separate processes: ecological and economic zonification (*Zonificacion Ecologica y Economica*—ZEE) and the planning phase (*Ordenamiento Territorial*—OT). While ZEE[75] is a technical but participatory endeavor to describe the different potentials of the territory in terms of agriculture, natural resources, tourism, and biodiversity, the OT process handles decision-making as to how the territory should be used. The processes are nevertheless interlinked, since the description of the territory's potential influences decision-making in significant ways. In some cases, subsoil resources have

been omitted from the ZEE-studies and vulnerable ecosystems emphasized (Gustafsson 2017).

MINAM, civil society organizations, and regional governments have all been important driving forces behind the initiative to develop different legal proposals of territorial planning. Mining corporations and MEM have nevertheless opposed these attempts.[76] As Bebbington argues:

> The sector argues vigorously against any enhanced role for the state in industrial regulation. The sector insists that the state should neither, ex ante, define certain areas as off-limits to extractive industry nor plan mining expansion in terms of more strategic regional development plans (regional development should be derivative of mining expansion, not vice versa). (Bebbington 2010: 112)

The strong rejection of mining corporations and conservative forces within the government makes it unlikely that a law making territorial planning mandatory will be adopted in the near future. For several years, however, territorial planning processes have continued to be implemented based on an existing ministerial decree.[77] To be formally recognized, subnational governments must coordinate the planning processes with MINAM because it has the authority to approve those processes. Hence, MINAM has ultimate power over planning processes. However, in some cases, subnational governments have bypassed the Ministry and employed territorial planning as a strategy to pursue regional or local interests that challenges the central government's promotion of extractive industries. In Cusco and Cajamarca, for instance, the regional governments have carried out territorial planning processes autonomously and passed ordinances to halt concessions that have already been granted or veto the future expansion of mining without incorporating decision-making authorities at the national level. In both cases, the Constitutional Tribunal has declared the processes unconstitutional, since only MEM has the authority to take decisions concerning large-scale mining (Gustafsson 2017; Jeronimo et al. 2015).

In 2009, the local government in Carmen de la Frontera—where the Rio Blanco project is located—initiated an ZEE process in collaboration with an NGO. Similar to the abovementioned examples, the primary purpose was to challenge the decisions taken by the central government. The local government carried out the process autonomously, without coordinating with provincial, regional, or national authorities as required by

law (DS087-2004-PCM). Actors in favor of mining, such as the corporation, subgroups within the community, and the governor, were excluded from the process and, in the final report, information was omitted about the existence of mineral deposits. The local government, furthermore, decided that ZEE was compulsory and, to secure sustainable development, should guide all activities of state institutions and the private sector (Local government Carmen de la Frontera 2010).

From the local government's perspective, the political opportunities offered at the regional and national levels were too narrow for the pursuit of their interests and also entailed risks of co-optation of leaders.[78] Joaquin Chinchay, a local politician, argued that if the state had been involved in the process, the final report would have been in favor of the mining project.[79] The communities, therefore, implemented the process autonomously and made use of existing legal mechanisms of territorial planning, to open up new political spaces to pursue their interests. The asymmetric power distribution between the national elite and the corporation on the one hand, and community organizations supported by peasant organizations and NGOs on the other, makes it difficult to manage these processes, particularly in cases where local and national interests are in conflict. MINAM finally disapproved the territorial planning process of Carmen de la Frontera. As expressed by Maximiliano Ruiz, regional vice president of Piura, this process could rather be seen as a "way to establish a conflict with the national government".[80]

Confrontative Mobilizations and Political Influence

An essential issue, therefore, is to establish how the mainly confrontative mobilizations used in this case are related to political influence. Oppositional groups have used different framings and strategies to stop the Rio Blanco-project. They have primarily employed conflict-oriented strategies but also sought to pursue their interests through negotiations with the government and by the use of formal political mechanisms at the local level. It is undoubtedly difficult to achieve permanent suspension of a mining project of large macro-economic importance. As mentioned above, the only legal way to achieve this goal is to demonstrate that the project will have substantial negative environmental impacts and/or by comprehensive protests making it impossible for the corporation to

develop the project. There is no use entering into negotiations with the government without first creating significant negotiation leverage.

In this case, conflict-oriented strategies combined with alliance-building have been essential in increasing the communities' power vis-á-vis the government. Power and resources in this case are intrinsically linked to the legitimacy of the groups opposed to the project. They have attempted to frame their struggle in terms of environmental protection, which has been effective in facilitating alliance-building. Moreover, they have also framed their struggle in terms of territorial control, which has created unity by reproducing arguments and interpreting events in a way that links it to the older struggles of Rondas Campesinas. However, Rondas Campesinas' employment of force has enabled the corporation and state institutions to frame them as anti-democratic and thereby legitimized their exclusion from the political process.

There are two dimensions to the question of the relationship between mobilization processes and political influence. The first concerns the success of the communities in demanding a suspension of the mining project. In relation to this demand, the two communities have been partially successful. Since Zijin acquired the mine in 2008, the project has been temporarily suspended, even though there are no guarantees or signs that the project will be permanently canceled.

The second, perhaps more important issue, concerns how the confrontations with the corporation and state institutions have affected the communities' capacity to engage in collective action and influence political processes in the long-term. On the one hand, the threat posed by the corporation has given community organizations incentives to develop broader coalitions and more overarching, politically oriented framings of their struggle. Through alliance-building and the development of new strategies, a process of political learning has taken place that could be drawn upon in future collective actions. On the other hand, those conflicts have created distrust and divisions within communities and the Rondas Campesinas. As Bebbington (2012a: 4) argues, distrust is difficult to overcome and is often drawn upon in new forms of collective action. Communities and the Rondas Campesinas constitute the social basis of organization in rural areas. These divisions are, therefore, likely to have long-term impacts on these groups' capacities to pursue their interests and influence political processes at the local level. Groups opposed to the project have been able to win provincial (2010) and local elections (2006, 2010) and have consolidated their power at the local level. However, dis-

trust is likely to make future collaboration and political processes more difficult. In that sense, these struggles may well have a dual impact on the long-term capacity for collective action.

Conclusion

This chapter set out to analyze how the organizational structures of the two communities were affected by the strategies employed by the corporation and how the communities, in response to those strategies, acted strategically and sought to open up new political spaces to advance their interests. First, the chapter demonstrated that coercive and clientelistic strategies employed by the corporation had a dual impact on the organizational structures of the two communities. On the one hand, the corporation's clientelistic practices created divisions and severe conflicts within the community, but, on the other, it gave the communities incentives to scale up their organizational structures and collaborate with actors that could provide monetary resources, expertise, and information. Corporate strategies have thus altered the territorially based form of interest representation and, to some extent, even replaced these organizational structures with ones that represent different interests in relation to extractive industries. A new division that shapes how groups are organized, and the way conflicts are articulated, has thus been introduced into local society.

Second, over time the two communities have complemented the direct confrontations with the corporations by engagements with state institutions and attempts to open up new political spaces. In relation to the national government, they have engaged in dialogues with the ministries with decision-making power over mining. While the political opportunities to negotiate the suspension of any mining project are very limited at the national level, the coalitions with subnational governments have opened up the potential use of formal political instruments such as popular consultations and territorial planning. The two communities have, thereby, demonstrated a capacity to adapt their strategies to the political opportunities that exist in relation to different actors and levels and have also developed a framing of their demands in broader political terms related to political influence and collective rights. The communities' ability to adapt their strategies, and sustain a transformatory struggle over time, should be seen as a sign of political learning. The support by a broad network of actors, such as local governments, NGOs, and regional peasant organizations, has been important in making this happen and should

not be underestimated. In this case, it was more difficult to use control over land strategically, due to the geographical distance to the project site. However, in a formal sense, the communities could deny the corporation the right to advance with the project and, in that way, delay the project.

An important question is to consider how these mobilization processes have affected the two communities' scope of political influence. In a direct way, the confrontative strategy has contributed to the temporary suspension of the project, although there is no sign that the project will be permanently suspended. In the longer term, the conflict has given communities incentives to establish broader coalitions and frame their demands in more politically oriented terms connected to broader collective interests. However, the conflict has also created divisions and distrust. Territorially structured community groups and Rondas Campesinas are still the most important forms of social organizations but, in some important aspects, they have been weakened and delegitimized by authoritarian practices and internal conflicts. These internal disagreements and conflicts are likely to make it more challenging for communities to attempt to engage in collective action. The temporary suspension of the project has thus come at a high price.

In the next two chapters, community mobilization is analyzed in the Bambas case where community organizations' demands have been focused on access to services and corporate investments.

Notes

1. The corporation provided mass media with information in which community leaders were described in demeaning ways. For instance, they were described as a "red terror net of the north" in the famous news program "Panorama" (*La Republica,* December 24, 2005).
2. *El Correo*, August 19, 2005.
3. Interview 41 with a leader of the group in favor of the project, March 9, 2011.
4. Even though not in the same direct sense as the two communities that owned the land on which the project would be developed. Those groups claimed that the potential contamination of water resources constituted a threat against agriculture at the regional level.
5. The provincial governments of Ayabaca, Huancabamba and Jaen, the local governments of Carmen de la Frontera and Pacaipampa. The peasant communities of Segunda y Cajas and Yanta, the Provincial Federation of

peasant communities of Ayabaca, and Huancabamba. Frente de Defensa del Medio Ambiente de Huancabamba and Ayabaca.

6. For example, European NGOs supported the lawsuit against Monterrico Metals, and various national NGOs have been involved in the conflict: Red Muqui, Oxfam, Conacami, and Cooperacción. FDSFNP has furthermore obtained support from the Ombudsman, parliamentarians, politicians, and employees within public institutions who have supported local groups by providing information and legal expertise, putting pressure on the state, organizing meetings in parliament, and publishing debate articles.
7. Letter from FDSFNP to Jorge del Castillo, September 24, 2007.
8. In their testimonies those members of the association in favor of the project tell how they were supported by the corporation and members of the congress. The court judgment (Exp 115-2008, toma 1 o 2). In 2008, a new organization, *Asociación Civil Frente de Unidad de la Comunidad Campesina Segunda y Cajas de Huancabamba* (Association Civil Front for the Unity of the Community of Segunda y Cajas of Huancabamba) emerged within the community. This organization accused community leaders of violations of human rights before the Inter-American Court of Human Rights. Without the support of external actors, this group did not have either the capacity or the resources to present their case to the Court.
9. Interview 2, with a former community leader of Segunda y Cajas, February 21, 2011; and interview with Carlos Martinez, president of FDSFNP, February 15, 2011.
10. Interview 20, March 24, 2011.
11. Letter to the governor from the excluded community members, December 28, 2009.
12. Interview 41, with a leader for groups in favor of the project, March 9, 2011. This group had already, in 2008, presented a petition that the legal representation of the community should be withdrawn, due to alleged election fraud to the court in Piura.
13. Ibid.
14. A community member's experience of these conflicts is not unusual. She was walking to her fields when a group of community members in favor of the mine approached and insulted her for being against the mine while throwing stones at her (Interview 12, 2006, Ombudsman).
15. Central Única Provincial de Rondas Campesinas de Huancabamba, September 7, 2009, and Ombudsman 2009a.
16. *La Republica,* August 25, 2009.
17. During the fieldwork I did not observe any violence, however, I experienced deep distrust. One example is that my children played football with a child of a family in favor of the project and a rondero approached me and explained that their friendship was inconvenient and could be

misinterpreted. Moreover, only a couple of hours after conducting an interview with a community member in favor of the project, a rondero knocked at my door and told me that people in the municipality were concerned about my intentions. These are just everyday examples of how the conflict has affected social relations and generated distrust.

18. Junta directiva regional de las Rondas Campesinas—Cajamarca, 2008.
19. In 2008 the Ministry of the Interior signed an agreement with *Central Única Regional de Rondas Campesinas de Piura* (Unique Regional Central of the Rondas Campesinas of Piura). According to this agreement, the Rondas Campesinas should collaborate with regional and local authorities, and police. In exchange ronderos and their families were incorporated into the public Health Insurance Program (*Sistema Integral de Salud*) and received identity cards for free. Furthermore, the regional president distributed equipment for the nightly patrols such as vests, flashlights, batteries, and whistles. He also offered infrastructure projects, such as water canals and roads, in exchange for their cooperation (*Andina*, July 18, 2008).
20. CUNARC, the national Rondas Campesinas organization recognized the original group that represented groups opposed to the mine.
21. Interview, February 22, 2011.
22. Article 7 stipulates that: "Rondas Campesinas by making use of their customs can intervene in a pacific solution of conflicts that emerge between community members or organizations within its jurisdiction or other externals when the controversy originates from events that have occurred within the communal jurisdiction."
23. Ombudsman, 2009a.
24. Interview 13, with a community member of Yanta (2006, Ombudsman).
25. Interview 49, 2006 (Ombudsman). This community member worked with an irrigation project financed by Monterrico Metals and says that he is afraid to return to the community due to the punishment he could receive.
26. Police Report, June 13, 2006.
27. Ombudsman, 2009a.
28. Interview 5, with a former community leader of Yanta, December 21, 2010.
29. Ombudsman, 2009b.
30. Interview 4, 2006 (Ombudsman).
31. See, for instance, interview 18, with a community leader, January 5, 2011; and interview 21 with a rondero, January 5, 2011.
32. Interview with Kike Rodriguez, lawyer of the community of Yanta, March 2, 2011.
33. Interview 2, February 21, 2011.

34. According to the lawyers Kike Rodriguez and David Velasco, the leaders have at no time been convicted for the crimes of which they were accused (Interviews March 2, 2011, and April 3, 2011).
35. Interview 28, March, 11, 2011
36. Interview with David Velasco, human rights lawyer at the NGO Fedepaz, April 3, 2011
37. *La República*, December 24, 2005.
38. Law proposal 3449-2009. The parliamentarian, and former national Vice President, Marisol Espinosa-Cruz, from Piura proposed the law. She elaborated the proposal in close collaboration with the leaders of the FDSFNP (Interview with Marisol Espinosa, March 4, 2011).
39. Interview 5, with a former community leader of Yanta. December 21, 2010.
40. Interview 20, February 24, 2011.
41. Interview with Carlos Martinez, the president of FDSFNP, February 15, 2011, and Cesar Trelles, the regional president of Piura, January 31, 2011.
42. Ombudsman, 2007b.
43. Interview 5, December 21, 2010.
44. Interview with Carlos Martinez, February 15, 2011.
45. Ombudsman, 2007b.
46. Ombudsman, 2007b.
47. Interview, February 15, 2011.
48. The argumentation in the report was based on the references to law 26505 that stipulate: "the use of land for mining or hydrocarbon activities requires a prior agreement with the landowner". Article 7, Law 26505. Furthermore, in Article 10 it is established that in order to "dispose, assess, rent or exercise any other activity on communal land of the Amazon or the highlands, an agreement of the General Assembly signed by no less than two thirds of the community members is required".
49. Interview, February 15, 2011.
50. La República, September 13, 2007.
51. *La Razón,* August 17, 2007. These agreements are very beneficial for corporations since they are guaranteed a fixed tax and labor regime for 10 or 15 years. MEM, moreover, undertook a radio campaign in which the population was discouraged from participating.
52. *Andina*, September 16, 2007.
53. *La República*, September 17, 2007.
54. Ombudsman, 2007d.
55. Interview 20, February 24, 2011.
56. *La República,* October 7, 2007.
57. *La República,* September 23, 2007.

58. Interview with Cesar Trelles Lara, January 31, 2011.
59. Ibid.
60. MEM, 2001: 37.
61. Peruvian laws are expressed as general principles and to be implemented they must be regulated, which means specifying how the law is to be implemented, which groups are subject to the law, and so on. The process of regulating laws could therefore be equally as important, or more, than the adoption of the law itself.
62. The following organizations were represented: CONACAMI, AIDESEP, CNA and *Organización Nacional de Mujeres Indigenas Andinas y Amazonicas del Perú* (National Organization of Andean and Amazon Women of Perú—ONAMIP).
63. Pacto de Unidad, 2012.
64. This process arose out of the Bagua massacre in 2009 when a commission was established to prepare a law proposal for consultation processes. This was based on a draft law proposed by the Ombudsman, which was modified in discussions with the Pacto de Unidad and then further modified in Congress. The law that was passed a year later had only minor modifications to the law passed in 2010. While the indigenous leaders had considered the 2010 law was the best they could expect under the circumstances, a year or so later they had raised their expectations and wanted a law more closely aligned with ILO Convention 169.
65. However, it is also stipulated that consultations should be characterized by "a sincere aspiration to reach an agreement or consent" (Article 5a).
66. Interview, March 20, 2011.
67. *La Republica*, September 17, 2007.
68. *La Republica*, October 9, 2007.
69. Ombudsman, 2007c.
70. FDSFNP, 2007a.
71. Ombudsman, 2007a.
72. Ombudsman, 2006.
73. *La Republica,* December 5, 2007.
74. Ombudsman, 2009c.
75. See DS087-2004-PCM
76. Interview with Manuel Pulgar-Vidales, former Minister of Environment, August 16, 2016; and Manuel Quijandria, former Vice Minister of Environment, August 16, 2016.
77. Thirteen regions have implemented ZEE but no one has yet entered the OT phase of decision-making.

78. Interview with Ismael Huyaman, mayor of Carmen de la Frontera, February 21, 2011.
79. Interview, January 2, 2011.
80. Interview, March 2, 2011.

References

Bebbington, Anthony. 2010. Extractive Industries and Stunted States, Conflict, Responsibility and Institutional Change in the Andes. In *Corporate Social Responsibility, Discourses, Practices and Perspectives*, ed. Raman Ravi. London: Palgrave Macmillan.

———. 2012a. Extractive Industries, Socio-Environmental Conflicts and Political Economic Transformations in Andean America. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

———. 2012b. Social Conflict and Emergent Institutions: Hypotheses from Piura, Peru. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Bebbington, Anthony, Michael Connarty, Wendy Coxshall, Hugh O'Shaughnessy, and Mark Williams. 2007. *Mining and Development in Peru with Special Reference to the Rio Blanco-Project, Piura*. London: Peru Support Group.

Diez, Alejandro. 1999. *Comunidades Mestizas: tierras, elecciones y rituales en la sierra de Pacaipampa*. Lima: Pontificia Universidad Católica del Perú, Fondo Editorial.

Eaton, Kent. 2015. Disciplining Regions: Subnational Contention in Neoliberal Peru. *Territory, Politics, Governance* 3(2): 124–146.

Edwards, Bob, and John D. McCarty. 2004. Resources and Social Movement Mobilization. In *The Blackwell Companion to Social Movements*, ed. David A. Snow, Sarah A. Soule, and Hanspeter Kriesi. Malden: Blackwell Publishing Ltd.

Fox, Jonathan. 1996. How does Civil Society Thicken? The Political Construction of Social Capital in Rural Mexico. *World Politics* 24(6): 1089–1103.

Fulmer, Amanda M. 2011. La consulta a los pueblos indígenas y su evolución como herramienta de negociación política en América Latina. Los casos de Perú y Guatemala. *Apuntes: Revista de Ciencias Sociales* 38(68): 37–62.

Gitlitz, John. 1998. Decadencia y Supervivencia de las rondas campesinas del norte del Perú. *Debate Agrario* 28: 25–53.

Gustafsson, Maria-Therese. 2017. The Struggles surrounding Ecological and Economic in Peru. *Third World Quarterly* 38(5): 1146–1163.

Jeronimo, Preciado Ruth, Edwin Rap, and Jeroen Vos. 2015. The Politics of Land Use Planning: Gold Mining in Cajamarca, Peru. *Land Use Policy* 49: 104–117.

O'Faircheallaigh, Ciaran. 2010. Public Participation and Environmental Impact Assessment: Purposes, Implications, and Lessons for Public Policy Making. *Environmental Impact Assessment Review* 30(1): 19–27.

PCM (Presidencia del Consejo de Ministros and Oficina Nacional de Dialogo y Sostenibilidad). 2013. Mesas de Diálogo, Mesas de Desarollo y Conflictos Sociales en el Perú. *Willaqniki* 5: 1–55.

Rasch, Elisabeth Dueholm. 2012. Transformations in Citizenship: Local Resistance Against Mining Projects in Huehuetenango (Guatemala). *Journal of Developing Societies* 28(2): 159–184.

Ryan, Charlotte, and William A. Gamson. 2009. Are Frames Enough. In *The Social Movements Reader – Cases and Concepts*, ed. Jeff Goodwin and James Jasper. Oxford: Wiley-Blackwell.

Szablowski, David. 2010. Operationalizing Free, Prior, and Informed Consent in the Extractive Industry Sector? Examining the Challenges of a Negotiated Model of Justice. *Canadian Journal of Development Studies/Revue canadienne d'études du développement* 30(1–2): 111–130.

Written Primary Sources

Central Unica Provincial de Rondas Campesinas de Hbba. 2009. Letter to Defensoría del Pueblo, September 7, 2009.

Excluded community Members. 2009. *Letter to the Governor*. December 28, 2009.

Expediente 115-2008 toma 1 y 2 (The Court Judgment in the Terrorist Case). FDSFNP. 2007a. Acta Frente. November, 19, 2007. FDSFNP. 2007b. Letter from FDSNFP to Jorge del Castillo, September 24, 2007. Junta directiva regional de las Rondas Campesinas de Cajamarca. 2008. II Asamblea ordinaria de la junta directiva regional de las rondas campesinas – Cajamarca. August 23–24, 2008.

La Asociación Civil Frente de Unidad de la Comunidad Campesinas Segunda y Cajas. 2008. Petición de nulidad de acto juridico. Presented at the court in Huancabamba and Piura.

Local Government Carmen de la Frontera. 2010. Ordenanza Municipal No. 002 – 2010/MDCF/S.

Ministerio de Energía y Minas. 2001. Guia de Relaciones Comunitarias. Lima.

Ombudsman. 2007a. Ayuda memoria sobre intervención en conflicto Majaz, December.

———. 2007b. Cronologia de Majaz.

———. 2007c. Cuadro Resumen entrevistas con alcaldes.

———. 2007d. Esquema de informe majaz.

———. 2009a. Ayuda memoria incidents. June 12, 2009.

———. 2009b. Ayuda memoria incidentes, July 9, 2009.
———. 2009c. Reporte. August 7, 2009.
———. 2006. Informe del Caso de Rio Blanco.
Pacto de Unidad. 2012 Perú: Pronunciamiento del Pacto de Unidad contra el reglamento de la ley de la consulta previa. March 12, 2012. Police report, Huancabamba (2006), June 13, 2006.

Newspaper Articles

Andina. Garcia sostiene que no se debe valorar la consulta popular. September 16, 2007.
———. Ministro del Interior firma convenio con rondas campesinas en Piura para fortalecer seguridad ciudadana. July 18, 2008.
El Correo. Ronderos estan en favor a la pobreza. August, 19, 2005. La Republica. 4000 ronderos marcharon en Huancabamba. August 25, 2009.
La Republica. Abrumador 'NO' a la mina. 17 2007a.
———. Alcaldes promineros realizarán reunión paralela a la mesa de dialogo. December 5, 2007b.
———. JNE pide incautar material de consulta, September 13, 2007c.
———. Desde ministerio se hizo campana contra oposicion a Majaz. December 24, 2005.
———. Entrevista con Antonio Brack. September 23, 2007d. La Republica. Oppositores a la mineria son falsos cristos. October 7, 2007.
———. Juan Valdivia a favor de dialogar en zonas afectadas por Majaz. October 9, 2007e.
———. Majaz y alcaldes alistan para dialogo. September 17, 2007f.

