



## **Canadian Mining Companies in Latin America: Community Rights and Corporate Responsibility**

A Conference organized by the Centre for Research on Latin America and the Caribbean at York University  
(CERLAC) and MiningWatch Canada

May 9 - 11, 2002

Toronto, Ontario, Canada

**Report prepared by**

**Tim Clark**

**CERLAC Colloquia Paper**

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## **Abstract**

The 1990s witnessed an enormous expansion in the activities of Canadian mining companies throughout Central and South America, bringing profound socio-economic change and conflict to numerous rural communities. This conference addressed the tension between community rights and corporate social responsibility in the context of Canadian mining investment in Latin America, providing an alternative forum to the mining industry conference organized for the same week in Toronto. Three main themes characterized the discussion: the role of the state in organizing mineral extraction; the tension between the developmental priorities of workers and communities on the one hand and mining investors on the other; and the means by which civil society actors throughout the Americas might assert greater influence over decisions relating to regional mining investment.

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## *MiningWatch Canada Mines Alerte*

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**CERLAC**



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## Introduction

This conference addressed the tension between community rights and corporate social responsibility in the context of Canadian mining investment in Latin America, and provided an alternative forum to the mining industry conference organized for the same week in Toronto.

The 1990s witnessed an enormous expansion in the activities of Canadian mining companies throughout Central and South America, bringing profound socio-economic change and conflict to numerous rural communities. Because of its substantial resource requirements, both capital and natural, and its usual location in rural areas, mining perhaps more than any other productive activity brings the private control of production by foreign investors into direct conflict with communities where production takes place in a more explicitly social form. Thus, conference discussion largely revolved around relations of production in mineral exploitation, the distribution of related costs and benefits, questions of social power, and the conflict between distinct interpretations of “development.”

The three principal themes which arose continuously over the course of the conference were: (1) the role of the state, in both Canada and Latin America, as it restructures, and is restructured, in the globalized economy; (2) the tension between corporate attempts to justify and regulate their own conduct and community efforts to mediate corporate involvement in local development; and (3) the ways by which civil society throughout the Americas can work to ensure the social and ecological sustainability of mineral extraction.

The report is organized in two sections. Section I provides a general thematic overview of the conference, focussing on recurring themes without the intention of

attributing particular observations to any one or all participants. In Section II, each presentation and panel discussion is summarized, in order to link particular observations with their presenters. It is our hope that this format will provide readers with a comprehensive summary of the conference while supplying the particulars of each presentation for the purposes of future reference and contact.

## SECTION I: THEMATIC SUMMARY

### **The Role of the State in Canada and Latin America**

*Wither the State?* Following the second Great War, states across Latin America began to play a more active role in the development of national economies and the legitimation of the existing social order through the incorporation of national populations via the extension of social services and citizenship rights. Since the onset of the 1980s, however, the state has increasingly restricted its role as national economic planner and provider of social welfare. As a result, it has become something of a commonplace to portray the contemporary national state as declining in relevance, eroded from above by the more efficient transnational institutions and from below by the more representative community-level organizations seeking greater authority to manage local affairs. However, this argument is flawed for two reasons. First, it is based upon the unproven assumption that states are inherently inefficient (and have thus declined vis-à-vis the innately more efficient international organizations). Second, and most importantly, the argument is ideological in that by arguing that the state no longer plays an important role in economic development, one draws attention away from the current policies pursued by states and their essential relationship to economic restructuring. A central focus of this conference was therefore the role of the state in the mining industry.



*The Canadian State.* State policy in Canada has impacted mineral exploitation in Latin America both indirectly, through the promotion of regulatory liberalization and investor rights at the international level, and directly, through its relationships with Canadian mining companies. Canadian governments have played a leading role in the promotion of international agreements and institutions that serve to promote and regulate worldwide market integration and liberalization, such as the World Trade Organization (WTO), the North American Free Trade Agreement (NAFTA), the International Monetary Fund (IMF), and the World Bank (WB). International trade agreements, which advanced strikingly during the 1990s, have become one of the principal mechanisms by which market discipline is advanced. In addition to fostering the liberalization of trade, the WTO and the NAFTA institutionalize both the deregulation of national economies and the legal guarantee of investor rights, including rights with respect to intellectual property. The IMF and WB enforce a similar neoliberal agenda (with the inclusion of financial account liberalization) in the developing nations. The primary impact of these international agreements and institutions is to consolidate the power of international investors *vis-à-vis* both national governments and civil societies, thereby facilitating the expansion of profitability and investment.

In contrast to their support for agreements that advance the freedom and security of international investors, Canadian governments have not sought to establish binding international conventions to protect the interests of the environment, labour, and communities, nor have they championed strong domestic regulation of corporate activities abroad. It should be further noted that even when international agreements exist to safeguard community interests against corporate predation, they are often neither respected nor enforced. A pertinent case

discussed in the conference concerned the plans of Vancouver-based Manhattan Mineral Company to develop a mine in Tambogrande, Peru. Subsequent to the conference, members of the community of Tambogrande voted an overwhelming 89% against the proposed mining project in a referendum to which the company president had agreed in principle. Even though it is a signing party to an international agreement regarding community consultation, the Peruvian government nevertheless refuses to recognize the referendum as sufficient to prohibit legally the continuation of the mining project.

The Canadian government has similarly been hesitant to enforce and extend domestic legislation regulating the activities of Canadian companies abroad, a reality worsened by the prevailing deregulatory environment and the subcontracting of responsibilities by overseas-oriented branches of the Canadian government, such as the Canadian International Development Agency (CIDA). The auditor general recently found, for example, that the Canadian Export Development Corporation (EDC) failed to ensure the implementation of its own regulatory standards in twenty-four of the twenty-six projects reviewed. In another instance raised during the conference, the Canadian government declared it would not investigate accusations of serious human rights violations by Talisman Energy Corporation on the grounds that it lacked sufficient legal authority; to date Canada does not have criminal liability laws that can hold companies and their officers accountable for criminal actions committed abroad, even when the accused company is employing governmental funds.

*The State in Latin America.* The neoliberal adjustments adopted in Latin American countries, in many instances at the behest of international creditors and the IMF and WB, have affected state policies that, in turn, impact upon transnational mining activity in

the region. Especially relevant here are those policies that reduce tax burdens on foreign investors and that deregulate land tenure systems and environmental management.

Reducing the tax burdens of foreign investors has been an important component of the strategy to attract foreign direct investment. In Chile, only three mining companies pay taxes; in Ecuador, the majority of oil companies pay no taxes; and in Colombia, mining companies pay taxes at an annual rate of 0.4%.

Similarly, the deregulation of land tenure systems facilitates commercial access to resources in a manner designed to attract foreign investors, although often to the detriment of the original landholders. In 1992 in Mexico, for example, the government amended the constitution in order to modify the traditional *ejido* land tenure system. *Ejido* landowners became able to sell previously inalienable communal lands to private companies without significant oversight from governmental agencies, the result of which has been the extensive defrauding of small landowners of their holdings. Lack of regulatory requirements and oversight also provide opportunities for abuse as the granting of a concession guarantees not that the company will extract the resource, but that the community will not. An instructive example was raised with respect to a nickel mine in Guatemala, where production began in 1980. By 1983, production had ceased, with the company promising to return once nickel prices had recovered. As of 2002, production had still not resumed, and the indigenous peoples inhabiting the land remain unable to put to use the productive resources of their land.

Of particular importance to mining investors has been the question of environmental regulation. Under the tutelage of the IMF and WB, most Latin American nations have sought to weaken their environmental

regulation regimes significantly. Recent revisions to the Colombian mining code, drafted by lawyers in the employment of mineral companies, allow for mining activity in national parks and other previously protected areas, access to which now only requires a government-administered permit. In Chile, environmental protection legislation was passed in 1994 and 1997; nevertheless, enforcement capacity remains negligible, with only six inspectors for the entire country, and with minimal access to information and community input requirements.

Finally, the state in many Latin American countries has sought to secure areas with mineral resources against competing domestic interests through resort to coercion, as the numerous examples raised during the conference illustrate. Changes in the Bolivian mining code have allowed for the enhanced repression of those resisting mineral investment projects, while securing corporate rights to critical ancillary resources, such as water. In Colombia, the government has evicted people from land with potential value to foreign mineral investors in a project euphemistically entitled the “economic substitution program.” Moreover, Colombian government officials have been accused of using royalties from mining activities to support paramilitary groups working to “secure” resource-rich areas for potential investors. In both Colombia and Ecuador, the United States government's “Plan Colombia” has brought significant military protection to resource rich regions, which are in many cases the areas occupied by drug producers and insurrectionary forces.

Conference discussion made it clear that the Canadian government and governments throughout Latin America continue to play an important role in advancing the interests of mining companies, often at the expense of workers and communities. Moreover, the deregulation of mineral activities and the deference of the state to the priorities of

transnational capital have brought investors and other actors affected by mining into closer direct contact in the absence of any consensual approach to development. The conference therefore addressed the following questions: (1) what is the relative balance of power that exists between investors, labourers, and civil society in communities affected by mining in Latin America; (2) which actors have been most successful in promoting their definition of development; and (3) what have been the social, economic and environmental outcomes of the productive relationships that have emerged within the context of market liberalization and the emerging balance of power?

### **Corporate Social Responsibility: Reconciliation or Legitimation?**

*The Balance of Power in the Mining Industry.* The deregulation of national economies and the safeguarding of investor rights have brought about, mirroring general economic trends, a geographical expansion of, and a concentration of ownership in, the mining industry. Canadian companies have been at the forefront of the global expansion of mining activity, especially in Latin America. While in 1990 Canadian companies accounted for only 12% of mineral investment in Latin America, by 2000 that number had risen to 33%, with Canadian companies owning over 100 properties. By the end of the 1990s in Peru, for example, sixty Canadian companies with investments of over \$4 billion were active; 76% of all Canadian investment in Peru was in the field of mining, and 51.5% of Peruvian mining projects involved Canadian companies.

The enormous expansion of Canadian mineral investment in Latin America and the reduction of state regulation of mining activity have resulted in an increased potential for conflict. Differences in power among the actors involved in mining projects, and their

differing conceptions of the desired outcomes of mining activity, create a potentially explosive environment. Annual mergers and acquisitions in the mining industry now value approximately (US) \$70 billion, and three companies control 40% of existing mineral supplies. When combined with the reality of stagnant or declining investment and incomes in Latin American nations, and particularly in rural areas, the imbalance of power between parties involved in mining projects is glaring.

*Competing Visions of Mineral Production.* The decline of state intervention in the economy that accompanied the debt crisis of the early-1980s and the subsequent era of neoliberal structural adjustment has created an ideological void within which competing power bases and perspectives on the relationship between economic production and community development have emerged. For the purpose of contrast and analysis, one can outline two broad perspectives. On the one hand, the corporate perspective, based on corporate charters, focuses on the primacy of profitability and the maximization of shareholder value. Community objectives are not seen as necessarily opposed to this perspective, but can be incorporated only to the extent that they do not impede these two dominant corporate aims. On the other hand, the community perspective can be said to assess production by its generation of sustainable livelihoods and protection of traditional cultural norms and values.

