

# **Social Conflict, Economic Development and Extractive Industry**

Evidence from South America

**Edited by Anthony Bebbington**

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The extraction of minerals, oil and gas has a long and ambiguous history in development processes – in North America, Europe, Latin America, Africa, Asia and Australasia. Extraction has yielded wealth, regional identities and in some cases capital for industrialisation. In other cases its main heritages have been social conflict, environmental damage and underperforming national economies. As the extractive economy has entered another boom period over the last decade, not least in Latin America, the countries in which this boom is occurring are challenged to interpret this ambiguity. Will the extractive industry yield, for them, economic development, or will its main gifts be ones of conflict, degradation and unequal forms of growth?

This book speaks directly to this question and to the different ways in which Latin American countries are responding to the challenge of extractive industry. The contributors are a mixture of geographers, economists, political scientists, development experts and anthropologists, who all draw on sustained fieldwork in the region. By digging deep into both national and local experiences with extractive industry they demonstrate the ways in which it transforms economies, societies, politics and environments. They pay particular attention to the social conflict that extraction consistently produces, and they ask how far this conflict might usher in political and institutional changes that could lead to a more productive relationship between extraction and development. They also ask whether the existence of left-of-centre governments in the region changes the relationships between extractive industry and development.

The book makes clear the immense difficulties that countries and regional societies face in harnessing extractive industry for the collective good. For the most part the findings question the wisdom of the development model that many countries in the region have taken up and which emphasizes the productive roles of mining and hydrocarbon industries. The book should be of interest to students and researchers of Development Studies, Geography, Politics and Political Economy, as well as Anthropology.

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## 11 Afterword

### Extractive conflicts compared

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The central hypothesis of this volume is that conflict over resource extraction may lead to progressive institutional change (see Bebbington and Bury 2009). According to this hypothesis, pressure from critics may help to reform state policies regarding resource extraction. The case studies address the terms and conditions for successful reform and impediments to progressive change. They identify failed opportunities when the state responds to protest in an authoritarian manner, or when local and international NGOs cannot agree on common goals. They also consider changes to policy that do not meet the needs or expectations of the communities most directly affected by resource extraction.

A key revelation is that policies toward extractive industry by left of centre governments claiming to represent the interests of the people, such as the social movement state of Evo Morales in Bolivia and Rafael Correa's post-neoliberal state in Ecuador, do not differ significantly from the policies of their predecessors, or even from the policies of Alan García's conservative neoliberal state in Peru. For the state to learn from social movements, it must be willing to acknowledge the legitimacy of their concerns, or at the very least be willing to establish some kind of pragmatic *détente*. However, the case studies suggest that states are often reluctant to compromise with their critics. Instead, Morales and Correa both aggressively dismiss their complaints, with Morales justifying his actions by claiming to act on behalf of the 'common good', whereas Correa exploits his popularity to intimidate critics of mining. Although there is evidence that progress is possible, some of the resulting changes are achieved on an ad hoc basis rather than institutionalized as reforms. As Anthony Bebbington notes in his introduction, the question of how to achieve successful reform is especially pressing given both the rise in conflict and the exponential increase in investment in the extractive industries in Latin America since the mid-1990s.

My contribution to this discussion is based on long-term research in the Pacific rather than Latin America. For the past two decades, I have worked as an ethnographer and advocate for the peoples affected by the Ok Tedi copper and gold mine in Papua New Guinea (Kirsch 2002, 2006, 2007, 2008). I have also collaborated with NGOs and international NGO networks on mining and environmental issues, including recent research on mining and indigenous land tenure in

Suriname (Goodland 2009; Kirsch 2009). These experiences shape my response to the issues raised by the contributors to this volume, which is organized as a running commentary on the case studies. My focus is on the evidence provided by the contributors on the linkages between protest and reform, and in particular on how the actors in these encounters find common ground, forge alliances or oppose one another. I also offer some general observations on how the Latin American examples fit into the larger international context of resource extraction.