CHAPTER 5

Demands for Services and Demobilization in the Bambas Project

We are not against the project, but we want access to social investments
—Former community leader of Pamputa
(Interview 1, March 19, 2011)

After eight hours in an overcrowded minibus on a bumpy dirt road, I finally arrived at the remote district of Challhuahuacho located at 3700 meters above sea level in the Andean highlands. It was my second visit and, during the 12 years that had passed since I was first there in 1999, a profound transformation had taken place in the district. Back then, Challhuahuacho was a peasant community and the population was made up of subsistence farmers who used horses to transport their products to the weekly market. Living conditions were harsh, extreme poverty was widespread, and social services were deficient. The dynamic in 2011 was entirely different. Challhuahuacho had turned into a small city with commerce, hotels, restaurants, and expensive four-wheel-drive vehicles. People from all parts of Peru coexisted with the part of population still living in poverty and without access to many of those services, creating a bizarre atmosphere.

When the Bambas project was introduced in 2003, the government offered a social fund of USD 64 million to generate acceptance of the project within the peasant communities. As the quote above suggests, this

© The Author(s) 2018

M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6_5

contributed to heightening community members' expectations that the project would take them out of their poverty. At the core of the peasant communities' demands, between 2004 and 2008, was the desire for increased influence over the social fund, and the peasant federation temporarily succeeded in unifying peasant communities in this struggle over the fund. The communities in the area are generally in favor of the Bambas project, but until 2013 they periodically engaged in protests to gain access to social investments and employment. The mobilization processes analyzed in this chapter could thus be seen as an example of demands for services in which peasant organizations attempt to build more inclusive coalitions. The purpose is to pressure on the state to ensure the project contributes to broader, long-term development.

This chapter has a two-fold purpose. On the one hand, it provides a background to state-society relations and peasant mobilization in the region; on the other, it serves to analyze how the intervention of state institutions shaped community mobilization in the initial phase of the expansion of mining. First, I provide for an historical background of state-society relations and the form of peasant organizations and mobilization that emerged in the region in the aftermath of the agrarian reform in 1969. Secondly, I describe the expansion of mining in the highlands of the Apurímac region and look at how the state intervened through the organization of an information campaign and establishment of a social fund. I also address the way in which the state created political opportunities to pursue their demands of access to social investments. Third, and finally, I analyze how communities organized themselves into a federation in a bid to demand increased access to, and influence over, the social fund, with a particular focus on how their scope for influence was affected.

State-Society Relations and Peasant Mobilization in Apurímac

The Bambas project is located in the region of Apurímac at the border of the two provinces of Cotabambas and Grau. More specifically, the project is currently being developed in the district of Challhuahuacho.[1] Apurímac is the sixth poorest region in Peru, with 43 percent of the population living in poverty, with low access to health care and education (INEI 2016).[2] In the area where the Bambas project is located, the poverty rates are as high as 88 percent (UNDP 2009).[3]

In this area, the altitude and remoteness pose particularly severe constraints on the presence of state institutions, economic development, and peasant mobilization. Due to the generally difficult living conditions, the area has always been sparsely populated. The project is being developed at a relatively high altitude: from 3800 to 4600 meters above sea level (Xstrata Copper 2010: 8). At this altitude, conditions for agriculture are unfavorable.[4] Still, as there are few other economic activities, the majority of the population were, until the arrival of Xstrata, subsistence farmers who exchanged their products in the local market (Cuadros Fallas 2011: 209).

In the Andes, poverty and indigeneity are intrinsically linked to altitude. As explained by Valderrama-Escalante (2010: 4), an anthropologist who grew up in the area, mestizos have always lived in the valleys and the urban areas of the province, while the more indigenous people have populated the highlands of Challhuahuacho. In the mestizos' view, "civilization has never reached those communities" (ibid).

The geographical conditions and great distances make it more difficult for the state to establish authority as well as proving problematic for different peasant communities to scale up mobilization structures to the local or provincial level. As Valderrama and Escalante (1992) described in their study of livelihoods in this area, the state has always been a marginal actor as a provider of social services and in establishing law and order. Until the agrarian reform in 1969, landless peasants were subject to the subordinating and oppressive conditions of the feudal hacienda system that was based on clientelistic relations. Hacienda owners or so-called *gamonales* acted as intermediaries with the central government and maintained order at the local level.[5] However, due to the inhospitable geographical conditions, the landowners in Challhuahuacho were neither rich nor powerful and shared many cultural traits with the indigenous population (Valderrama-Escalante 2010: 6).

The most important event in the creation of a local peasant movement took place in the 1920s in the neighboring district of Haquira when peasants organized a rebellion against hacienda owners. The rebellion started with cattle theft by the peasants, which produced a violent reaction from hacienda owners. This, in turn, spurred peasants to organize and a movement emerged. Nevertheless, after a couple of years, the peasant movement was disbanded (Valderrama-Fernandez and Escalante-Gutierrez 1981).

Through the agrarian reform, the military government of Velasco destroyed the power base of landowners, and previously landless hacienda workers were given access to land and legal recognition of their traditional indigenous-peasant communities.[6] As a result, indigenous communities were redefined as peasant communities.[7]

In the province of Cotabambas, as in other remote rural areas, the military regime of the 1970s failed in its stated ambition to provide networks by which peasant communities could mobilize (see Yashar 2005; de Olarte 1987: 13).[8] Corporatist state-society relations were therefore never established. In the southern parts of the Andes, the national peasant organization *Confederación Campesina del Perú* (Peasant Confederation of Peru—CCP) was active in the 1960s (Cleaves and Scurrah 1980: 178–179). CCP organized increasingly radical leftist peasant organizations that, in the 1950s, had placed strong pressure on the government to bring about an agrarian reform and which were openly critical of the military regime's policies (McClintock 1981: 56). In some parts of southern Peru, CCP played an important role during the 1970s in organizing communities into federations with organizational layers from the local to the national level (Paredes 2011: 148–149). In these more favorable conditions, the external support enabled peasant communities to organize. However, in contrast to the situation in northern Peru described in Chap. 3, where strongly organized Rondas Campesinas at the community level scaled up their organizational structures, the organizations in these parts of southern Peru were often promoted by external actors and therefore fragile. As Paredes (ibid: 151) argues, the weakness of peasant organizations in the south also became exposed during the early 1980s, when CCP showed signs of exhaustion, and again in the 1990s when the leaders were persecuted and attacked by Fujimori.

However, in Cotabambas, CCP never assumed this role,[9] and therefore the peasant organizations in the late 1970s gained no strength from external actors. NGOs made some attempts to organize the peasant communities in the 1980s and late 1990s, but they ultimately failed. In this context, aside from some temporary attempts at mobilization, the collaborations between community organizations in peasant federations have historically been weak or non-existent. The weakness of peasant organizations has also provided for a similarly weak representation by peasant communities in local politics. This illustrates the unevenness of mobilization patterns at the subnational level in Peru and has been addressed by various researchers (Crabtree and Crabtree-Condor 2012; Paredes 2011; Yashar 2005).

Cotabambas, similarly to northern Peru, is also illustrative of the unevenness of state capacity. In the 1970s, the state did not establish authority and the rule of law.[10] As a consequence, cattle thefts became uncontrollable following the agrarian reform. However, as Valderrama and Escalante (1992) have described in their book, the lawlessness and violence was particularly widespread in Challhuahuacho. An interviewee describes how, after the agrarian reform, the sons of former hacienda owners—who were not used to hard work—turned into feared cattle thieves.[11] The former hacienda owners also came to control the municipalities.[12] New forms of domination, in which conflicts were regulated by violent means rather than based on control over land, were thus introduced into the local society. Wilfredo Fernandez[13] argues that police officers were in many cases corrupt. Moreover, the vast distances involved made it difficult for both local authorities and peasant communities to counteract the problem.[14] The absence of state structures and the weakness of peasant organizations enabled the rapid expansion of Shining Path in the early 1980s. During the first years, the Shining Path's activity was concentrated in Ayacucho, Huancavelica, and Apurímac, and it was here that the political violence had its greatest impact. Aymaraes, one of two epicenters of the conflict, is located only 200 kilometers from Cotabambas (CVR 2004).

Consequently, the political violence was devastating in Cotabambas. There was massive migration to the cities of Cusco and Abancay (CVR 2004: 304). It was, however, not only the Shining Path which violated peasant communities' rights and committed killings. The state-established bases, one of them in Haquira and another in Quyllurqu, took measures to counteract Shining Path, and, according to the Commission of Truth and Reconciliation, the military "initiated an indiscriminate repression of peasant communities in the zone, reproducing a pattern of violation of fundamental rights" (CVR 2004: 304). Community members were exposed to torture and disappearances (Contreras 1991: 75, quoted in Gouley 2005: 23).[15] The Commission of Truth and Reconciliation has demonstrated that the political violence destroyed both the productive and public infrastructure and weakened all forms of social organization, including civil, political, and cultural rights (CVR 2004: 277–278). According to Gouley (2005: 23), one of the consequences of the political violence was a high degree of distrust in relation to the state and other external actors. Peasant organizations did not start to recover until the late 1990s and early 2000s, when NGOs again actively started to support the organizational development of Rondas Campesinas. The most important example is the Rondas Campesinas in Haquira (the center of the 1920s' peasant rebellion), that

gained some strength in the 1990s as a way of counteracting cattle thefts. Another example is the highland communities in Challhuahuacho, discussed in more detail in Chap. 6. In both cases, the peasant communities were supported by NGOs. Their organization came, however, much later compared to northern Peru and other parts of southern Peru—occurring just before the arrival of the mining project.

Moreover, in contrast to northern Peru—where the Rondas had succeeded in expanding their power not only locally but also scaled up their organizational structures to the provincial level—the Rondas Campesinas in Cotabambas were unable to expand their power at the local level or to control cattle thefts. This illustrates how relative autonomy from the state could affect community organizations differently, depending on local power dynamics and access to support on the part of external organizations.

In sum, even though the agrarian reform dissolved the power base of oligarchic groups, local society continued to be characterized by oppressive power dynamics. It was not until the late 1980s that the state established any real presence in the area, and then primarily by oppressing peasant communities in its attempts to counteract Shining Path. The 1970s and 1980s were, therefore, characterized first by lawlessness and cattle thefts and, later, by the presence of Shining Path. In this context, where conflicts were resolved by coercion and violence, peasant communities neither succeeded in scaling up their organizations above the community level nor developed the class-based collective identities that were promoted by the military government.

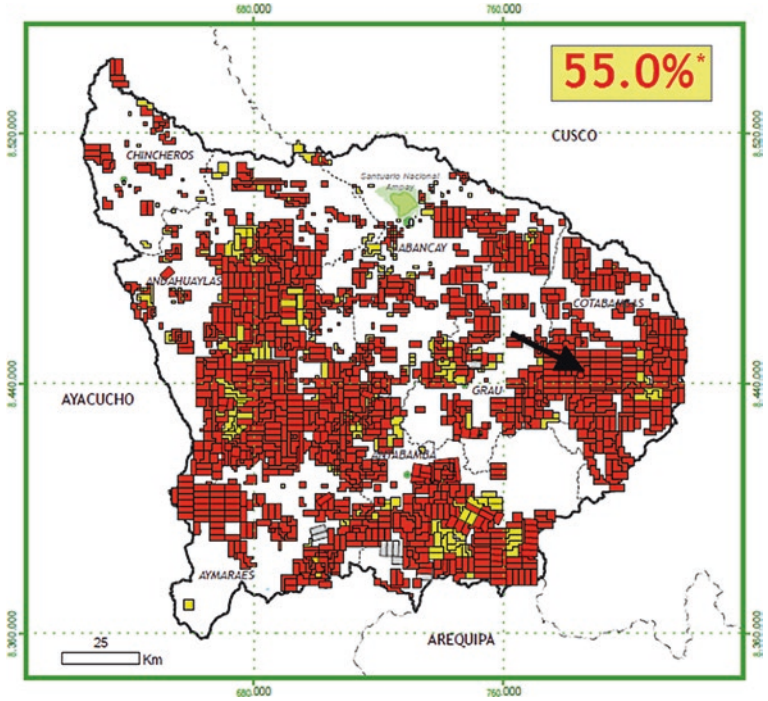
Peasant communities have not been able to overcome clientelism and other forms of private power dynamics to resolve conflicts. Peasant federations have primarily emerged in response to the expansion of mining in the area.

Both the fragmented peasant organizations and absence of collective identities above the community level are important factors when analyzing communities' perceptions and mobilization processes in relation to the Bambas project. This situation is very different from the Rio Blanco-case, where communities by the 1980s had developed a powerful collective identity and governed an autonomous sphere at the local level.

The Establishment of the Bambas Project

Former President Alan García has described the Bambas project[16] as "the most significant contract of the century".[17] The project involves an investment of USD 5200 million (MEM 2014). Mining is relatively new in the

highlands of Apurímac, but concessions have increased rapidly in recent years. Currently, 55 percent of the territory of the region of Apurímac is concessioned to mining.[18]



Concession map of the Apurímac-region. The Bambas project is marked by the arrow and is located at the border of the two provinces of Cotabambas and Grau. 55 per cent of the regional territory is concessioned to mining projects. (Source: Cooperacción)

The Power Base of the Principal Actors in the Bambas Project

The key actors in the Bambas project are the affected communities and their representatives, Xstrata, and the different state institutions. First, the Bambas project has a direct impact on 38 communities with a total population of 13,500. As an open-pit mine is planned close to the populated area of one community—Fuerabamba—the entire community needed to be resettled before the project could advance (Xstrata Copper 2010: 24).

The resettlement took place in 2014. As will be elaborated on later in the book, Fuerabamba's capability to control the land strategically constituted an important asset that enabled the community to put pressure on Xstrata and thus contributed, in a significant way, to reduce power asymmetries and strengthen the community's bargaining leverage. There are also other communities that are defined as directly affected, but that do not control land rights at the project site. Their lack of control over resources makes them attractive for the corporation, but, in combination with weak organizational structures and lack of support from non-state actors, it is ultimately difficult for them to influence Xstrata. The directly affected communities in general perceive the project as an opportunity to obtain jobs and social investments. Discontent, in most cases, is related to a lack of access to those resources, as illustrated by the following quote:

> We want the company to live up to their commitments. We want jobs, health care, agriculture and education. In each area, we want support.[19]

The quote reflects a common view, even though, of course, community members define their interests in multiple ways, and there are also groups within the directly affected communities that benefit less and are critical of the project. The primary internal divide within peasant communities is between community members who have stayed in the community and those who have migrated to the cities but returned to claim compensation. In various directly affected communities, the latter group has been able to better defend their interests than the other community members who are generally old farmers who speak Quechua. Those who have stayed are, to some extent, more inclined to defend an agricultural development model, whereas the returnees primarily seek employment and compensation. The power base thus differs both between a range of communities and among community members.

The corporation Xstrata Copper that operated the Bambas project from 2003 to 2013 is an integrated, "senior" corporation that is the fourth largest copper producer in the world.[20] As a transnational corporation, Xstrata is concerned about its reputation—something that is reflected in its well-developed CSR policies and, compared to other mining corporations, relatively significant investments in social projects.[21] Xstrata's strategy for dealing with community organizations was, moreover, firmly grounded in local conditions, something that Dougherty and Olsen (2014) argue is essential to achieving acceptance for a project. By engaging NGOs, as well

as independent evaluators of community development, and a large community relations team, Xstrata interacted with peasant communities and organized workshops, learning of the community's concerns and becoming aware of the emerging discontent. The community relations team, in particular, participates in community assemblies, finances and maintains development projects, and is thereby a key player in dealing with demands and preventing protests.

According to the director of Xstrata's community relations team, 50 employees were negotiating and interacting with community organizations during the most intensive phases.[22] In contrast to Monterrico Metals, which negotiated with individual leaders or minor groups within the communities, Xstrata has acted with greater transparency and primarily negotiated with community organizations. However, to a large extent, they bypassed intermediate organizations such as the peasant federation that had acquired some capacity for collective action in the period between 2004 and 2008. In 2013, Xstrata merged with Glencore, and, at the beginning of 2014, the project was sold to the association MMG Limited, in which the state-owned company China Minmetals is the principal owner.

Among peasant organizations, the key actors are the abovementioned communities and federations that represent different organizational levels. As previously discussed, peasant organizations have historically been weak above the community level, and the existing organizations were easily eradicated by the Shining Path and did not start to recover until the early 2000s, coinciding with the start of the mining project. The arrival of the mining corporation incentivized peasant communities to support the provincial Peasant Federation of Cotabambas (*Federación Provincial de Campesinos de Cotabambas*—FPCC) (Echave 2012: 70), first created in 1999.[23] In 2003, a peasant federation at the local level—*Federación Distrital de Campesinos de Challhuahuacho* (FDCC)—was created to overcome the fragmentation of the communities and represent them in negotiations with Xstrata. These organizations are part of the same federative structure and therefore, in many cases, overlap. The federation organized comprehensive protests in 2005, 2006, 2007, 2009, and 2011.[24] However, even though the protests for strategic reasons were directed toward the corporation, the primary goal was to force the central government to relinquish its control over the social fund.

While peasant communities have strived primarily to gain access to corporate social investments, the federation has tried to raise overarching issues regarding collective rights and Xstrata's contribution to broader

provincial development by insisting that Xstrata participate in multi-stakeholder processes and institutionalized forms of resource allocation such as participatory budgeting and local development planning. The federations have periodically been able to unify peasant communities, to pursue those demands rooted in more overarching collective interests. Intermediate organizations are however generally weak and Xstrata has further reinforced this by bypassing the federation and negotiating directly with the communities as Echave et al. (2009) pointed out. In Cuadros Fallas et al.'s (2005: 21) view, the communities "do not have the capacity or any strategy that will enable them to cope with the enormous challenge that the presence of a mining corporation in their territories signifies".

Finally, in the Bambas case, the central government also played an important role in the initial negotiations. The regional government has, in contrast, not played any significant role. The local and provincial governments have periodically intervened in support of the project or put pressure on the corporation to invest in social services. However, the institutional capacity of subnational governments is too weak to enable them to assume a strategic role that would ensure the project contributes to broader, long-term development. In the following section, I will discuss the important role played by the state institutions in shaping mobilization processes.

State Interventions in the Early Project Phase

By their different interventions, state institutions affect the political opportunities for community mobilization. State institutions could intervene to not only advance the project but also reduce communities' dependencies on the corporation by organizing consultations, establishing efficient dispute settlement mechanisms, upholding rule of law, and providing basic services and information about the project. An important consideration is how and when state institutions should intervene and also to establish who will benefit from those interventions. In both the Bambas- and the Rio Blanco-cases, there is significant difference in the timing and extent of the involvement by the central state. This is despite the purpose—to facilitate the implementation of the project—being similar in both cases.

The Bambas project is unusual in the sense that it was a prestige development for President Alejandro Toledo.[25] The government promoted it with an information campaign and promises of social investments but then transferred the mining rights to the Swiss corporation Xstrata in 2004.

Proinversión,[26] a governmental agency dedicated to facilitating private investments in different sectors, was selected for this task.

In a report, Proinversión describes how staff visited each family to "explain the advantages with private investments and the mining project" (Proinversión 2005: 81–82). Proinversión provided heavily biased information about the project that focused only upon its positive impacts. Proinversión framed the expansion of mining in terms of its development outcomes but also linked it to the presence of the state as a provider of public goods. This framing was discursive but also reflected in the implementation of social programs that were aimed to "create a positive climate for the promotion of the Bambas project and reestablish the presence of the state" (Proinversión 2005: 67). Proinversión invited various public institutions to temporarily put in place programs for health care, adult literacy, technical training, access to telecommunications and information technology, development of agriculture, electrification, and road maintenance (ibid: 67). In Fuerabamba, the Ministry of Education provided computer and Internet access.[27] These social investments were implicitly conditioned by acceptance of the project.

The association between mining and development is also reflected in how Proinversión, in different reports, framed the project and described peasant communities' opinions of the project. In one report, Proinversión quotes a community member who expresses his gratitude after electricity had been installed in his community:

> Thank you! Finally, our demand has been heard. We are very happy and satisfied. There are a lot of people who are opposed to the Bambas mining project. Right here we meet opposition. But this opposition is illogical; it only makes us live in backward conditions. This project is changing our lives. Just as today we have electricity, other projects of benefit to our communities will be implemented in the future.
>
> —Quote from Proinversión (2005: 73)

It is impossible to know whether the quotation is reproduced correctly or not—but that is not the point I want to make. To let this quote stand as representative of the population's perception of the project illustrates Proinversión's framing of the project as a pathway to modernity and progress. Moreover, by using that quote, the government clearly demonstrates that access to basic services is compensation for accepting the project, rather than these services being made available according to a rights- and/or needs-based logic.

Attempts to re-establish the presence of the state did not have the same negative connotation in Cotabambas as in Huancabamba, where the Rondas had struggled to maintain their autonomy in relation to the state. On the contrary, various informants told me how Cotabambas has always been a "forgotten province" by the state and that it is only thanks to the mining project that the province exists for the state now.[28] Proinversión's framing of the project as an opportunity to gain access to social investments provided by the state and the corporation was, in that sense, consistent with the majority's perception of access to the state as an opportunity rather than as a threat. This is in contrast with the Rio Blanco case where previous struggles had concerned autonomy *from* rather than access *to* the state.

Proinversión's strategy initially created broad support for the project by offering social investments.

However, discontent soon emerged as the information campaign and social investments were focused on Fuerabamba, while surrounding communities were, to a large extent, excluded from those benefits.[29] To defend the interests of communities that had been excluded from this process, the recently created peasant federation rapidly gained strength, pointing to the need to take account of the project's contribution to more long-term provincial development through participation in institutionalized forms of multi-stakeholder processes such as local development planning.[30] According to Damonte (2013: 3), the compensatory logic on which those investments are based may generate inequality and "marginalize populations less endowed with economic, social and political resources, while at the same time preventing local development in mining sites".

In this context, the concession was transferred to Xstrata Copper. As part of this contract, the government contributed an additional fund of USD 64 million to be invested in development projects. Hence, in contrast to the Rio Blanco project, the government intervened in the initial phase and offered relatively significant investments in social services to facilitate the advancement of the project. This was the reverse of the Rio Blanco project, in which state institutions and the corporation offered those investments at a point when the communities had already rejected the project. There is thus a fundamental difference in the timing and extent of the intervention by the central state in each case.

After the concession had been transferred, the government largely terminated its monitoring of the Bambas project. Xstrata then assumed the primary role of responding to the demands of community organizations.

Xstrata's strategy has generally been based on dialogue and social investment, and the corporation has primarily interacted with community organizations.[31] As Livio Palizo, who was responsible for community relations at Xstrata, described: "Our main purpose is the mine, but for extracting the minerals we must generate conditions that enable us to work. We must establish positive alliances with communities and local governments."[32] There must, therefore, be a business case for legitimizing CSR engagements.

Xstrata worked in a relatively favorable environment of community acceptance for the project and so was primarily concerned with demonstrating continued positive development outcomes. However, during the early years, it was not so much Xstrata's investments that were the focus of attention, but rather, the most important struggles concerned the social fund. This was primarily a struggle between the peasant federation and the central government over control of the fund.

In the remainder of this chapter, I will discuss how the peasant federation, between 2003 and 2009, temporarily succeeded in unifying the peasant communities in a struggle to increase their access to, and influence over, the social fund.

Strengthening Private Politics by Seeking Influence over the Social Fund

As discussed in the previous section, the government's promotion of the Bambas project and creation of the social fund had generated high expectations that the peasant communities would be brought out of poverty. At the same time, Proinversión's focus on only one community allowed the peasant federation to mobilize support among the surrounding peasant communities that felt excluded from those benefits. While Proinversión and Xstrata's interventions were focused upon Fuerabamba, the social fund was supposed to be invested in provincial development more generally. However, in practice, many projects were focused upon urban development and implementation was delayed. The emergent peasant federation's struggle primarily focused on demanding access to, and influence over, the social fund. By forcefully criticizing the state's administration of the fund, the federation came to contribute to the privatization of the fund, and thus to the delegation of responsibilities for social service provision to private corporations. In that way, the federation unintentionally came to reinforce private politics.