These two competing perspectives have their bases in differing measures of value. For instance, how does one measure, in dollar terms, the value of cultural sites or ecologically sensitive areas? Or how does one measure the monetary value of polluted water sources or unemployment and alcoholism? Such questions pose an important dilemma as they relate to production as a fundamentally social undertaking, as it is seen in the community perspective. Yet companies measure worth strictly in terms of monetary

value and thus tend to exclude considerations not easily measurable in dollar terms, undervaluing both resources and the total costs of particular methods of production.

*Controlling the terms of debate.* In the context of unequal bases of power, control over the terms of dialogue and debate, for the purposes of either expanding the values incorporated during the organization of production or legitimating the existing social order, becomes of central importance. For example, informed consent is generally acknowledged as a right of communities. Yet what does one mean by “informed consent”? Corporations may choose to define the right of informed consent as the community's right to understand all the economic benefits of a proposed mining venture. Communities, on the other hand, may define it as the right to know all of the implications, both positive and negative, of a potential mineral investment. Clearly, whichever party is able to impose its understanding will be able to control the subsequent dialogue, both between the involved parties and at the level of the broader public debate, in such a way as to advance their particular interests.

Thus far, mining corporations have been able largely to dominate the language within which negotiations take place and public information is circulated. The dominant strategy through which corporations have been able to control debate is that of Corporate Social Responsibility (CSR). Implicit in CSR is the notion that corporations are able to manage their own affairs and that external compulsion is thus unnecessary. By extension, CSR implies that the primary objectives of corporations, i.e., profit maximization and shareholder accountability, are inherently compatible with community objectives, and that only minor modifications of corporate practices would be required to ensure a harmony of interests. However, CSR exists as only one, and one relatively minor, component of the overall corporate strategy,

as evidenced by its absence from corporate charters. Moreover, the relative inefficacy of CSR is encouraged further by the lack of direct responsibility inherent in the corporate form of organization which absolves individuals of their actions. As a result, some conference participants suggested that CSR exists in the main as a vehicle through which public relations departments pursue their aims.

A key supplementary term in the debate over CSR is “multi-stakeholder.” However, questions such as who is a stakeholder and how does one become a stakeholder are rarely investigated critically. Does one become a stakeholder through the “discovery” of mineral resources beneath the land of another? More importantly, the concept of “multi-stakeholder negotiations” reflects the profoundly ideological language of the dominant neoliberal model, as it implies that each party involved in a production decision holds equal right to the resource and enters negotiations from an equitable power base. This is, of course, untrue. As discussed above, to represent mining negotiations between major corporations, on the one hand, and poor rural communities, on the other, as composed of equal partners, or stakeholders, is an enormous misrepresentation. Rather, to the extent that workers and communities are even recognized as “stakeholders” in the negotiation of investment decisions, they are clearly the weakest and most vulnerable participants.

An important illustration of the multi-stakeholder negotiation process that was under particular scrutiny in the conference was the consultative process known as Mines, Minerals, and Sustainable Development (MMSD), one of three strategies conceived by the Global Mining Initiative established by the world's thirty largest mining companies. While it sought to incorporate civil society actors, the MMSD remained dominated by corporate finances and personnel, and was rejected by

most mining advocacy groups and coalitions. The MMSD process thus appears to serve the public relations purpose of validating the means and ends of the dominant actors - mining investors. In the final report of the MMSD, scant mention is given to the considerations of non-corporate actors, and those few references are dispersed haphazardly throughout the report and assimilated only in a supplementary manner. In other words, the report diffuses dissent by dividing the dissenters and reincorporating their concerns in a manner that supports the ultimate corporate aims of maximum profitability and shareholder value. In the end, the MMSD process and final report serve to legitimize corporate objectives because they perpetuate the myth that there is a collective endeavour being pursued and that differences between the major stakeholders (i.e. communities and corporations) are minor and quantitative rather than major and qualitative.

Ultimately, the concept of CSR seems to have been concocted in order to legitimate the broader trend towards non-state standard setting and regulation, as represented by such agencies as the International Standards Organization (ISO). Even the World Bank has adopted the practice of establishing unenforced guidelines in the form of regulatory directives. While the WB has in theory a “compliance observer ombudsman”, in practice this office is weakly institutionalized and ineffective. In Antamina, Peru, for example, the investing company established guidelines, following WB recommendations, for the establishment of a pact with the affected parties, including the provision of land for those displaced. However, when negotiations began to break down, the company arbitrarily changed the spirit (i.e., dealing with people as individual landowners rather than as residents of a community) and substance (i.e., offering cash instead of land to those displaced) of its negotiating position. With little participation on the part of community members who were

left largely unaware of their rights and uninformed about the specifics of the text, the company unilaterally made a final and unrevisable offer, based predominantly on corporate interests. With little protection from state agencies or the WB, the bargaining position of communities in like situations is at best precarious.

*The Reality Behind the Rhetoric.* The credibility of CSR and other non-enforceable regulatory regimes must ultimately be measured by the actions of the corporate actors themselves. The full disclosure of information to all affected parties is a basic component of CSR. Yet corporations persistently fail to disclose relevant information, invoking the sanctity of “proprietary knowledge” and arguing that full disclosure would compromise potential profit, thus violating their obligation to shareholders (even though shareholders are at times the ones from whom information is withheld). Companies also often establish “foundations” to improve relations with communities by providing resources for community development projects. Unfortunately, the promised funding oftentimes does not materialize, or at least not in the form initially promised, making the establishment of foundations appear as a public relations exercise rather than a sincere attempt to foster broader community development.

While promising resources for community development, mining companies often actively undertake to stimulate division within local communities, exploiting their most vulnerable members and bribing corrupt leaders and politicians, as has been the case with oil investment in Ecuador. In Mexico, companies have worked actively to defraud *ejido* owners (who have received little state support following the 1994 constitutional reforms) of their lands, by such tactics as not recognizing legal ownership, exploiting the lack of knowledge of market prices to purchase land at greatly undervalued prices, and leasing land with the promise of returning

it in its original condition. Similarly in Colombia, the San Lucas Company acquired rights to mining property for \$500 from a powerful family they knew did not legally own the land. Upon sale, the company lawyers then proceeded to tell the small miners living on the contested property that they had no legal right to their land and were obliged to depart immediately.

Another instructive example is that of La Libertad, Nicaragua. In 1994, the Canadian Greenstone Company purchased a 184 square kilometre concession in the environs of this rural town. The local community, having weathered the enormous hardships associated with the contra war, had high expectations. These expectations were fuelled, in turn, by Greenstone's initial financial donations to community development projects and its distribution of information regarding the benefits of mineral extraction, including the promise of advanced technology, the establishment of a technological institute to train local workers, and general prosperity. The community was never consulted about the potential environmental and social implications of the project.

Initially, it seemed that the company's promises were being fulfilled. Small-scale miners agreed to dismantle traditional processing facilities in exchange for the right to mine secondary veins and sell their loads to the company for processing. Investment flowed into the community, well-paid foreign workers increased the demand for goods and services, and local stores prospered. However, the erosion of social values foreshadowed the coming collapse. Prostitution and canteens began to spread. Alcohol abuse mounted, familial and communal ties began to erode, and corruption flourished. With traditional social values disintegrating, the brief economic boom began to falter and then collapsed.

In 1998 Greenstone began to suffer financially as dropping gold prices brought to light organizational waste, including the significant expense of employing foreign workers. With declining revenues compounded by the damage wrought by Hurricane Mitch, Greenstone felt compelled to shut down its mining operation temporarily. Small-scale miners, having dismantled traditional processing equipment and now limited to mining secondary veins, no longer had a market for their modest output. The dependency created by Greenstone had not been accompanied by the development of local capacity and the diversification of local production via the promised foundation. The company's crisis had become the community's crisis. But while Greenstone could shut down operations and move to another site, the community was left behind to rebuild.

It is not surprising then, considering the unbalanced bargaining positions of communities and corporations and considering the socially irresponsible actions of many mining companies in Latin America, that the increase in regional mining investment during the 1990s has been accompanied by increasing conflict and violence. In Chile, for example, there were three recorded conflicts involving mining projects in 1990; by 2000 that number had risen to sixteen, a more than fivefold increase. Moreover, the state is not the only actor accused of resorting to violence against those resisting the expanding power and influence of mining investors. At present a criminal case is pending in Colombia against the Canadian-based Corona Company, implicated in the killing of 500 people and the displacement of 1,600, with similar charges of violence levied at the Canadian oil company Encana (formerly Alberta Energy) active in Ecuador.

*The Costs to Workers and Communities.* By pursuing policies of economic liberalization, states across the world have largely stripped

themselves of the responsibility and capacity to address concerns of equity, human and community development, and ecological sustainability. With the withdrawal of the state from these considerations, reigning ideology declares the market as the primary means by which human and community development is to be realized. However, transnational corporations have been seeking increasingly to avoid the costs required to ensure the social and ecological sustainability of mineral extraction. In Chile, as in most of Latin America, areas with mining activities have the highest unemployment and poverty rates in the country as mining companies destroy traditional production methods and provide few local jobs - typically to a small number of semi-skilled workers. In one Chilean community, for example, 5,000 independent miners were reduced to only 400 after the introduction of Canadian mineral investment. Moreover, the pollution generated by mining destroys the resources used in non-mineral production and jeopardizes human health. In La Libertad, Canadian mining production led to significant soil erosion, thus weakening the agricultural potential of the land. Moreover, the dumping of cyanide in local water supplies resulted in the death of livestock and in skin disorders and infections among children. With the exclusion of most locals from the process and benefits of production; environmental degradation and the associated deterioration of human health; and familial and communal disintegration due to the corrupting influence of the temporary presence of concentrated wealth, the greatest costs of mining activity in the region have been borne by communities.

### **Mining in the Twenty-First Century and the Search for Equity**

While the conference did not produce a complete set of recommendations, numerous suggestions towards the attainment of sustainable mining practices were advanced by

various participants. The following summary thus organizes and presents, without attributing comments to individuals or suggesting that consensus was either sought or achieved, many of the suggestions that were raised over the course of the proceedings:

*Asserting Greater Command over the language of debate.* As flawed and as ideologically motivated as processes such as the MMSD might be, there must remain avenues through which stakeholders can meaningfully negotiate with one another, lest conflict be doomed forever to end in violence. Processes of dialogue can help to define more precisely the contours of the terrain under contestation, and can provide a means by which to elaborate alternatives to the dominant neoliberal model. Indeed, that industry actors felt the need to undertake the public relations exercise that the MMSD represented is itself reflective of the growing strength of an oppositional civil society and of the emergence of alternative visions for mining development. However, the proponents of such alternatives must more forcefully and coherently articulate their priorities if their concerns are to be heard and addressed.