### Discussion

Anthony Bebbington introduces the volume by examining the trade-offs and double-binds that accompany resource extraction. People living in rural areas may be reluctant to risk jeopardizing a modest lifestyle, and the relative independence it affords them, for alternatives that increase their dependence on corporations and the state unless it results in substantial improvements to their well-being, including opportunities for employment. Extractive industry may provide significant economic benefits to the state, but these benefits do not always reach the communities most directly affected by mining and hydrocarbon projects. All three of the states examined in this collection exhibit what Oriuela and Thorp refer to as a 'self-reproducing dependency' on extractive industry: Bolivia's shift from silver and tin to hydrocarbons, Peru's encouragement of new investments in hard-rock mining after a prolonged period of political instability, and Ecuador's transition from petroleum extraction to hard-rock mining. A central concern of the contributors to this volume is how to reconcile national economic strategies with the needs and concerns of the communities and individuals most directly affected by resource extraction projects.

Javier Arrelano-Yanguas productively divides mining conflicts into three categories. Type 1 conflicts refer to communities opposed to mining or hydrocarbon development. These conflicts may be environmental, but may also invoke concerns about local autonomy and control over territory (Escobar 2008), and sometimes reflect their lack of confidence in the state. An emerging political strategy for communities involved in Type 1 conflicts is to hold local referenda or community consultations on whether to support mining or other development projects (McGee 2009). The first major public referendum ('*consulta*') on a mining project was held in Tambogrande, Peru (Boyd 2002), but similar votes have subsequently been held in Argentina, Guatemala and elsewhere in Latin America (Fulmer *et al.* 2008; Imai *et al.* 2007; van de Sandt 2009). A critical component of the *consulta* strategy is that the steep learning curve faced by rural communities when dealing with extractive industry has been reduced by the flow of information through NGOs and the Internet. We can also see these votes as a form of communication between communities and the state, although the state (or state legislature) often challenges the legality of the votes, or treats them as non-binding.

Type 2 mining conflicts are motivated by the desire to capture a greater share of project benefits, whether through employment opportunities or the distribution

of revenues and royalties. An important selling point of new mining projects is the promise of employment. However, the 'modern mines' of Latin America are capital intensive and require relatively few unskilled or semi-skilled laborers (Salas Carreño 2008). Mining companies also increasingly hire workers on a temporary basis from subcontractors, reducing the number of permanent jobs. Jessica Smith and Federico Helfgott (2010: 22) argue that these labour practices have reduced the political influence of unions: 'Whereas before Peruvian mining unions were strong and militant, subcontracting and its accompanying lack of job stability have since muted over labour conflict, removing a key source of visibility for miners.' One of their informants describes his frustration with the reduction of permanent jobs in the following terms:

More than anything, I worry about work. Being young, I want to work, being a young man, to move forward. And for my children also to move forward ... Not just me, there are many of us, many people. We who are also *titulares* [registered heads of community households]. On my side, nobody works, in my family, nobody works – as a stable worker, as a permanent worker, nobody works ... Subcontracting is not for a long time. It's three months, six months. Like that. It's also rotating. And, since there were agreements, 'everyone is going to work', that's what we hoped. But up to now they haven't complied.

(Smith and Helfgott 2010: 23)

Type 3 mining conflicts refer to distributional questions regarding benefits controlled by the state. Arellano-Yanguas describes how new laws in Peru distribute a larger share of the profits from resource extraction to project areas, a clear example of how pressure from local governments can lead to new state policies. However, the payments are correlated with increased conflict levels, providing an unexpected twist on the identification of mining conflicts as economic disputes over the distribution of benefits. Arellano-Yanguas suggests that the allocation of additional resources within the canton or district increases expectations and thus, paradoxically, results in greater frustration when the resources fail to satisfy the claimants. Distributional dilemmas are not only political and economic concerns; they are also questions about arithmetic, especially division. Very large sums of money rapidly become very small sums when the benefits from resource extraction are distributed to large numbers of people, especially when the payments are dispersed over a long period of time. Thus the management of expectations is not only a key ingredient of mining conflicts but also an important variable in the translation of social goals into policy reform.