The Rise of the Peasant Federation

As discussed above, the Peasant Federation in Cotabambas has a relatively short history. Valentin Roquerata, former president of the provincial Peasant Federation of Cotabambas, describes how the organization was founded in 1999 to create unity among peasant communities and defend collective rights.[33] The following year, a local peasant federation was created in the district of Challhuahuacho. At that time, there were many challenges in organizing the peasants: animal thefts and alcoholism were widespread and many communities had never formalized their land rights.[34] Wilfredo Fernandez, who at that time worked for an NGO which supported the federation's organizational development, describes his impression of a strong sense of subordination among the peasants in the area. He perceived that community members still felt that they were the property of the landowner, with no rights, and it was therefore difficult for them to suddenly develop proposals that would promote their own advancement.

Hence, when the Bambas project was established in 2003, the peasant federation was still in its infancy. The threats and opportunities posed by the mining project constituted an opportunity for the federation to unify and represent peasant communities. Nevertheless, it was a difficult task for a relatively new organization, in a challenging social environment, to deal with the expansion of mining. The federation lacked both the human and monetary resources that are crucial to engage effectively in collective action. In these first years, the federation temporarily aligned with environmentalist NGOs and a regional umbrella organization for communities affected by mining (*Coordinadora Regional de Comunidades Afectadas por la Minería*—CORECAMI).[35] Supported by these organizations, the federation adopted a polarizing discourse which emphasized negative impacts on the environment and collective rights. The federation also engaged in several protests.

In July 2004, during a meeting about the project, there was a violent confrontation between the federation and police in Challhuahuacho; in August, the same year, the federation manifested its "rejection of the privatization of natural resources without the consent of their legitimate owners, the peasant communities" in a public letter (2004: 1). These actions gave the federation a reputation of being opposed to mining. This illustrates the difficulties of unifying broader sectors for criticizing and pursuing claims in relation to the corporation. The environmentalist, right-oriented framing caused strong rejection and was rapidly abandoned.

However, as the leaders of the federation argued,[36] they were never opposed to the project itself, only the exclusion of the peasant communities from this process. Moreover, they wanted to ensure that the project contributed to sustainable development from a broader provincial perspective. To achieve this goal, the federation put pressure on the government and Xstrata to live up to their commitments in terms of social investment and employment opportunities.[37] Environmentalist concerns, in contrast, never played a key role.

Between 2004 and 2008, the struggle was focused on increasing peasant communities' access to the social fund. The federation gained broad support for its critique of the central state's exclusionary and inefficient administration of the fund. Even community leaders of Fuerabamba, which from the beginning was skeptical of the federation's intentions, temporarily joined this struggle. Hence, it was the critique of the state, rather than the corporation, that created unity.

Xstrata, for its part, had an interest in countering the emergence of a strong oppositional organization that could delay the project or increase costs by demanding benefits for a broader constituency. Xstrata's primary concern was to achieve a land rights agreement with the community of Fuerabamba, to advance the project. To keep the negotiation isolated and involve as few communities as possible was therefore central to Xstrata's interests. Xstrata has not recognized the federation as a representative of peasant communities and has generally avoided negotiating directly with the federation. Still, the federation's push for the withdrawal of the central state indirectly came to benefit Xstrata as the federation focused upon the inefficiency and exclusionary structures of the state, rather than on the negative impacts of mining.

Facilitating the Expansion of Mining Through Social Investments

As discussed previously in this chapter, the state intervened early and created political opportunities for pursuing demands of social investments. In 2004, a social fund of USD 64 million was established, creating large expectations in Cotabambas. Social funds originated from the time of the government of Fujimori and are aimed at facilitating the expansion of mining by investments in development projects in the initial negotiation phase of a mining project (DL 0674). The funds are established using payments made by the mining corporations for the right to extract minerals. They are, therefore, public resources that can only be used for devel-

opment projects in the areas affected by the mining project (Mendoza et al. 2008: 6). Up until 2008, the government administered the funds, but persistent administrative problems delayed the implementation of projects and produced discontent among peasant communities as well as urban groups. In 2008, a reform was adopted that rendered the social funds independent from the state's control and monitoring, and primarily benefited those who were directly affected, rather than entire provinces in which the mines are located. The fund therefore came to be a more efficient instrument, preventing protests and facilitating the negotiation process for mining corporations.

As with other projects, the social fund in the Bambas project was arranged as a public-private partnership. Peters and Pierre (2010: 51) explain that the advantage with partnerships is that they could provide public services efficiently. However, as they suffer democratic deficits, it is necessary to introduce mechanisms of accountability to legitimize these arrangements.

Proinversión chaired the social fund and thus continued to play a role even once the information campaign was finished. The board furthermore comprised mayors, representatives from the regional government and Xstrata, but no representative from the federation of peasant communities. Proinversión approved projects and controlled the finances; there were no participatory mechanisms that enabled the population to influence resource allocation. According to Proinversión, projects were based on prioritization made through participatory budget processes (Proinversión 2005: 87). However, informants who worked closely on those processes refute this was the case,[38] and Benjamin Gutierrez, the manager of the social fund, claimed that Proinversión coordinated directly with local governments and Xstrata rather than linking those investments with institutionalized processes of local development planning.[39] These contradictory accounts, and general lack of information, point to the lack of transparency in the prioritization of projects. The lack of transparency in resource allocation was an important source of critique by peasant communities.

The communities were, however, also discontented with the outcome of those decisions. Given the weak representation of peasant communities in local government, this meant that there was no channel available for the majority of the population to influence the distribution of resources. The lack of influence of peasant communities is reflected in the kinds of projects implemented. Most of the budget went to projects in urban

areas, while only a few projects were oriented toward agricultural development—the main concern of peasant communities where the majority of the population live.[40]

Hence, it was both the exclusionary process of prioritizing projects and the outcome of this process that caused discontent among peasant communities. And so it was that in 2005, the peasant federation organized a strike where they questioned the lack of transparency, the exclusionary representative structures, and the unequal distribution of the fund that benefited urban populations.[41] In addition, the federation felt that the fund was administered inefficiently and public officers did not have experience in dealing with the state's control and monitoring systems (Damonte 2013: 8). Projects were delayed,[42] which further generated discontent and enabled the peasant federation to unify broad support, not only among the marginalized peasant communities but also among urban sectors where people were increasingly dissatisfied with the lack of transparency and visible results. To frame the critique in terms of inefficient state institutions did not threaten powerful groups' interests and proved to be successful.

As there was no real change after the first strike, in July 2007, the federation once again organized a massive strike. The primary demand was that Proinversión and Xstrata should resign from the board and a decentralized and participatory administration be established in which local governments and representatives of peasant communities should be key actors. The government responded by creating a high-level Commission chaired by the Minister of Energy and Mines. The Commission agreed to include representatives from peasant communities, but proposed that the government should maintain a leading role.[43] The federation rejected this proposal[44] and the government agreed to transfer the oversight of the fund to the provincial mayor of Cotabambas.[45] At this point, what had originally been a local conflict became a national concern and a starting point in reforming the legislation of social funds. This shows how a relatively weak peasant federation gained access to policy-making processes and was ultimately able to influence national legislation.

Strengthening Private Politics Through the Privatization of Social Funds

Private politics does not necessarily imply the absence of state regulation and presence. It rather implies that state institutions intervene in a way that is functional to business interests, such as allocating resources

according to a compensatory logic or contributing to the resolution of conflicts that prevent the expansion of mining. Private politics are thus not necessarily the results of governance gaps but could as well be the consequence of deliberate political decisions to deregulate and delegate certain tasks to private actors. In this case, the peasant federation's critique of the role of the central state in the management of the fund temporarily unified peasant communities, local governments, and the urban population at the local level. More importantly, the local protests also legitimized the adoption of a new law aimed at increasing the efficiency of the social fund's administration by transferring it to the private sector.[46] The privatization of the social funds was part of a broader trend during the 2000s in which the government transferred funds to the private sector, and at the local level served to counteract conflicts. Arellano-Yanguas (2011) has called this trend the "new localism". The government emphasized CSR engagements as a solution to conflicts surrounding extractive industries and had also adopted a similar reform in 2006 in coalition with mining corporations. Instead of raising the taxes on the mining industry,[47] the government created social funds (*Programa Minero de Solidaridad con el Pueblo*) administered directly by corporations.

In 2008, the National Society of Mining, Oil and Energy (*Sociedad Nacional de Minería, Petróleo y Energía*—SNMPE), the influential interest organization of extractive industries, tabled a bill in parliament (Law Project 1801) in collaboration with the Ministry of Mining and Energy, which suggested the solution of privatizing the funds. Following this proposal, corporations should replace the government's role in overseeing the funds; Xstrata supported the proposal.[48] Only three months after, the government came up with a similar proposal that was adopted[49] (DL 996). The reform implied that the funds are no longer subordinated to the state's monitoring procedures, which makes the allocation of funds more flexible and efficient. As explained by Mendoza et al. (2008: 55), the reform reflects a retreat of the state from fulfilling its obligations and public role. Instead of improving the administration of the state by increasing transparency and introducing mechanisms of accountability, public resources are now located outside the state's control and monitoring. In that sense, the reform illustrates a strengthening of private politics.

The federation's success in influencing national legislation must be explained in relation to the political opportunities of the Peruvian state. As suggested in Arellano-Yanguas' argument regarding the "new localism", the neoliberal Peruvian regime has a general inclination to transfer

responsibility to the private sector at the local level. It was therefore a relatively easy goal to achieve and one that did not threaten the interests of powerful actors.

However, the new law did not create any significant changes in terms of the federation's influence over the fund. The new board was made up of six mayors and two employees of Xstrata. The local governments became responsible for implementing the projects while Xstrata assumed a monitoring role.[50] As it was no longer necessary to go through the cumbersome bureaucratic procedures of the central state, the new administration has been able to accelerate project implementation. On the other hand, various informants who have worked with the fund claimed that the lack of control by the state has also facilitated corruption[51] and there is widespread distrust and discontent with the management of the new fund. There are, currently, various lawsuits in which local governments are accused of embezzlement. The local population generally blames local governments, while Xstrata is rarely accused of corruption, a framing which is consistent with and even reinforces pre-existing perceptions of state institutions as corrupt and inefficient.

Xstrata has succeeded in creating a strong discursive association between the corporation and the fund, but without being responsible for problems. During the fieldwork, I observed Xstrata, through its radio station and at an inauguration of a project, emphasizing its contribution by claiming the corporation made investments through the social fund. The social fund is, in fact, constituted by public funds and not private. However, the creation of a discursive link between the mining project and social fund is likely to confirm legitimacy on the presence of Xstrata.

The lack of representation of peasant communities on the board was the fundamental issue that spurred mobilizations regarding the social fund. The new law opened the way for the representation of peasant communities, but both Xstrata and the mayors were opposed to the inclusion of community representatives. They argued that it was difficult to define who should assume the representation of peasant communities.[52] This is true, to some extent, as the new law is based on a compensatory distribution model that says 85 percent should be invested in the directly affected areas. As a representative of a broader constituency, the peasant federation was in favor of the previous and more redistributive model that benefited the entire province[53]—but this model was incompatible with the compensatory logic of the new law. The federation could therefore not be included as a representative of directly affected groups.

From the perspective of the directly affected communities, the reform was legitimate. Angel Villafuerte, a journalist and community member from Fuerabamba, considered the reform was fair as the fund should reasonably be distributed as compensations to groups negatively affected by the project.[54] However, it is difficult to find a representative for all affected communities. The project will affect each community in specific ways, which also means that they are entitled to different percentages of the fund. This principle of allocating resources encourages each community to defend their own interests, and it is therefore difficult to let one representative speak for all communities.

The fund is now privately administered and distributes compensation to affected groups. Because of this, it has become more difficult to link distribution to existing public processes in resource allocation arenas such as local development planning and participatory budget processes where development strategies and resource distribution are usually negotiated. In that sense, parallel partly private arenas have been created. These compensatory forms of resource allocation to directly affected groups are, as Damonte (2013: 3) argues, likely to facilitate the expansion of mining by countering conflicts. However, while the protests of directly affected groups may be prevented, compensations are also likely to generate new contestations as excluded groups strive to be recognized as affected. Consequently, just as with CSR programs, resource distribution following a compensatory logic may not so much eradicate conflicts as give them a new dynamic by which it becomes essential to determine how impacts are defined and established. This logic is likely to make it more difficult to identify collective interests and scale up organizational structures. Intermediate organizations, such as the peasant federations, are therefore likely to be negatively affected by these mechanisms for distributing resources.

Consequently, from the perspective of the federation, the reform had various unintended consequences. The federation's critique and struggle to obtain the withdrawal of the state has, in fact, worked in Xstrata's favor in several ways. First, the struggle drew attention away from the negative socio-environmental impacts of mining, about which there is surprisingly little public debate in Cotabambas. The interpretative frameworks of the struggle have, instead, been described in terms of accessibility to, and efficiency of, social service provision. Xstrata, being present at the local level, can allocate resources relatively quickly and is, therefore—compared to the state—generally perceived as more accessible and efficient.

Second, through the privatization of the fund, Xstrata has gained legitimacy by reinforcing a discourse which states that the social investments are implemented with their money, when this is not true. Social funds are constituted with public funds. Third, the focus on directly affected areas is also beneficial for corporations, as social funds can be used to create acceptance of the project and thereby facilitate negotiation processes with landowners. The initial redistributive allocation of the fund is thereby weakened and replaced by a compensatory form of distribution, which is a characteristic of the current political opportunities in the Peruvian state.

Conclusion

This chapter had the two-fold purpose of, on the one hand, providing a background on state-society relations and peasant mobilization in the region and, on the other, analyzing how the intervention of state institutions has shaped community mobilization. First, the empirical analysis showed that in the context of a weak presence of the state and, later, political violence, peasant communities remained focused upon organizing agricultural production, but their intercommunal networks and collective identities were not developed above community level. This meant that peasant communities remained relatively fragmented by the start of the mining operation, making it very difficult to quickly identify common interests and organize a defense of those interests. In the context of weak organizational structures, communities were dependent upon other assets, such as control over land and support by non-state actors, in pursuing their interests and influencing the corporation.

Secondly, this chapter has also shown that state institutions played an important role in laying the foundation for specific forms of demand-making—creating opportunities and constraints and, in that way, shaping mobilization processes. The central government intervened early in the process by investing in basic services and providing information. The government's intervention created political opportunities for pursuing demands of social services that followed a compensatory logic. These interventions were, in general, aimed at facilitating the establishment of the mining project but, to a lesser extent, oriented toward providing peasant communities with balanced information on the project and protecting their rights.

The federation primarily gained strength between 2003 and 2008 in relation to the struggles by the peasant communities for increased access

to the social fund. During these years, the federation succeeded in establishing itself as a key actor and gained significant influence by successfully framing its struggle in terms of a critique against the corrupt and inefficient state. This framing did not threaten the interests of powerful groups and was, to a great extent, compatible with existing political opportunities in favor of transferring responsibility for service provision to the local level and the private sector. Benefiting from these political opportunities, the federation could thus exercise unusual influence and contribute to the adoption of a new law. From the perspective of the peasant federation, the law has, however, brought about various unintended, and primarily negative, consequences. The peasant communities' access and influence over the fund did not increase, but rather decreased. It also became more difficult to link the social fund to established, participatory forms of resource allocation and development planning. Instead, the reform contributed to the creation of a private, parallel arena of resource allocation that facilitated the expansion of mining without necessarily contributing to sustainable development from a broader provincial perspective. The reform thus reinforced a compensatory—rather than redistributive—model for allocating resources.

Following the reform, the federation never recovered its strength. Parallel to the federation's struggle against the central government, Xstrata developed a network of bilateral relations with different peasant communities, by participating in communal assemblies and investing in community projects. The existence of these mutually beneficial bilateral ties made it very difficult for the federation to unify peasant communities and pursue common demands in relation to the corporation. The impact of these ties on mobilization structures and framing of demands will be discussed in the following chapter.

Notes

1. In Challhuahuacho, there are 20 peasant communities. The capital of the district was a community until 2003, but today has grown to be an urban area with approximately 5000 inhabitants.
2. In 2003, 93 percent of the population lived in rural areas and 91 percent had Quechua as its mother tongue (Valderrama-Escalante 2010: 3).
3. The publication is based on data from 2007.
4. Only 9.5 percent of the land can be used for agriculture (Valderrama-Escalante 2010: 5).

5. Fuerabamba, the community where the project is to be developed, was, for instance, a hacienda until the agrarian reform (Social Capital Group 2004: 30).
6. However, according to Wilfredo Fernandez, state officials from *Sistema Nacional de Apoyo a la Movilización Social* (National System of Support to Social Mobilization, SINAMOS) never had any sustained presence in the communities of Challhuahuacho to implement the agrarian reform, which at least formally was the procedure by which haciendas were expropriated (Interview, June 18, 2013).
7. The communities in Cotabambas are in general made up of 100–300 families.
8. Interview with Crisaldo Quispe, employee at the NGO Bartolomé de las Casas, June 20, 2013. He has long experience of working with peasant organizations in Cotabambas. While Yashar and Olarte refer to weak state capacity in rural areas in general, Quispe confirms that this was also the case in Cotabambas.
9. Interview with Wilfredo Fernandez, June 18, 2013.
10. Ibid. Fernandez states that during the 1970s there were only two policemen and no judge in Haquira. Lawlessness was therefore widespread.
11. Ibid.
12. Valderrama-Escalante 2010: 6.
13. Interview with Wilfredo Fernandez, June 18, 2013.
14. Until the 1980s, the closest police station was in Haquira, approximately five hours' walk away.
15. However, the state also tried to obtain the collaboration of peasant communities through social programs (CVR 2004: 305).
16. The mineral deposits are primarily copper.
17. *El Comercio*, September 2, 2010.
18. Of course, all concessions will not be developed into mines. Still, awareness of the concessions generates both insecurity and expectations among local populations.
19. Interview 16 with a community member of Choaquere, June 2, 2013.
20. http://www.xstratacopper.com, accessed January 16, 2015.
21. Interview with Armando Mendoza, April 4, 2011, and José de Echave, May 28, 2013, both analysts of extractive industries. According to Xstrata's own information, the corporation invested USD 14 million in local infrastructure, social programs, and community development between 2005 and 2010 (Xstrata 2009: 7). This is 0.027 percent of the total investment of USD 5200 million. At the same time, in 2008, Xstrata was the second largest contributor of social investments among mining corporations in Peru (Instituto de Ingenieros de Minas del Perú 2010: 61). Of course, this is to be expected as the Bambas project is one of the largest mining investments in Perú.

22. Interview with Livio Palizo, director of Xstrata's community relations team, March 28, 2011.
23. Interview with Valentin Roquerata, former president of the provincial peasant federation, June 7, 2013.
24. With the exception of the protest in 2011 that was directed toward Xstrata.
25. Toledo was the president of Perú between 2001 and 2006.
26. *La Agencia de Promoción de la Inversión Privada* (the Agency for the Promotion of Private Investments).
27. The so-called *Programa de Huascarán* is a governmental effort to spread information technology to rural areas.
28. See, for instance, interview with Angel Villafuerte, community member of Fuerabamba, June 11, 2013, and former employee of Proinversión, June 11, 2013, and with Timoteo Andrade, president of the peasant federation, March 26, 2011.
29. Interview with Victor Limaypuma, then vice president of the peasant federation, June 9, 2013. See, also, interview with Angel Villafuerte, June 11, 2013.
30. Interview with Victor Limaypuma, June 9, 2013.
31. Xstrata has not only channeled funds through community organizations but also collaborated with local governments, NGOs, and governmental institutions. This study will, however, focus on Xstrata's engagements with community organizations.
32. Interview, March 28, 2011.
33. As there was no written documentation on the federation, I relied on interviews with two leaders and three employees of NGOs who had worked with the federation, to reconstruct the history of the organization. Apart from minor details, their descriptions mostly coincide. Valentin Roquerata has played a key role as a peasant leader in relation to the mining project.
34. Interview with Valentin Roquerata, June 7, 2013.
35. A regional suborganization of CONACAMI.
36. Interview with Valentin Roquerata, president of the Provincial Federation, June 7, 2013, and Victor Limaypuma, vice president of the Provincial Federation, June 9, 2013.
37. In contrast to attempts by the government and Xstrata to accelerate the project, the federation wanted to slow the process, to give peasant communities enough time to acquire information and prepare to take advantage of the opportunities posed by the expansion of mining.
38. Brussel Espinoza Quispe who worked with the social fund for eight years and Wilfredo Fernandez. I also made various unsuccessful attempts to access the development plan and protocols of participatory budget processes in Challhuahuacho and finally found that these documents did not exist. At the provincial level, however, those documents were available.

39. Xenobio Maldonado, former mayor of Challhuahuacho, also confirmed this information. Interview, June 2, 2013.
40. In 2003 and 2004, there was only one project focused on agricultural development. In total, only 22 percent of the total budget was invested in agricultural projects (Fideicomiso 2007).
41. Ombudsman 2007 and interview with Benjamin Gutierrez, manager of the social fund, March 30, 2011.
42. Between 2004 and 2007, the board invested only 12 percent of the fund (Echave et al. 2009: 169).
43. Two representatives from the communities should be included, and one from the Ministry of Energy and Mines (MEM) should replace the representative from Proinversión. Interview with Benjamin Gutierrez, the manager of the social fund, March 30, 2011.
44. Interview with Victor Limaypuma, June 9, 2013.
45. Ombudsman 2009.
46. Representatives from Cotabambas also participated in the meetings in Lima where it was decided how the law should be implemented (Ombudsman 2009).
47. Perhaps the most palpable example of these reforms related to the debate on increased taxation for mining in the early 2000s. The proposal of the political left, widely supported in the Andean highlands, was to increase taxes to enable the state to provide for social welfare. In the presidential elections in 2006, both candidates promised to raise the taxes on extractive industries, but finally the government of Alan García in alliance with *Sociedad Nacional de Minería y Petroleo* (National Society of Mining and Oil—SNMP), the powerful interest organization of extractive businesses, opted to introduce the so-called *Programa Minero de Solidaridad con el Pueblo* (Mining Program of Solidarity with the People—Voluntary Contribution—(PMSP)). This program involved a lower cost for the mining companies and also meant that corporations controlled the funds and could use them strategically in dealing with local protests (see Reporte de Vigilancia 2010: 35).
48. Grupo Asesor Independiente 2007: 17.
49. The only difference between the Bill 1801 and the law that was finally adopted was the lack of specification as to who should preside over the funds.
50. This was a large dispute within the new board. The mayors demanded that the local governments should implement the projects, while Xstrata preferred to outsource the implementation to private companies. The mayors, in a majority on the board, finally got their proposal approved (protocols from the board meeting of the social fund 2009–2010).

51. Interview with Brussel Espinosa Quispe, supervisor at the social fund, 2005–2010, June 14, 2013; Hector Gallego, employee at the municipality of Challhuahuacho, June 10, 2013; and interview 40 with a community leader of Carmen Alto, May 12, 2014. Brussel Espinosa Quispe estimates that 40 percent of the fund has been lost in corruption. One example of many is that ten employees in the Challhuahuacho local government have been sentenced for corruption. Of course, corruption is always difficult to prove, and within state institutions is frequent.
52. Meeting protocols Fosbam 2009–2010.
53. Interview with Victor Limaypuma, June 9, 2013.
54. Interview with Angel Villafuerte, June 11, 2013.