Communities must establish greater control over the language through which negotiations and public debate occur. Over the course of the conference, several concepts emerged that should be considered integral components of the terms of debate:

- **Livelihood** - covers not simply mineral employment or indeed all waged employment, but encompasses all means of ensuring the social reproduction of a community, including subsistence agriculture, independent or petty production, livestock, hunting and fishing, etc.
- **Cultural Heritage** - includes not only the maintenance of existing cultural traditions, but the potential recovery of those lost over the course of past external influence and compulsion.

- Labour Rights - includes not only workers engaged in waged employment, but all producers.
- Security of Person - includes the right not to be subjected to physical coercion, and is especially important in the context of military and paramilitary violence against dissenting parties to a mining project.
- Environmental Rights - refers to the right of communities to control the extraction and processing of resources within their territorial boundaries. Most importantly, this includes the right to refuse any proposed mining venture the community deems would be harmful to their collective livelihood.

*Establishing a balance of power.* In addition to asserting greater command over the language of debate, workers and communities must attain a greater balance of power *vis-à-vis* mining companies. They need to establish strong and articulate leaders with honesty and integrity; and, perhaps more importantly, they must be well organized so as to hold not only corporate actors but their own leaders accountable.

Another potential source of power for workers and communities is the ability to influence production. Because of the localized nature of mining activities and the substantial capital outlays required to begin production, the ability to delay or stop production provides one of the most significant sources of community power. As well, international linkages with other labourers can serve to expand the power to halt production. Indeed, one of the positive aspects of the concentration of power within the mining industry is that there are more and more workers across the world that now share a common employer. As a result, solidarity strikes represent one way by which workers and communities might begin to match the global reach and power of transnational corporations.

In addition to globalizing production stoppages, additional links with international labour and other non-governmental actors can prove an important source of technical and cultural assistance and exchange, as well as financial support. For example, Canadian and Guatemalan workers have been fighting for the right of Coca Cola and Nestle workers in Colombia to pursue charges in a Florida court against their employers over the use of paramilitary forces to abate trade union activity. Other Non-Governmental Organizations (NGOs) can similarly play an important role.

However, NGOs must be committed not only to supporting communities in conflict, but also to supporting the development of sustainable local production methods. In Bonanza, Nicaragua, another community affected by the activities of the Canadian-based mining company Greenstone Resources, a worker cooperative exists and is in desperate need of technical and financial assistance to improve the productivity of traditional production methods. Unfortunately, to date there has been no NGO interest in supporting these independent producers. Perhaps even more so than in the case of high profile conflicts, NGO resources are needed to provide the assistance necessary for the development of local and sustainable production. The ability to generate sustainable livelihoods without mining investment, if the latter is considered undesirable and is to be successfully opposed, must be an integral component of any sustainable strengthening of community power.

*The Vital Role of the State.* Finally, all strategies for achieving sustainable community development and mining practices will likely be for naught if states in Latin America continue to ally themselves with the narrow interests of foreign investors. The neoliberal argument that the state in developing nations, often as corrupt as it is inefficient, is unable to



provide for community development may be seductive. What such rhetoric fails to mention, however, is that widespread state practices of corruption, inefficiency, and authoritarian and arbitrary decision-making are often committed on behalf of transnational corporations, themselves often run by the same elites who were either directly involved or complicit in the state failures of the past. While community-level organization is a very important ingredient in the attempt to balance the power between workers, communities, and mining companies, success stories will continue to exist primarily as localized and scattered phenomena in the absence of a macro-political framework that provides legal, technical, and financial support to communities in the pursuit of sustainable alternatives to the currently exploitative practices of the mining industry.

The state must therefore seek to implement an enforceable legal framework in order to compel mineral investors to establish sustainable mining initiatives that complement, instead of sacrifice, the broader developmental goals of the community. In the conference, the following components were identified as essential to any legal framework designed to promote sustainable mining practices and community development:

- Usage rights - define who exercises rights over resources and the compensation entitlements of inhabitants in the event of social and/or environmental disruption.
- Rights of Collective Organization - promote and protect community organization for the purpose of negotiating with potential investors.
- Rights of Participation and Consultation - ensure that organized communities are able to exercise a meaningful voice in any negotiations over a potential mining project.
- Access to Information - assures that communities are made fully aware of their

legal rights and all potential impacts of mineral production, including access to comprehensive and publicly available Environmental Impact Assessments (EIAs), as well as to corporate histories and plans.

- Access to Expertise - guarantees communities access to legal, ecological, and technical experts who can provide them with a broader understanding of any proposed mining venture.
- Right to Self-Determination - grants communities the authority to make final decisions with respect to the use of resources located within their territories, including the right to say “no” to proposed development plans. Such legal authority would provide communities with bargaining power sufficient to compel mining companies to develop practices that would complement broader community objectives.

However, not only must Latin American states alter their regulatory and developmental policies to guarantee more equitable outcomes for mining development. The Canadian government must play an important role in ensuring the responsible behaviour of Canadian mining companies abroad. First and foremost, this will require that Canada relinquish its foreign policy subservience to the United States, where successive administrations have demonstrated significant hostility to strong international regulations in the fields of the environment and human rights. Canada must play a leading international role in promoting the greater regulation of transnational companies, at both the international and national levels. At the international level, Canada should seek to ensure that trade agreements, such as the proposed Free Trade Agreement of the Americas (FTAA), and international financial institutions, such as the World Bank, develop and enforce regulatory standards to protect the interests of labourers and communities.

With respect to the domestic regulation of foreign companies abroad, one obvious mechanism for enforcement would be the state-owned export development corporations. Over 50% of the financing for Canadian foreign mining ventures comes from governmental export development banks; yet, as was mentioned above, there has been little attempt to regulate the activities of companies employing governmental funds. The Canadian government ought to ensure, at the very least, that Canadian companies investing state funds comply with Canadian regulatory standards or face financial penalties and criminal prosecution.

### **Conclusion: Canadian Mining Companies in Latin America – Community Rights and Corporate Responsibility**

Three main themes characterized the conference on Canadian mining companies in Latin America: the role of the state in organizing mineral extraction; the tension between the developmental priorities of workers and communities on the one hand and mining investors on the other; and the means by which civil society actors throughout the Americas might assert greater influence over decisions relating to regional mining investment. While the state both in Canada and in countries throughout Latin America has moved towards deregulation of the national market, it is also apparent that it continues to serve essential functions, including the protection of mineral investors through both legal and coercive means. To date, the designation of responsibility for managing development in the neoliberal era has been most successfully dominated by transnational investors via the ideological construct of “corporate social responsibility”; however, in the absence of state regulation, mineral extraction has exacerbated rural poverty and brought about persistent conflict with workers and communities. Finally, as

mining companies continue to expand and consolidate their global influence, civil society actors must coordinate their efforts, developing national and transnational connections and strategies, in order to exert greater influence upon both national governments and international investors. The perpetuation of the current configurations of power and influence in the mining industry are manifestly unsustainable. Hope for the future rests on the active engagement of civil society with national governments to ensure responsible corporate conduct and respect for community rights. The attainment of sustainable mineral development in the twenty-first century can only be realized with the resumption, as a response to organized civil pressure, of overt state responsibility for social welfare and the regulation of economic development - rescuing these valuable objectives from their abandonment to the vagaries of the supposed “free” market.

## **SECTION II:**

### **INDIVIDUAL PRESENTATIONS AND PANEL DISCUSSIONS**

#### **Introduction: The Context of “Corporate Social Responsibility”**

Ricardo Grinspun, CERLAC, York University

Ricardo Grinspun opened the conference by introducing the key theme of state regulatory capacity and its relationship to the disjunction between corporate social responsibility and the reality of extractive activities. Grinspun began with a succinct summary of the regulatory transformation (e.g., privatization and liberalized investment, labour, and environmental codes) that has been occurring in both the developed and developing nations under the auspices of neoliberalism, free trade, and structural adjustment, contrasting the deregulatory atmosphere at the national level with the entrenchment of investor rights

guarantees at the international level, primarily via trade agreements such as the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO).

The rising costs of this socio-economic model (escalating insecurity and inequality, human rights abuses, and social and ecological deterioration) have in turn necessitated the emergence of Corporate Social Responsibility (CSR) initiatives in order to legitimate the current regulatory and investment climates. However, as Grinspun argued using the example of Talisman Energy and the Mining, Minerals, and Sustainable Development (MMSD) project, to date CSR has brought about neither significant change in corporate practices nor enforceable guidelines able to bridge the gap between community demands for sustainable livelihoods and the corporate mandate to maximize profits and shareholder value. Mining companies continue to violate human rights and erode community livelihoods, while concealing information under the veil of “proprietary knowledge.” As a result, governments must intervene to ensure the sustainability of extractive activities, both domestically and abroad, especially when corporations are employing finances from state agencies such as export development corporations. In conclusion, Grinspun argued that the sustainability of extractive activities will depend on investors negotiating with affected communities as equal partners, with governments ensuring that negotiations are carried out in good faith and that production conforms to acceptable standards of social and ecological sustainability.

### **Panel 1: Community Involvement in Consultation Processes in Peru**

Chair: Nedjo Rogers (Environmental Mining Council of British Columbia)

Panellists:

- David Szablowski (Doctoral Candidate, Osgoode Hall Law School): “The World Bank Resettlement Directive and Corporate and Community Relations in the Antamina Project”

- Francisco Ojeda Riofrío (Human Rights Secretary of the Peruvian National Coordinator of Communities Affected by Mining, and President of the Front in Defence of Tambogrande): “The Conflict over Tambogrande in Peru: Mining, Agriculture, and the Right to Consultation”

### **The World Bank Resettlement Directive and Corporate and Community Relations in the Antamina Project**

David Szablowski addressed the question of the regulation of relations between mining projects and affected communities. As the state adopts a progressively deregulatory agenda, new non-state regulatory processes are being designed to fill various regulatory and legitimation gaps. One example is the World Bank's “Involuntary Resettlement Directive”, a body of rules and procedures ostensibly designed to address local adverse social and economic impacts arising from land acquisition. Szablowski described the Directive's regulatory regime and criticised its lack of checks and balances, and in particular its deficiencies with respect to ensuring informed, active, and effective participation by affected communities. The case study outlined by Szablowski concerned the operation of the Resettlement Directive in San Marcos, Peru, a remote and impoverished area that now hosts the Antamina project, one of the largest copper mines in the world. Due to the involvement of the World Bank's Multilateral Investment Guarantee Agency (MIGA) in project financing, Antamina was required to apply the Bank's Resettlement Directive in acquiring land for its operations. Szablowski described how the limitations of the Directive's regulatory regime meant that

its application in practice was largely manipulable by company representatives, with little effective oversight. Local people remained ignorant as to the requirements that were meant to protect their interests. Despite limited local protection, the Directive nevertheless provided significant public relations benefits to the mining project which could assert that it upheld the highest international standards in its operations. While a community complaint later changed the dynamics between Antamina and local communities, the case study reveals that the World Bank's Involuntary Resettlement Directive is a flawed instrument from the perspective of project-affected populations.

