

"IT'S NOT MY STORY": THE DEVELOPMENT DISCONNECT BETWEEN CORPORATE
SOCIAL RESPONSIBILITY AND THE NARRATIVES OF COMMUNITIES IMPACTED BY
MINING IN PERU'S ANDES

by

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Abstract

This thesis examines the disconnect between the stated intentions of mining companies and narratives of hegemonic dispossession from mining-affected communities in the Andean region of Peru. The study focuses on Barrick Gold Corporations' operations in rural Peruvian communities to illustrate how policy decisions and corporate privilege in Canada, and globally, construct hegemonic processes of development broadly. The research question asks how the mining industry frames its intentions so that civil society in Canada subscribes to the interest of this elite group. Findings from two case studies in rural Peru show that the mining industry uses instrumental tools such as Sustainable Development (SD), Corporate Social Responsibility (CSR) and partnerships with NGOs to create an illusion of shared values with civil society. The presence of a transnational capitalist class (TCC) is evidenced by examples of collaboration between government and corporate efforts. I argue that a TCC enables global mining to maintain an influential role in shaping economic and political agendas that hinder development behind a guise of responsible and sustainable behaviour. A local-level analysis of Barrick Gold Corporation's actions in Peru is connected to global economic and political trends to show how hegemony serves the maintenance of neoliberal economic growth instead of social development.

List of Abbreviations Used

AMD – Acid Mine Drainage
AMAS - Asociación Marianista de Acción Social (AMAS)
CCIC – Canadian Council on International Cooperation
CCSRC - Canadian Centre for the Study of Resource Conflict
CIDA – Canadian International Development Agency
CODISPAS - La Comisión Diocesana de Servicio Pastoral Social
CPP – Canadian Pension Plan
CSO – Civil Society Organization
CSR – Corporate Social Responsibility
DFAIT – Department of Foreign Affairs and International Trade (Canada)
EDC – Export Development Canada
EI – Extractive Industries
FDI – Foreign Direct Investment
ICMM - International Council on Metals and Mining
IFI – International Financial Institution
IGO – Intergovernmental Organization
IMF – International Monetary Fund
MBM - Minera Barrick Misquichilca (Peruvian Subsidiary of Barrick Gold Corporation)
MMSD – Mining, Minerals and Sustainable Development
NGO – Non Government Organization
NOSM - Northern Ontario School of Medicine
OTSS - Ontario Trust for Student Support
SD – Sustainable Development
TCC – Transnational Capitalist Class
TNC – Transnational Corporation
WB – World Bank
WBCSD – World Business Council for Sustainable Development
WCED – World Commission on Environment and Development

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To the warm-hearted and welcoming people I encountered in Peru, thank you for your acceptance and for seeing our similarities over the differences. We could all learn to do this more. May the struggles of the communities represented in this thesis be fruitful and the water be clean and abundant. Thank you for sharing your stories.

In an age when man has forgotten his origins and is blind even to his most essential needs for survival, water along with other resources has become the victim of his indifference.

Have we fallen into a mesmerized state that makes us accept as inevitable that which is inferior or detrimental, as though having lost the will or the vision to demand that which is good?

Rachel Carson

Chapter One: Introduction

Background

In 2009, Peru's National Human Rights Coordinator released a report documenting the notorious 2005 kidnapping and torture of twenty eight people from the Piura department in highlands of Northern Peru. The victims participated in a peaceful march to speak with representatives of the Rio Blanco copper mine. They objected to concerns about mining operations happening on shared farmland without community approval. When the group of protesters arrived at the mine they encountered police forces and a violent conflict between the groups broke out. The conflict left one person dead, forty injured, and twenty-eight kidnapped and detained inside the mining camp by private mine security and police (Hufstader, 2009). The report states that community members were subjected to "diverse forms of physical and psychological torture" for three days (Hufstader, 2009, para.5).