As Arellano-Yanguas notes, the actors in these conflicts may not agree on the nature of the dispute. For example, international NGOs apparently viewed the Camisea case (described in Pratt's chapter) as a Type 1 conflict for which the goal was to block the project, whereas the Machiguenga NGO treated it as a Type 2 conflict in which the participants seek to maximize their benefits and ensure adequate social and environmental protection. In other cases, these categories overlap.

For example, in my work in Papua New Guinea the people downstream from the Ok Tedi mine supported the project on the condition that the company reduce its environmental impact; they also demanded compensation for environmental damages. This was neither a Type 1 (anti-mining because of its negative effects) nor a Type 2 conflict (negotiate for increased benefits), but a hybrid of the two. But Arellano-Yanguas's identification of these categories is nonetheless constructive in terms of establishing a framework for comparison.

Arellano-Yanguas also movingly describes the tragic events at Bagua, Peru, where 11 indigenous protestors were killed and dozens more wounded by the state. Orihuela and Thorp argue that Bagua is 'emblematic of broader patterns of discontent and government repression'. However, one of the elements that set the event apart from its historical precursors was that news of the violence spread around the world via the Internet almost overnight; it is no longer possible for the state or the mining industry to mete out violence without others taking notice. The legacy of Bagua might be the symbol of the indigenous participants sacrificing their lives in defence of their land and territory. An alternative legacy might be the memory of violence by indigenous protestors against the police despite occupying a similar political position in class terms. The events at Bagua also suggest that the state was more inclined to harm its own citizens than debate its policies on resource extraction. Peruvian political elites may have been appalled by the violence, but whether or how the legacies of Bagua influence state policies on political protest, regional autonomy and resource extraction remain to be seen.

Jennifer Moore and Teresa Velásquez focus on the short-lived mining moratorium in Ecuador. The 2008 moratorium seemed to build on the momentum of populist critiques of neoliberalism and multinational corporations. There were also concerns about how the state squandered its patrimony of oil wealth, leaving extensive pollution in the Amazon but little of lasting economic value. Moore and Velásquez describe the inherent ambiguity of the moratorium, that even as the critics of the mining industry felt victorious, powerful forces were at work behind the scenes to restore the status quo.

Moore and Velásquez refer to the moratorium on mining as a productive example of the kind of communication between protestors and the state analysed by the contributors to this volume. The moratorium temporarily halted new mining projects as called for by the protestors. Although the moratorium was subsequently lifted, the state continued to respond to specific demands made by protestors, including the establishment of no-go zones in forest reserves and near rivers, and placed certain economic restrictions on the activities of multinational mining companies. As Bebbington argues, the subsequent mining mandate, even though it did not achieve all of the protestors' goals, still resulted in significant policy changes.

However, the mining mandate also consolidated state control over both the mining industry and protestors. It reinforced the government position that while community consultation is desirable, community consent is irrelevant. Rather than give mining activists their due for calling the state's attention to legitimate concerns, Correa turned against them.

In his attacks on the credibility of his critics, Correa surprisingly resembled the right-wing president of Peru, Alan García, who infamously compared environmentalists to 'dogs in the manger' who object to others benefiting from something for which they have no use themselves. García's comments illustrate the dangerous tendency of the right to demonize its critics. Rather than welcoming political debate, they accuse their opponents of being traitors, separatists and terrorists, even though the critics see themselves as working for the good of the nation. García has also taken the extreme step of criminalizing protest. There are similar problems in both Ecuador and Bolivia, where both presidents have leveraged their popularity to incite backlash against their critics. The coupling of populism and authoritarianism has deep roots in Latin America and continues to shape the politics of resource extraction in the democratic era.

In summing up debates about mining in Ecuador, Moore and Velásquez point to the ways in which sovereignty is territorialized. They describe how sovereignty is a scalar term that can be invoked at multiple levels: by the state, by a canton or district, and by indigenous peoples. Claims about sovereignty thus operate from the top down as well as from the bottom up, and consequently must be negotiated. Their observations are commensurate with the concerns expressed by several contributors to the volume that the state does not always adequately represent all of its constituents, and that debates about the extractive industry often seek recognition of these alternative publics.

