

CAJAMARCA REGION, NORTHERN PERU



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“Civil unrest at Conga negatively impacted Peru’s economic growth projections, sharpened the social conflict dynamic in the region, and raised levels of local political activism against foreign investment.”

Situation:

Construction of the Minas Conga gold and copper project was suspended in late 2011 due to violent protests from the indigenous populations in Cajamarca, Peru. The protests were backed by Cajamarca’s Governor Gregorio Santos, environmental non-government organizations (NGOs) and radical groups, including leftist Chavistas, which focused on environmental issues—specifically water contamination and depletion to stir unrest within the communities surrounding the site. The Peruvian government was forced to intervene and declared a state of emergency even though the project had undergone extensive reviews by government agencies and was approved by the mines and energy ministry following a three-year, public Environmental Impact Assessment (EIA) process. As a result, one of Peru’s biggest mining investment projects, Newmont Mining and Buenaventura's US\$4.8 billion mine project continues to be on hold due to the unresolved social conflict.





Approach:

ENODO Global's analysis focuses on the social tensions and grievances of the indigenous population in the 32 villages surrounding the Minas Conga mine in the Cajamarca Region of Northern Peru. Our analysis examines how the local populations are negatively influenced by the local and national politics, economic conditions, and external actors in the region. We also examine the sentiment and narratives, which emanate from individuals outside and within the communities that drive instability. Locally obtained information provided by Peace Keeping Solutions (PKS), combined with ENODO's population-centric methodology, identified the core grievances (Findings), responsible for the current social unrest and issues that require further examination (Outliers) and which may become drivers of future stability or instability.

Findings:

The social, political and economic conditions in the Cajamarca region have changed significantly since the height of the social conflict in 2011. However, the issues driving the unrest have not been resolved and significant distrust exists within the communities surrounding the project. Until the fundamental issue surrounding the conflict is addressed—the population’s fear of water pollution and depletion—there will be continued protests and potential violence. Moreover, the ongoing conflict in Cajamarca demonstrates the immense power and influence of political forces and activists over the local indigenous populations, which drives the majority of social unrest experienced against the project.

“The Guardians of the Lagoons continue to protect the lagoons that give them life.”

Water

The majority of the local indigenous population believes the mountain lakes are sacred and their identities are connected to “Mother Earth.” As the rightful owners and The Guardians of the Lagoons, any actions perceived as negative against the land are viewed as a direct threat to their very existence. Locals believe that if the project goes ahead it would mean the end to their way of living as agriculturalists, the end to their health and the health of their animals, the end to the future of their children and the generations to come. For these reasons, the people of Cajamarca need to realize the value of the mining operations to them and their future generations or they will not give up their fight, despite any attempts by outsiders.

Community

Local communities feel abandoned by the National Government and are divided between urban dwellers who opt for mining development to improve their economic conditions and the rural population who seek a traditional agrarian-based lifestyle. Recently, however, the 32 communities surrounding the project in Cajamarca "unanimously" supported the restart of operations. "There was unanimous backing for the project, but first they asked us to help negotiate an agreement with Yanacocha. They want to work," Huaroc told state news agency Andina referring to the communities surrounding the project. "If this is achieved in the next few months, the project would have absolutely no opposition from the local population."

Politics

Cajamarca's Governor Gregorio Santos, one of the main opponents to Newmont Mining's copper-gold project, was arrested on charges of embezzlement, kidnapping and murder. He is currently in Peruvian judicial custody (temporary confinement) while an investigation is undertaken regarding the allegations. Despite this, the local population re-elected him for a second four-year term as governor of Cajamarca. He maintains local popular support within the rural majority, but his scope of power has been diminished recently due to his incarceration, the deterioration of the Venezuelan government, and possible changes in Cuban policy toward Latin America, both of whom have supported his efforts in the past.

Economy

The local economy in the Cajamarca region has been in a steady state of decline since 2011. Investment in mining projects in Cajamarca halved to US\$579mn last year from US\$1.3bn in 2012 and US\$2.74bn in 2011, according to the national society of mining, petroleum and energy (SNMPE). According to statistics agency INEI, Cajamarca has received a total of US\$1.3bn in mining royalties over the past decade, but is still the only region in Peru mired in recession. The suspension of the Minas Conga project not only signified the loss of a significant business investment in Cajamarca; its effects led to a general fall of transnational investment in Peru due to the perception of an unfavorable investment climate across the country.

Outliers:

Social tensions escalate over time and if left unaddressed can negatively impact activities and manifest into violence. In Cajamarca, several issues present future challenges that can be mitigated or leveraged if proactive engagement strategies are employed.



- NGO activism against Peruvian mining projects has diminished notably since 2012. However, NGO's have recently started to develop a new strategy against the Conga project, under the leadership of Máxima Acuña Chaupe—a figurehead who owns property adjacent to the Yanacocha Mines—to maintain active opposition to mining activities.

- Peru's national government has been severely weakened due to a deficient public administration and dysfunctional internal policies. With fifteen months left in the current government's term, the government avoids involvement in circumstances involving conflicts.

- The organized ronderos local militia patrols have their authority inscribed in the Peruvian constitution, act autonomously, and refuse external influences. They act against groups, including the government, NGO's and in some cases local drug traffickers and illegal woodcutters.

- The practice of bringing an accused person to a rondero assembly to hear evidence and vote on the culpability and punishment has been delegitimized and has resulted in certain rondero leaders being charged with kidnapping.

Conclusion:

The enormous gold reserves in the Cajamarca region and adjacent areas constitute the hope for growth and development of the local populations who are feeling the effects of their lack of integration in the dynamics of the national economy. Although social tensions have not been mollified, the magnitude and severity of resistance against the project have decreased significantly. Moreover, the current geopolitical and socioeconomic conditions in Cajamarca provide a more favorable environment for Newmont to restart its operations.

PKS's understanding of local content combined with ENODO's population-centric methodology delivers an immediate solution. By understanding the local social, economic, and environmental concerns within the surrounding communities, we deliver effective communications plans and engagement strategies that create favorable conditions to begin construction of the Minas Conga Mine. Our products and services redress existing social tensions, prevent future conflicts, and create stable operating environments. Leveraging PKS and ENODO's combined capabilities for further investigation can deliver the predictive analysis and development of effective engagement strategies required to re-launch the Conga project.





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