Not far from the Rio Blanco site, ongoing protests have interrupted construction of the *Minas Conga* copper and gold mine, which is located forty-five kilometers North of Cajamarca city in Northern Peru. Minas Conga is a proposed extension of the Yanacocha gold mine, an immense mine which occupies 1, 572 square kilometers of the high Andes, making it the largest in Latin America and second largest in the world (Mine Site, n.d.). With leadership and support from local officials, communities near the Conga project mobilized over concerns about the mine contaminating and diminishing local water supplies. Water issues are a primary concern for communities in Peru as it is South America's most water-stressed country (Bebbington and Williams, 2008). The Minas Conga project would remove four high-altitude lakes and replace them with reservoirs ("Emergency to end protests over mine," 2011). Community organizing against the mine proposal produced clashes between police and local community members and

led to dozens of injuries. In response to mining opposition in the Cajamarca department of Peru, President Ollanta Humala declared a state of emergency in four towns for sixty days beginning in December of 2011. According to Mercopress (2012) the president's declaration "suspends the freedom of movement and assembly, allows police to make arrests without a warrant" and gives authority to the armed forces to help police maintain order (para.8).

The President of Peru declared a state of emergency three times between taking office in July 2011 and July 2012 in order to settle mining protests and to avoid negative publicity that could deter foreign mining investment (Mercopress, 2012). As of July 2012, only a year and a half into Humala's term as president, fifteen people were killed in conflicts over natural resources (Wade and Aquino, 2012, para.19).

The experience of mining-affected communities in Peru over the last twenty years has shown that corporate claims of social and economic benefit from mining come with high costs including human rights abuses and environmental degradation. A legacy of water contamination, socio-economic reorganization, and broken promises for development make communities weary of mining companies' stated intentions of total prosperity. Protests are not peaceful. Acts of violence and vandalism are committed by protestors and corporate advocates alike. The intensity of the conflict highlights the contentious nature of mining in Peru. The use of violent oppression, often committed or endorsed by the police, demonstrates the degree to which mining companies shape political agendas of elected governments to go as far as trouncing public opposition.

Contention and Ambiguity

Mining creates more disputes over land-use than any other industry in the world (Hilson, 2002). Conflicts over access to minerals can be long-lasting. Projects cause irreversible damage

to natural resources. Operations devalue traditional livelihoods, and hegemonic politics fracture cultural and communal organization. Mining conflict centers around “socio-environmental struggles over the control of space, the governance of territory, access to land and water resources and the defence of human and citizenship rights, and dissatisfaction over the distribution of mineral rents” (Bebbington et al., 2008, p.893). Mining transforms land and life into geographies of development that are no longer usable for local economies such as farming, fishing, and forestry. The process leaves land irreclaimable for the future (Hilson, 2002, p.65) These issues are exacerbated in rural Andean regions of Peru where small scale sustainable farming is the dominant form of livelihood and land ownership is frequently ambiguous or irrelevant for communities (Hilson, 2002, p.68).

Rural regions of the Peruvian Andes are inhabited by subsistence-based agricultural communities with high poverty rates. In the context of poverty, the desperate need for basic services can encourage communities to accept mining proposals without obtaining sufficient information or following meaningful consultation. Mining corporations make sweeping promises, provide immediate incentives, such as much-needed cash, and they use tactics to pressure communities into signing away their land for corporate access. Additionally, many communities in the Andes have limited access to information via the internet, mainstream media, or advocacy networks. This can increase vulnerability for communities opposing a mining development as they have limited information and poor access to legal counsel.

Mining companies claim that the industry will benefit Peru’s impoverished communities through employment, infrastructure, technical training, and increased prosperity. Conversely, mining concessions are of grave concern for communities due to the impacts they have on

adjoining or overlapping geographies which include land claims, important water sources, and headwaters (Bebbington, 2009, p.15). Between one-quarter and one-third of Peru's major watersheds are located within mining concessions. Watersheds are the source for drinking water and sustain agricultural practices in downstream communities (Bebbington, 2009, p.15).