Denise Humphreys Bebbington examines the expanding oil and gas frontier in the Gran Chaco of Bolivia. She describes how Morales belongs to the cadre of Latin American politicians whose commitment to the poor is both ideological and an electoral strategy. Revenue from hydrocarbon development in Bolivia helps to fund social programmes even though these projects may disenfranchise the communities most directly affected by hydrocarbon expansion, who are compelled to negotiate for rights that were previously guaranteed, including recognition of indigenous land and territorial rights. Following the conventions of the World Bank, the state describes its interactions with the Guaraní as consultations rather than the stronger standard of free, prior and informed consent, which is the right of indigenous peoples according to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), to which Bolivia is a signatory. Although participation in these consultations does not necessarily imply consent, in practice this tends to be the default assumption (Li 2009). However, if the project will proceed regardless of local consent, there may be more to gain through participation rather than opposition, including the opportunity to provide input on project impacts and the potential to secure a greater share of the benefits from the project. Participation under such constraints more closely resembles compulsion rather than free choice, and may also limit community influence on structural reform in favour of ad hoc negotiation over local benefits.

Humphreys Bebbington also describes how the presence of a national park provides a back door to hydrocarbon development. Partnerships between conservation organizations and extractive industry have multiplied since the 2002 World Summit on Sustainable Development in Johannesburg, including the

establishment of new conservation areas to offset the environmental impacts of development projects (Mining Environmental Management 2010; Shankleman 2010). Indigenous peoples may experience double disenfranchisement through the loss of lands to resource extraction and reduced access to lands set aside for conservation purposes. Development projects in nature reserves and parks may also be exempted from the requirement to negotiate with the peoples who previously occupied or made use of the lands and territories in question. These partnerships have led indigenous peoples in many areas to regard conservation organizations as threats rather than potential allies or partners (Chapin 2004).

The Bolivian example also sheds light on how competition for access to benefits from resource extraction may disrupt existing political alliances. Guaraní hopes for greater autonomy were compromised when indigenous Aymara elites from the Highlands manoeuvred themselves into position to stake claims to hydrocarbon resources. This suggests that rights gained through indigenous political mobilization can be weakened or lost as a result of internal struggles among group members. Instead of incorporating Guaraní perspectives into planning for the project, their concerns about its social and environmental impacts were treated as impediments to its implementation. Despite its progressive political pedigree, the Bolivian government has found it difficult to balance the state's economic dependence on extractive industry with its commitment to indigenous rights.

Events in the Gran Chaco have numerous parallels. Even though the policy statements of multilateral organizations and transnational corporations increasingly specify their commitment to indigenous rights, in practice they often fail to uphold these standards. Instead of facilitating indigenous participation in development planning, indigenous peoples may be stigmatized as feigning concern about environmental impacts in order to leverage additional economic benefits (Kirsch 1997a). Humphreys Bebbington suggests that the Guaraní might support hydrocarbon extraction if it were accompanied by guarantees and protections of their rights. Instead, 'after having raised expectations with offers of indigenous autonomy, land, environmental and social safeguards', the state is now 'changing the rules of the game'.

Whereas the Bolivian government seeks to expedite hydrocarbon extraction at the expense of indigenous rights, and consequently fails to live up to its ideological commitments, the Ecuadorian government is considering a proposal that would leave proven oil reserves in the Yasuní National Park untapped. Laura Rival describes how the promoters of the plan seek international funding equivalent to half the value of the oil reserves. The Yasuní case is an interesting example of the larger conservation strategy of offering landowners financial incentives to forgo development rights. In the United States and Europe, the sale of development rights to conservation organizations provides an important option for landowners who wish to preserve rural landscapes while still benefiting economically from their property; comparable programmes for developing countries tend to involve negotiation with the state rather than private landowners. Some of these plans have provided national debt reduction in return for the establishment of protected areas. However, these programmes have also been the

target of nationalist backlash for allegedly encroaching on state sovereignty. Although financing for the proposed Yasuní reserve has not yet been obtained, it provides an interesting example of how NGOs, communities and the state can engage in constructive negotiations in which all of the parties have the chance to achieve their goals.