References

Arellano-Yanguas, Javier. 2011. Aggravating the Resource Curse Decentralization, Mining and Conflict in Peru. *The Journal of Development Studies* 47(4): 617–638.

Cleaves, Peter S., and Martin J. Scurrah. 1980. *Agriculture, Bureaucracy, and Military Government in Peru*. Ithaca: Cornell University Press.

Crabtree, John, and Isabel Crabtree-Condor. 2012. The Politics of Extractive Industries in the Central Andes. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Cuadros, Julia, Jaime Consiglieri, and Jose Echave. 2005. *Mapeo de la situación social e institucional del proyecto Las Bambas*. Lima: Cooperacción.

Cuadros Fallas, Julia. 2011. Impactos de la mineria en la vida de hombres y mujeres del sur andino. Los casos Las Bambas y Tintaya. In *Mujer Rural: Cambios y Persistencias en América Latina*. Lima: CEPES.

Comisión de la Verdad y Reconciliación. 2004. Hatun Willakuy: Versión abreviada del Informe Final de la Comisión de la Verdad y Reconciliación. Lima: CVR.

Damonte, Gerardo. 2013. Corporate Governance, Mining Funds and Territorial Development in the Peruvian Andes. Working Paper GRADE.

Dougherty, Michael L., and Tricia D. Olsen. 2014. Taking Terrain Literally: Grounding Local Adaptation to Corporate Social Responsibility in the Extractive Industries. *Journal of Business Ethics* 119(3): 423–434.

Echave, Jose. 2012. *Apurímac – gestion del territorio y la mineria*. Lima: Cooperacción, CBS and Groupe de Recherche et d'Echanges Technologiques (GRET).

Echave, Jose, Alejandro Diez, Ludwig Huber, Bruno Revesz, Xavier Ricard, and Martin Tanaka. 2009. *Minería y conflicto social*. Lima: Instituto de Estudios Peruanos.

Gouley, Clotilde. 2005. *Conflictos mineros, interculturalidad y políticas públicas: el caso de Las Bambas, provincias de Cotabambas y Grau, departamento de Apurímac*. Cusco: Centro Bartolomé de Las Casas.

Instituto Nacional de Estadística e Informática. 2016. El informe técnico sobre la evolución de la pobreza monetaria entre los años 2009 al 2015. Lima: INEI.

McClintock, Cynthia. 1981. *Peasant Cooperatives and Political Change in Peru*. Princeton: Princeton University Press.

Mendoza, Armando, Pedro Francke, and Edgardo Cruzado. 2008. *Análisis, críticas y recomendaciones para mejorar el funcionamiento de los fondos sociales/fideicomisos mineros*. Lima: Cooperacción.

de Olarte, Efraín Gonzales. 1987. *La lenta modernización de la economia campesina*. Lima: Instituto de Estudios Peruanos.

Paredes, Maritza. 2011. Indigenous Politics and the Legacy of the Left. In *Fractured Politics – Peruvian Democracy Past and Present*, ed. John Crabtree. London: Institute for the Study of the Americas.

Peters, Guy B., and Jon Pierre. 2010. Public-Private Partnerships and the Democratic Deficit: Is Performance-Based Legitimacy the Answer. In *Democracy and Public-Private Partnerships in Global Governance*, ed. Ulrika Mörth and Magdalena Bexell. Basingstoke: Palgrave Macmillan.

United Nations Development Program. 2009. *Informe sobre Desarrollo Humano Perú 2009: Por una densidad del Estado al servicio de la gente*. Lima: UNDP.

Valderrama-Escalante, Gonzalo. 2010. *Recursos Comunales, Institucionalidad y Mineria – El Caso de Challhuahuacho, Apurimac*. Cusco: Centro Bartolomeo de las Casas.

Valderrama-Fernandez, Ricardo and Carmen Escalante-Gutierrez. 1981. *Levantamiento de los Indígenas de Haquira y Quiñota – 1922–1924*. Apurímac, Cusco. Lima: UNMSM.

Valderrama, Ricardo, and Carmen Escalante. 1992. *Nosotros los Humanos*. Cusco: Centro de Estudios Regionales Andinos Bartolomé de Las Casas.

Yashar, Deborah. 2005. *Contesting Citizenship in Latin America, The Rise of Indigenous Movements and the Postliberal Challenge*. Cambridge: Cambridge University Press.

Written Primary Sources

Federación Provincial de Comunidades Campesinas de Cotabambas. 2004. Carta abierta.

Fideicomiso. 2007. Resumen de obras ejecutadas (Compilation of Executed Projects).

FOSBAM Actas de Consejo directivo 2009–2011 (Protocols from the Board Meeting of the Social Fund).

Grupo Asesor Independiente. 2007. Informe Grupo Asesor Independiente 2005–2007.

Ministerio de Energia y Minas. 2014. Cartera Estimada de Proyectos Mineros. January, 2014.

Ombudsman. 2007. Acta de acuerdos con los representantes de los ministerios del estado Peruano. Lima: Ombudsman.

———. 2009. Unidad de Conflictos Sociales. Conflictos activos—De Amazonas a Lima - Febrero 2009. Lima: Ombudsman.

Proinversión. 2005. Las Bambas: un modelo de desarrollo sostenible. Xstrata. 2010. Resumen Ejecutivo EIA Proyecto Minero Las Bambas.

Social Capital Group. 2004. Linea de Base Social. Lima: Xstrata Copper.

Xstrata Copper. 2009. Desarrollo Sostenible en las Bambas Inversion social 2005–2010. Lima: Xstrata Copper.

———. 2010. Resumen Ejecutivo EIA Proyecto Minero Las Bambas. Lima: Xstrata Copper.

Newspaper Articles

El Comercio. Mandatario calificó de 'contrato del siglo' al convenio para desarrollo de proyecto Las Bambas. September 2, 2010.

CHAPTER 6

The Fragmented Struggle for Services

Everyone is engaging in their own struggle, there is no unity. The organizations have become fragmented. The federation has become fragmented. The communities that receive support [from Xstrata] do not want to help communities that do not receive support. And the communities that are not affected are not interested in the problems of the ones that are affected.
—Valentin Roquerata, former president of the provincial Peasant Federation in Cotabambas

As I described in Chap. 5, the struggles surrounding the Bambas project have primarily concerned demands for services. The peasant federation has pursued broader redistributive demands, while community organizations have engaged in struggles for compensation for negative impacts. The peasant federation temporarily succeeded in unifying the peasant communities in a concerted effort to gain influence over the social fund, but thereafter largely lost its capacity to mobilize peasant communities. Parallel to this struggle, Xstrata had developed bilateral relations with peasant communities in which investment and employment were negotiated and distributed following a compensatory logic. This governance strategy was favorable for groups that controlled land or in other ways could pose a credible threat to disrupt mining activities and put pressure on the corporation to provide benefits. At the same time, these bilateral dynamics implied that

© The Author(s) 2018

M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6_6

the groups controlling the land and that had the greatest possibility to put pressure on the corporation had lost their incentives to do so.

In this chapter, I examine how the bilateral corporate governance strategies affected communities' mobilization and scope for influence. I also examine the type of organizational structures and resources that are most important for communities to pursue their demands. I do so by analyzing the relationships between Xstrata and communities that have different resources and the ability to put pressure on the corporation and also by tracing how corporate-community relations have evolved over time. The chapter is organized in the following way. First, I introduce Xstrata's governance strategy in relation to communities. Second, I discuss the relationship between Xstrata and Fuerabamba, the community that controlled the land rights that Xstrata needed to develop the project. Thirdly, I discuss the relationship between Xstrata and other directly affected groups that had to rely on protests to gain access to social investments, and then consider the corporation's relationship with the highland communities that, according to Xstrata's definition, are less affected and therefore not entitled to corporate social investments. Finally, I reflect upon how those mobilization patterns are related to different forms of influence—not only in relation to the dynamics of private politics in this mining project but also in a broader, political perspective.

The Opportunities and Constraints of Xstrata's Governance Strategy

Xstrata's governance strategy for negotiating with community organizations is characterized by a bilateral stakeholder approach where perpetual dialogues and social investments have played a key role. Stakeholder relations in the mining industry are associated with an opportunity structure that gives communities incentives to pursue demands of compensation for negative impacts caused by the project. Such compensations, to correct social damage, are referred to as "negative injunction duties" and could be contrasted with "affirmative duties" where activities are aimed at contributing to social good without compensating for previous wrongdoing (Simon et al. 2004). In extractive industries, impacts are often related to environmental contamination and loss of land. As King (2008: 24) argues, resources play a key role in stakeholder relations. He claims that groups which control a resource that the corporation needs have opportunities to exercise influence over corporate decisions, while groups that

lack those resources must engage in collective action to be taken into consideration by corporations. Control over land is therefore fundamental in understanding the power balances between Xstrata and different community organizations. Communities can use control over land strategically to negotiate access to social investments.

In 2005, Xstrata organized a workshop to identify the problems that peasant communities perceived in relation to the mining project. Deficiencies in education and health care were identified as two of the most important issues.[1] It is noteworthy that the corporation was expected to be responsible for these state responsibilities. In fact, as the Ombudsman has pointed out, the population perceives the corporation as almost the only provider of social services.[2] As discussed in the previous chapter, both the government and Xstrata have created a strong discursive association between the mining project and basic services and encouraged demand-making that follows a compensatory logic.

Xstrata invests in social programs and basic infrastructure and continually engages in dialogues with communities in the directly affected areas. As Xstrata notes, these engagements constitute an ongoing consultation process that "will allow the communities to participate in the decision-making processes of the project".[3] However, as these dialogues are focused upon social investments, the scope for influencing other aspects of the project is limited.

Community members are aware of and have mostly adapted to the compensatory logic that is reflected in the ways in which they frame their demands in relation to the corporation. They talk about different kinds of impacts, refer to themselves as "affected", and often contest Xstrata's recognition of the degree of affectedness. As one community member[4] explained: "As we are directly affected we have the right to claim [social investments]. An agricultural project or so. Because there will be contamination." From this point of view, the negative impact entails a *right* to demand compensation. Communities have therefore, by and large, internalized Xstrata's compensatory framing.

A crucial aspect of this governance strategy is the definition of which groups are affected by the project, and thus entitled to, or excluded from, compensation. It is the degree of negative impact that determines the intensity of corporate engagements with different communities. As with other mining corporations, Xstrata defines affectedness in narrow terms and primarily recognizes the communities that control the land required to develop the project (O'Faircheallaigh 2017; Guzmán-Gallegos 2012:

157, 171). For community organizations, it is crucial to understand how Xstrata defines the boundaries of affectedness of the project. As with all mining projects, community organizations have been divided into different categories of affectedness: directly and indirectly affected groups. The project has a direct impact on 18 communities and the urban area of Challhuahuacho.[5] Xstrata divided the first group into two different degrees of affectedness: the first ring (Fuerabamba, Huanquire, and Pamputa) and the second ring (the 15 surrounding communities). The indirectly affected groups—the third ring—are the 14 highland communities.[6]

Xstrata has focused its interventions on the first ring and, more specifically, upon Fuerabamba, as the project cannot be initiated before the community has been resettled. Obtaining a resettlement agreement with Fuerabamba was therefore essential for Xstrata. Control over land has given Fuerabamba a significant bargaining leverage and, over the years, Xstrata has become the primary provider of social services, infrastructure, and employment in their community.[7]

In the other communities (depending on the degree of negative impacts), support is limited to smaller projects, including the formulation of community development plans and a small number of rotating employment opportunities for each community. Fuerabamba and a few of the other more affected communities are generally supportive of the project, even though the latter periodically engage in protests to increase their bargaining leverage and renegotiate access to jobs and compensation. The highland communities in the third ring are only recognized as minimally affected by the project but still experience negative effects, such as the prices of products sold in local markets which have increased significantly. They are currently the group expressing the most forceful critique of the mining project and that has also been most active in efforts to unify the fragmented community organizations of the peasant federation.

How the boundaries of affectedness are defined in mining projects is a question of technical evaluation, but also a matter of negotiation and contestation (Damonte 2013: 15). While communities like Fuerabamba are clearly affected, because the mining site is located on their land, others must engage in contestations to negotiate their degree of affectedness. These latter communities are therefore more dependent upon their capacity to negotiate and exert pressure on Xstrata. Each community has unique agreements with Xstrata. The following three sections describe the interactions between the directly and the indirectly affected communities and Xstrata, with a focus on the resources and strategies that these groups employ for putting pressure on Xstrata.

Control over Land as a Path to Strategic Collaborations

The mineral deposits of the Bambas mine are located below the populated areas of Fuerabamba. As an open-pit mine is planned, the entire community must be resettled before the project can be initiated. Xstrata has, therefore, been focused to a large extent on obtaining a resettlement agreement with Fuerabamba. Xstrata first approached the community in 2004 and finally concluded negotiations in 2010, after which the community was resettled to the newly constructed village, Nueva Fuerabamba, in 2015. For Fuerabamba, control over land has been their primary asset in the negotiations with Xstrata, and over time they have developed a strategic capacity to use this asset to increase their bargaining leverage and establish a relationship of strategic collaboration.

Prior to the arrival of the mining project, community members of Fuerabamba had a bad reputation as cattle thieves and were marginalized both in economic and political terms within local society (Valderrama and Escalante 1992). The mining project has substantially enhanced their economic power, and they have been able to buy land in the urban area and create companies that offer services to the corporation.

Traditional house in Fuerabamba. The owners have acquired a new car, as have most community members

The mining camp is located within Fuerabamba, and, over the years, Xstrata has interacted closely with community members and become the primary provider of social services, infrastructure, and employment. In Fuerabamba, only four community members accepted to be interviewed, and they all emphasized the positive impacts of the project, as illustrated by the following quotation:

> We used to live in extreme poverty. But, thanks to God, a private company has now come on the scene and we are not poor any more. Everything has changed: health-care, education, agriculture, and livestock.[8]
>
> —a community member of Fuerabamba

The informants emphasized common interests and equality by describing the relationship between Fuerabamba and Xstrata in terms of a "partnership" or "family" or, as the community member quoted above put it, "we work cheek by jowl".[9] However other community members also recognized their dependency upon Xstrata.[10]

It must also be emphasized that communities are not homogenous entities (see Horowitz 2011) and there is an internal divergence in relation to the project. The younger generation and the group that has migrated are generally more positive to, and accepting of, the project than the elders who are less educated and more closely attached to their land and animals.[11] Within the community, a powerful group in favor of the project has emerged since 2003. This group has, since then, controlled the leadership positions within the community and led the negotiations with Xstrata. Those leaders are, at the same time, employed by Xstrata to represent the communities in the negotiations.[12] The negotiation process itself is shrouded in secrecy, so it is difficult to account for the internal divergences and power dynamics of this process. Some informants mentioned the difficulties in determining how benefits should be distributed between community members.[13] Still, the community leaders reached a relatively beneficial resettlement agreement with Xstrata. According to the agreement, Fuerabamba community members will receive, besides monetary compensation,[14] new houses of significantly better quality than their old ones, new land, one employment per family for the length of the project, pensions for the elderly, health care and education facilities, as well as a number of more specific benefits.[15]

Even though the agreement is beneficial for all community members, it still reflects how the interests of different groups have been accom-

modated. The most important issue is that the houses are located in an urban area, close to the mining site, while the land for agriculture and cattle is hours away. In that sense, the agreement mostly accommodates the interests of the younger generation and the group that has migrated, while the elderly and the group in favor of an agricultural lifestyle are less favored. The agreement thus reflects the power dynamics between the two groups.

In organizational terms, the community has assumed new functions, and, by interacting with the corporation and state institutions, members have increased their negotiation skills as well as their knowledge about rights and laws. Organizational activity has, in general, increased.[16] Until the arrival of Xstrata, the organization's only function was to coordinate the agricultural activities of community members. In a sense, the organization has gained importance as community members were included in the negotiation processes over a number of years.

The resettlement agreement will transform the function of the community organization, as its main purpose will now be to defend community members' interests in relation to the corporation. Various informants argue that the only purpose of the organization is to conclude the resettlement. Thereafter, community members will most likely sell their house and return to the cities, and the community organization will disintegrate.[17] Even though there are internal divisions within the community, the negotiation process has also created a strong perception of "we against them" in which community members perceive themselves as isolated, in an antagonistic environment, and lacking support from external actors such as the federation, NGOs, and state institutions.

"Solo se han hecho, solo que se jodan"

When asked about the challenges of Fuerabamba in the resettlement process, a member of a neighboring community responded as above, which translates roughly to "alone they did it, alone they will screw up".[18] Since 2003, Fuerabamba has become increasingly isolated from the other communities, the federation, and NGOs, as well as the municipality, and in the process has increased its dependency upon Xstrata.[19] In its attempts to advance the negotiation process, Xstrata has become the principal articulator of social and political processes in the community. The leaders of Fuerabamba describe how, from the beginning, they felt "privileged" but at the same time were conscious of feeling distrusted; they were even

threatened by other communities and actors who the leaders believed were envious and wanted access to their compensation.[20] As Angel Villafuerte explained, "We went through this process alone, as we had more trust in Xstrata." However, that does not mean that the relationship between Xstrata and Fuerabamba has always been harmonious. Fuerabamba has organized roadblocks and broken dialogue with Xstrata on several occasions. These protests should be seen as a strategy to reduce power asymmetries and hold the corporation accountable.

In 2003–2004, there was a rupture between Fuerabamba and the federation, which was thought to be opposed to the project.[21] The federation moreover criticized the concentration of benefits for Fuerabamba and demanded that Xstrata redistribute social investments at a provincial level. As Victor Limaypuma, the former vice president of the federation, explained in an interview: "The question is who wins and who loses more. Cotabambas, Grau and the country lose and Xstrata takes 90 per cent and leaves some crumbs for Fuerabamba." The more comprehensive demands of the federation would, of course, be considerably more expensive for the corporation.

The community members of Fuerabamba consider the redistributive claims of the federation to be unfair since they must bear the social costs of the resettlement process.[22] In their view, CSR programs are compensation for negative impacts and should therefore primarily benefit Fuerabamba. As one community leader puts it: "We have to leave our land forever. We lose everything; plants, traditions and land. The other communities will benefit just sitting there."[23] He refers to the tax incomes that the province will receive as soon as the mine starts operating. More importantly, the quotation shows how, by framing themselves as victims of negative impacts and accusing other groups of benefiting without any contribution, community members reinforce divisions between different groups. From this perspective, there seems to be a fixed sum for compensation, and, if more communities "share the cake", each portion will ultimately be reduced. In practice, there are large discrepancies in the amounts that corporations invest in the local society, which suggests that communities, by putting pressure on the corporation, can increase the size of the cake.[24] The quote also illustrates how the compensatory logic encourages communities to compare negative impacts, something that generates distrust and makes it more difficult to identify common interests above the community level.

However, once the federation's critique was focused on the government's administration of the social fund, Fuerabamba temporarily joined

this struggle, which increased the bargaining leverage of the federation. Hence, as also demonstrated in the Rio Blanco-case, when communities that control land rights strike alliances with peasant organizations at a higher organizational level (such as the provincial level), their scope of influence is significantly increased. The two primary assets, control over resources attractive to the corporation and organizational strength, are then combined.

However, after the reform in 2009, Fuerabamba and the federation's competing interests relating to the social fund soon became clear: while Fuerabamba benefited from the reinforcement of compensatory distributive mechanisms of the reform, the federation did not. In the process, the division between the two organizations again deepened.[25] Fuerabamba did not accept the federation's support in the resettlement negotiation.[26] The federation could have supported Fuerabamba during the negotiations and contributed to holding the corporation accountable after signing the agreement.

From the federation's viewpoint, once it was no longer representing Fuerabamba, its negotiation power in relation to Xstrata and state institutions became significantly weaker. Fuerabamba has even intervened and publicly criticized the federation's demands or protests if they are perceived to be contrary to their interests.[27] This stands in contrast to the Rio Blanco-case, where the regional organization *Frente por el Desarrollo Sostenible de la Frontera Norte del Perú* (Front for the Sustainable Development of the Northern Border of Peru—FDSFNP) gained strength by representing the affected communities. From Xstrata's viewpoint, the resettlement agreement with Fuerabamba was crucial. Moreover, to compensate only one community is significantly less costly than the broader redistributive claims pursued by the federation. Just as Monterrico Metals had done, so too Xstrata has striven to negotiate directly with the affected communities and to keep them as isolated as possible. This strategy could be contrasted with multi-stakeholder approaches or partnerships that in recent years have become more common among some more progressive transnational mining corporations.

Fuerabamba has, in a similar way, distanced itself from NGOs. Xstrata has accused NGOs of being opposed to mining and encouraged communities to keep them at a distance. For communities which do not follow this advice, Xstrata has threatened to withdraw corporate support.[28] Fuerabamba followed the advice. A former employee of the community relations team at Xstrata describes it as an ongoing power struggle between Xstrata and

NGOs over controlling the communities.[29] NGOs sought to provide peasant communities with information about mining and facilitate organizational development; Xstrata, however, perceived the NGOs as a threat.

In 2013, most NGOs had withdrawn from the area. As Edwards and McCarty (2004: 135) argue, dependence on one donor often "constrains movement goals and activities". NGOs could also play an important role by supporting the formation of isolated community organizations (Yashar 2005: 73; Paredes 2011; Bebbington 2012: 73); acting as conduits to officials at the national level (Collier and Handlin 2009: 300); as well as providing important resources, such as information, expertise, and monetary resources. The lack of support from NGOs could thus be considered a factor that reinforces power asymmetries in corporate-community relations. In the case of Fuerabamba, the community has undoubtedly become dependent upon Xstrata's provision of basic services and information. Still, the dependency upon Xstrata and the general absence of protests should not necessarily be interpreted as a sign of clientelism in this case. It must be acknowledged that Fuerabamba has on some occasions applied for support from external actors or engaged in protests that put pressure on Xstrata. In 2008, for instance, Fuerabamba considered that Xstrata had not followed the agreement signed by the two parties in 2004 and applied for support from the Ombudsman.[30] In the same year, Fuerabamba blocked roads and discontinued dialogues with Xstrata in protest.[31] More importantly though, Xstrata is dependent upon resources controlled by Fuerabamba. In contrast to traditional clientelistic relations where the subordinate party has only their labor to offer, Fuerabamba's control over land put them in a stronger position, as they were not replaceable in the same way. Control over land affected the power dynamics between the two parties and opened a way to influence Xstrata's resource flows and policies without necessarily engaging in protests. As one community member argues, "if they do not comply we will not leave our land".[32] The absence of protests should not, therefore, necessarily be equated with clientelism. In this case, control over land is a more powerful tool than protest, and clientelistic theories have limited value—and could even conceal the complex undercurrents and consequences of this power dynamic.

Still, Fuerabamba's isolation from other actors should be stressed as NGOs can provide information on rights, legislation, and mining and, in turn, could have facilitated the bargaining processes for the community. Fuerabamba has, to a large extent, relied upon the information pro-

vided, directly or indirectly, by the corporation.[33] As O'Donnell (2004: 41) points out, non-censored information is a requisite for citizens' ability to participate in public debate and assess the impact of different decisions and policies.

Another important aspect, as Fuerabamba's power is almost exclusively based on control over land, is that the community will lose that power after the resettlement. If, for example, the new Chinese owners fail to live up to the commitments made by Xstrata regarding long-term social investments and employments, Fuerabamba will find itself in a similar position to other communities and will need to engage in protests, to hold the corporation accountable. At such a time, support by other communities or NGOs is crucial. However, other communities will have few incentives to participate in a struggle that only benefits Fuerabamba.