Despite concerns over environmental contamination, the transformation of land, and human rights abuses, mining companies maintain that overall economic growth created by mining contributes to positive development in rural communities and decreases poverty in host-countries where operations are located (Jenkins and Obara, 2006).

The argument that mining is a positive contributor to development is shared by influential governments and international financial institutions (IFI) that reinforce and legitimize this belief within civil society.¹ The Canadian government defends the interests of Canadian-based mining corporations that operate in Peru directly through the policies and operations of governmental agencies such as CIDA. CIDA (2011) asserts that

The Canadian extractive industries — particularly mining industries — are the largest in the world, ... Working in partnership with the private sector, these resources can contribute to poverty reduction in many of these countries and improve the standard of living for their populations (para.2).

The push for mining to aid development objectives is endorsed by some cash-strapped governments in the global South, which argue that economic growth from mineral resources

¹ The World Bank defines civil society as “wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations” (The World Bank, 2010, para.5). Civil society refers to the people and groups that organize outside of state, family or market systems, “though in practice, the boundaries between state, civil society, family and market are often complex, blurred and negotiated” (Howell et al., 2006, p.24). Civil society is often defined by the intrinsic values and meaningful goals held by members of society which are not coerced by political or economic objectives (Howell et al 2006).

funds efforts to increase human development in their countries.² Profits from mining have helped pay for important state-run social programs in Peru and Bolivia (Bebbington, 2009, p.14).

The World Bank's (WB) Extractive Industries review finds that mining contributes to sustainable development in the global South and it should be promoted when regulatory guidelines are in place. Through the conditionalities it applies to borrower countries in the global South, the World Bank sets a strong precedent for encouraging mining in the pursuit of broader development objectives.

Internationally, the mining industry acknowledges a need for internal reform and adopts voluntary ethical standards with the supposed intention of having a positive impact on communities located near operations (DFAIT, 2009). With support from government agencies, industry organizations, and IFIs, mining companies advocate for access to minerals and economies in the global South on the basis that they achieve development through their operations, Corporate Social Responsibility (CSR), and community outreach.

A Growth in Mining

The growth of mining in the global South increased rapidly in the past two decades. Beginning in the early 1980s countries reformed their economic policies, liberalized trade, and

²Bebbington (2009) explains that from 2007 – 2009, President Alan García enacted 99 decrees which would put into action his vision for Peru's development. Garcia believed that Peru's underdevelopment and high poverty rate was a result of not properly using the country's natural resources. In order to combat poverty and underdevelopment, the government should "formalize property rights, offer up large swaths of land for sale, and attract large-scale investment and modern technology" (Bebbington, 2009, p.12). Garcia's neoliberal philosophy initiated a process of privatization which focused largely on land and natural resources. In a statement to the press regarding indigenous and non-indigenous protests over land entitlement, the president suggested that rural indigenous communities were not considered a real part of Peru: "Who are 400,000 natives to tell 28 million Peruvians that you have no right to come here?" (Bebbington 2009, p.13).

encouraged foreign direct investment (FDI) as an embracement of pervasive neoliberal ideology. Latin America experienced steady increases in FDI from 1990 to 2001, primarily as a result of liberalization policies and sector reforms (Bebbington et al., 2008; Villafañe, 2010). Villafañe (2010) points out that

resource availability, relatively lower risks, relaxed labour laws, bilateral trade agreements, tax breaks and other benefits enacted by regional governments in the 1990s, transformed Latin America into one of the world's most important destinations for investment in mining (p.2).

In line with neoliberal restructuring in the 1990s, Peru's President Alberto Fujimori enacted political and economic reforms that transformed the country from "an economy dominated by state controls to a liberal economy dominated by private sector and market forces"³ (Bury, 2002, p.4). The Fujimori administration proceeded on a path of economic and political reform designed to benefit mining companies via financial incentives and reduced competition from domestic companies that dominated control of mineral deposits (Bury, 2002, p.6).