### **The Conflict over Tambogrande in Peru: Mining, Agriculture, and the Right to Consultation**

The impact of mining activities on local communities and ecosystems and the resultant emergence of popular resistance in Peru were the dominant themes of the presentation by **Francisco Ojeda Riofrío**. Riofrío emphasized that one can isolate neither mining zones from the rest of the nation nor economic impacts from social and cultural variables, as many mineral companies and social scientists have traditionally done. While the linkages conveying economic benefits between mining zones and the rest of Peru have characteristically been weak, those spreading economic hardship have been more robust. The region of Tambogrande, for example, is an important source of domestic food production, generating among the highest quality tomatoes in the world. Thus, when mining activities erode the fertility of agricultural soil, the supply of food to the entire nation is deleteriously affected. Moreover, the resultant attrition of subsistence and petty capitalist agriculture undermines not only traditional sources of

income but traditional cultural values and forms of social organization.

From an awareness of the harmful effects of historic and contemporary mining activities, at the national and local levels, popular resistance has emerged to combat the proposed mineral activities in Tambogrande. In a local referendum, to which the President of the Canadian-based mining company Manhattan Minerals agreed in principle, the community voted an overwhelming 89% against the proposed mining venture. Nevertheless, there remains no sign that Manhattan Minerals intends to discontinue its planned endeavour. The Peruvian government, moreover, has resorted to physical coercion, with reports of disappearances and police violence against the affected population, in order to secure the area for potential investment. In such a political context, Riofrío argues that international awareness and political pressure provide perhaps the only means to compel governments and investors to respect community rights and ensure sustainable and enforceable agreements.

### **Panel I: Discussion**

Community rights and regulatory enforcement were the focal points for the discussion period concluding Panel I. One participant questioned which course could serve best to advance communities' interests: improved enforcement of existing legislation and directives, as Szablowski recommended, or recognition of the right of communities to reject potential investment, as Riofrío advocated. Szablowski responded that while the World Bank Directives (as well as national legislation) must acknowledge the right of communities to reject investment proposals, there are many communities that are interested in accepting mineral investments. In such cases, one of the greatest problems is that communities are often misled with

respect to both the positive and negative impacts of mineral exploitation. As a result, what is needed is not only the improved enforcement of directives and existing legislation, but also greater procedural transparency and access to complete information.

The debate then turned to the matter of how to enforce the community's right to reject potential investors. Riofrío noted that in Tambogrande there has been no attempt to make the community referendum binding, in spite of the fact that the Peruvian government is signatory to an international convention regarding community consultation and that the President of Manhattan Minerals agreed, in writing, to the principle of a referendum. Szablowski then questioned the ability of Latin American governments, which depend on revenues from mining activities, and of international financial institutions, financed and controlled by North American and European governments, to recognize the right of communities to reject investment or to enforce existing legislation and directives. The World Bank Group and the MIGA, for instance, both permitted the unilateral alteration of the Antamina directive, even though the World Bank has a "Compliance Advisor Ombudsman." In this context, both presenters stressed the importance of international pressure, both governmental and non-governmental, for inducing mining companies and Latin American governments to respect the rights of affected communities and, indeed, entire nations.

## **Panel II: Organizing Dissent in Bolivia**

Chair: Sara Seck (PhD Candidate, Osgoode Law School)

Panellists:

- Alejandra Roncallo (PhD Candidate, Political Science, York University): "Bolivia's

Amayapampa and Capasirca Mines: The Double Movement of Society and its Repression"

- Pedro Gómez Rocabado (Researcher, Centro de Promoción Minera (CERPOMIN), Bolivia): "From the Ashes: The Difficulties of Organizing Self-Regulated Mining Activity Under Neoliberalism"

## **Bolivia's Amayapampa and Capasirca Mines: The Double Movement of Society and its Repression**

The public characterization of, and the Bolivian government's reaction to, confrontations at the Amayapampa and Capasirca mines in 1996, between miners and communities on the one hand and Da Capo Resources Limited (subsequently Vista Gold Corporation) on the other, provided the context for the analysis of **Alejandra Roncallo**. Prior to the debt crisis and the concomitant restructuring of state activities, the Bolivian state managed mineral extraction through the state-owned Bolivian Mining Corporation, which served to socialize profits and endow regions with crucial social infrastructure, including housing, subsidized food, and health and education facilities. However, since 1985 the Bolivian state has shifted from a relative emphasis upon balancing economic and social development towards a neoliberal model with its near singular emphasis upon attracting foreign investment via the dismantlement of national regulations, the reduction of corporate taxation, and the entrenchment of national and international legal frameworks to guarantee the supremacy of investor rights.

Within this context, miners and communities in the Northern Potosi region forged an oppositional unity on the basis of common historical, socio-economic, and cultural experience and values. With the transference from national to transnational owners of the

Amayapampa and Capasirca mines in 1996, and Vista Gold's failure to comply with the established agreements between affected parties, miners and communities put forth demands designed to ensure the socio-cultural, economic, and ecological viability of their regions. When corporate recalcitrance was met by escalating conflict, including the brief kidnapping of an engineer, the state, encouraged by corporate investors, initiated a series of coercive measures, including intimidation, the kidnapping of the President of the Bolivian Permanent Assembly for Human Rights, and a police and military assault resulting in ten dead and approximately fifty wounded. The contextual and chronological analysis of Roncallo thus suggested strongly that the activities of miners and communities were motivated not by a desire to terrorize innocent parties or halt all economic activity - as was the contention of the government - but rather to defend and improve their existing socio-cultural and economic conditions against the state and transnational corporations.

### **From the Ashes: The Difficulties of Organizing Self-Regulated Mining Activity Under Neoliberalism**

The presentation of **Pedro Gómez Rocabado** analyzed the synergistic efforts of Canadian companies and the Bolivian government to fashion a secure climate for mineral investment, even though this investment has been of little benefit to the national economy or to workers in the industry. To illustrate the priorities and effects of this policy, Gómez Rocabado discussed again Roncallo's example of the purchase of the Amayapampa and Capasirca mines by the Canadian company Da Capo Resources Ltd.

Not only has Da Capo yet to fulfill its legal tax obligations, it has also failed to honour its 1996 agreement with the Union Federation of Mining Workers of Bolivia, guaranteeing

social benefits, improved technology, safer working conditions, and job security for its employees. When this failure, combined with the company's prohibition in the workplace of the ancestral custom of *acullicu* (the chewing of coca leaves), prompted workers to apply pressure on the company through demonstrations and strike actions, the Bolivian government intervened violently against the workers with fatal results, in the event that has come to be known as "the Christmas Massacre." Facing crippling foreign debt service payments and dependent on mining activities for its revenues, it is disturbing but not surprising that on this occasion the Bolivian government so transparently aligned itself with the interests of investors and against workers. In Gómez Rocabado's evaluation, this incident is symptomatic of the government's inability or unwillingness to uphold the law or to enforce agreements that might infringe on investors' interests, thereby maintaining a development model that prioritizes corporate accumulation of wealth while abandoning common Bolivians to their continuing impoverishment.

### **Panel II: Discussion**

The discussion concluding Panel II revolved around the function of corporate foundations, the role of the Canadian government, and the definition of community. As to the question of whether company foundations strengthen local capacity to resist, Roncallo noted that, although in principle foundations are composed equally of representatives from both companies and communities, in practice companies almost always enjoy majority membership, as was the case in San Cristobal where the Amayapampa and Capasirca mines were located. Thus, while foundations are presented publically as an instrument to promote sustainable development and a more equitable relationship between companies and communities, in practice foundations serve

primarily to assimilate opposition whenever possible while preserving power in the hands of investors.

A participant raised the issue of the Canadian government's role in designing the new mining regulations in Bolivia. Roncallo responded that as a result of Bolivia's secrecy law, passed in 1996, no information regarding such matters is presently available. The Mining Advisor to CIDA commented from the floor that CIDA is not interested in changing existing regulations, but rather seeks to enhance enforcement capacity and foster public participation. However, as Grinspun and Roncallo retorted, the Canadian government's support and financing of World Bank and International Monetary Fund Structural Adjustment Programs (SAPs) indicates the government's tacit, if not active, support for the legislative initiatives undertaken in Latin American countries, including the privatization of resources and the granting of proprietary rights over ancillary resources.

Finally, the question of how one defines a "community" and how one identifies the legitimate spokespersons of such a community was discussed. Gómez Rocabado commented that if one seeks local leaders, a pyramid of local power begins to emerge. Companies, however, typically seek the weakest or most corrupt members as the principal interlocutors to foment division within communities. Another issue considered was how one decides which communities to include in a consultation process regarding a prospective mining project, as ecological impacts of mineral extraction often impinge upon populations beyond the immediate proximity of the actual site of mining activity. Szablowski concluded the debate with a note on the role of social scientists, observing that in addition to identifying local leaders and power structures, social scientists can play an important role in supplementing community capacity via the provision of more complete

information with regard to the potential impacts of a proposed mining venture.

### **Panel III: The Environmental Impact of Mining and Petroleum Extraction in Chile and Ecuador**

#### Panellists:

- César Padilla (Observatorio Latinoamericano de Conflictos Ambientales, Chile): "Mining in Chile: The Emergence of Environmental Conflicts, The Path Towards the Recuperation of Rights"
- Luis Merino (Acción Ecológica, Ecuador): "Petroleum Exploitation in Ecuador: An Unknown History"

### **Mining in Chile: The Emergence of Environmental Conflicts, The Path Towards the Recuperation of Rights**

The relationship between mining, state regulatory capacity, and resource conflicts was illuminated by **César Padilla** in his presentation on copper mining in Chile. Chile is home to 37% of global copper reserves and accounts for approximately 60% of the copper traded worldwide. While the enormous importance of copper to the Chilean economy and its potential as a source of state revenue was recognized by the Allende government when it nationalized the industry in 1971, foreign domination of the industry would again be introduced following the 1973 military coup and the deregulatory environment that has dominated Chilean politics ever since.

Padilla argued that the progressive strengthening of foreign corporations in the copper industry has influenced the regulatory environment in two ways. First, the heightened dependence on foreign investment and the fiscal importance to the state of the

copper industry have compelled governments to weaken environmental regulation and reduce rates of corporate taxation. Preferential access for mining investors to scarce secondary resources, especially water in the northern desert regions, and weak access to information laws have resulted in the excessive diversion of resources to mining activities and the inability to conduct precise environmental impact assessments. Declining tax rates, moreover, increase the need to expand export volume, which, in turn, is likely to reduce the value of exports and thus revenues. In another vicious cycle, the reduction of taxation rates exacerbates state dependence on foreign firms, which in turn places further pressure to reduce tax rates to remain internationally competitive. Both tendencies were evident in 1995 when production levels tripled following an upsurge in foreign investment, principally from Canadian firms, but state revenues actually declined, as a result of falling prices and the fact that only three mining companies paid taxes.