The role of state institutions' participation in the negotiation process also requires discussion. While *Ministerio de Energía y Minas* (Ministry of Energy and Mining—MEM) has monitored the negotiation process, its capacity to assume this role is very limited as MEM's office in Challhuahuacho has only one employee who lacks both Internet and transport. Hence, to participate in the meetings and visit the communities, the MEM employee must borrow a car from Xstrata,[34] which illustrates the state's weak capacity to monitor one of the most important investments in recent years. Moreover, some informants argue that the regional and local government has withdrawn its provision of social services to Fuerabamba, arguing that it is the responsibility of Xstrata.[35] As described by a community member:

> If the population [of Fuerabamba] is demanding attention from the local government they are not listening. If the population demands their rights to the local and regional government they say: "why are you asking us? We cannot offer you anything. Ask the mining company." There is a lack of teachers in the schools, and they say that the corporation should offer support. There is a lack of public transportation and they say that the corporation should solve it. They [the local government] could only offer minimal support. These kinds of attitudes give the corporation all the responsibility and make it assume the role of the state.

The quote suggests that subnational governments are also reinforcing the dependency of directly affected areas on the corporation and in that way contributing to the delegitimization of state institutions that are perceived as inefficient in comparison to the corporation.

In sum, the relationship between Xstrata and Fuerabamba has been conciliatory and mutually beneficial, but periodically also conflict-ridden. Xstrata has been able to rapidly advance the project, and Fuerabamba has obtained a relatively generous resettlement agreement. Corporate strategies have significantly altered Fuerabamba's organizational structures and framing of demands. In terms of organizational structures, the community's activity and leadership skills have increased. In this way, the primary function of the community has changed from administering agricultural production to representing members in negotiations with the corporation. In terms of framing demands, Fuerabamba has, to a large extent, adapted to the incentives offered by Xstrata. Community members justify the exclusionary flow of resources by framing themselves as victims of negative impacts. This framing has generated a strong identity of "we against them" and reinforced their isolation from the surrounding communities.

Struggles for Compensation and the Reinforcement of Clientelism

In the surrounding areas where the impact of the project is deemed less significant by Xstrata[36] and the resources attractive to Xstrata are not community-controlled, communities have been increasingly engaged in protests contesting the boundaries of affectedness and looking to increase their compensation. The dynamic of the relationship between these communities and Xstrata is characterized by perennial protests and subsequent negotiations of compensations. As the motivation behind these protests is to obtain benefits for minor groups, they have reinforced rent-seeking behavior and clientelistic dynamics.

From the perspective of community organizations, the definition of the degree of affectedness is crucial, as illustrated in the following quotation from a former community leader in Choccequa:[37]

> Currently there are problems because they have removed Choccequa from the first ring [of affectedness]. Hence, we will not get part of the royalties. Therefore we are worried, because we will still be affected by the contamination. We want to be considered as a directly affected area.

The quote demonstrates how community members question and seek to renegotiate these boundaries, to make the corporation recognize a

higher degree of affectedness.[38] Various communities have offered to sell their lands to Xstrata to be considered as directly affected. It is remarkable how informants use a stakeholder framing and refer to themselves as directly affected, belonging to the first or the second ring. Certainly, there is an important strategic dimension in adapting the stakeholder framing, as it opens the way to demand-making in relation to Xstrata. These concepts are, however, frequently used in everyday life in referring to one's own or other communities, which suggests that community members have internalized the interpretative frameworks of Xstrata as part of their identity. While this identity could unify a community, it is nevertheless less likely to facilitate collaboration between communities or the development of broader collective interests.

Stakeholder relations have affected the organizational structures and mobilization processes of this group of communities in important ways. In terms of organizational structures, the changes to the agenda and internal dynamics of community organizations are particularly noteworthy.[39] Currently, informants describe discussions as featuring concerns over management of the projects, distribution of rotating jobs offered by Xstrata, and/or opportunities and strategies to gain access to the social investments of Xstrata. In some communities, Xstrata participates in the assembly, and, in these cases, the assembly has become an arena for negotiation of social investments between Xstrata and the different communities.[40] In that sense, community assemblies have increased in importance and achieved a new purpose.

An examination of the minutes of the assembly meetings in the community of Pamputa from 2008 to 2010 revealed not only that corporate representatives participated at most assemblies but also that the discussion at the meetings was focused on negotiations around, and management of, different projects. As a former employee of the community relations team describes, before the corporation arrived, community organizations were involved in different economic activities; now they are focused on getting access to money and jobs from Xstrata.[41] Another former employee of the community relations team explains that, by giving in to strong social pressure, Xstrata has reinforced particularistic demand-making. He emphasizes the importance of motivating community members to defend collective interests.[42] The compensatory logic tends to offer incentives for community members to present their demands as the complaints of an affected party, rather than as empowered citizens who offer alternatives for sustainable development.

In Pamputa, the discussions of ways to access corporate social investments overshadowed the main purpose of the assemblies, which had been to organize agricultural production as well as articulate sustainable strategies to deal with the opportunities and challenges generated by the expansion of mining. Still, Xstrata's investments in Pamputa between 2008 and 2010 were not very significant and did not correspond to the attention they received in the community general assemblies.

The community relations team not only interacts with community members in the assembly meetings but is also directly involved in the implementation of the different projects.[43] Xstrata often employs one community member who takes responsibility for projects within the community and has a mediating role between corporation and community. The community relations team visits the communities several times a week to follow up on the projects, and during these visits Xstrata employees often help to solve minor technical problems or chat with community members. Visits constitute an opportunity to establish a personalized link and thereby function as a broker between Xstrata and community members; in this way, Xstrata stays abreast of rising criticisms or opposition within the communities. In that sense, the visits contribute to stabilizing the relationship between the communities and Xstrata.

However, despite these recurrent and sometimes close interactions, protest is a common strategy to gain access to corporate social investments, as the following quote from a community leader suggests: "If the relationship becomes too harmonious, we will not receive any support. … Now the problem is temporarily resolved, until they fail to comply again."[44] During two of my fieldwork excursions, I had the opportunity to observe the relationships between directly affected communities and Xstrata on several occasions. My impression was confirmed by the informants' descriptions, that is, the relationships were characterized by outbursts of discontent that were temporarily ameliorated. Agreements can be reached, but, after a time, communities will often try to renegotiate those arrangements. They start to exert pressure, and threaten to organize a protest, if Xstrata does not accommodate their demands. Agreements were thus constantly renegotiated in different arenas—in the community assembly meetings, informal chats, or through protests.

Take, for example, the communities of Chila, Choaquere, and Pumamarka which were eager to sell their land to Xstrata, in the belief that they would then be recognized as directly affected communities and thus obtain access to significantly greater support and employment. However,

once they understood that they would only receive the amount of money or the projects stipulated in the contract, the communities organized a strike to renegotiate the agreement and be considered as directly affected communities. In these protests and negotiations, community members referred to the negative impacts they would suffer and argued that the compensation was insufficient. In the case of Choaquere, a community member describes how Xstrata, after protests, offered them some additional agricultural projects.[45] A former employee of Xstrata's community relations team describes how Chila and Choaquere started to put pressure on Xstrata to provide increased investments, threatening if not they would organize protests against the project.[46]

In the case of Pumamarka, the community sold a significant portion of their land to Xstrata at a relatively low price and after that, on two separate occasions following roadblocks and protests, successfully renegotiated the price, first in 2012 and then in 2013.[47] These different examples illustrate how communities seek to act strategically and are active in defining their relationship with Xstrata. Some interviewees explained that these protests were a necessary part of the negotiation process because, without demonstrations, Xstrata would not give them reasonable compensation. They emphasized that the protests organized by a single community were legitimate, in contrast to the more comprehensive strikes organized by the federation which were associated with violence and conflict and therefore rejected.[48] In a similar manner to Fuerabamba, the other directly affected communities have, since 2008, distanced themselves from the federation.[49] This distinction between types of protests is important as it illustrates that community members are well aware of the types of collective action that are considered legitimate within the framework of stakeholder relations. The rejection of more comprehensive, and undoubtedly from Xstrata's perspective more threatening, protests illustrates a degree of loyalty to the corporation that is characteristic of clientelistic dynamics. These examples thus illustrate the conflict-ridden nature of the dynamics between directly affected communities and Xstrata but in a very different way to the Rio Blanco-case. Here, community mobilization is primarily aimed at pursuing demands for services, but the dynamic is unstable and characterized by recurrent protests and settlement. Communities seek to act strategically and to some extent—even though it is limited—succeed in redirecting corporate resources.

In these corporate-community relations, the balance of power differs as not all groups control the land attractive to Xstrata. Fuerabamba, which

owns the land on which the mine will be located, is in a significantly better negotiating position than Pumamarka, located next to the mine site. The negotiation power of Pumamarka is intrinsically linked to its location, which is close to a road that Xstrata uses to enter the mining site. As delays caused by roadblocks are costly, this is a useful tool in forcing Xstrata to the negotiation table.

The Fragmentation Between and Within Directly Affected Communities

As the degree of affectedness differs from community to community, individual communities have reached specific agreements with Xstrata on bilateral terms. Communities also differ in their ability to pressure Xstrata. Some could use roadblocks, while others are strongly organized and/or are supported by an NGO. Consequently, the different agreements tend to generate distrust and disagreements both within and between communities. Within communities, there are conflicts among groups that benefit to various extents from the agreements with Xstrata.[50] During the construction phase (2011–2014), young men in directly affected communities were offered rotating employment, which caused resentment from families that had not benefited from such employment.

There is, furthermore, a distrust of leaders who are often accused of promoting individual, rather than community, interests.[51] For instance, when Pumamarka sold land to Xstrata, the leaders reached an agreement that Xstrata would rent cars from a company created by a few community members—an arrangement that was criticized by other community members who did not stand to benefit.[52] A former community relations employee of Xstrata claims that many leaders have become corrupt and asked for money in return for the convincing the community to abstain from protests.[53]

However, the competition and distrust were also profound between communities that reached different compensation agreements with Xstrata. Community members describe how various communities are compensated in different ways, depending on their level of affectedness.[54] A community member of Choaquere explains the different compensations between two neighboring communities in the following way:

> They offered more to Chila. We cannot organize a protest, because we do not have a road. They could organize a protest at their road. They are also

> more affected as well, and negotiated better than us… We don't have any communication with Chila and Fuerabamba. They are more affected than us, and thus seek their own benefits.[55]

The quote illustrates the varied options each community has to put pressure on Xstrata, but also shows how affectedness makes each community engage in separate struggles. Taylor and Whittier (1992: 111) argue that consciousness of commonalities and differences between in- and out-groups are important aspects of collective identity formation. The interpretative frameworks that are reinforced in the struggles described above are focused upon competing, rather than common, interests and are thus likely to have a divisive impact on the formation of collective interests and identities above community level. For the federation, it has become difficult to unify communities with common demands and to represent affected communities in negotiations with Xstrata. In that way, community organizations, rather than intermediate peasant organizations, have become primary actors in negotiations for access to social investments. These organizations have pursued more particularistic demands than the federation, which—at least initially—pursued demands rooted in broader collective interests at the provincial level. As demonstrated above, it is the stakeholder logic that provides incentives for these particularistic demands and generates fragmentation among peasant organizations. The threats and opportunities posed by the mining project could be drawn on to unify the peasant communities. However, in a context of weak pre-existing peasant organizations, the federation was not capable of overcoming the historical fragmentation and bringing together peasant communities behind a common agenda relating to the challenges posed by the mining project. Hence, both the communities' weak pre-existing capacity for collective action and the bilateral corporate strategies are important in explaining the fragmented, particularistic nature of community mobilization among these groups.

In sum, the directly affected communities have been able to establish a relationship with Xstrata, focused upon negotiation of compensation. These negotiations have enabled communities to influence the resource flows of the project. Still, these exchanges tend to generate fragmented protests in which particularistic interests and identities are reinforced. Conflicts concerning access to corporate investments tend to draw attention away from the potentially more challenging demands related to mining's contribution to long-term provincial development goals.

The Unification of Excluded Communities

In the communities discussed above, Xstrata has recognized potentially major impacts of the project. However, in comparison, the 14 highland communities where Xstrata has defined the impact to be minor[56] have received significantly less support. Most communities have received some minor projects[57] and a few offers of rotating employment. From the viewpoint of community members, these compensations are insignificant when compared to the negative impacts they experience. One of the most important changes for these communities is the introduction of a monetary system. Until 2003, community members exchanged their products at the local market, but today they need money to buy products they cannot produce themselves. The prices at the local market are also high: up to the double what is charged in other localities. In the view of one community member:[58]

> I was happy when the concession was given; it would bring benefits to the peasants… But there are not benefits for everybody, and particularly not for the peasants in the highlands. In the Sunday market, the living costs are too high. The social impact is strong and the economic impact as well. The most affected are the peasants.

As the quote suggests, a common perception among highland communities is that they are negatively affected by the project, but in a way unrecognized by Xstrata.[59] The primary impact mentioned by informants is the increased prices at the local markets, which means community members cannot afford to buy products they used to consume. For these communities, the mine is therefore associated with increased poverty. Xstrata recognizes certain forms of direct impact, but is unwilling (and, most likely, also unable) to assume responsibility for all the profound impacts on community members' livelihoods. Corporations often limit the identification of negative impacts and ignore the indirect social impacts of projects such as the one described above (O'Faircheallaigh 2017). Still, from the viewpoint of these groups, costs and benefits are unequally distributed, and they are therefore dissatisfied with the project.

At the same time, the pre-existing capacity for collective action is stronger in the highland communities.[60] In the 1990s, the highland communities attempted to organize as Rondas Campesinas[61] to control animal thefts. Although weak, their pre-existing intercommunal networks have

allowed them to collaborate and pursue their interests in relation to the mine. These communities have maintained their relatively fragile inter-communal network—in comparison to Fuerabamba and other directly affected groups—by not being absorbed by the bilateral dynamic and so remaining less impacted by corporate-community relations. They have maintained some capacity to mobilize, which became manifest on various occasions between 2008 and 2013. The power of these communities is thus based on organizational strength in contrast to Fuerabamba where the community's main asset is control over land.

In 2008 and 2009, it was primarily the highland communities that were engaged in the federation, while the directly affected communities maintained their distance.[62] The highland communities were excluded and therefore had incentives to organize. However, at the same time, and because they did not control land attractive to Xstrata, it was more difficult for them to put pressure on the company. Guzmán-Gallegos (2012: 157, 171) points to similar consequences of the privatization of social services provision in the Ecuadorian oil industry. The population within and near the oil field has the greatest opportunity to put pressure on corporations and will also benefit from the exclusionary resource flows of corporation. They are, therefore, unlikely to engage in protests by groups that are excluded from those benefits. A very similar dynamic could be observed between different communities in the area surrounding the Bambas project: Fuerabamba, on rare occasions, supported the protests of the highland communities.

The president of the federation, Odilon Huanaco, came originally from one of the highland communities and gathered strong support there; in 2010, he won the local elections. Under his leaderships, the federation had forcefully criticized the exclusion of the highland communities from the benefits of the mining project. However, when Timoteo Andrade took over leadership in 2010, the federation took a new direction. Rather than confronting Xstrata and rejecting the compensatory distribution of benefits, Andrade sought to collaborate with Xstrata and thereby obtained financial support for several projects.[63] This important change resulted in the directly affected communities, which had previously rejected the federation, expressing their support.[64] The highland communities, on the other hand, considered that the federation had become co-opted and for these groups the federation therefore lost its legitimacy.[65] Lacking support from the federation, new organizations were created to represent

the highland communities' interests. These organizations have become the new oppositional force in the district.

In 2011, the highland communities decided to organize a strike, to pressure Xstrata to invest in those areas. However, Andrade refused to support the strike, which caused a rift in the federation. Indeed, since then, the federation has remained inactive. The highland communities then decided to create a temporary coalition with urban groups, to organize a strike that would pressure Xstrata to buy local services. The strike resulted in a negotiation, and Xstrata agreed to support the highland communities with some projects and jobs, while urban groups succeeded in negotiating comparatively more beneficial agreements with Xstrata.[66]

After their earlier frustrating experience, gaining no help from the federation, and then collaborating to strike with urban groups, the highland communities attempted to reorganize. The repeated, unsuccessful attempts to put pressure on Xstrata, looking for offers of employment and provision of basic services, have made the highland communities aware of the highly exclusionary resource flows of Xstrata and have heightened their awareness of finding new strategies to satisfy the communities' most urgent needs. As a highland leader explained: "The exclusion from the affected area has forced us to contact the state."[67] The combination of unsuccessful attempts to gain access to corporate resource flows, and the increased difficulties of surviving as subsistence farmers, has pushed these groups to pursue their demands with the state.

In 2012, the highland communities that were engaged in the strike in 2011 came together and created a so-called Comité de Gestión (Management Committee) through which they could pursue demands, primarily targeted at the state but also at Xstrata. Highland communities have also been the most active group in the *Frente de Defensa* (Front Defense), an organization in the district of Challhuahuacho that defends the interests of the population. In particular, it is *Frente de Defensa* that has raised broader problems regarding poverty in rural areas due to poor health care, infrastructure, and investment in agriculture. In 2013, the leaders of the highland communities traveled to Lima to negotiate directly with the Presidency of the Council of Ministers. This negotiation resulted in a compromise where the different ministries agreed to evaluate their needs and formulate new development projects in coordination with the regional government.[68] One member of these communities explained the motivations behind the demands directed toward the central government:

> As this project will benefit the entire country, there should be a presence of the state in terms of support to infrastructure, agriculture, environment, and healthcare. They should cover our needs so that we can survive. We ask the state to intervene urgently … otherwise we will have many reasons to engage in protests.[69]

The quotation illustrates how the excluded groups critically evaluate opportunities and constraints posed by the presence of a mining corporation and, in doing so, have developed new tactics. They have discovered that threats to paralyze the mining project could be used to access the state.

The federation has, from the beginning, used this strategy to put pressure on the government to provide basic services in the province. However, it seems the unsuccessful demand-making and struggles with the corporation have contributed to strategic learning within the highland communities. While aware that they are not entitled to compensation, communities still employ threats against the Xstrata to gain access to state institutions from which they would otherwise be excluded. These groups have thereby, over time, developed new tactics to pursue their demands. Still, until now, these attempts to organize and pursue claims have tended to reproduce earlier patterns of uncoordinated claim-making that is weakly rooted in broader development planning.

Xstrata has supported the communities' efforts by developing technical project profiles, which are required when using the state's institutionalized channels of demand-making.[70] Xstrata has, in that way, actively supported these groups to put pressure on the state to assume its basic responsibilities in areas where the corporation will not provide those services.

That the government takes the highland communities' demands into account is related to the threat they pose to the mining project, which (in turn) illustrates the unevenness of state-provided basic services. For these groups, the mining project has provided a venue for an increased presence of the state as a provider of basic services, which potentially could contribute to the alleviation of their poverty. However, until today, the government has, in a manner similar to Xstrata, only sporadically offered minor investments in the highland communities in response to strong social pressure, rather than acting according to a redistributive, rights-based logic that would contribute to sustainable economic and social development in the area.

In summary, then, the highland communities' exclusion from the benefits of corporate investments has left them involved in particularistic

demand-making. This explains how, in contrast to the more fragmented directly affected communities, they have been able to maintain and even scale up their mobilization structures. They are less internally divided and, to a greater extent, have maintained their role in organizing agricultural production. Hence, in organizational terms, they are stronger, but by lacking control over land resources it is still difficult for the highland communities to exert pressure on Xstrata.

Fragmented Demands for Services and Scope for Influence

In the previous sections, I analyzed the bilateral relations between Xstrata and three groups of communities: Fuerabamba, the other directly affected communities and, finally, the highland communities. While these different groups were unified in their struggles against the state's administration of the social fund, they have not identified common interests in relation to Xstrata. The communities have instead adapted to the stakeholder logic and struggled to establish separate, bilateral links with Xstrata. Consequently, over the years, these different groups have maintained and even reinforced their fragmentation—with the exception of the highland communities that have maintained some cohesion. However, unlike the federation—which, between 2003 and 2009, unified peasant communities at a provincial level through several strikes—the current collaboration between the highland communities involves only a small fraction of the peasantry in the province. As Fuerabamba and, to a somewhat lesser extent, the other directly affected communities have the largest capacity to influence the corporation by threatening to withdraw their land, the federation's bargaining leverage has been significantly weakened by not representing these groups. In the Rio Blanco-case, the government and the corporation were obliged to take the regional organization FDSFNP into account, as the two directly affected communities refused to participate in any negotiations.

Moreover, in comparison to the federation's initial ambition to address the broader collective interests of the peasantry, the highland communities' current attempts to have the state invest in social services are disconnected from broader and long-term development planning. Bilateral corporate governance strategies have thus affected the communities' capacity to influence the mining project in different ways. These strategies have opened the way for some (albeit limited) access to a powerful actor

as well as new opportunities to obtain access to social investments and employment. As increased social investments have been, from the beginning, the primary demand of community organizations, some groups have succeeded in affecting the resource flows of the corporation.

At the same time, the bilateral strategies for distributing social investments tend to make it more difficult for the emergence of strong organizations that could be partners in the broader processes of development planning. These strategies have reinforced the pre-existing fragmentation and widespread distrust among communities in the district of Challhuahuacho. As Fox (1996: 1091) argues, community organizations are particularly vulnerable to "divide and conquer" efforts from above, and it is therefore particularly important for these groups to scale up their organizational structures. In coming years, the project will start operating and royalties will be distributed to local governments. To take advantage of this unique development opportunity, strong organizations will be crucial to represent peasant communities in development planning and ensure local governments are held accountable. In the face of this challenge, the current widespread distrust and fragmentation of community organizations is problematic.

Conclusion

This chapter set out to analyze how the bilateral corporate governance strategies affected community mobilization and scope for influence. Moreover, the chapter examined the types of organizational structures and resources that are most important for communities to pursue their demands. Xstrata has used a bilateral strategy in negotiating with separate peasant communities and to a large extent has bypassed the peasant federation that sought to assume the representation of all communities in the district. This governance strategy opened opportunities for the community that controlled the land on the project site to negotiate for compensation. The narrow definition of the impact zone, however, gave most communities limited or no access to compensation. The empirical analysis analyzed three categories of communities, each of which established different relationships and employed various strategies in pursuing their demands of the corporation. First, the relationship between Fuerabamba and Xstrata was characterized by strategic collaboration, as the community could use control over land to negotiate a relatively beneficial agreement with Xstrata. However, in organizational terms the community remained

relatively weak as it became increasingly isolated from other peasant organizations and NGOs. Second, the relationship between the other directly affected communities and Xstrata was characterized by clientelistic dynamics. These communities could, as an example, impose economic costs on Xstrata by blocking roads and in that way increase their bargaining leverage. The effectiveness of such strategies was, however, undermined by the communities' isolation from other peasant organizations. At the same time, these kinds of clientelistic ties seem to be relatively unstable and subject to constant renegotiation. Finally, the highland communities to a large extent have been excluded from benefits and close interactions with Xstrata. Their organizational structures have, thereby, been less affected by the divisive effects of the corporate strategies, and, to a great degree, they have been able to maintain organizational structures above community level. Still, these organizational structures have been relatively weak, and, without the support of directly affected communities that could use their control over land resources, these communities have found it difficult to exert pressure on Xstrata and sustain their struggle over time.

In summary, the different types of communities, over the years, have undergone a process of political learning and developed hybrid tactics based on a combination of negotiations and protests in pursuing their demands—both in relation to Xstrata and also the state. In the process, they have increased their influence over the resource flows related to the mining project. Influence, to a large extent, has been limited to the negotiation of social investments. More importantly, though, these forms of influence seem to have come at the cost of a fragmentation of collective interests and broader coalitions for pursuing redistributive demands. These strategies have generated disjointed, isolated forms of community mobilization, which may enable access to compensation but do not contribute to the communities' political and economic marginalization in any significant way. These forms of community mobilization, then, only constitute minor threats to corporate interests. In that sense, the outcome of corporate governance strategies seems to contribute to maintaining the status quo by keeping conflicts as isolated as possible.