As a result of these policy reforms, foreign investment in extractive industries in Peru increased five-fold between 1990 and 2000, "with an additional 12 million hectares of rural land being given out to mining companies" (Bebbington and Hinojosa, 2007, p.4). Concessions and

³Beginning in 1990, under President Alberto Fujimori's leadership (1990-2000) Peru was transformed into one of the most liberal economies in the world. Neoliberal restructuring of the economic and political system, in addition to a new constitution, were developed with the intention of stimulating foreign investment in the country's mineral resources (Bury 2002, p.5). Peru is one of the largest exporters of mineral resources on the continent due largely to Fujimori's restructuring in the 1990s. Legal and financial protection, direct subsidies, and a reduction of royalties - in addition to a dramatic reform of land tenure rights - created a stable and prosperous economic and political environment for transnational mining companies (Bury, 2002).

mining operations are located almost exclusively in areas of chronic poverty, which contributes to mining-related conflicts (Bury, 2002).

In 2008, “over 75 percent of the world’s exploration and mining companies were headquartered in Canada” (DFAIT, 2009, para 3). The Canadian government played a significant role in reorganizing economic and political structures to ease the penetration of Canadian mining investment in Latin America. In Peru, Canadian investment was a major driving force for the growth of the extraction industry in the 1990s. This led to conditions ripe for profitable extraction evidenced by “over 60 active Canadian mining firms operating in Peru, with a presence in over 50% of all mining projects in the country, and total investments valued at more than US\$4 billion” (Gordon and Webber, 2008, p.82). Canadian mining companies are central to the political and economic reforms that preceded a growth in mining in Peru.

The contentious nature of mining is exacerbated by neoliberal economic reforms that transformed Peru’s political and economic systems to benefit mining.

Practical Problem

Media reports of mining-related violence, anti-mining protests, and proposed legislation such as Bill C-300 highlight the potency of debates surrounding Canadian mining and its impacts on vulnerable communities in the global South. Growing evidence of the mining industry’s contribution to environmental contamination, community dependency, social and cultural decay, and its use of state-sponsored violence against resistance calls into question the lofty development claims proclaimed by the industry.

Yet mining companies draw reference to their self-regulated policies of Sustainable Development (SD) and CSR as proof that they are moving beyond mitigating negative impacts,

such as contamination and land displacement, and that they are meeting broader development goals. Many mining companies have created development plans that include technical training, innovation for traditional agricultural methods, capacity-building, educational opportunities, empowerment programs, economic diversification, and increased access to health services. However, there is increasing evidence that these programs are limited in scope, inappropriately conceived, and ineffectively applied to communities. As a result, communities are left in the same vulnerable position, or worse-off, after the company closes the mine and ceases any provision of economic and social development.

The Canadian Department of Foreign Affairs and International Trade (DFAIT) (2009) states that “corporate social responsibility makes good business sense since it enables companies to better manage the social and environmental risks of their operations” (para.36). This governmental understanding of CSR explicitly prioritizes profit therefore suggesting that social, environmental, and cultural development objectives are less important.

The question remains, what explains the major disconnect between the stated intentions of mining companies and the lived experiences of communities nearby Canadian-owned mining operations in Peru?

Research Problem

The perspectives of local communities are largely neglected in evaluations of corporate-sponsored development. If companies create CSR programs to benefit communities nearby to their operations, then the lived experiences of those community members need to be prioritized. The literature lacks clear evidence that the industry narratives of transformative development are actually experienced within communities. In fact these narratives may be instrumental tools for

maintaining hegemonic control by a global elite that benefits from the spoils of the mining industry.

This study employs multiple qualitative methods to render how CSR narratives within the extractive industry relate to the voices of two Peruvian communities directly affected by mining operations.