Several of the case studies presented in the volume, including Rival's chapter on the Yasuní reserve, address the rights of indigenous peoples living in voluntary isolation. Similar indigenous groups live in the Gran Chaco in Bolivia and the Urubamba region of Peru discussed by Brian Pratt. Many of these areas have become de facto zones of refuge for groups displaced by colonial expansion, and consequently exhibit greater cultural and linguistic diversity than elsewhere in Latin America. Their isolation should be seen as a historical relationship rather than a natural condition (Kirsch 1997b; see also Scott 2009). Such groups represent a very small but important minority of the indigenous peoples in Latin America. The Declaration of Belém (2005) articulates the responsibilities of states towards such groups, including the prohibition of extractive industry and the exclusion of migrants from their territories. The concession for the US\$1.6 billion Camisea gas project in Peru overlaps with state reserves established to protect several indigenous groups living in voluntary isolation, including the Nahua, Nanti, Mascho Piro and some of the Machiguenga (Napolitano and Ryan 2007: 2 n.2).

Pratt's analysis of the Camisea case focuses on the interaction between indigenous and international NGOs. North American NGOs lobbied against the Camisea project while the Machiguenga viewed the strong Peruvian support for the project as a sign of its inevitability and sought to negotiate favourable terms. Bebbington describes this as a failed opportunity for collaboration between international and local NGOs. This disjuncture points to the way participants in transnational action networks may not fully endorse the agendas and strategies of their counterparts, limiting the possibilities for collective action. However, these networks can also be strengthened by the participation of differentially positioned actors, including their modes of access to power, discourses of persuasion and forms of political leverage (Keck and Sikkink 1998; Kirsch 1996, 2007; Tsing 2005). They offer novel possibilities, but can also lead to thorny concerns about political representation, as Pratt's chapter illustrates.

Pratt argues that the international campaign to halt the Camisea project usurped the sovereign rights of the Machiguenga. He suggests that international NGOs would do more good by supporting those groups willing to negotiate with extractive industry rather than trying to block these projects. However, Pratt acknowledges the double-bind faced by the Machiguenga, who felt obligated to participate in the negotiations because they assumed the project would be implemented regardless of their consent. It would be useful to know more about the decision-making process of the international NGOs, most of which were based in Washington, DC, regarding the Camisea project, and whether they were influenced by concerns about the indigenous peoples living in voluntary isolation in the Urubamba region.

Pratt's discussion raises important questions about how to reconcile the interests of different publics. Bolivian President Evo Morales' invocation of the 'common good' in relation to resource extraction projects refers to economic resources distributed by the Bolivian state. However, other publics might favour alternative forms of development or place greater emphasis on environmental protection. In particular, environmental debates are increasingly conceptualized at a global level with regard to biodiversity, climate change and forms of pollution that traverse state boundaries. Rival's discussion of the Yasuni forest reserve provides a good example of how the global commons has an emerging market value. Political rhetoric may simplify matters by addressing one public or problem at a time, whether the 'drill, baby, drill' chant promoted by Sarah Palin and the American right, or the call by environmental NGOs for the establishment of no-go zones in which resource extraction is prohibited. However, the existence of competing or conflicting political demands, as occurred in the Camisea case, can send mixed signals to the state, reducing the potential for reform.

David Preston writes about pollution downstream from the great silver mines of Potosí on the Río Pilcomayo in Bolivia. Four centuries of mining have raised questions about water pollution and potential health risks from arsenic, cadmium, lead and other toxic chemicals. However, recent studies do not show statistically significant differences in the water quality of the Pilcomayo and other rivers located away from mining sites. Perhaps more importantly, there is no evidence of health impacts on local populations. Consequently, Preston's chapter focuses on local perceptions of water quality and pollution. The communities located near the Pilcomayo are cautious about using water from the river. They have found other sources of water for drinking and irrigating their crops, although they still use river water for some purposes, such as washing produce before taking it to the market. Concerns about pollution appear muted in part because mining and its impacts are permanent features of the landscape. In fact, the primary concern of the people living along the Pilcomayo seems to be that others not regard the area as polluted, as this would affect their ability to sell produce at regional markets.