Second, reduced state revenues from mineral activities have weakened the ability of the state to enforce existing regulations. As Padilla pointed out, while the Chilean government passed environmental legislation in 1994 and 1997, to date there are only six ground inspectors from the Ministry of Mining for the entire country, and these monitor general industry issues such as workplace safety and are not concerned with environmental matters. Moreover, new mining technologies like leaching have resulted in declining levels of employment and mounting ecological degradation. The surge of foreign investment and the deregulation of the national economy have been accompanied in turn by rising incidences of conflict and confrontation over mineral extraction projects. While in 1990 the Chilean government recorded only three conflicts related to mineral extraction activities, by 2000 this number had risen to sixteen.

### **Petroleum Exploitation in Ecuador: An Unknown History**

**Luis Merino** discussed the topics of environmental and human health and power relations among companies, the state, and communities in the oil industry in Ecuador. Merino argued that the activities of Canadian oil companies are exacerbating environmental degradation, especially the contamination of water supplies and agricultural lands. In addition to reducing the productive potential of affected communities, particularly with respect to subsistence or petty capitalist agricultural production, environmental contamination has been manifested in rising occurrences of acute illnesses, such as cancer, in affected communities.

Moreover, in order to facilitate oil extraction and transportation, Canadian companies have relied upon private transportation networks that contribute little to the development of a national transportation infrastructure and thus an integrated national economy. Companies have also oftentimes employed private security forces and private information collection teams to identify dissenters, creating the appearance of a “state of occupation.” The government has augmented private security efforts with the national military in order to secure zones for the oil investors whose activity supplies the majority of state revenues. Foundations have also been routinely employed by companies in order to divide and pacify the local population. However, oil production and the establishment of corporate foundations have not generated significant incomes for the affected communities, as evidenced, according to Merino, by the fact that the region in which 90% of Ecuador's oil production is concentrated is the poorest in the country.



### **Panel III: Discussion**

Discussion focussed on the environmental and economic risks of mineral extraction, water usage, and municipal governments and regulatory enforcement. In response to a question regarding Alberta Energy (now Encana) and its activities in Ecuador, Merino responded that the construction of a new pipeline in the perimeter of human settlements will imply grave environmental and human health risks. Political indifference to these outcomes is near-guaranteed as local politicians are bribed by companies, and as the US-backed Plan Colombia buttresses regional foreign military installations that, although ostensibly charged with combating the drug trade, in fact serve to protect oil investments. Padilla then commented on the impact of mining investment on small-scale mineral exploitation, referring to a Chilean case in which the purchase by Canadian investors of a nationally-owned mine resulted in the reduction from 5000 to 400 of small-scale miners.

With respect to water usage, Merino noted that the problem in Ecuador is contamination. The impacts of oil production and transportation on water quality have led to the deterioration of human health, including increased rates of disfigurement and abnormal spots on the skin of children. Padilla, on the other hand, observed that in Chile the principal water issue is that of shortages, especially in the northern desert. Permissive regulation for companies and strict regulation of usage for agriculture have resulted in severe water shortages for those not engaged in mineral extraction, a reality exacerbated by the non-use of water concessions purchased by mining companies, as has been the case with Placerdome in Chile.

Regarding the role of municipal governments, Padilla remarked that municipalities are actively involved with corporate foundations, support from which is generally insufficient to

offset the deleterious impacts of mineral extraction on other local economic activities (e.g. small-scale mining and petty agricultural production). Moreover, mineral investors do not pay municipal taxes and thus do not directly serve to expand local capacity. Finally, on the question of enforcement, Merino observed that while corporate globalization harbours many threats, it also provides opportunities. For Merino, the greatest potential of globalization lies in the accompanying expansion of international awareness about global corporate conduct and its local impacts, thereby motivating citizens to pressure governments, on the one hand, to enforce and extend regulations and companies, on the other hand, to produce more responsibly and sustainably.

### **Panel IV: The Impact of Canadian Investment (Colombia, Nicaragua, and Mexico)**

Chair: Ken Luckhard (National Representative, International Development, Canadian Auto Workers)

#### Panellists:

- Francisco Ramírez (Union Leader; President, Sintramineralco, the Colombian State Mine Workers Union): “Canadian Investment in Large-Scale Mining: The Colombian Case”
- Anneli Tolvanen (Independent Researcher): “The Impact of Canadian Gold-Mining Companies in La Libertad and Bonanza, Nicaragua: A Community Perspective”
- Adriana Concepción Estrada (Associated Researcher, FUNDAR, Center of Analysis and Research, Mexico): “Impacts of Canadian Mining Investment in Mexico: A First Approximation”

## **Canadian Investment in Large-Scale Mining: The Colombian Case**

**Francisco Ramírez** documented the widespread incidence of corruption and violence involving mining companies and the Colombian government. The corrupt defrauding of families of mineral rights has stemmed in many cases from the 1971 law which established that there is no private property below ground and that mineral resource exploitation can be pursued only by obtaining concessionary rights granted by the government. In one case described by Ramírez, the San Lucas Mining Company purchased a concession for \$500 from a family that the company knew did not own the concession, though another family owned the land above. The owners of the land were then told they have neither the right to the mineral resources nor the right to prevent their exploitation despite the inevitably disruptive effects that extraction would have on the family plot. Widespread state corruption has also impacted the development of regulatory legislation guiding the exploitation of mineral resources. The most recent revisions to the Colombian Mining Code, drafted by lawyers on the payroll of foreign mining companies, have reduced drastically the total rate of taxation to be paid by mining companies to a meagre 0.4%, including no income tax. Moreover, recent amendments have served to weaken environmental protection, opening formerly protected areas such as national parks to potential exploitation through the issuance of government permits.

The result has been popular mobilization and defiance. As Ramírez underlined, however, the response of mining companies and the Colombian state to such challenges has been the expansion of coercion. One means by which the state has “secured” areas for mineral investment has been to evict and displace small landowners under a program euphemistically entitled the “economic

substitution program.” More forcefully, mining companies have employed death squads and paramilitaries, often financed by United States drug enforcement programs, as was documented by Ramírez in the case of the Corona Mining Company. The Colombian government has in turn reinforced paramilitary efforts with the support of the Colombian military, financed through the misreporting and misappropriation of mining royalties.

## **The Impact of Canadian Gold-Mining Companies in La Libertad and Bonanza, Nicaragua: A Community Perspective**

**Anneli Tolvanen** chronicled the activities of the Greenstone Mining Company in two Nicaraguan communities, La Libertad and Bonanza. When Greenstone first entered La Libertad in 1994, expectations were high. Following the years of revolutionary government and the contra war, community members were eager to begin rebuilding their war-torn communities. A buoyant public relations campaign from Greenstone, disseminated through a regular newsletter, promised new technologies, funding for community projects, and a training institute for young people. Small-scale miners, who had formed a cooperative in anticipation of the company's arrival in order to protect their interests, signed an agreement with Greenstone to dismantle traditional processing facilities in exchange for the right to mine secondary veins and sell their ore to Greenstone for processing by means of the new technology of cyanide leach-pads in an open-pit operation.

At first, an enormous volume of money entered the community, especially in the form of highly paid foreign workers, and local suppliers benefited from a period of general economic expansion. However, several factors coincided to bring about the collapse of Greenstone, including the 1997 drop in the price of gold on the world market,

losses accrued as a result of Hurricane Mitch in 1998, excessive expenses, particularly in the payment of foreign workers, and poor administration. Greenstone proved ill-prepared to enter into the extraction phase of the mine's operation. For a period of 1.5 years, mining operations were paralysed and small-scale miners remained unpaid for ore delivered. While Greenstone continued to buy time with promises, La Libertad entered into an economic crisis that resulted in the emergence of chronic hunger in the community and the bankruptcy of many businesses that could not survive the heavy weight of debts. The lessons learned have led to a resurgence of the traditional ore-processing mills using mercury and an increased support in the community for the small-scale mining sector, in recognition of their important role in the local economy.

Bonanza, a community which grew out of a mining camp, similarly has a strong economic dependence on mining and is presently struggling to secure the basic services of water and electricity since having been designated a municipality in the late 1980's. Bonanza is an example of the quality of development that results from a dependence on foreign mining companies. In many ways, conditions in Bonanza remain no better than when it was a mining camp.

### **Impacts of Canadian Mining Investment in Mexico: A First Approximation**

**Adriana Concepción Estrada** explored the relationship among Canadian mining companies, rural communities, and the privatization of profit through neoliberal reform in Mexico, the Latin American country with the greatest number of active Canadian mineral interests. The expansion of Canadian mining investment in Mexico coincided with the intensification of neoliberal adjustment mandated by the North American Free Trade Agreement (NAFTA). Perhaps the most

significant innovation of the NAFTA is its Chapter Eleven, which allows investors to challenge state legislation that could serve to limit the potential profitability of investor interests. Chapter Eleven also serves to undermine further the position of communities *vis-à-vis* investors since communities can dispute neither government laws nor the decisions of NAFTA's dispute resolution body, itself comprised of trade officials and experts.

In addition to its textual content, the liberalized and competitive investment climate fostered by the NAFTA places further pressure on the Mexican government to provide competitive business opportunities in order to attract potential investors. One example raised by Estrada was the 1992 reform of Article 27 of the Mexican Constitution that put an end to agrarian reform (ending the state's commitment to distribute land to peasants) and which privatized and allowed peasants to sell their previously inalienable communal land (*ejidos*). Subsequent sales by peasants of their lands, often to private corporations, took place with little legal oversight to regulate the considerable power imbalance inherent in such an association. This imbalance has been magnified by the mining law, which establishes mining as a "public interest" activity, given priority over any other use of the land. This principle leaves communities in a disadvantaged position, inducing them to negotiate on unequal terms and to accept unfair contracts, since they face the constant threat of having their land expropriated "in the public interest." Through measures that empower foreign investors while diminishing community rights and the state's latitude for intervention to defend the public good, the result of neoliberal adjustment has been the progressive advance of socially and ecologically unsustainable mining activities. Increased public awareness of the impacts of neoliberal adjustment on remote rural communities, Estrada argued, is a prerequisite

to any strategy for political reform aimed at remedying the currently unsustainable hegemony of the corporate agenda.

#### **Panel IV: Discussion**

The discussion section reflected upon the role of the Canadian government, the side agreements of the NAFTA, and the participation of civil society and Non-Governmental Organizations (NGOs) in regional mining issues. In response to the presentation of Ramírez, a representative from the Canadian International Development Agency (CIDA) stated from the floor that there was no record of lawyers contracted directly by CIDA to work on revisions to the Colombian mining code. However, as Ramírez replied, the Canadian Energy Research Institute (CERI), an organization funded by a variety of governmental agencies at the provincial level, had contracted the lawyers, and CERI had been sub-contracted by CIDA, thus connecting CIDA resources to the enactment of changes in the Colombian mining code. Ramírez then argued that CIDA should have some mechanism to ensure the accountability of the parties it contracts. With respect to Nicaragua, Tolvanen added that the Canadian Consulate had been a significant supporter of Greenstone, including through the channelling of financial assistance.