Notes

1. Xstrata 2005: 10.
2. Ombudsman 2009: 11.
3. Grupo Asesor Independiente 2007: 25.

4. Interview 42, May 14, 2014.
5. Xstrata Copper 2010: 25.
6. As noted in the Environmental Impact Assessment (EIA) report, the potential impacts are major in eight of the communities, whereas in the other ten, impacts are minor (Xstrata 2010: 25). While the directly and indirectly affected communities are defined in the EIA report, the ring categories do not appear in these documents. However, in interviews and daily conversations, community members as well as employees of Xstrata often refer to the different rings. Employees at Xstrata also explained in interviews how the boundaries of the rings were drawn (see interviews with an anonymous employee at Xstrata, March 23, 2011; Livio Palizo, March 28, 2011; and Valentin Choquenaira, June 12, 2013). The differences between these categorizations are important as a lack of clarity opens up contestations.
7. Fuerabamba and Xstrata, 2010.
8. Interview 30, March 18, 2011.
9. Ibid.
10. Interview June 11, 2013. Angel Villafuerte's involvement in the community is interesting. He was originally a journalist who worked for Proinversión during the information campaign. However, he married a woman from the community and thereby became a community member entitled to the compensations of Xstrata. Unmarried women from Fuerabamba, despite being poor and indigenous, are considered attractive for marriage in Challhuahuacho, which is unusual in a context of strong ethnic and economic discriminatory structures.
11. Interview with Alejandro Camino, director of the community relations team, 2006–2008, June 10, 2013.
12. Interview with Armando Bareto, the advisor of Fuerabamba during the negotiation phase, March 11, 2011.
13. Interview with Angel Villafuerte, June 11, 2013, and Armando Bareto, March 11, 2011.
14. There is no information on the level of monetary compensation, but by the time I arrived in the community in 2013, the majority of community members had acquired four-wheel drive vehicles, which suggests that the compensations were relatively significant.
15. Xstrata and Fuerabamba 2010.
16. They have formalized their land rights and the number of communal assemblies has increased. A small number of committees within the community have also emerged to represent subgroups' interests in relation to Xstrata.
17. Interview with Angel Villafuerte, June 11, 2013, and Victor Limaypuma, March 13, 2011.

18. Interview 26 with a former community leader of Choccequa, April 2, 2011.
19. Interview 24 with a community leader of Fuerabamba, March 24, 2011; Armando Bareto, March 11, 2011; Angel Villafuerte, June 11, 2013. Hector Gallego, an employee of the municipality, tells that each time the municipality calls for participatory budget meetings, the representative of Fuerabamba does not attend (Interview, March 31, 2011).
20. See interview 24 with a community leader, March 24, 2011, and interview 30, with another community leaders, March 18, 2011.
21. Interview 30, March 18, 2011.
22. See, for instance, interview 24, March 24, 2011, and Angel Villafuerte, June 11, 2013.
23. Interview 2, March 18, 2011.
24. In 2009, Minera Yanacocha, for instance, invested 20 percent of the total sum of social investments made by mining corporations in Peru. Xstrata came at the second place, with 7 percent of the total social investments (Instituto de Ingenieros de Minas del Perú 2010: 82).
25. Ombudsman 2007, 2008a.
26. Interview with Victor Limaypuma, June 9, 2013.
27. Interview with Timoteo Andrade, March 26, 2011, and Valentin Roquerata, June 7, 2013.
28. See interviews with leaders in different communities: Interview 1, March 19, 2011; 26, April 2, 2011; 40, May 12, 2014; 42, May 14, 2014; and 45, March 14, 2011; and Hector Gallego, March 31, 2011.
29. Interview, June 9, 2013.
30. Ombudsman 2008b.
31. Ombudsman 2008c.
32. Interview with Angel Villafuerte, March 18, 2011.
33. The teachers, initially, played an important role in advising community leaders. Fifty percent of the teachers in Fuerabamba were employed by Xstrata. In the negotiation phase, the former vice president of the region, Armando Bareto (who, from the beginning, had promoted the project and at times had been employed by Xstrata), was hired by the community to give advice.
34. Interview with Ricardo Sime, the employee at MEM in Challhuahuacho, February 9, 2011.
35. Interview with Valentin Choquenaira, June 12, 2013.
36. Xstrata 2010: 25.
37. Interview 26, April 2, 2011.
38. To illustrate, here are a few typical quotes: Marco Puma, mayor of the highland communities, claims: “We are struggling to be recognized as directly affected area” (March 22, 2011). Another community leader

claims: "We sold our land so we have demanded to be considered as directly affected. Not as the first ring, but the second ring as we sold our land. It took a year until they recognized us. It was a bit difficult" (Interview 14, June 12, 2013).

39. Interview with Chrisaldo Quispe, employee at the NGO Bartolomé de las Casas, June 20, 2013, and Juan de Dios, employee at the NGO Bartolomé de las Casas, June 25, 2013.
40. See, for instance, interview 16 with a former leader of Choaquere, June 2, 2013. Other interviewees confirm this description. In other communities, members are permanently employed by Xstrata while working with different projects. These individuals often function as mediators between the community and Xstrata. See, for instance, interview 26 with a former community leader of Choccequa, April 2, 2011, and Victor Limaypuma, former leader of the provincial peasant federation, March 13, 2011.
41. Interview with an anonymous former employee at Xstrata's community relations team, June 18, 2013.
42. Interview, June 9, 2013.
43. In various communities, Xstrata has constructed a study center with one employee, tree plantations, and minor projects, such as breeding of trout or guinea pigs.
44. Interview 39, March 12, 2011. See also interview with Dario Cruz, governor in Challhuahuacho, who argued: "If you don't scream you do not get anything" (May 28, 2013). A community member of Carmen Alto explained their strategy for getting support: "We have to threaten them with protests, otherwise Xstrata do not accept our demands" (Interview 47, May 11, 2014).
45. Interview 25, June 8, 2013.
46. Interview, June 9, 2013. See also interviews 16, June 2, 2013; 38, April 2, 2011; and 44, March 26, 2011, with community members from Chila and Choaquere.
47. See, for instance, interview with Crisaldo Quispe, employee at the NGO Bartolomeo de las Casas, June 20, 2013.
48. See, for instance, interviews 14, June 12, 2013, and 37, June 6, 2013, with community leaders of Choaquere.
49. Interview with Crisaldo Quispe, June 20, 2013.
50. See interviews 1, March 19, 2011; 24, March 24, 2011; 25, June 8, 2013; and 38, April 2, 2011, with community members and leaders. See also interviews with Wilma Tumpe, employee at the NGO Bartolomé de las Casas, June 4, 2013, and Hector Gallego, employee at the municipality of Challhuahuacho, March 31, 2011.
51. See, for instance, interviews 38, April 2, 2011; 40, May 12, 2013; and 44, March 26, 2011, with community members and leaders in Chila and Carmen Alto.

52. Interview with Chrisaldo Quispe, employee at the NGO Bartolomé de las Casas and an anonymous former employee of the community relations team, June 14, 2013.
53. Interview, June 9, 2013.
54. See, for instance, interviews 40, May 12, 2013, and 45, March 14, 2011, with two community leaders in Pamputa and Carmen Alto.
55. Interview 37, June 6, 2013.
56. Xstrata, 2010: 25.
57. In most cases, smaller agricultural projects such as a tree plantation, agricultural training courses, and/or support for breeding animals.
58. Interview 6, with a member of one of the highland communities, June 9, 2013.
59. See also interview 6, June 9, 2013, and Marco Puma, mayor of the 14 highland communities, March 22, 2011. However, there is also a vagueness in the Peruvian legislation as corporations are largely responsible for defining the boundaries of affectedness (see D.S. N° 028-2008-EM).
60. See, for instance, interview with an anonymous former employee at the community relations team of Xstrata, June 18, 2013.
61. These Rondas Campesinas cannot be compared to the well-organized Rondas in northern Peru, but, still, they have constituted some kind of organizational basis that has been maintained.
62. See, for instance, interview 14 with a community leader of Choaquere, June 12, 2013.
63. Interview with Timoteo Andrade, an anonymous former employee at community relations in Xstrata, June 14, 2013.
64. Interview with Angel Villafuerte, June 11, 2013.
65. See, for instance, interview 6, with a peasant leader of the highland communities, June 9, 2013.
66. The highland communities achieved forest plantations and six rotating employments per community, whereas urban groups achieved an agreement which stipulated that only local services would be used. Furthermore, Xstrata agreed to use services equally, to avoid privileging some entrepreneurs. This information was obtained through various interviews, in which interviewees from both highland and urban groups coincided in their descriptions. See, for instance, interviews 6, June 9, 2011, and 47, May 11, 2014, with peasant leaders.
67. Interview 6, June 9, 2013.
68. Presidencia del Consejo de Ministros 2013.
69. Interview 31, June 11, 2013.
70. Interview with Valentin Choquenaira, director of the Bambas project at Xstrata Copper; Edmundo Peso, teacher, trade union leader of SUTEP, March 22, 2011.

References

Bebbington, Anthony. 2012. Social conflict and Emergent Institutions: Hypotheses from Piura, Peru. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Collier, Ruth Berins, and Samuel Handlin, eds. 2009. *Reorganizing Popular Politics, Participation and the New Interest Regime in Latin America*. University Park, Pennsylvania: Pennsylvania State University Press.

Damonte, Gerardo. 2013. *Corporate Governance, Mining Funds and Territorial Development in the Peruvian Andes*. Working paper. Lima: GRADE.

Edwards, Bob, and John D. McCarty. 2004. Resources and Social Movement Mobilization. In *The Blackwell Companion to Social Movements*, ed. David A. Snow, Sarah A. Soule, and Hanspeter Kriesi. Malden: Blackwell Publishing Ltd.

Fox, Jonathan. 1996. How does Civil Society Thicken? The Political Construction of Social Capital in Rural Mexico. *World Politics* 24(6): 1089–1103.

Guzmán-Gallegos, Maria Antonieta. 2012. The Governing of Extraction, Oil Enclaves, and Indigenous Responses in the Ecuadorian Amazon. In *New Political Spaces in Latin American Resource Governance*, ed. Håvard Haarstad. New York: Palgrave Macmillan.

Horowitz, Leah S. 2011. Interpreting Industry's Impacts: Micropolitical Ecologies of Divergent Community Responses. *Development and Change* 42(6): 1379–1391.

Instituto de Ingenieros de Minas del Perú and Ministerio de Energía y Minas. 2010. *Minería Peruana: Contribución al Desarrollo Economico y Social*. Lima.

King, Brayden. 2008. A Social Movement Perspective of Stakeholder Collective Action and Influence. *Business and Society* 47(1): 21–49.

O'Faircheallaigh, Ciaran. 2017. Shaping Projects, Shaping Impacts: Community-Controlled Impact Assessments and Negotiated Agreements. *Third World Quarterly* 38(5): 1181–1197.

O'Donnell, Guillermo. 2004. Why the Rule of Law Matters. *Journal of Democracy* 15(4): 32–46.

Paredes, Maritza. 2011. Indigenous Politics and the Legacy of the Left. In *Fractured Politics – Peruvian Democracy Past and Present*, ed. John Crabtree. London: Institute for the Study of the Americas.

Simon, John G., Charles W. Powers, and Jon Gunnemann. 2004. The Responsibilities of Corporations and Their Owners. In *Ethical Theory and Business*, ed. Tom L. Beauchamp, and Norman E. Bowie, 7th ed. Upper Saddle River, NJ: Prentice Hall.

Taylor, Verta, and Nancy E. Whittier. 1992. Collective Identity in Social Movement Communities: Lesbian Feminist Mobilization. In *Frontiers in Social Movement Theory*, ed. Aldon D. Morris and Carol M. Mueller. New Haven: Yale University Press.

Valderrama, Ricardo, and Carmen Escalante. 1992. *Nosotros los Humanos*. Cusco: Centro de Estudios Regionales Andinos Bartolomé de Las Casas.

Yashar, Deborah. 2005. *Contesting Citizenship in Latin America, The Rise of Indigenous Movements and the Postliberal Challenge*. Cambridge: Cambridge University Press.

Written Primary Sources

La comunidad de Fuerabamba/Xstrata. 2010. Compendio de acuerdos entre el comite central de negociación de la comunidad de Fuerabamba y los representantes del proyecto minero Las Bambas operado por Xstrata Copper. Cotambambas, Peru.

Grupo Asesor Independiente. 2007. Informe Grupo Asesor Independiente 2005–2007.

Ombudsman. 2007. Ideas Fuerza sobre Las Bambas. Lima: Ombudsman.

———. 2008a. Caso Las Bambas. Lima: Ombudsman.

———. 2008b. Ayuda Memoria de la Entrevista con el senor Eduardo Huachaca Huilla, presidente de la comunidad de Fuerabamba-Challhuahuacho. Lima: Ombudsman.

———. 2008c. Reporte de Conflictos Sociales. Lima: Ombudsman.

———. 2009. Mapeo de Conflictos en la Provincia de Cotabambas de la Región Apurímac. Lima: Ombudsman.

Presidencia de Consejo de Ministros. 2013. Oficio No. 03335-2013.

Xstrata Copper. 2005. Informe narrativo III (Taller de relaciones comunitarias). Lima: Xstrata Copper.

———. 2010. Resumen Ejecutivo EIA Proyecto Minero Las Bambas. Lima: Xstrata Copper.

CHAPTER 7

Conclusion

This book has dealt with the phenomenon of private politics that has gained importance over the past decades. Transformations in the global political economy and neoliberal reforms mean that corporations are increasingly assuming traditional state responsibilities in relation to citizens. Corporations are providing social services and engaging in and organizing different participatory processes. Corporations are thereby creating opportunities and restrictions for citizens' involvement in political processes. This book set out from the assumption that private politics has profound implications for citizens' scope to mobilize and influence political processes as well as consequences for democracy in general.

While the increasing role of private politics is a worldwide trend, for several reasons, it is reflected particularly clearly in mining, oil, and gas localities in the global south. First, mineral extraction requires access to land and water resources that are often the basis of the livelihood of local communities. Because of these far-reaching impacts, mining often generates disputes with those groups. Second, just as mining is often prone to conflicts, so too are mining corporations vulnerable to protests. Corporations need access to the land controlled by local communities. Mining projects also require heavy investments in infrastructure and therefore cannot easily be relocated if corporations fail to achieve the acceptance of local communities (Steinberg 2015: 6). Corporations are strategic actors whose primary interest to maximize profit, and in the case of extractive industries

© The Author(s) 2018

M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6_7

they have a strong incentive to avoid conflicts with local communities that constitute a threat to their operations. Finally, minerals are often extracted in remote areas where institutions are weak. The implementation of formal regulations and the quality of state-led dispute settlement mechanisms are therefore often poor. Competing interests and social demands are consequently often regulated through direct confrontations or negotiations between corporations and local communities. The cumulative effects of these different factors result in private politics playing a particularly prominent role in mining localities, made harder by the complicated and contentious nature of these relationships.

This book shows that there is a substantial variance in the patterns and consequences of corporate-community relations. These relationships may generate conflicts that allow previously marginalized groups to gain political prominence and negotiation skills. However, these relations can also involve violations of rights, reinforce clientelistic dynamics, and contribute to undermining collective action and communities' scope for influence. There has been a tendency in previous research on private politics within the mining industry to focus on conflict-ridden corporate-community relations and simplify the more collaborative relations in terms of clientelism. This book contributes to the research field by accounting for and developing an explanation of the causes and consequences of this variance. More specifically, it examines relations characterized by *confrontations*, *clientelism*, *demobilization*, and *strategic collaboration* and how they affect mobilization processes and scope for influence in fundamentally different ways. The book argues that, besides community organizations' interests, it is necessary to investigate the power dynamics that characterize different types of relations.

In this concluding chapter, I wrap up the study by discussing the empirical findings and assessing the general theoretical implications of these findings by referring to broader debates on political influence and democratic deepening. In the first section, I review my core argument regarding how capacity for collective action, corporate governance strategies, and state institutions shape the power dynamics of corporate-community relations. I assess the implications of this argument in relation to previous research on private politics in the extractive industries in Latin America and elsewhere in the global south. In the second section, I elaborate upon the typology of corporate-community relations. Based on the empirical findings, I discuss the patterns, causes, and consequences in terms of mobilization processes and scope for influence of these different types of relations. Finally, in the third section, I discuss the implications of private politics for democratic deepening.

Reviewing the Argument and Its Implications for Previous Research

The core argument of this book is that the variation of corporate-community relations hinges on the power dynamics between peasant organizations, corporations, and state institutions. The introductory chapter developed theoretical arguments as to how communities' capacities for collective action, corporate governance strategies, and intervention by state institutions contributed in different ways to reinforce or reduce power asymmetries and thus produce various types of corporate-community relations. Guided by this framework, the empirical chapters have developed an analysis that took a broad multi-actor perspective and accounted for the power resources and strategies employed by these different actors. Given the tendency in the existing literature to describe corporations and states monolithically, it is important to pay careful attention to the motivations and actions of these actors. The empirical analysis in Chaps. 3–6 provided empirical evidence that these three factors were of critical importance in shaping mobilization processes and scope for influence. However, while the empirical analysis showed that these factors were important, it also explained that their relative importance differed from case to case and that they inhibited or enabled, rather than directly caused, patterns of mobilization and scope for influence. In this section, I will review each factor and situate them in the broader context of previous research on corporate-community relations in extractive industries—primarily in Latin America, but also in other contexts where institutions are weak.

Corporate Governance Strategies

As I argued in the Introduction, corporate governance strategies could inhibit as well as enable community mobilization and scope for influence. More specifically, I distinguished between dialogue processes and multi-stakeholder negotiations with potentially positive effects and bilateral negotiations and clientelistic strategies with primarily negative effects. The empirical analysis in Chaps. 3–6 showed how both corporations developed individual networks of bilateral relations with a range of groups that were offered compensation for the negative impacts of each project. In both the Rio Blanco and the Bambas cases, the corporations primarily interacted with minor groups or community organizations, while bypassing organizations representing a larger constituency. To a large extent, this finding coincides with other studies on corporate-community relations in the extractive sec-

tor. This literature generally suggests that, even though corporations have improved their strategies for negotiating with local communities (Sagebien and Lindsay 2011; Bebbington et al. 2013: 43) and may often adapt their strategies to local conditions (Dougherty and Olsen 2014), corporations primarily engage with and contribute to short-term development for minor groups (Jones Luong 2014: 63–64). Several scholars discuss these bilateral dynamics in terms of clientelism and thus emphasize their negative impacts in terms of coalition building and scope for influence (Bebbington 2010; Cheshire 2010; Rajak 2008; Smith and Dorward 2014). While the empirical analysis confirms the predominance of bilateral dynamics, with negative impacts on community mobilization and scope for influence, it also shows that there is a great variety in the patterns and consequences of bilateral dynamics. There is, for instance, a considerable difference between the coercive clientelistic strategies employed in the Rio Blanco-case and the more negotiation-oriented dynamics in the Bambas-case. In the first case, the corporation approached the poorest and most vulnerable groups within the community, with the clear objective of creating divisions to overcome opposition to the project. These relations were thus characterized by a high degree of power asymmetry and coercion.

In the second case, some bilateral dynamics were characterized by clientelism, while others were rather illustrative of strategic collaboration. The clientelistic dynamics in the Bambas case, in comparison to Rio Blanco, were characterized by a significantly lower degree of coercion and power asymmetries. Community organizations took a more active part in initiating and shaping those relations and considered it part of their strategy to negotiate and hold the corporation accountable. The question remains whether or not this kind of strategic actor should be described as a subordinated party in a clientelistic relation. Holzer (2007) suggested that groups not formally recognized as stakeholders, but which still seek to influence the corporation, should be seen as "stakeseekers". Regardless of the concepts used for describing these groups, it is important to carefully examine the different consequences of these bilateral dynamics on political capabilities and networks. Overall, the clientelistic dynamics observed in the Bambas case undermined the communities' efforts to scale up organizational structures, but at the same time contributed to political learning.

Another important finding is that the bilateral dynamics between Fuerabamba and Xstrata, despite the absence of open protests, should not be defined as clientelistic but rather as an example of strategic collaboration. This relation is characterized by mutual dependency as the commu-

nity controls the land that the corporation needs to develop the mining project. Control over land gave the community a significant bargaining leverage and even contributed to political learning and empowerment of community members. Absence of protests is not therefore necessarily an indication of clientelistic dynamics.

Altogether, these findings suggest that not all forms of bilateral negotiations and exchanges between corporations and community organizations should not be seen as clientelistic. The findings, moreover, demonstrate that seemingly clientelistic dynamics could have very different implications for the patterns and consequences of community mobilization. In the literature on private politics in extractive industries, the concept is, unfortunately, often used in a way that conceals rather than exposes this complexity.

Capacity for Collective Action

To influence corporations, community organizations are dependent upon their capacity to engage in collective action as well as other strategies that enhance their bargaining leverage vis-à-vis the corporation (King 2008: 4; Newell 2005: 542; Damonte 2013: 15). In the Introduction, I argued that the capacity of communities for collective action was improved by (1) strong pre-existing organizational structures, (2) support of non-state actors, and (3) control of land. While the two first arguments, to a large extent, confirm the findings of previous research, less attention has been given to the way that land could be used strategically to exercise influence over corporations in this literature.

First, regarding the strength of organizational structures, the empirical analysis mostly confirmed arguments made in previous research concerning the importance of scaling up organizational structures and building alliances at the regional and national levels (Crabtree and Crabtree-Condor 2012: 54; Fox 1996: 1091; Bebbington et al. 2008). The more strongly organized Rondas Campesinas in the Rio Blanco case were in a significantly better position to defend their interests, compared to the more fragmented community organizations in the Bambas case that had more difficulties to act strategically in relation to the corporation. However, in this case the conditions were significantly more favorable; Xstrata employed a relatively inclusionary negotiation strategy, and the communities' demands did not constitute a threat to core corporate interests. These organizations would most likely have been unable to

resist the "divide and conquer" efforts that community organizations were exposed to in the Rio Blanco case.

Secondly, regarding the importance of support from non-state actors, several scholars have suggested that NGOs play an essential role in organizing and supporting isolated community organizations (Bebbington 2012: 73; Yashar 2005: 73; Paredes 2011). The empirical evidence supports those claims. However, the analysis provided some additional evidence to show how corporations and state institutions in both cases clearly perceived the presence of NGOs as threatening and employed different strategies to delegitimize and marginalize them.

Third, the strategic use of control over land has been given less attention in the existing literature on private politics in extractive industries. Within stakeholder theory, it is, however, generally accepted that control over resources attractive to the corporation is an important asset for influencing corporations (King 2008; Frooman 1999: 196). This book has provided considerable evidence of the strategic use of land to enhance community organizations' bargaining leverage in relation to corporations. The withdrawal of land constitutes a significant threat for corporations as it could delay or even force the abandonment of a project in which significant infrastructural investments have already been made. In the face of such threats, corporations have several options: to accommodate the communities' demands; suppress opposition through coercion or violence; or, as a last resort, abandon the project. As illustrated in both cases, the first and easiest option is to offer local communities compensation.