Preston's study reminded me of the fish sellers at the market in Kiunga, Papua New Guinea. People who caught fish downstream from the Ok Tedi mine were concerned that the provenance of their catch would affect its sale, or potentially put them at risk should their customers be harmed by consuming fish caught in polluted waters. We can also look to the recent BP oil spill in the Gulf of Mexico and its impact on the seafood industry for another parallel. Government assessments concerning environmental risks may not be reliable given the competing responsibilities of the state to present accurate scientific information to the public while also protecting economic interests (Adam 1998). This is especially true for those forms of risk that cannot be directly seen or observed. Ulrich Beck (1987: 155, 1992) refers to this dilemma as the expropriation of our senses, in which we become dependent on the very same scientific expertise responsible for causing the problem in the first place. Preston's study also reminds us that risk perception may be culturally variable (see Kirsch 2006).

The Pilcomayo case is also instructive given the number of small and medium-sized mines and mineral processing projects in the region. It raises the question whether the state is in a stronger position when there are numerous small mining projects as opposed to several large mines. In the first case, the smaller projects are not likely to pose much of a political threat to the state, but the transaction costs of regulation may be high. In contrast, the large-scale mining projects may possess significant political and economic leverage, but the transaction costs of regulation may be lower.

Preston points out that the politics of mining in Latin America has long focused on labour, and Orihuela and Thorp describe how Bolivian miners radicalized the state. However, labour has played a reduced role in Latin American mining conflicts in recent years, as suggested by its omission from Arellano-Yanguas's typology. Labour conflicts appear to have been supplanted by rising concerns about the social and environmental impacts of mining. Nor does there seem to be much traffic between the two categories; mining unions have not been very outspoken on environmental issues or supportive of indigenous rights. Mine workers in these countries are obviously subject to a variety of political and economic pressures. But like the failure of international NGOs to work more closely with the Machiguenga NGO in the Camisea case, this may be a missed opportunity to enhance the influence of social movements on state policy.

However, the distinction between labour conflicts on the one hand, and indigenous and environmental politics on the other, may be misleading. In Latin America, recruitment to political identities is not always exclusive. Despite the prevalence of essentialist claims about race and *mestizaje* (mixing), the same people may be identified or self-identify as *campesinos* in their mobilization as workers, and as Indians or indigenous in the context of ethnic or identity-based politics. The decline of union influence suggests that indigenous movements and local communities now pose greater political threats to mining companies and the state than workers do. However, Smith and Helfgott (2010) caution against dividing up interests in this way, as the political actors may be the same people in both cases.

Several of the cases discussed in this volume involve indigenous claimants, revealing significant differences among these groups. In the Bolivian Gran Chaco, the competitive relationship between the Guaraní and Aymara elites provides one example of difference. Rival and Pratt describe contexts in which some indigenous peoples participate in consultation processes while others live in voluntary isolation. However, other mining conflicts in Latin America involve non-indigenous populations, as Arellano-Yanguas describes in the Tambogrande case, which involved *mestizo* agriculturalists rather than indigenous peoples. The campaign slogan against the proposed gold mine was: '*¿Se imagina el ceviche sin limones?*' ('Can you imagine *ceviche* without lemons?'), referring to a popular national dish. Another campaign slogan referred to the iconic *pisco* sour, an alcoholic drink made with limes and grape brandy. The campaign did not seek to promote identification with *mestizo* farmers in the way that campaigns about indigenous peoples living in the rain forest often do, but instead invoked

nationalist pride in Peruvian cuisine. The campaign sought to enlist popular support for the farmers of Tambogrande so that they could continue to earn their living growing lemons, limes and avocados. In Ecuador, *mestizo* protests against mining in the cloud forests at Intag received some support from the highlands indigenous organization. Similar protests against the El Pangui mine in Ecuador involved the indigenous Shuar (Warnaars 2010). New forms of collaboration across ethnic lines may lead to stronger political alliances (Sawyer 2004). Similar 'unlikely alliances' across ethnic and political lines have been instrumental in several mining conflicts in the United States (Grossman 2003, 2005).