With regard to the NAFTA and its side agreements concerning labour and the environment, Estrada noted that to date these side agreements have been unable to protect government legislation against challenge by either a private corporation or another government. Grinspun then added that the side agreements simply provide a means to legitimize the NAFTA itself, pointing to the fact that private corporations are not subject to the lateral agreements and the environmental side agreement excludes

significant fields including agriculture and hydro-electricity.

On the theme of small-scale mining and civil society groups, Anneli Tolvanen noted that small-scale miners are often eager for technical assistance to improve both the productivity and sustainability of traditional methods. Moreover, Tolvanen argued that poverty, rather than TNC activities or environmental protection, should be the primary concern of civil society groups and that NGOs should seek to facilitate the development of both small-scale mining and alternative sources of income generation. The resultant alleviation of rural poverty would in turn improve the negotiating position of rural communities *vis-à-vis* transnational investors, thus advancing the potential for socially and ecologically sustainable mineral extraction. As well, campesino-to-campesino exchanges and municipal ordinances defending small-scale mining, as have occurred in Bonanza since the scaling down of Greenstone's operations, can advance the development of more employment-intensive small-scale mining. To this the CIDA representative added that while CIDA has been working very hard to convince civil society groups to work with small-scale miners, referencing the case of a CIDA program in Guyana, many NGOs tend to be more attracted to high profile cases involving transnational corporations, in part due to the necessity of visibility for fundraising purposes.

#### **Roundtable I: Critical Perspectives on Corporate Social Responsibility**

Chair: Darryl Reed (Coordinator, Business and Society Program, York University)

Panellists:

- Keith Stewart (Toronto Environmental Alliance): “Community Rights and Corporate Social Responsibility”

- Joan Kuyek (National Coordinator, MiningWatch Canada): “Power and Partnerships: A Critique of the MMSD Process”
- Manuel Glave (Research Associate, Group of Analysis for Development, GRADE): “The Consultation Process in Peru: An Action Plan With Multiple Stakeholders”

### **Community Rights and Corporate Social Responsibility**

**Keith Stewart** dealt with the concepts of community rights and corporate social responsibility as competing bases of social power vying to influence the debate on development. For Stewart, national self-determination provided the dominant conceptual lens through which developmental efforts were perceived in the postwar era. However, as neoliberal adjustment restructures the role of the state towards the protection of international actors at the expense of national actors, citizenship is becoming increasingly privatized and individuals find themselves in an increasingly subordinate position *vis-à-vis* transnational institutions. If the relative balance of power is to be restored between international and national (and local) groups, the state must be committed to ensuring the following rights of communities: livelihood, cultural traditions, labour rights, personal security, and environment.

Stewart went on to suggest several factors that might assist communities in the attainment of an expanded sphere of influence. First, leadership and vision will likely prove essential as communities will require accountable leaders with integrity that can articulate community needs on a national and international level. Second, communities must exercise their ability to influence physical production, especially considering the capital intensity and spatial specificity of mineral

extraction activities. The expansion of community influence in the sphere of public policy is necessary, for Stewart, to introduce and enforce a national and international legal framework that can ensure the following: (1) usage rights, including use of resources and compensation for social and environmental disturbance; (2) rights to collective organization, required to ensure a greater balance of power; (3) rights of participation and consultation, in order to guarantee a meaningful and binding role for communities; (4) access to information, so that communities can make fully informed decisions with regard to potential investment projects; (5) technical expertise, to ensure communities have the opportunity to access individuals with legal, ecological, and technical knowledge, as well the recognition of local knowledge and expertise; and (6) the right to reject investment projects the community feels would be detrimental to its welfare.

### **A Critique of the MMSD (Mineral, Mines, and Sustainable Development) Process**

The question of who defines the parameters of public discourse was central to **Joan Kuyek's** discussion of the MMSD process. Kuyek argued that the MMSD process represents an archetypal example of the mining industry attempting to frame public debate in such a way as to diffuse and assimilate alternative visions. For instance, the concept of a “multi-stakeholder” process implies each party involved in the production process holds equal rights and power within negotiations. However, when one compares rural communities, typically experiencing the most severe economic hardships, with internationally mobile investors, enjoying substantial state support, it becomes clear that the inference of an equal partnership is rather misleading.

Kuyek then considered the notion of Corporate Social Responsibility (CSR) within

the context of the Minerals, Mines, and Sustainable Development (MMSD) process. For most corporate actors, CSR exists as only one component of its overall strategy, or one department within its overall corporate organization. Indeed, as Kuyek notes, the absence of CSR in most corporate charters would suggest that it exists primarily as a public relations tool. For Kuyek, the MMSD process provides a perfect illustration of such a PR exercise. One of the three strategies of the Global Mining Initiative, organized by the thirty largest mining companies in the world, the MMSD process and final report, while seeking input from civil society and governments, remained thoroughly dominated by corporate funding and personnel. Not surprisingly then, the MMSD process was boycotted by most mining advocacy groups and coalitions, and its final report reflected the dominance of corporate interests and their agenda. However, if CSR is to have any meaningful impact on the activities of corporations, it must be a value that permeates the entire organization. If not accompanied by legally binding agreements, processes like the MMSD will result in the division and separate incorporation of each dissenting party into the overall corporate framework, as dissent and alternative conceptions are stifled under the authoritarian and hierarchical decision-making structure of the corporate form of organization. Kuyek thus argued that citizens must reclaim the language of debate and their democratic institutions, the latter in order to ensure that the state plays an integral role in the assurance of CSR.

### **The Consultation Process in Peru: An Action Plan With Multiple Stakeholders**

**Manuel Glave** addressed the questions: how does one make export-oriented growth sustainable and how does one bridge the gap between corporate and community measures

of value? For Glave, traditional export booms have not generated sustained and equitably distributed expansions of income. While the state possesses the legal authority to enact policies through which these goals can be achieved, it does not operate in a vacuum. For instance, in one investment decision in Peru, following the breakdown of negotiations between mining companies and local representatives, the state granted the concession, against the will of the affected local parties, to Mobil and Exxon. This outcome underlines the fact that, in the absence of dialogue, the state will very likely support the most powerful and influential actor in any given dispute over investment. As for corporate and community measures of value, Glave posed the question: how does one measure non-quantifiable considerations, such as historic or cultural value, in strictly quantitative or monetary terms?

Glave presented these questions in a defence of the MMSD process. Noting that some local actors chose to boycott the process altogether, Glave argued that while far from perfect, processes like the MMSD provide the necessary fora for dialogue and understanding among parties. Processes of dialogue serve to organize different stakeholders, including the subordinate parties, and assist in clarifying both similarities and differences of opinion. Strengthening the clarity of different stakeholder opinions helps in turn to bridge the gap between seemingly incommensurate value systems, thus serving to improve the input received by states when designing policies. While not in and of themselves solutions, processes of dialogue such as the MMSD are nevertheless essential.

### **Roundtable I: Discussion**

The discussion following the first roundtable revolved around the themes of CSR and the MMSD process. Two main questions dominated the debate. First, the long-term

impact of the MMSD process was queried. To this, Glave argued that the MMSD process is much more than the final international report. In Peru, there were local, regional, and national reports, many of which reflect the opinions of non-corporate actors. While manipulation of the process by corporate interests is unacceptable, the principal value of the process lay in helping to organize and articulate the thoughts of all the different actors involved in the mining process. Kuyek then commented that although without binding agreements the MMSD is simply the substitution of rhetoric for reality, the fact that such a public document is even considered necessary and that civil society groups were allowed to participate nevertheless demonstrates the growing strength of concerned civil society actors.

The second question dealt with whether or not the MMSD report can be used positively. Both Stewart and Kuyek suggested that the final report has little value to dissenting groups as it primarily represents the dominant corporate perspective. For Stewart, the problem for activists is how to focus their limited energy and financial resources. As the MMSD report itself has little value, activists must focus their energy on those avenues that are most likely to result in change, both in the short and long-term. For Kuyek, the danger of the MMSD report is that it serves to limit the scope for debate by marginalizing dissenting opinions and framing key questions in such a way as to exclude alternative conceptions. For instance, the matter of informed consent is typically presented by corporations as the right to be informed of all of the potential economic benefits of a proposed investment project, rather than all of its costs and benefits. As a result, the key to change is not just dialogue but protest, and protest not just by communities but by shareholders and all involved parties. As Kuyek noted, “a mine is only as good as its opposition.”

## **Roundtable II: Policy Implications for Canada**

Chair: Joan Kuyek (National Coordinator, MiningWatch Canada)

### Panellists:

- John Foster (North-South Institute): “North American Community: Anything More Than A Euphemism? Canadian Foreign Policy, ‘Deep Integration’ and the Americas”
- Judith Marshall (Steelworkers Humanity Fund): “Canadian Corporate Conduct in the Americas: Trade Union Perspectives”
- Jose De Echave (Head of the Mining and Communities Program at the Lima-based NGO Cooperación): “The Growth of Mining Investment in Peru: The Presence of Canadian Companies and the Role of International Cooperation”

### **North American Community: Anything More Than A Euphemism? Canadian Foreign Policy, ‘Deep Integration’, and the Americas**

**John Foster** focussed on the issue of Canadian foreign policy and the ways by which civil society can influence it. Officially, Canadian foreign policy over the past seven years has sought to promote prosperity, assure security, and project Canadian values across the globe. However, behind the rhetoric Canadian policy has increasingly embraced the objectives of the United States, all the more since the events of September 11, 2001. While Canada does continue to pursue multilateralism in the international arena – for instance by supporting the creation of the International Criminal Court (ICC) – its growing integration with the United States has relegated the multilateral approach to the margins of public policy. With respect to international economic policy, Canada has increasingly adopted the positions of the

United States; for example, by supporting the inclusion of Chapter Eleven in the NAFTA and its proposed extension throughout the Americas via hemispheric trade agreements in the making.

In such a political climate, it is essential that civil society groups in Canada seek actively to force transparency in negotiations, recognizing that trade and investment agreements have a profound impact upon public welfare. One modestly successful example can be found in the attempt to link human rights to trade and investment policies. Fifteen to twenty years ago, Canadian activists began to frame human rights concerns within the context of such policies and recently, following the Quebec City protests, the Canadian Parliament did indeed make a recommendation to link the theme of human rights to trade and investment agreements. Corporate pressures for "deeper" integration and extension of private property rights and privileges in proposed continental accords such as the Free Trade Agreement of the Americas (FTAA) will likely continue. In the face of these pressures, civil society groups across borders must organize to oppose this type of agreement and to build alternative accords which protect human rights and ecological sustainability, while rolling back the damaging elements of existing agreements like the NAFTA.