Research Questions

Local activists have attracted both popular attention and scholarly skepticism of the mining industry's alleged development benefits. Activists have exposed numerous cases of environmental degradation, and human rights abuses by government and private security. However, Canadian companies like Toronto-based Barrick Gold Corporation continue to receive support from the Canadian and Peruvian governments through liberalized trade agreements as well as lowered taxes and royalties paid to the Peruvian government for mining operations in Peru. Specifically, the thesis intends to answer two main questions with regard to Canadian mining companies operating in Peru. The research questions posed are as follows:

- 1) Do the narratives of mining-affected communities in Peru reflect the intentions and development objectives of Canadian companies that operate nearby?
- 2) What tactics do Canadian mining companies use to frame their intentions so that civil society locally and in Canada subscribes to the interests of this elite group?

Thesis

This thesis argues that a fundamental disconnect exists between Barrick's stated intentions and the outcomes experienced locally around the Pierina and Lagunas Norte mines in Peru. Evidence collected through eliciting the narratives of community members in Peru, and

document analysis, shows that the stated development intentions of mining companies work to produce hegemonic narratives aimed at neutralizing dissent to mining operations and to build consent to current operations through moral and intellectual counsel.

I argue that CSR narratives and business-NGO partnerships are instrumental tools used by the mining industry to construct hegemonic common sense, which directly benefits the interest of Canadian mining companies over that of local communities. Principles of SD are co-opted into corporate narratives in order to suggest that the desires of local civil society in marginalized communities and transnational corporations are aligned and that they share fundamental core values.

If Barrick's SD and CSR narratives are accepted without critical analysis, or without voices of dissent from within impacted communities, local civil society is less likely to challenge the destructive conditions in Peru. Without organized opposition at the local level, companies continue to access valuable agricultural land, degrade the local environment, and threaten the autonomy of rural populations. A lack of scholarly attention risks the pacification of, and acquiescence to, alternative economic and political models to overcome hegemonic processes. If civil society accepts CSR as a palpable avenue for development, the result will be the continued marginalization of communities near mining operations and the reinforcement of hegemonic processes that enable it.

Theoretical Framework

This thesis is informed by Antonio Gramsci's theory of hegemony and how "common sense" reinforces power to elite actors within power dynamics forged by neoliberal globalization (Robinson, 2005; Katz, 2006; Cox, 1993). Gramsci argues that hegemony is "the way in which a

ruling group establishes and maintains its rule” specifically through means which do not require coercive strategies to maintain power (Robinson, 2005, p.560; Rwengabo, 2012). Hegemony is the arrangement of particular class structures within society whereby the elite gain the ‘active consent’ over those it attempts to rule through intellectual and moral persuasion. Cox (1993) argues that by exercising influence *through* states, other institutions, the production of values, norms, and social relations, the ruling class “assimilates ideas that it sees as potentially dangerous, and thus creates cultural and political consensus” (in Katz 2006, p.335).

The ruling class minimizes dissent from movements opposed to its hegemonic operations by providing limited avenues for marginalized groups to ‘climb the social ladder’ and to supposedly share in the power and prosperity of the elite group. But as long as the marginalized communities feel they are provided the opportunity to share the values of the ruling class and to achieve an elite position in society, these communities will continue to absorb values projected by the elite that in fact reinforce domination (Robinson, 2005). Robinson (2005) argues that according to Gramsci, the ruling class is especially adept in its ability to “make compromises, within certain limits, with a variety of allies who are unified in a social bloc of forces...” so that the values to which people consent are “created and re-created in a web of institutions, social relations, and ideas” (p. 564). Maintaining hegemony depends on

varied and entrenched intellectual, economic, socio-value and ideational resources to coarsen, coax and control. Where coaxing, cooptation and non-coercive control fail brutal coercion may be applied, but under hegemony control relies least on such force (Rwengabo, 2012, p.7).

Neoliberal ideology aggressively manipulates processes of globalization in order to benefit an emergent elite group called a transnational capitalist class (TCC). The TCC cannot be defined

according to a particular geographic place or found within one nation state (Robinson, 2005).