### Conclusion

I conclude with several observations concerning the relationship between protest and reform. There is a general tendency to reify and even personify the state in debates about extractive industry. This may be inevitable for Latin America given its history of populist leaders, but the contributors to this volume indicate the importance of disaggregating state power by identifying the different institutions and countervailing forces within the state. Given the context of an increasingly globalized economy, it is also important to understand how the actions of the state are influenced by transnational corporations and multilateral organizations. What may initially appear to be state effects may turn out to be the result of other political and economic forces. This corresponds with the ways in which protests against resource extraction projects address corporations and multilateral organizations in addition to the state, and raises questions about which pressure points will yield the most change.

In the Pacific region where I have worked most extensively, protests against resource extraction projects have gained more traction when directed against corporate actors than the state. In protests against the environmental impact of the Ok Tedi mine in Papua New Guinea, petitions sent to provincial and national authorities were easily ignored. It was only by putting international pressure on BHP, the majority shareholder and operating partner in the project, including a lawsuit in the Australian courts, that the communities living downstream from the mine were able to alter the status quo (Kirsch 2007). Long-standing opposition to the Panguna copper mine in Bougainville, Papua New Guinea, was ignored by the state until an armed uprising forced the project to close, triggering a decade-long civil war (Regan 1998). Across the border in West Papua, Indonesia, protests against Freeport's copper and gold mine have been brutally suppressed by the Indonesian military (Kirsch 2010a; Leith 2003). A lawsuit against the American owners of the Grasberg mine in West Papua failed in the US courts, but legal action against Rio Tinto, the owner of the Panguna copper mine in Bougainville, is still pending in the USA. In Bougainville and West Papua, opposition to mining was closely linked to separatist politics. However, Freeport has long been Indonesia's largest taxpayer, and the Panguna and Ok Tedi mines have contributed a substantial portion of Papua New Guinea's GDP, giving the mining companies considerable political and economic leverage. In

all three cases, pressure on the state to reform its policies had little impact, leading to the use of force in Bougainville and legal action against the mining companies.

In addition to the study of how protests influence the state, which has been the focus of this volume, there is also a need for more careful scrutiny of corporate actors, and in particular the strategies employed by transnational corporations to keep their critics at bay and avoid accountability for the externalized costs of their operations (Benson and Kirsch 2010). For example, the mining industry actively promotes the corporate oxymoron of 'sustainable mining' in which sustainability refers to economic development rather than environmental protection (Kirsch 2010b). Other corporate strategies affect the presentation of scientific information. Many industries promote scientific uncertainty concerning their impacts on public health and the environment (Davis 2002; Michaels 2008), including efforts by the petroleum industry to artificially prolong debates about the contribution of greenhouse gases to global climate change. Similarly, in their environmental impact assessments, the mining industry systematically underestimates its impact on local rivers (Kuipers *et al.* 2006) in what might be described as a 'conspiracy of optimism' (Hirt 1996). Building on the contributions to this volume, and especially the discussion by Moore and Velásquez, I suggest that there is a need for further attention to how corporations and industry bodies affect state policies and practices, including their influence on how states respond to protest.

The contributors to this volume demonstrate the importance of attending to a range of views on extractive industry, including not only the claims articulated by campaign slogans or recorded by public opinion surveys, but also ethnographically in the stories people tell among themselves. For example, I appreciated Preston's identification of the dilemmas faced by the people farming along the Pilcomayo River in Bolivia. I also valued the conversation between Arellano-Yanguas and the indigenous leader Santiago after the conflict at Bagua. Although it is important to compare how García and Correa seek to discredit their opponents, we also need to hear from unemployed *campesinos*, shopkeepers, grandmothers, indigenous farmers, fish sellers and others about how they are affected by mining. Who participates in protests against extractive industry and who stays home? What are their reactions to debates about resource extraction? How does this affect the capacity of extractive conflicts to contribute to policy reform?