### **Canadian Corporate Conduct in the Americas: Trade Union Perspectives**

**Judith Marshall** connected the issue of new forms of corporate governance with the role unions can play in developing an alternative social model. Complementing the analysis of Grinspun, Marshall focussed on trade agreements as providing the newest means by which to open national economies to foreign investment. Whether international, such as the World Trade Organization (WTO) or the NAFTA, or bilateral, such as the Canada-

Chile Free Trade Agreement, trade agreements seek to establish new economic zones with special regulatory regimes that exist beyond the influence of non-corporate actors. For instance, the cross-border mining protocol between Chile and Argentina establishes a "virtual nation", containing nearly nine percent of Chile's mineral wealth, which serves as a special area beyond regulatory control, thus privileging investors at the expense of communities and the environment.

To combat these emerging forms of corporate governance and the powerful corporate lobbyists that promote them, trade unionists must begin to develop similarly strong linkages, establishing the commonality of interests required to combat a highly unified corporate structure. The United Steelworkers, for example, established its International Development Fund in 1985 with the target of developing more agile links between unions in different countries. Establishing connections between unions across the Americas can also do more than foster recognition of common interests, argued Marshall. More active communications among the Canadian, Chilean, and Peruvian workers employed by Cominco, for example, has proved mutually beneficial in providing new perspectives on the company's global operations. The direct connections among Cominco workers have resulted in increased leverage with the company

at critical moments such as bargaining, shut-downs, and strikes. In the context of an increasingly unified and powerful transnational business class, the development of trade union linkages can thus help to increase bargaining strength, as well as the awareness of what can be achieved through trade union activity.



## **The Growth of Mining Investment in Peru: The Presence of Canadian Companies and the Role of International Cooperation**

In his presentation on Peru, **Jose De Echave** addressed the expansion of mining activity in Latin America and especially the expansion of Canadian mining activity in Peru; the role of the World Bank; and the importance to marginalized actors of building strategic linkages across the continent. The rapid expansion of mining in Peru over the past decade has led to rising incidences of conflict. Over the past ten years, Latin America's share of total global mining investment rose dramatically from twelve percent to thirty-three percent. Canadian capital has been a principal player in this expansion. In the case of Peru, while before 1990 there was virtually no Canadian mining investment, by 2000 there were sixty Canadian companies active in the country, representing over \$4 billion worth of investments.

Accompanying this massive influx of investment has been an extraordinary concentration of power within the industry and a proportionate expansion of corporate power *vis-à-vis* national governments. By 2000, for instance, only three companies controlled over forty percent of the world's mineral reserves and mergers and acquisitions in one year alone amounted to a staggering \$70 billion. The World Bank has served to advance the interests of mineral investors further, especially since it became a principal shareholder in the industry, with over \$2 billion invested in mining activities through the International Finance Corporation.

The conflicts generated by these processes reveal the profound inequality between different actors with interests in mining development. Thus did Echave argue for the further development of relationships between NGOs, unions, and other civil society groups across the Americas and beyond. Such

linkages become even more essential as governments become progressively less able or disposed to resist the will of international investors.

### **Roundtable II: Discussion**

The discussion period that concluded the second roundtable focussed on the role of the Canadian government in regulating Canadian companies abroad, the potential for international cooperation among mining unions, and the role of civil society in developing an alternative social model to the dominant neoliberal paradigm. Foster commented that the Canadian government's current regulation of Canadian companies abroad has been totally inadequate. For instance, the auditor general recently reported that the Canadian Export Development Corporation (EDC) did not apply its own regulatory standards to 24 of the 26 projects it funded.

In the absence of strong state regulation, Marshall and another union-affiliated participant highlighted the potential for international cooperation between trade unions as a means of exerting pressure on investors to exploit resources in a more equitable and sustainable manner. One feature of the concentration of mining companies at an international level is that it facilitates the coordinated organization of workers with a common employer. A participant made reference to the cooperation among Coca-Cola employees in Guatemala, Colombia, and Canada in supporting the rights of Colombian workers to organize and strike by means of a court case in Florida. However, as Echave observed, unions have been subject to physical and organizational attack in the region and have as result seen their numbers and influence decline precipitously. In Peru, for instance, structural reforms within the companies have resulted in the emergence of intermediary employment agencies, with only

33% of mining workers employed directly by companies, to the detriment of union organization and solidarity.

On the question of corporate self-regulation and civil society attempts to develop an alternative social and economic model, Padilla commented that not only do deregulation and the establishment of free trade zones place corporate actors beyond the effective reach of government, but such developments also leave communities outside the law in most cases. The results of this marginalization have at times been violent, with even the characterization of dissenters as “terrorists”, as in the Bolivian case analyzed by Roncallo. Several participants also commented on the need to globalize facts and information, not only to assist local organization and resistance, but also to provide international pressure on companies which are, after all, greatly concerned with their public image in an era of brand loyalty and high visibility of corporate names and logos. Finally, spaces for alternative conceptions of society and economy are essential if citizens are to achieve the goals of greater transparency, fortified regulation, and responsible corporate actors.

## **List of Participants**

Adriana Concepción Estrada, Associated Researcher, FUNDAR, Center of Analysis and Research, Mexico

Jose De Echave, Head of the Mining and Communities Program at CooperAcción, Peru

John Foster, North-South Institute, Canada

Manuel Glave, Research Associate, GRADE (Group of Analysis for Development), Peru

Ricardo Grinspun, CERLAC, York University, Canada

Joan Kuyek, National Coordinator, MiningWatch Canada, Canada

Ken Luckhard, National Representative, International Department, Canadian Auto Workers (CAW), Canada

Judith Marshall, Steelworkers Humanity Fund, Canada

Luis Merino, Acción Ecológica, Ecuador

César Padilla, Observatorio Latinoamericano de Conflictos Ambientales, Chile

Viviana Patroni, Director of CERLAC, York University, Canada

Francisco Ramírez, Union Leader; President of Sintramineralco (Colombian State Mine Workers Union), Colombia

Darryl Reed, Coordinator, Business and Society Program, York University, Canada

Francisco Ojeda Riofrío, Human Rights Secretary of the Peruvian National Coordinator of Communities Affected by Mining; and President of the Front in Defence of Tambogrande, Peru

Pedro Gómez Rocabado, Researcher, Centro de Promoción Minera (CEPROMIN), Bolivia

Nedjo Rogers, Environmental Mining Council of British Columbia, Canada

Alejandra Roncallo, Doctoral Candidate, Department of Political Science, York University, Canada

Sara Seek, Doctoral Candidate, Osgoode Law School, York University, Canada

Keith Stewart, Toronto Environmental Alliance, Canada

David Szablowski, Doctoral Candidate, Osgoode Law School, York University, Canada

Anneli Tolvanen, Independent Researcher, Canada

Alan Young, MiningWatch Canada, Canada

## CONFERENCE PROGRAM

### **Canadian Mining Companies in Latin America: Community Rights and Corporate Responsibility**

A conference organized by CERLAC (the Centre for Research on Latin America and the Caribbean at York University) and MiningWatch Canada

**May 9 - 11, 2002**  
**Toronto, Ontario, Canada**

**NOTE:** All activities *except the evening event on Saturday, May 11*, will take place in:

**Junior Common Room of McLaughlin College, Room 014 McLaughlin College on York University campus at 4700 Keele Street, Toronto**

York campus maps: <http://www.yorku.ca/yorkweb/maps/index.htm>

The Saturday evening event will take place downtown. See venue information below.

This program will be continually up-dated; check back for confirmation of items TBA.

The organizers gratefully acknowledge the support of the International Development Research Centre (IDRC); the Canadian Auto Workers (CAW); the Canadian Environmental Law Association (CELA); and, all from York University: the Office of the VP Research & Innovation, The Centre for Research on Work & Society (CRWS), and the Departments of Political Science, Social Science, and Sociology.

### **Thursday, May 9**

9:15

**Opening remarks** - Viviana Patroni, Director, CERLAC, York University

**Introduction: The Context of "Corporate Social Responsibility"** - Ricardo Grinspun, CERLAC, York University

10:00

**Panel 1: Community Involvement in Consultation Processes (Peru)**

Chair: Nedjo Rogers, Environmental Mining Council of BC

***The World Bank Resettlement Directive & Corporate & Community Relations in the Antamina Project*** - David Szablowski, Doctoral Candidate, Osgoode Law School

***The Conflict over Tambogrande in Peru: Mining, Agriculture, and the Right to Consultation***  
- Franciso Ojeda Riofrío, Human Rights Secretary of the Peruvian National Coordinator of Communities Affected by Mining, and President of the Front in Defence of Tambogrande

10:45 Break

11:00 Discussion on Panel 1

12:00 Lunch

1:15

**Panel 2: Organizing Dissent (Bolivia)**

Chair: Sara Seck, PhD candidate, Osgoode Law School

***Bolivia's Amayapampa and Capasirca Mines: The Double Movement of Society and its Repression*** - Alejandra Roncallo, PhD candidate, Political Science, York University

***From the Ashes: The Difficulties of Organizing Self-regulated Mining Activity under Neoliberalism*** - Pedro Gómez Rocabado, Researcher, Centro de Promocion Minera (CEPROMIN), Bolivia

3:00 Break

3:15

**Panel 3: The Environmental Impact of Mining and Petroleum Extraction (Chile & Ecuador)**

Chair: TBA

***Mining in Chile: The Emergence of Environmental Conflicts, The Path towards the Recuperation of Rights*** - César Padilla, Observatorio Latinoamericano de Conflictos Ambientales, Chile

***Petroleum Exploitation in Ecuador: An Unknown History*** - Luis Merino, Acción Ecológica, Ecuador

5:00 - End

**Friday, May 10**

9:30

**Panel 4: The Impact of Canadian Investment (Colombia, Nicaragua, Mexico)**

Chair: Ken Luckhard, National Representative, International Department, Canadian Auto Workers (CAW-Canada)

***Canadian Investment in Large-scale Mining: the Colombian Case*** - Francisco Ramírez, union leader; President, Sintramineralco (Colombian State Mine Workers Union)

***The Impact of Canadian Gold-Mining Companies in La Libertad and Bonanza, Nicaragua: a Community Perspective*** - Anneli Tolvanen, independent researcher

*Impacts of Canadian Mining Investment in Mexico: A First Approximation* - Adriana Concepción Estrada, Associated Researcher, FUNDAR, Center of Analysis and Research, Mexico

11:00 Break

11:15 Discussion of Panel 4

11:45 Discussion: Pulling Together the Case Studies

12:30 Lunch

1:45

**Roundtable: Critical Perspectives on Corporate Social Responsibility**

Chair: Darryl Reed, Co-ordinator, Business & Society Program, York University

*Community Rights and Corporate Responsibility* - Keith Stewart, Toronto Environmental Alliance

*Power and Partnerships: a Critique of the MMSD Process* - Joan Kuyek, National Coordinator, MiningWatch Canada