Instead, the TCC, or the globalist bloc, is

comprised of the owners and managers of the transnational corporations and private financial institutions and other capitalists around the world who manage transnational capital. The bloc would also include the cadre of bureaucratic managers and technicians who administer the agencies of the TNS, such as the IMF, the World Bank and the WTO, other transnational forums, and the states of the North and the South. Also brought into the bloc would be an array of politicians and charismatic public figures, along with select organic intellectuals, who provide ideological legitimacy and technical solutions (Robinson, 2005, p.565).

IFIs such as the World Bank and International Monetary Fund (IMF) contribute directly to the maintenance of a TCC by restricting nation-states from developing social, political, and economic agendas that prioritize elevating the most impoverished segments of society. Instead they offer corporate interests preferential rights to natural resources through the provision of favourable liberal policies (Katz, 2006).

Hegemony is an effective way of understanding the political and economic influence of elite actors, such as the persons leading transnational mining companies, in shaping civil society perceptions. Hegemony offers the best scope of understanding resistance by connecting global economic and political trends to the daily social-reproduction of elite values, both of which challenge counter-hegemony. The absorption of hegemonic narratives in Canadian society in part explains why academic analyses and media reports of the damages caused by the Canadian mining industry have yet to incite nation-wide civil protest against corporate misbehaviour.

Through the reduction of structural constraints forged by the TCC, the Canadian mining industry can access profitable operating environments in Peru. A study of Barrick Gold's operations in Peru explains why the stated intentions of mining companies are proclaimed to

quell dissent through counter-hegemonic movements and to instead build consent through moral and intellectual leadership.

Tools for Analysis

This thesis employs three tools of analysis in order to draw connections between the moral claims of transnational companies operating in Peru and the local context where these statements are put into action. SD, CSR, and business-NGO partnerships are corporate signposts of moral and intellectual leadership and they serve as strategic imperatives for maintaining hegemony. This thesis argues that these concepts are instrumental in design and application in that they are strategically-conceived concepts which serve the interest of the corporation instead of affected communities. Three principle hegemonic narratives are SD, CSR, and NGO partnerships.

Sustainable Development (SD)

In 1987 the United Nations published “Our Common Future,” a report by the World Commission on Environment and Development (WCED). The report’s objective was to create an agenda to tackle pressing social issues, such as poverty, environmental degradation, and economic and social exclusion through cooperation and multilateralism (Our Common Future, 1987). The report is considered a historical landmark in focusing corporate, civil society, and government attention towards collaborative opportunities for pursuing SD globally. The report’s definition of SD is still upheld within civil society as “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987; Hilson and Murck, 2000, p.227).

During the 1990s, many transnational corporations (TNC) responded to the call for SD and offered leadership within their business organizations (Utting, 2000, p.2). The adoption of SD

into corporate rhetoric is a necessary response to growing public pressure and dissent against the negative impacts of business in the extraction industry (Murphy and Bendell, 1999, p.VI).

Corporate Social Responsibility (CSR)

CSR strategies are the primary vehicle used to articulate and carry out the claimed benefits of mining in a real-life setting (Villafañe, 2010). CSR is prominent within the mining industry. In 2008, “80 percent of all companies listed on the Toronto Stock Exchange reported at least some CSR information in their annual reports or in a stand-alone report” (DFAIT, 2009, para. 27). CSR programs allow a comparison between a company’s stated intention for producing positive development outcomes with the actual impacts that take place on the ground.

Mining CSR programs are voluntary and drive back legal regulation, which allows companies to continue with the most cost-effective form of regulation instead of requiring sweeping reform across the industry. Without legally-binding regulations, companies race to the bottom of regulatory stringency in order to keep costs low, stay competitive, and achieve the highest profits possible.

CSR gives companies an opportunity to suggest that they share the values of civil society. It satisfies public concern that social conflicts are resolved, human rights upheld, and the environment protected without overhauling the structures that give mining companies power and political influence.