Another important consideration is how commodity forms may affect reputational risks and corporate behaviour. In the United States, oil companies sell directly to consumers at the gas pump and are therefore vulnerable to consumer opinion. For example, sales at BP gasoline stations declined significantly after the oil spill in the Gulf of Mexico, although the collapse of BP share prices after the accident cost the company far more. In Latin America, however, hydrocarbon companies are not usually recognizable names on Main Street, affording them a measure of anonymity and therefore protection from consumer pressure. Given that mining companies do not sell directly to consumers, their exposure to reputational risks are similarly limited. One of the greatest concerns for mining



executives is the length of time it takes to gain approval for new projects, which can be prolonged by opposition and protest. Borrowing the money to construct a medium-sized mine, which can cost several hundred million dollars, or a large-scale project, which can cost several billion dollars to complete, means that these delays are very expensive. The enormous cost of contemporary mining projects also has strategic implications for their critics. In terms of Arellano-Yanguas's typology, Type 1 conflicts in which there is strong opposition to mining may be more efficacious in stopping a project *before* the company makes a substantial investment. In contrast, Type 2 conflicts in which communities are interested in extracting a greater share of benefits from the project may be more effective *later* in the project's life cycle.

In his chapter on Piura, Bebbington argues that protests may enhance a community's bargaining position vis-à-vis the state or the corporation responsible for the project, an example of a Type 2 conflict. But protests also have their own life cycles. Initially, communities with limited exposure to extractive industry, and which are favourably inclined towards development, tend to support new projects, in part due to the promise of employment, especially if the corporation is their primary source of information about its potential impacts. However, as communities learn more about the social and environmental costs of the project, they may shift from a pro-development stance to a more negative or critical view of the project. This does not necessarily translate into opposition to mining or hydrocarbon production, but may take the form of bargaining for stronger environmental protection, a larger share of economic benefits from the project and additional employment opportunities. Once a project is operational, communities may recognize that there is little that can be done to alter this fact and become reconciled (or 'resigned'; see Benson and Kirsch 2010) to its continued presence. Until recently, this has been the general pattern for new projects in Latin America as well as in other regions of the world. However, the expedited learning curve of many rural societies in Latin America means that mining and hydrocarbon projects increasingly face opposition from the outset. Opposition to mining and hydrocarbon projects may also be motivated by memories of state violence and the lack of confidence that the state will protect the rights and interests of *campesinos* and indigenous peoples. Consequently, it is important to identify where the communities being studied are located along the continuum of attitudes towards resource extraction and to consider how their attitudes may shift over time.

As the contributors to the volume indicate, there have been positive changes as a result of protests and conflict over resource extraction in Latin America, including the willingness of Peru's ombudsman to play a larger role in managing social conflict, new rules in Ecuador prohibiting resource extraction in certain no-go zones, increased distribution of royalties at regional levels in Peru and García's recent pledge to shut down the toxic Doe Run smelter (Associated Press 2010). But these states also need to adhere to the neoliberal rules of the game if they want to keep transnational mining and hydrocarbon companies from shifting their investments to greener pastures. The threat of corporate mobility allows

mining and hydrocarbon companies to lock in low royalty rates, negotiate tax honeymoons and keep regulators away by monitoring their own pollution levels. In the past, these states have generally been more inclined to denounce their critics than listen to them, and all too ready to engage in intimidation and violence. There have also been barriers to success on both the community and NGO sides of these encounters, including internal divisions that pit indigenous groups against one another, the failure of international and local NGOs to work together rather than at cross-purposes and the preference of conservation organizations to partner with extractive industry rather than indigenous peoples. Potentially valuable political strategies that have not been fully embraced by these communities include alliances with labour and across *mestizo*-indigenous divides.

The contributors to this volume indicate both the impediments and possibilities for translating protest into institutionalized reform. The chapters also suggest new directions for research, including greater recognition of the wide array of actors affected by these projects and the importance of documenting their perspectives. Other topics for investigation include examination of corporate strategies and how the preferences of alternative publics might be more equitably reconciled. The contributions to this volume are extremely helpful in bringing these issues to light, and provide us with a valuable road map for future research, enhanced political participation and more desirable outcomes.

#### Note

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