Community organizations have different opportunities and abilities to employ land strategically. The community that owns the land on which the project is sited is undoubtedly in the best position to employ this strategy and, when corporations employ inclusionary strategies such as in the Bambas-case, could obtain particularly beneficial agreements. However, as illustrated in the Rio Blanco-case, some corporations employ highly divisive, clientelistic strategies to obtain land right agreements as rapidly as possible. In the face of strong pressure, it could be very difficult for community organizations to maintain their unity and to defend their interests. Communities that do not formally control land can exert pressure on the corporation by threatening to block important transit routes. To articulate a credible threat requires a degree of organizational strength and support from a network of actors. Without this, efforts to put pressure on the corporation through temporary roadblocks are unlikely to lead to substantial influence and binding agreements. The most powerful strategy therefore

occurs when communities that control the land rights of the project site succeed in building alliances with peasant organizations at a higher organizational scale. In this way, land could prove an influential tool in negotiating agreements, with the potential to contribute to overall long-term development for larger groups. In cases where community organizations are opposed to a project, alliances with regional or national organizations are also crucial in pursuing demands more efficiently. Hence, a combination of control over land and support by intermediate peasant organizations and NGOs would seem to be the most powerful combination in strengthening community mobilization and scope for influence. At the same time, this kind of broader alliance seems very difficult to achieve since the groups that control land rights often benefit from Corporate Social Responsibility (CSR) programs, and therefore lack incentive to collaborate with other groups.

The Intervention of State Institutions

State institutions could also play an important role in creating opportunities and constraints that affect community mobilization and scope for influence. In the Introduction, I suggested that state institutions could play a particularly important role by (1) organizing efficient consultation procedures and mechanisms of dispute settlement and (2) providing basic services and ensuring the rule of law. First, regarding the organization of consultations and dispute settlement mechanisms, the empirical analysis showed that the participatory instruments, such as the information-sharing workshops and dialogue processes employed by the central government, suffered from important shortcomings in terms of both process and outcome. The central government had few incentives to enable effective participation that could otherwise threaten the economic activities of strategic economic interests. The central government therefore provided biased information, or intervened sporadically, in support of the corporation. An obvious explanation of the flaws in the consultation processes is that, until 2011, Peru had not integrated ILO Convention No. 169 into domestic law, and therefore none of the consultations organized by state institutions followed the principles of the Convention. However, the literature on prior consultations and free, prior, and informed consent (FPIC) after the consultation law was adopted—in Peru as well as in other countries—generally points to gaps between legal norms and how those processes are implemented in practice. Several studies have shown how

consultation procedures are characterized by a compensatory logic and do not allow effective participation in relation to the more profound issues of contention regarding indigenous people's rights and environmental concerns (Amparo Rodríguez 2010; Pellegrini and Arismendi 2012; Schilling-Vacaflor and Flemmer 2015). The empirical analysis thus, to a great extent, confirms observations regarding the poor quality of consultations and dispute settlement mechanisms made in previous research into extractive industries in Latin American countries (Leifsen et al. 2017a).

I have also suggested that state institutions could play an important yet indirect role by defending the rule of law and providing basic social welfare and, in that way, reducing local communities' dependency on the corporation. The empirical analysis showed that central government institutions have, instead, reinforced communities' dependency on the corporation; as an example, in the Rio Blanco case, the government allowed the corporation to violate the communities' rights without any sanctions. In both cases, state institutions provided social services in exchange for communities' acceptance of the projects. These strategies by the central government are in line with previous research regarding the way in which states often overlook violations of rights and intervene in defense of large-scale resource projects of strategic economic interest (Crabtree and Crabtree-Condor 2012; Bebbington et al. 2008: 2900).

However, this literature generally emphasizes the ways in which states intervene in defense of corporate interests and promote large-scale resource extraction projects when they will benefit from the revenues of extractive industries. This emphasis implies that states are often described monolithically, and that the ways in which different levels and sectors of the state intervene in the defense of different interests are not given sufficient attention. The Peruvian state, for instance, is often described as captured by the business community (Crabtree and Crabtree-Condor 2012: 50; Durand 2016). In contrast to the existing literature, this book has emphasized the tensions and lack of coordination between state institutions. The empirical analysis particularly identified tensions between different levels of the state. While central government institutions clearly promote mining, subnational governments could become important allies to peasant organizations in challenging the extractivist development model promoted by the central government. Coalitions with subnational governments are important as they enable peasant organizations to act from within formal political processes and, at the same time, use contentious strategies. In the Rio Blanco case, for example, the provincial and

local governments enabled community organizations to employ formal political instruments such as popular consultations and territorial planning (*Ordenamiento Territorial*) in combination with informal, contentious strategies. Some scholars have observed similar patterns in which peasant organizations have established coalitions with subnational governments (Bebbington et al. 2008) and used formal participatory instruments in innovative ways to oppose resource projects in other Latin American countries (McNeish 2017; Leifsen et al. 2017b). However, the literature on private politics would benefit further by adopting a more nuanced perspective on the state and acknowledging the complexity and current tensions that exist within the state apparatus. This study has contributed to the literature by empirically accounting for, and problematizing, the ways that state institutions intervene—creating both opportunities for, and constraints on, mobilization processes and scope for influence. Another important source of insights into the complexities of the state is the burgeoning literature on decentralization in the Andean countries. Some scholars have analyzed how subnational governments in these countries have come to challenge the economic model of the central government (Eaton 2010, 2015, 2017). Hence, a theoretical implication of this book concerns the importance of paying closer empirical attention to the tensions and complexities that exist within the state in relation to natural resource governance.

To summarize, this section has reviewed the core argument regarding the way that power dynamics between peasant organizations, corporations, and state institutions shape community mobilization and scope for influence. The implications of each of these factors were assessed in relation to previous research on private politics in the extractive industries in Latin America and elsewhere in the global south. The review has shown three ways that this book contributes to the literature. First, it demonstrates that clientelism should be used with caution when describing bilateral dynamics. It is important to provide careful empirical analysis regarding the effect these dynamics may have on political capabilities and networks. Secondly, control over land is an important asset that, if used strategically, could play an important role in enhancing peasant organizations' bargaining leverage in relation to corporations. This particularly applies if community organizations succeed in establishing coalitions with intermediate peasant organizations that pursue demands of broader, long-term local development. Finally, there is a need to provide more nuanced accounts of the tensions and complexities that exist within states. In the

following section, I will elaborate further upon how these three factors interact and ultimately result in the types of corporate-community relations that were outlined in the Introduction.

The Diverse Patterns, Causes, and Consequences of Private Politics

As discussed above, this study has contributed to prior research on private politics by examining and developing an explanation of the variety of corporate-community relations. An important point of departure is that communities define their interests in relation to mining in a variety of ways. Communities could be engaged in demands for rights or services. While demands for rights are often related to environmental concerns or perceived marginalization of communities, demands for services are related to disputes over the distribution and use of revenues from mining (Arce 2014: 50–51). Local communities' interests in relation to extractive industries thus vary widely. The book has shown that these categories of demands could in turn result in different types of corporate-community relations. In cases where communities are primarily engaged in demands for services, corporate-community relations could be characterized by clientelism or strategic collaboration. In cases where communities are primarily engaged in demands for rights, corporate-community relations could be characterized by confrontation or demobilization. This study argues that these diverging patterns are explained by the power dynamics between peasant organizations, corporations, and state institutions. In this section, I will elaborate upon the typology presented in the Introduction. Based on the empirical analysis, I will discuss *the different patterns, causes, and consequences in terms of mobilization processes and scope for influence* of these different types of corporate-community relations.

Clientelism

In the literature on corporate-community relations in the mining industry, communities' efforts to get access to CSR programs are often discussed in terms of clientelism (Bebbington 2010; Cheshire 2010; Rajak 2008; Smith and Dorward 2014). Clientelism refers to the exchange of political rights for social benefits (Fox 1997: 393); such exchanges are based on a dependency relationship between individuals with unequal access to power and resources. Important points to consider are the cir-

cumstances under which clientelism is reinforced. The empirical analysis showed that, in the Rio Blanco case, the corporation generally generated a form of coercive clientelism as a strategy to overcome opposition to the project. This is in contrast to the Bambas case, where clientelistic relations developed more as a result of CSR engagements based on a compensatory logic or what has been called "negative injunction duties" (Simon et al. 2004). As groups are affected differently by mining projects, compensations are negotiated on bilateral terms rather than through broader, multi-stakeholder processes. However, in this case, clientelistic dynamics were to great extent reinforced by demands and pressures on the part of community organizations. However, in both cases, the bilateral dynamics contributed to reinforce a rent-seeking behavior, which generated disagreements within and between organizations. Therefore, in cases where these dynamics predominate, it becomes more difficult to identify common interests and build broader political coalitions. Clientelism is, in that way, associated with fragmented mobilization patterns that could enable individuals or minor groups to access corporate resources, but at the same time contributes to reinforce existing power asymmetries and the status quo. In both cases, groups that lacked support from non-state actors, without control over land that was important for the corporation, and were weakly organized, were particularly vulnerable to clientelistic dynamics.

However, the empirical analysis also showed that the degree of dependency of these relations could vary. The provision of social services and information by state institutions or NGOs is particularly important as it could decrease the communities' dependency on the corporation, and also in turn reduce the negative consequences on community mobilization and scope for influence. As Hilgers (2009: 21) argues, when the subordinated party has access to various donors, power asymmetries are reduced; clientelistic dynamics may even increase transparency and accountability and contribute to the empowerment of marginalized groups in otherwise exclusionary political institutions. As illustrated in the Bambas case, over time the directly affected communities developed a strategic capacity and learned how to adjust their strategies to enhance their bargaining leverage in relation to the corporation. They frequently used a combination of protests and negotiations to put pressure on the corporation. This suggests that pervasive bonds of loyalty and dependency did not prevent these groups from acting strategically and constantly seeking to renegotiate agreements with the corporation. This also illustrates the unstable

nature of these dynamics. Protests by minor groups that do not threaten key corporate interests are considered a legitimate part of the dynamics of corporate-community relations. Hence, dynamics characterized by lower degrees of dependency, by granting access to powerful actors, could enable peasant communities to gain negotiation skills and pursue their demands. This opens the possibility that clientelistic dynamics could have some positive implications for the political participation of community members. Still, even though clientelism could benefit minor groups and individuals, these dynamics generally have negative impacts on these groups' abilities to build broader political coalitions and pursue demands for necessary institutional reforms. One such example could be increased taxation on mining corporations. Overall, clientelistic corporate-community relations thus contribute to stabilize and legitimize exclusionary power relations and the status quo.

Strategic Collaboration

Peasant organizations' engagements in demand for services can also generate strategic collaborations. In these relations, peasant organizations become involved in negotiations, partnerships, or multi-stakeholder processes where they are able to influence the outcome. Individual communities, as well as intermediate peasant organizations, could become involved in these relations. Strategic collaboration at the community level was developed in the Bambas-case. What distinguishes these relations from clientelism is that the parties are mutually dependent upon each other, which offers a degree of influence. When strategic collaborations involve intermediate organizations and subnational governments, they often take the form of multi-stakeholder processes. There are several examples of the more progressive mining corporations making an effort to overcome short-term, bilateral engagements with local communities and engaging in more long-term multi-stakeholder dialogues involving representatives from civil society organizations and subnational governments.[1] An important difference between strategic collaboration at the community level and multi-stakeholder processes is that, while the first are closely linked to negotiations of compensation for negative impacts, the second is more focused upon broader issues related to corporations' contributions to local development. Hence, while strategic collaboration at the community level is intrinsically linked to "negative injunction duties", multi-stakeholder processes are related to "affirmative duties" that are activities

aimed at contributing to social good in a more general sense (see Simon et al. 2004).

An important question is under what circumstances strategic collaborations can be achieved. This study has showed that strategic collaborations are developed in contexts where power asymmetries are reduced, for several reasons. At the community level, control over land is often a crucial tool for establishing bargaining leverage in relation to the corporation. However, to use their control over land in a strategic way, communities also need access to information and negotiation skills. In cases like the Bambas project, the corporation employed a dialogue-oriented strategy that enabled Fuerabamba to develop this capacity over time. However, in cases such as the Rio Blanco project, where the corporation employed manipulation and provided biased information for the rapid advancement of the project, it could be very difficult for a community to establish such a relation without strong support from external actors. However, even in cases where such support exists, corporate strategies based on coercion and manipulation tend to generate polarizations and clientelistic dynamics which often obstruct later efforts to establish dialogues and strategic collaborations.

To establish strategic collaborations between intermediate organizations, and put pressure on the company to engage in multi-stakeholder dialogues, communities will most likely require control over land in combination with strong organizational structures and support by subnational governments and/or non-state actors. Moreover, a corporate culture of dialogue and social responsibility is also an important contributing factor. An important dilemma here, as observed in the Bambas-case, is the strategic collaboration at the community level. While this was highly beneficial for Fuerabamba, such collaboration could make it difficult to develop political coalitions and pursue demands rooted in broader collective interests related to provincial development. Guzmán-Gallegos (2012) has noted a similar dilemma in Ecuadorian oil communities. This is an important observation as it is crucial to scale up strategic collaborations to ensure mining corporations' contributions to broader, long-term development.

Finally, what are the consequences of strategic collaboration in terms of mobilization processes and scope for influence? At the community level, these relations could contribute to empowerment and political learning and enable communities to negotiate beneficial agreements, while multi-stakeholder dialogues could contribute to the creation of arenas where mining corporations' developmental contributions are connected to

more institutionalized development planning processes at the subnational level. In cases where strategic collaborations could be achieved, there is undoubtedly the potential to open new and more transparent participatory spheres for the negotiation of resource allocation. However, these arenas are likely to produce development concepts centered on natural resource extraction, most probably at the cost of other visions of territorial development. A precondition for the establishment of strategic collaboration is therefore that no strong political force exists promoting development that is incompatible with the expansion of mining.

Confrontation

Peasant organizations' engagements in demands for rights, often aimed at stopping mining projects because of environmental concerns or perceived marginalization of communities, could generate confrontational mobilization patterns. In confrontational corporate-community relations, peasant organizations have the capacity to engage in a sustained transformatory struggle over time to pursue demands that are incompatible with corporate interests of advancing the project. In doing so, peasant organizations often employ a combination of contentious strategies, such as strikes and roadblocks, with more institutionalized forms of political participation and negotiation with key state institutions. As occurred in the Rio Blanco project, peasant organizations employed a combination of direct confrontations with the corporation with formal instruments such as popular consultations and territorial planning, using innovative ways to pursue their demands.

So under what circumstances do peasant organizations have the capacity to sustain a transformatory struggle over time? For communities to do this, and employ these different strategies, is likely to be very demanding and requires significant resources, political skills, and access to information. Community organizations are, therefore, likely to be dependent upon the support of a broad network of actors that can offer support, information, and monetary resources. Intermediate peasant organizations, NGOs, and/or subnational governments therefore play important roles in these processes. As was seen in the Rio Blanco case, the capacity of community organizations to scale up organizational structures, in combination with the support from a broad network of actors, contributes in important ways to the enhancement of their capacity to sustain and develop their struggle against the mining corporation over time. Particularly significant

in this case was the support of subnational governments that opened up the opportunity of employing formal instruments.

Confrontational corporate-community relations could have various consequences for peasant organizations in terms of scope for influence. The engagement in these struggles could consolidate organizations and strengthen connections between the groups involved in similar conflicts. In the Rio Blanco project, for instance, the struggle contributed by connecting local communities with groups involved in the Tambogrande conflicts as well as with the Rondas Campesinas in the region of Cajamarca. In that way, these conflicts facilitated scaling up organizational structures and building broader political coalitions with groups having similar goals. However, engaging in those struggles also requires that communities are unified in the way they define their interests in relation to the mining projects. Communities are often heterogeneous and composed of diverse groups which define their individual interests differently. To engage in confrontational struggles, community organizations must be unified and overcome internal differences. As shown in the Rio Blanco case, coercive strategies were occasionally employed to maintain organizational unity. These strategies created divisions and distrust within the community as some groups had already established close links with the corporation. At the same time, if community organizations succeed in establishing significant bargaining leverage, then confrontational mobilizations could result in the suspension of a project or significant changes in project design to secure the protection of communities' rights and/or the environment. Besides the Rio Blanco project, several other mining projects, such as Tambogrande, Cerro Quilish, Tia Maria, and Conga, have been suspended due to the forceful opposition of local communities.

Demobilization

As discussed above, to engage in a transformatory struggle for demands related to rights could be very challenging for isolated community organizations. Communities that lack the ability to sustain collective action over time therefore easily become demobilized. These types of corporate-community relations are thus characterized by temporary protests in pursuing transformatory demands. Through contentious strategies such as strikes and roadblocks, community organizations could open a bargaining space, even though they lack the capacity to persist in demand-making over time. The peasant federation's attempts to increase its influence over

the social fund, as well as efforts to scale up organizational structures in the Bambas case, could be seen as an example of demobilization.

Community organizations often become demobilized because of power asymmetries which make it difficult to sustain the collective action behind transformatory goals. Important factors that reinforce power asymmetries are weak organizational structures and lack of support from a network of non-state actors and state institutions. Clientelistic corporate governance strategies could also create divisions and contribute to undermine mobilization efforts. In the Bambas project, for instance, the establishment of bilateral corporate-community relations generated fragmentation and made it difficult for the peasant federation to unify community organizations behind a common agenda. State institutions can also raise barriers for collective action—directly by offering biased information and indirectly by not providing basic social services and thereby increasing the communities' dependency upon the corporation and mining revenues.

Demobilization is in general associated with limited scope for influence. Temporary protests could enable peasant organizations to exert pressure on corporations to make concessions and reach beneficial agreements. However, given their limited bargaining leverage, they are only likely to be able to pursue demands that are compatible with corporate interests. Hence, they could perhaps renegotiate the distribution of CSR programs or mining revenues, while the scope for influence to negotiate significant changes in the project design—ensuring the protection of the environment and/or communities' rights—may be close to non-existent. Peasant organizations could thus abandon more ambitious, transformatory goals and settle for establishing agreements that do not constitute a challenge to key corporate interests. What is clear, though, is that peasant organizations could also use threats to stop a project by referring to transformatory goals as a strategy for opening bargaining leverage, and in turn pursuing demands related to services. These cases, however, should not be considered examples of demobilization as peasant organizations have not given up the core goals that motivated the collective action in the first place. Hence, overall, demobilization is associated with temporary protests that result in limited influence in relation to the goals that initially motivated communities to engage in collective action.

Overview over links between corporate-community relations and mobilization processes and scope for influence

Types of corporate-community relations	*Mobilization processes and scope for influence*		
	Patterns	*Causes*	*Consequences*
Clientelism	Fragmented protests Particularistic, short-term demands for services	Weak organizational structures Dependency on the corporation Bilateral, corporate governance strategies	Could result in political learning Undermining broader coalitions Limited influence over resource flows
Strategic collaboration	Demands for services *Community level*: participatory negotiations *Intermediate org.*: partnerships or multi-stakeholder processes	*Community level*: control over land *Intermediate org.*: control over land, support of non-state actors and subnational actors. Dialogue-oriented corporate gov. strategies	*Community level*: empowerment, political learning, and beneficial agreements *Intermediate org.*: arenas for ensuring mining's contribution to long-term sustainable development
Demobilization	Temporary protests for transformatory goals	Weak organizational structures. Lack of support of non-state actors and state institutions	Organizational fragmentation Limited influence over issues that do not constitute a threat to core corporate interests
Confrontation	Sustained collective action for transformatory goals often combining a variety of contentious strategies and institutionalized political participation	Strong organizational structures, support by the part of non-state actors and subnational governments	Broader political coalitions Suspension of projects or significant changes in project design

Private Politics and Democratic Deepening

The overarching research problem addressed by this book is consideration of the way that communities' mobilization and scope of influence is affected by their interactions with corporations. Corporations' responsibilities for basic state functions in relation to peasant communities reflect the growing power of corporations. While corporations provide some groups with basic services in an efficient and accessible way, these relationships have also contributed to a reinforcement of apolitical and fragmented interests and forms of demand-making that are disconnected from democratic rights. An important question is therefore how private politics affect broader processes of democratic deepening in Peru and elsewhere in Latin America. Several researchers have argued that even though most countries in the region are formal democracies, there are still important challenges that prevent the introduction of more substantial forms of democracy. Existing political systems are still exclusionary and exhibit serious shortcomings when it comes to the ability of marginalized groups to exercise their rights and influence political decisions which have the potential to seriously impact their livelihoods (O'Donnell 2010: 165; Garretón 2001; Oxhorn 2011; Grugel and Bishop 2013).

A fundamental issue is the way that democracy is affected by the regulation of conflicting interests outside the formal political arena. This is also linked to O'Donnell's (2004: 41; 2010: 165) arguments regarding the expansion of so-called brown areas in which informal practices and authoritarian mechanisms can persist. The empirical analysis has shown how the political opportunities within the Peruvian state reinforce these "brown areas" of corporate power by transferring responsibility from the state to private companies for citizens' basic entitlements. Social conflicts are thus increasingly resolved in the private arena rather than through state mediation. Mining corporations seek to legitimize their presence by demonstrating their positive contributions to local development. As also noted by Jones Luong (2012: 58), they often provide services and goods of a better quality than many weak states. Corporations' legitimacy is, in that way, intrinsically linked to their capacity to contribute to concrete development outcomes. This sort of legitimacy is related to a problem-solving capacity and effectiveness rather than democratic procedures and accountability. While democratic legitimacy stems from a procedural logic related to the transparency, inclusiveness, and accountability of the decision-making procedure, output legitimacy is related to "the capacity to solve

problems requiring collective solutions" (Scharpf 1999: 11). Parallels can be drawn with literature on public-private partnerships (see, for instance, Bexell and Mörth 2010; Mörth 2009) that have shown the legitimacy of partnerships to be outcome-oriented while democratic accountability is often weak. It is also important to acknowledge that tensions could arise between these two sources of legitimacy. At times, the argument is made that an issue may be so urgent or problematic that an effective solution is worthwhile even if it can only be reached by compromising democratic procedures and accountability. Such arguments were recurrent in relation to the social fund in the Bambas case, where efficiency has provided a powerful argument to legitimize the transfer of responsibilities to private corporations. In the Bambas case, local struggles reinforced discursive framings where corporations were associated with *efficiency* and *accessibility*, while state institutions were linked to *corruption* and *exclusion*. These framings have delegitimized state institutions and emphasized the importance of problem-solving capacity rather than democratic accountability. The weakening of the state in areas where those institutions are already fragile could even constitute a risk for the sustainability of democracy. As Garretón (1999: 67) argues, if problems of government, citizenship, and institutionalization of conflicts and demands are increasingly resolved by de facto powers outside the regime, then the relevance of democracy is undermined. Consequently, if private power dynamics become predominant in mining localities, this could contribute to the dilution of democracy from below.

However, mining is key to Peru's economic growth, and the unusual capacity of peasant communities to disrupt central economic activities would, at least theoretically, enable them to renegotiate rights and gain influence over mining policies, as well as other macro-economic policies. Whether private power dynamics are reinforced, or institutional reforms are implemented, is ultimately a question of power relations between peasant communities and transnational corporations. In Peru, to a large extent the state has been captured by business interests (Crabtree and Crabtree-Condor 2012: 50). Mobilization processes are therefore essential for peasant communities—as well as other marginalized groups—to expand their scope of influence over policy-making processes. However, fragmented community organizations must identify collective interests and establish broader political coalitions if they are to engage in struggles for the expansion of rights and deepening of democracy. In the context of weak pre-existing civil society organizations, the promotion of apolitical identities

and organizations by corporations tends to block those processes from the local level. For marginalized groups, broader collective identities and representative organizations constitute the primary sources of political power. Their weakening prevents marginalized groups from participating in wider political struggles that could otherwise allow them to contest their systematic subordination and produce change.