*The Consultation Process in Peru: An Action Plan with Multiple Stakeholders* - Manuel Glave, Research Associate GRADE (Group of Analysis for Development)

3:15 Break

3:30 Discussion

5:00 End

**Saturday, May 11**

9:30

**Roundtable: Policy Implications for Canada**

Chair: Joan Kuyek, National Coordinator, MiningWatch Canada

*North American Community: Anything More than a Euphemism? Canadian Foreign Policy, 'Deep Integration' and the Americas* - John Foster, North-South Institute

*Canadian Corporate Conduct in the Americas: Trade Union Perspectives* - Judith Marshall, Steelworkers Humanity Fund

*The Growth of Mining Investment in Peru: The Presence of Canadian Companies and the Role of International Cooperation* - Jose De Echave, Head of the Mining and Communities Program at the Lima-based NGO CooperAccion

11:00 Break

11:15 Discussion

1:00 **Closing Remarks** - Viviana Patroni, Director, CERLAC, York University; Joan Kuyek, National Coordinator, MiningWatch Canada

7:00 pm - 9:00 pm

## **Evening event in downtown Toronto**

Location: Koffler Institute of Pharmacy Management, University of Toronto Room 108, 569 Spadina Avenue (between Bloor and Harbord) U of T campus map: <http://www.osm.utoronto.ca/map>

## **DEVELOPMENT OR DESTRUCTION?**

### **Canadian Mining Companies in Latin America:**

### **Community Rights and Corporate Responsibility**

Chair: Viviana Patroni, Director, CERLAC

Panel discussion: Conference recommendations

\* David Szablowski: summary of conference

\* Alan Young (MiningWatch): response to MMSD report

\* Various other speakers including representatives from Latin America, as named above.

## List of Conference Panellists

**Adriana Concepción Estrada Ochoa** is a Masters student in Mesoamerican Studies at the Autonomous National University of Mexico (UNAM). She conducts research on poverty, development, conflict, and environmental concerns, focused mainly on indigenous and gender issues. She is presently an Associated Researcher in the Center of Analysis and Research (FUNDAR). Earlier this year Adriana presented a paper on “Oil Exploitation in the Maya Biosphere Reserve. Environmental Justice in the Global Era” in the IV Central American Anthropology Congress.

**Jose de Echave** is head of the Mining and Communities Program at the Lima-based NGO CooperAcción (Responsable, Programa de Minería y Comunidades). The mission of CooperAcción is to promote a balance between the exploitation of natural resources and the needs of sustainable development of the country and local populations. The program for which Jose is responsible works with several communities in Peru that are affected by commercial mining and metallurgical operations. Jose is also responsible for the publication of a mining bulletin, *Actualidad Minera del Peru*. His work on mining issues has been published in magazines and newspapers, and in a number of CooperAcción publications.

**John Foster** has a long career in the voluntary sector in Canada as an agency executive, program staff officer, board member and volunteer. He current chairs the international Coordinating Committee of the Social Watch, is vice-chair of the Canadian Consortium for International Social Development, and a member of the Board of GreenPeace Canada and of Common Frontiers. He is formerly an executive member of the Canadian Council for International Cooperation, and former chair or board member of several ecumenical coalitions, including the Task Force on the Churches and Corporate Responsibility with which he was involved from its founding in the early 1970s. Dr. Foster has written extensively on issues of social justice, human rights, international relations and civil society. He has edited three books, the most recent of which is *Whose World Is It Anyway? Civil Society, the United Nations and the Multilateral Future*. He is currently supervising the VOICES project of the North-South Institute, focused on the relations between civil society organizations and major multilateral bodies.

**Manuel Glave Testino** is the Principal Researcher with GRADE (Group of Analysis for Development) in Peru, and was the National Coordinator for the MMSD Project in that country. Manuel holds a Ph.D. in Economics from the University of Illinois and is Associate Professor in the Economics Department of the Catholic University of Peru. He is a specialist in rural development, in environmental economics and natural resources, and in the analysis of agrarian and environmental public policy, with experience in Peru, Bolivia, Ecuador, and Guatemala. He was President of the Permanent Seminar for Agrarian Research (SEPIA) from 1997 - 1999. One of his recent publications is *Natural Resources and Development: A Canadian-Latin American Dialogue*, co-edited with Donald Brean of the University of Toronto (Lima: Consorcio de Investigación Económica y Social, 2000; in Spanish). He has recently been developing a series of studies on mining and local development in Peru, with a particular focus on the processes of involuntary relocation.

**Pedro Gómez Rocabado** worked for the Minera Catavi company of the Mining Corporation of Bolivia (COMIBOL), for two years as a miner and fifteen years in various other capacities. As a union activist, he has served as Secretary of Relations and Secretary General of the “Combined Union of Mining Workers of Catavi” (1981-86); as a worker in the Social Security System and as a



member of the Federation of System Workers (1987-96), and, from 1997 to the present, as Project Coordinator in the Centre for Mining Development (CEPROMIN). In the latter position, he has undertaken training and research work in various mining districts throughout Bolivia. Pedro has extensive experience in mining from a community perspective and will provide an informed opinion on the current situation in the districts of Capacirca and Amayapampa, as well as on the status of Bolivian mining since the implementation of neo-liberal policies.

**Ricardo Grinspun** is associate professor of Economics at York University and a Fellow of York's Centre for Research on Latin America and the Caribbean (CERLAC). He specializes in questions of development and international trade, hemispheric integration, and globalization in the Americas. His most recent research is on the linkages between international trade rules and global poverty. He is a former director of CERLAC and has directed several large-scale international development projects. He is co-editor and coauthor of four books, the latest one on the participation of civil society in Central American integration. He is also author of more than 40 scholarly articles and technical reports.

**Joan Newman Kuyek** is the National Coordinator of MiningWatch Canada, a pan-Canadian initiative supported by environmental, social justice, Aboriginal and labour organisations from across the country. It addresses the urgent need for a co-ordinated public interest response to the threats to public health, water and air quality, fish and wildlife habitat and community interests posed by irresponsible mineral policies and practices in Canada and around the world. As National Coordinator, Joan functions as CEO with responsibility for the successful implementation and management of policy, programs and finances. Prior to taking on this challenge, she lived in the mining town of Sudbury, where she was community organizer for more than thirty years. She has worked all over Canada and in other countries as a popular educator and organizer. In addition to numerous articles and books, Joan is the author of *Fighting for Hope: Organizing to Realize our Dreams*, a manual for community work.

**Judith Marshall** is a labour educator and writer who has worked for many years in the field of international cooperation and solidarity. She spent 8 years in Mozambique working in the field of workplace literacy and wrote a book recounting these experiences entitled *Literacy Power and Democracy in Mozambique*. For the past 11 years she has worked in the Steelworkers Humanity Fund where she coordinates the education and southern Africa programmes. She also represents the Steelworkers in Common Frontiers, a network focussing on trade and economic integration in the Americas. Her work in promoting worker exchanges between mining unions in the Americas and organizing a Commission of Inquiry on Corporate Conduct in the Americas which took place as part of the People's Summit in Quebec last April have given her many opportunities to reflect on corporate conduct and new forms of governance in the Americas.

**Luis Fernando Merino** is a biologist and a collaborator with the NGO Ecological Action of Ecuador. He has directed neighbourhood organizations in Quito, and is a founder of the Unitary Neighbourhood Coordinating Organization of Ecuador. He has participated in the legislation of environmental protection bills for the city of Quito, and was coordinator of the Higher University Extension Institute of the Central University from 1996 to 2001. Luis is a member of the Environmental Commission of the Municipality of Quito and a member of the Commission for Rural Districts of Quito.

**Cesar Padilla Ormeño** is an anthropologist, trained in the University of Amsterdam, and founder of the Latin American Observatory of Environmental Conflicts in Chile (OCLA). Since its founding,

he has served in OCLA as National Coordinator from 1992-95; as International Coordinator and head of the section on mining and the environment from 1995 to the present; and as Coordinator of the National Network on Mining and the Chilean Environment from 1999 to the present. He was also a founder of the Latin American Network on Environmental Conflicts in 1995.

**Francisco Ojeda Riofrío** is the President of the Front in Defense of Tambogrande (Frente en Defensa de Tambogrande). The Front is a citizens' group that has formed in response to the proposal of the Canadian mining company, Manhattan Minerals, to develop a gold mine in Tambogrande, in northern Peru. Francisco is also Human Rights Secretary for the Peruvian National Coordinator of Communities Affected by Mining (Coordinadora Nacional de Comunidades Afectadas por al Minería del Perú: CONACAMI). CONACAMI is a national organization created by and for communities affected by mining and includes the involvement of representatives from thirteen departments in Peru.

**Francisco Ramírez Cuellar** is a trade unionist and President of the Union of the State Mining company of Colombia (SINTRAMINERCOL). Francisco Ramírez toured Canada in April and May 2000, participating in a series of events organized by MiningWatch Canada, the Canadian Labour Congress (CLC), the Canadian Autoworkers (CAW) and the Inter-church Committee on Human rights in Latin America (ICCHRLA; now known as KIAROS). At that time, he underlined the connections between displacement caused by paramilitary violence in Colombia and the incursion of foreign capital, and he called for a halt to foreign investment in Colombia's mining sector until the labour rights and human rights of workers are respected.

**Alejandra Roncallo** is a doctoral candidate in Political Science at York University writing her thesis on neo-liberal economic restructuring in Bolivia and the “New Mining,” from a perspective sensitive to the role of ethnic and gender relations. Alejandra will present on the conflict between Da Capo Resources Ltd. of Vancouver (later Vista Gold Corp.) and the miners and peasants of North Potosí, discussing how the demands of the various social agents involved were articulated during the course of this conflict.

**Keith Stewart** has a Ph.D. in Political Science from York University and a long-standing interest in international solidarity and environmental issues. He is currently the Smog and Climate Change Campaigner for the Toronto Environmental Alliance (TEA), a non-profit environmental advocacy organization. TEA and Accion Ecologica, an Ecuadorean environmental group, have collaborated for five years on a project opposing the expansion of the petroleum frontier in the Ecuadorean Amazon.

**David Szablowski** is a member of the Ontario Bar. He is a CERLAC Research Associate and a member of the Peruvian Section of the Latin American Network of Legal Anthropology. He has an Honours M.A. in English Literature from Edinburgh University, an LL.B. from Osgoode Hall Law School, York University, and is currently a doctoral candidate at Osgoode working on issues of transnational law and governance.

**Anneli Tolvanen** is an educator and translator. She worked in Nicaragua from 1995 to 2000, during which time she took a particular interest in the experience of the community of La Libertad and she wrote some articles on the activities there of the mining company Greenstone. In August 2001, Anneli was contracted by MiningWatch Canada to carry out a series of interviews in La Libertad and Bonanza to assess the impact of Canadian mining companies on those communities. Anneli has

spent the winter translating and transcribing those interviews. Anneli's other great passion is supporting children's storybook libraries in various communities in Nicaragua.