Bebbington (2010) has, in a similar vein, argued that CSR programs have negative impacts on communities' capacities for collective action, which in turn means that there is no societal pressure for the introduction of institutional reforms that would enable communities to influence mining projects. This study confirms, and provides for evidence for, Bebbington's argument regarding the links between conflicts and institutional reform. However, it also suggests that pressures for institutional reforms related to more efficient forms of corporate social investments could emerge because of strategic collaborations between intermediate peasant organizations, subnational governments, and corporations. It is important to acknowledge, too, that the expansion of mining constitutes both a threat and an opportunity for communities and could, therefore, facilitate the identification of common interests and provide incentives to organize. In Peru, given the fragmented nature of civil society organizations above the community level, this is challenging. As was the case with some of the communities in the Bambas project, isolated grassroots organizations without any other means to put pressure on the corporation could easily become involved in clientelistic dynamics, which leads to further fragmentation. In cases such as Rio Blanco, where preconditions are more favorable in terms of peasant organizations' ability to engage in collective action, the empirical analysis also demonstrated that corporate-community relations created divisions within community organizations at the same time as coalitions were developed with intermediate peasant organizations and subnational governments. These coalitions were essential for translating and linking local concrete demands into broader proposals for subordinating macro-economic policies to a democratic process.

In that sense, depending upon the power balance between communities, corporations, and the state, the local struggles surrounding mining projects could either deepen democracy or reinforce informal power dynamics that tend to undermine the relevance of democracy in resolving the most urgent community problems.

A recurrent theme in the different struggles analyzed in this study is not only the relevance but also the reach of democracy. Governments and corporations seek to define natural resource extraction as an economic and administrative issue and relations between corporations and peasant communities as private negotiations. These discourses and strategies reduce and conceal competing interests between different groups in relation to various development models. Maintaining this division is therefore in the interests of powerful groups. At the same time, some peasant communities—as well as other actors within civil society—seek to make visible and contest the exclusionary nature of macro-economic decision-making processes. Through these contestations, development policies become politicized which, in turn, legitimize demands to expand the reach of democracy by subordinating the sector to democratic decision-making procedures. The territorial planning processes and the popular consultation in the Rio Blanco case are examples of such attempts. In that sense, struggles surrounding the mining industry are intrinsically linked to, and affect the reach of, democracy by contributing to an expansion or shrinkage of the political space.

Finally, perhaps the most important implication of this study is an understanding of the impossibility for peasant communities to mobilize and influence politics, without taking account of the multiple interactions and struggles that take place in the "private" sphere. There is, however, still a need to develop theoretical concepts as well as undertake further empirical research on new cases, in other Latin American countries, to address the way corporations' engagement in state responsibilities affects not only mobilization processes but also the expansion of rights, development of political representation, and influence of different marginalized groups. These are all fundamental aspects in developing the current Latin American political system into more substantial democracies, where citizens have both rights and power to influence matters that can significantly impact their lives.

Notes

1. The Antamina mining company, well known for its well-developed corporate social responsibility programs, has promoted multi-stakeholder dialogues in their areas of operation. In recent years, a group of the most progressive companies, together with representatives of NGOS and the United Nations Development Program, have been engaged in an initiative

to formulate a vision of the mining industry's contribution to sustainable development in Peru until 2030. An important message in this vision is that mining corporations should promote more long-term, multi-stakeholder dialogues (Grupo Promotor 2016; Interview, with Ricardo Morel, July 8, 2016).

References

Amparo Rodríguez, Gloria. 2010. *La consulta previa con pueblos indígenas y comunidades afrodescendientes en Colombia*. Bogotá, Colombia: Universidad del Rosario.

Arce, Moisés. 2014. *Resource Extraction and Protest in Peru*. Pittsburgh: University of Pittsburgh Press.

Bebbington, Anthony. 2010. Extractive Industries and Stunted States, Conflict, Responsibility and Institutional Change in the Andes. In *Corporate Social Responsibility, Discourses, Practices and Perspectives*, ed. Raman Ravi. London: Palgrave Macmillan.

Bebbington, Anthony, Denise Bebbington Humphreys, Jeffrey Bury, Jeannet Lingan, Juan Pablo Muñoz, and Martin Scurrah. 2008. Mining and Social Movements: Struggles over Livelihood and Rural Territorial Development in the Andes. *World Development* 36(12): 2888–2905.

Bebbington, Anthony. 2012. Social Conflict and Emergent Institutions: Hypotheses from Piura, Peru. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Bebbington, Anthony, Martin Scurrah, and Anahì Chaparro. 2013. Proyecto Industrias Extractivas, Conflictos Sociales e Innovaciones Institutionales en la Región Andino-Amazónica. Documento de Trabajo No. 1. Worcester, Tarija: Centro Peruano de Estudios Sociales, Clark University, Centro de Estudios Regionales de Tarija.

Bexell, Magdalena, and Ulrika Mörth, eds. 2010. *Democracy and Public- Private Partnerships in Global Governance*. Basingstoke: Palgrave Macmillan.

Cheshire, Lynda. 2010. A Corporate Responsibility? The Constitution of Fly-in, Fly-out Mining Companies as Governance Partners in Remote, Mine-affected Localities. *Journal of Rural Studies* 26(1): 12–20.

Crabtree, John, and Isabel Crabtree-Condor. 2012. The Politics of Extractive Industries in the Central Andes. In *Social Conflicts, Economic Development and Extractive Industries*, ed. Anthony Bebbington. London: Routledge.

Damonte, Gerardo. 2013. *Corporate Governance, Mining Funds and Territorial Development in the Peruvian Andes*. Working Paper. Lima: GRADE.

Dougherty, Michael L., and Tricia D. Olsen. 2014. Taking Terrain Literally: Grounding Local Adaptation to Corporate Social Responsibility in the Extractive Industries. *Journal of Business Ethics* 119(3): 423–434.

Durand, Francisco. 2016. *Cuando el Poder Extractivo Captura el Estado – Lobbies, puertas giratorias y paquetazo ambiental en Perú*. Lima: Oxfam.

Eaton, Kent. 2010. Subnational Economic Nationalism? The Contradictory Effects of Decentralization in Peru. *Third World Quarterly* 31(7): 1205–1222.

———. 2015. Disciplining Regions: Subnational Contention in Neoliberal Peru. *Territory, Politics, Governance* 3(2): 124–146.

———. 2017. *Territory and Ideology in Latin America: Policy Conflicts Between National and Subnational Governments*. Oxford: Oxford University Press.

Fox, Jonathan. 1996. How does Civil Society Thicken? The Political Construction of Social Capital in Rural Mexico. *World Politics* 24(6): 1089–1103.

———. 1997. The Difficult Transition from Clientelism to Citizenship—Lessons from Mexico. In *The New Politics of Inequality in Latin America – Rethinking Participation and Representation*, ed. Douglas Chalmers, Carlos Vilas, Katherine Hite, Scott Martin, Kerianne Piester, and Monique Segarra. Oxford: Oxford University Press.

Frooman, Jeff. 1999. Stakeholder Influence Strategies. *Academy of Management Review* 24(2): 191–205.

Garretón, Manuel Antonio. 1999. Social and Economic Transformations in Latin America, The Emergence of a New Political Matrix. In *Markets and Democracy in Latin America – Conflict and Convergence?* ed. Philip Oxhorn and Pamela Starr. Boulder: Lynne Rienner Publications.

———. 2001. The New Socio- Political Matrix. In *Democracy in Latin America – (Re)Constructing Political Society*, ed. Manuel Antonio Garretón and Edward Newman. Tokyo: United Nations University Press.

Grugel, Jean, and Matthew Louis Bishop. 2013. *Democratization: A Critical Introduction*. 2nd ed. Basingstoke: Palgrave Macmillan.

Grupo Promotor. 2016. *Hacia una visión para el sector minero Peruano, 2030*. Lima: Grupo Promotor.

Guzmán-Gallegos, Maria A. 2012. The Governing of Extraction, Oil Enclaves, and Indigenous Responses in the Ecuadorian Amazon. In *New Political Spaces in Latin American Resource Governance*, ed. Håvard Haarstad. New York: Palgrave Macmillan.

Hilgers, Bettina. 2009. Who is Using Whom? Clientelism from the Client's Perspective. *Journal of Iberian and Latin American Research* 15(1): 51–75.

Holzer, Boris. 2007. Turning Stakeseekers into Stakeholders: A Political Coalition Perspective on the Politics of Stakeholder Influence. *Business & Society* 47(59): 50–67.

Jones Luong, Pauline. 2014. Empowering Local Communities and Enervating the State? Foreign Oil Companies as Public Goods Providers in Azerbaijan and Kazakhstan. In *The Politics of Non-State Social Welfare*, ed. Melani Cammett and Lauren MacLean. Ithaca: Cornell University Press.

King, Brayden. 2008. A Social Movement Perspective of Stakeholder Collective Action and Influence. *Business and Society* 47(1): 21–49.

Leifsen, Esben, Maria-Therese Gustafsson, and María A. Guzmán-Gallegos. 2017a. New Mechanisms of Participation in Extractive Governance—Between New Technologies of Governance and Resistance Work. *Third World Quarterly* 38 (5): 1043–1057.

Leifsen, Esben, Luis Sánchez-Vázquez, and Maleny Reyes. 2017b. Claiming Prior Consultation, Monitoring Environmental Impact: Resistance to Corporate Science in Ecuador's Emerging Mining Sector. *Third World Quarterly* 38(5): 1092–1109.

McNeish, John. 2017. Throwing Stones at a Giant? Confronting the Extractive State Through Popular Referenda. *Third World Quarterly* 38(5): 1128–1145.

Mörth, Ulrika. 2009. The Market Turn in EU Governance – The Emergence of Public-Private Collaboration. *Governance* 22(1): 99–120.

Newell, Peter. 2005. Citizenship, Accountability, and Community: The Limits of the CSR Agenda. *International Affairs* 81(3): 541–557.

O'Donnell, Guillermo. 2004. Why the Rule of Law Matters. *Journal of Democracy* 15(4): 32–46.

O'Donnell, Guillermo. 2010. *Democracy, Agency and the State*. Oxford: Oxford University Press.

Oxhorn, Philip. 2011. *Sustaining Civil Society – Economic Change, Democracy, and the Social Construction of Citizenship in Latin America*. University Park, Pennsylvania: The Pennsylvania State University Press.

Paredes, Maritza. 2011. Indigenous Politics and the Legacy of the Left. In *Fractured Politics – Peruvian Democracy Past and Present*, ed. John Crabtree. London: Institute for the Study of the Americas.

Pellegrini, Lorenzo, and Marco O. Arismendi. 2012. Consultation, Compensation and Extraction in Bolivia After the 'Left Turn': The Case of Oil Exploration in the North of La Paz Department. *Journal of Latin American Geography* 11(2): 103–120.

Rajak, Dinah. 2008. 'Uplift and Empower': The Market, Morality and Corporate Responsibility on South Africa's Platinum Belt. *Research in Economic Anthropology* 28: 297–324.

Sagebien, Julia, and Nicole Marie Lindsay, eds. 2011. *Governance Ecosystems – CSR in the Latin American Mining Sector*. Basingstoke: Palgrave Macmillan.

Scharpf, Fritz W. 1999. *Governing in Europe: Effective and Democratic?* Oxford: Oxford University Press.

Schilling-Vacaflor, Almut, and Riccarda Flemmer. 2015. Conflict Transformation Through Prior Consultation? Lessons from Peru. *Journal of Latin American Studies* 47(4): 811–839.

Simon, John G., Charles W. Powers, and Jon Gunnemann. 2004. The Responsibilities of Corporations and Their Owners. In *Ethical Theory and*

Business, ed. Tom L. Beauchamp and Norman E. Bowie, 7th ed. Upper Saddle River, NJ: Prentice Hall.

Smith, Shirley M., and Peter T. Dorward. 2014. Nationalised Large-Scale Mining, Trade Unions and Community Representation: Perspectives from Northern Madagascar. *Resources Policy* 40: 31–41.

Steinberg, Jessica. 2015. Strategic Sovereignty: A Model of Non-state Goods Provision and Resistance in Regions of Natural Resource Extraction. *Journal of Conflict Resolution* 60(8): 1503–1528.

Yashar, Deborah. 2005. *Contesting Citizenship in Latin America, The Rise of Indigenous Movements and the Postliberal Challenge*. Cambridge: Cambridge University Press.

Interview List

(LB) = Las Bambas
(RB) = Rio Blanco
(Nat.) = National level

Anonymized Interviews with Actors Within the Communities:

1. (LB) Former community leader of the community Pamputa, Cotabambas, March 19, 2011.
2. (RB) Former community leader of Segunda y Cajas, February 21, 2011.
3. (LB) Community member of Pumamarka, June 13, 2013.
4. (RB) Community member of Yanta, 2006 (interview conducted by the Ombudsman).[1]
5. (RB) Former community leader of Yanta, December 21, 2010.
6. (LB) Peasant leader in the highland communities of Challhuahuacho, June 9, 2013.
7. (LB) Community member of Choaquere, June 11, 2013.
8. (LB) Community member of Choccequa, April 2, 2011.
9. (RB) Teacher in Huancabamba, January 25, 2011.
10. (RB) Community member of Segunda y Cajas, 2006 (Ombudsman).

© The Author(s) 2018

M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6

11. (RB) Leader of the provincial Rondas Campesinas of Huancabamba, January 19, 2011.
12. (RB) Community member of Segunda y Cajas, 2006 (interview conducted by the Ombudsman).
13. (RB) Community member of Yanta, 2006 (interview conducted by the Ombudsman).
14. (LB) Community leader of Choaquere, June 12, 2013.
15. (RB) Worker in the municipality of Huancabamba, Rondero, January 1, 2011.
16. (LB) Community member of Choaquere, June 2, 2013.
17. (RB) Group interview with community leaders in Segunda y Cajas, February 3, 2011.
18. (RB) Community leader of Segunda y Cajas, January 5, 2011.
19. (RB) Community member in Segunda y Cajas, 2006 (interview conducted by the Ombudsman).
20. (RB) Former community leader of Segunda y Cajas, February 24, 2011.
21. (RB) Leader of Rondas Campesinas in Huancabamba, January 5, 2011.
22. (RB) Member of Rondas Campesinas, Huancabamba, February, 5, 2011.
23. (RB) Member of Rondas Campesinas de Huancabamba, January 12, 2011.
24. (LB) Community leader of Fuerabamba, March 24, 2011.
25. (LB) Community member of Choaquere, June 8, 2013.
26. (LB) Community member of Choccequa, April 2, 2011.
27. (LB) Community member of Fuerabamba, March 26, 2011.
28. (RB) Community leader of Yanta, March, 11, 2011.
29. (RB) Community member of Segunda y Cajas, 2006 (interview conducted by the Ombudsman).
30. (LB) Community member of Fuerabamba, March 18, 2011.
31. (LB) Member of highland community, Challhuahuacho, June 11, 2013.
32. (RB) Community member of Segunda y Cajas, 2006 (interview conducted by the Ombudsman).
33. (RB) Community member of Segunda y Cajas, 2006 (interview conducted by the Ombudsman).
34. (RB) Community member of Segunda y Cajas, 2006 (interview conducted by the Ombudsman).

35. (RB) Community member of Yanta, 2006 (interview conducted by the Ombudsman).
36. (RB) Community member of Segunda y Cajas, 2006 (interview conducted by the Ombudsman).
37. (LB) Community member of Choaquere, June 6, 2013.
38. (LB) Community leader of Chila, April 2, 2011.
39. (LB) Former community leader of Pumamarka, March 12, 2011.
40. (LB) Community leader of Carmen Alto, May 12, 2013.
41. (RB) Leader opposed to the Rio Blanco-project, Segunda y Cajas, March 9, 2011.
42. (LB) Community member of Choccequa, May 14, 2014.
43. (LB) Community member of Pumamarka, June 13, 2013.
44. (LB) Community member of Chila, March 26, 2011.
45. (LB) Community leader of Pamputa, March 14, 2011.
46. (RB) Community member of Segunda y Cajas, 2006 (interview conducted by the Ombudsman).
47. (LB) Group interview with community leaders of Carmen Alto, May 11, 2013.
48. (RB) Community member of Yanta, 2006 (interview conducted by the Ombudsman).
49. (RB) Community member of Segunda y Cajas, 2006 (interview conducted by the Ombudsman).

Interviews with Employees at Xstrata (LB):

- (*Anonymous*) Former employee within the community relations team of Xstrata, June 14, 2013.
- (*Anonymous*) Former employee within the Xstrata community relations team (2006–2011), June 9, 2013.
- (*Anonymous*) Employee within the community relations team of Xstrata Copper, Cotabambas, March 22, 2011.
- (*Anonymous*) Former employee within the community relations team of Xstrata, June 18, 2013.
- (*Anonymous*) Employee within the community relations team of Xstrata Copper, Cotabambas, March 23, 2011.
- Camino, Alejandro, director of the community relations team of Xstrata (2006–2008), June 22, 2013.
- Choquenaira, Valentin, manager for the Bambas project, June 12, 2013.

- Delgado, Oscar, manager at Xstrata Copper, June 16, 2013.
- Palizo, Livio, director of Xstrata's community relations team, March 28, 2011.

Interviews with Peasant Leaders, Politicians, and Employees Within State Institutions:

- (LB) Andrade, Timoteo, General Secretary for the Peasant Federation in the district of Challhuahuacho, March 26, 2011.
- (Nat.) Aste, Juan, expert on mining in the parliament, May 30, 2013.
- (LB) Ayerve Quispe, Guido, mayor of the Cotabambas province, April 5, 2011.
- (LB) Bareto, Armando, vice president of regional government, advisor of Fuerabamba in the negotiations with Xstrata, March 11, 2011.
- (RB) Bermeo Torres, Manuel, governor of the province of Huancabamba, January 11, 2011.
- (LB) Bocangel, Walter, mayor of the Coyllurqui district, April 10, 2011.
- (Nat.) Caballero, Victor, formerly responsible for the government's team for social conflicts, May 27, 2013.
- (LB) Calderon Jara, Luis, former mayor of the Cotabambas province, April 2, 2011.
- (LB) Chauca Carrasco, Dario, former mayor of the Cotabambas province, April 6, 2011.
- (RB) Chinchay, Joachim, councilor in the provincial government of Huancabamba, January 2, 2011.
- (LB) Cruz, Dario, governor of Challhuahuacho, May 28, 2013.
- (RB) Cunaique Laban, José O., employee of Municipalidad de Carmen de la Frontera, January 5, 2011.
- (LB) Espinosa Quispe, Brussel, former employee of FOSBAM, June 14, 2013.
- (Nat.) Espinosa, Marisol, former parliamentarian (vice president of Peru 2011–2016) who was very involved in the Rio Blanco-conflict, January 22, 2010, and March 4, 2011.
- (LB) Gallego, Hector, employee at the municipality of Challhuahuacho, March 31, 2011, and June 10, 2013.
- (LB) Gutierrez, Benjamin, manager of the social fund, March 30, 2011.

- (RB) Hernández Llamo, Idelso, regional leader of Rondas Campesinas, Cajamarca, February 15, 2011.
- (LB) Huanaco, Odilón, mayor of the local government of Challhuahuacho, March 25, 2010.
- (RB) Huayaman, Ismael, mayor of Carmen de la Frontera, January 15, 2010, and February 21, 2011.
- (RB) Ibanez, Wilson, mayor of the province of Huancabamba, March 22, 2011.
- (RB) Idrogo, Daniel, part of the advisory council of CUNARC, December 21, 2010.
- (Nat.) Levano, Miguel, former employee at the Ombudsman, January 10, 2010; December 16, 2010; and May 29, 2013.
- (LB) Limaypuma, Victor, former leader of peasant federation, vice president of the province of Cotabambas (2006–2010), March 13, 2011, and June 9, 2013.
- (RB) Machado, Gavin, leader of the provincial Rondas Campesinas organization, February 22, 2011.
- (LB) Maldonado, Xenobio, former mayor of Challhuahuacho (2003–2006), June 2, 2013.
- (RB) Martinez, Carlos, president of FDSFNP, February 15, 2011.
- (Nat.) Nino Guzman, Valery, employee at PCM, May 29, 2013.
- (Nat.) Palomino, Marisa, advisor for the Commission of Energy and Mines in the Peruvian Congress, December 19, 2010.
- (LB) Peso, Edmundo, teacher, trade union leader, March 22, 2011.
- (LB) Puma, Marco, mayor of the town center of 13 highland communities in Challhuahuacho, March 22, 2011.
- (LB) Roquerata, Valentin, former president of the peasant federation in Cotabambas, June 7, 2013.
- (Nat.) Rueda, Doris, Director General of the office of Ordenamiento Territorial at MINAM, February 28, 2011.
- (RB) Ruiz, Maximiliano, regional vice president of Piura, March 2, 2011.
- (LB) Silva, Augusto, director of the school in Fuerabamba, March 15, 2011.
- (LB) Sime, Ricardo, representative of MEM in Cotabambas, March 23, 2011.
- (RB) Tabra, Mario, leader in Ayabaca, February 9, 2011.
- (RB) Trelles Lara, Cesar, regional president of Piura (2006–2011), January 31, 2011.

- (Nat.) Vásquez Sabati, José, former employee at Ministry of Interior, PCM (Council of Ministers), Proinversión, December 30, 2010.
- (RB) Velasco, Pedro, member of Rondas Campesinas in Huancabamba, January 19, 2011.
- (Nat.) Vilca, Paulo, former vice minister of Interculturality, June 1, 2013.
- (LB) Villafuerte Pinares, Angel, community member of Fuerabamba, journalist and former employee at Proinversión, June 11, 2013.

Interviews with Employees at NGOs:

- (Nat.) Baca, Epifanio, employee at Grupo Propuesta Ciudadana, December 23, 2010.
- (LB) Dios de, Juan, employee at the NGO Bartolomeo de las Casas, June 25, 2013.
- (Nat.) Echave, Jose, director of Cooperaccion, an NGO specializing in communities' rights in relation to mining project, former vice environmental minister, January 10, 2010; December 17, 2011; and May 28, 2013.
- (LB) Fernandez, Wilfredo, employee at the NGO Bartolomeo de las Casas, June 18, 2013.
- (RB) Garcia Herrera, David, employee at the NGO Instituto de Montaña, Huancabamba, January 25, 2011.
- (Nat.) Janke, Javier, employee at the NGO Fedepaz, December 17, 2010.
- (Nat.) Jugo, Miguel, employee at the human rights organization APRODEH, December 22, 2010.
- (Nat.) Mendoza, Armando, analyst of extractive industries, April 4, 2011.
- (LB) Quispe, Chrisaldo, employee at the NGO Bartolomeo de las Casas, June 20, 2013.
- (LB) Tumpe, Wilma, employee at the NGO Bartolomeo de las Casas, June 4, 2013.
- (LB) Vasques, Henry, employee at Cooperaccion in Challhuahuacho, March 27, 2011.
- (RB) Velasco, David, human rights lawyer at Fedepaz who defends leaders involved in the Rio Blanco-conflict, December 17, 2010, and April 3, 2011.

Other:

- (Nat.) Diez Hurtado, Alejandro, researcher, December 22, 2010.
- (RB) Rodriguez, Kike, human rights lawyer who defends leaders involved in the Rio Blanco-conflict, February 9 and March 2, 2011.
- (Nat.) Vera, Dante, advisor to mining corporations, May 29, 2013.

Notes

1. I obtained access to around 20 transcribed interviews conducted by the Ombudsman in 2006, in which questions were asked about the internal conflicts between different community factions in the Rio Blanco-case. The exact date when the Ombudsman conducted the interviews with community members in the Rio Blanco-case is unfortunately not available.

Index

© The Author(s) 2018
M.-T. Gustafsson, *Private Politics and Peasant Mobilization*, Development, Justice and Citizenship,
DOI 10.1007/978-3-319-60756-6