Business-NGO Partnerships

NGOs are viewed as vocal leaders within civil society because they work to protect social, environmental, and political values from erosion under corrosive conditions of neoliberal

capitalism. In the context of mining, local NGOs are often the first responders to broadcast environmental or social abuses committed by companies.

Mining companies that develop CSR agendas face criticism for pretending to be experts in development (Sagebien and Whellams, 2010; Frynas, 2005). In response to these criticisms mining companies like Barrick Gold justify CIDA-funded partnerships with NGOs such as World Vision to implement more effective development programs (Marsden, 2000).

The direct partnership of government with private interests and NGOs raises concerns about hegemonic complacency of NGOs to corporations. As “the conscience of the world,” the risk of business interests co-opting NGO activity represents a decreasing potential for the rise of a counter-hegemonic movement led by NGOs (Katz 2006, p.334). Combined, SD, CSR, and business-NGO partnerships create a powerful hegemonic narrative that implies that extraction operations in marginalized communities will somehow lead to positive development outcomes.

Chapter Layout

Chapter Two will explore the literature surrounding the three tools of analysis: SD, CSR and business- NGO partnerships. The historical relevance of SD and its incorporation into mainstream corporate literature shows how the term has taken on a highly ambiguous meaning. The literature review will highlight the dominant themes surrounding CSR and the arguments for and against its use in development agendas. Finally, a discussion of business-NGO partnerships looks at recent attempts to reconcile corporate interests with the desires of civil society through partnerships between mining companies and NGOs. This section will describe gaps in the literature and why there is a need for rearticulating this issue through the lens of hegemony.

Chapter three outlines the methods used to perform interviews in two communities located near Barrick Gold's mining operations in Peru in February through April of 2012. The choice of methods are based on findings in the literature which point to a gap in knowledge where the voices of the intended beneficiaries of mining-related development have yet to be heard. This section describes the reasons for selecting two community case studies near Huaraz and Otuzco in Peru, the scope of the study, and techniques used for data collection.

Chapter four provides findings from interviews, specifically the major struggles in communities near Pierina and Lagunas Norte mines and links these narratives to the stated intentions of Barrick. Themes are drawn out to give context to local concerns and sources of conflict around these mines. Research participants offer their perception of the relationship between mining companies and communities as well as their development objectives in relation to the stated objectives of the industry.

Chapter five provides further context to the theory of hegemony by making connections between government and corporate activities through cross-sector collaborations. This chapter gives evidence of actions and initiatives which intentionally support and legitimize hegemonic processes.

Conclusions are discussed in chapter six. Conclusions will reiterate the major themes and connect them to broader trends employed by the TCC to maintain hegemony. The conclusions will draw on information acquired through interviews and a review of grey literature to make the link between the local experience of marginalization and Barrick's strategic use of SD, CSR and business-NGO partnerships. These conceptual tools enable hegemonic processes that leave communities marginalized, rather than at the heart of the development process. This chapter

highlights how corporate trends for limiting civil society dissent are employed beyond Barrick's local operations and applied on a global scale to eventually inform the narratives accepted by global civil society. Finally, the importance of approaching the aforementioned corporate strategies through a lens of hegemony is emphasised in relation to the risks of continued environmental degradation, inequity, and oppression if supposed development initiatives are accepted as genuine.

Chapter Two: Literature Review

The stated intentions of mining companies are not reflected in the real lived experiences of community members in project areas (Frynas 2005; Utting 2000). Pressure from civil society and Intergovernmental Organizations (IGO) has encouraged corporations to adopt principles such as SD, CSR, and business-NGO partnerships as mechanics of ensuring responsible actions and committing to ethical actions towards communities. This literature review will provide critical analyses of these central concepts employed by transnational mining companies that operate in the global South. The intentional ambiguity of SD, CSR, and business-NGO partnerships shows how these concepts are used by elite interests as hegemonic tools for maintaining operations in marginalized communities.

Sustainable Development

Since the early 1990s, civil society groups have placed greater pressure on companies to mitigate the negative impacts of their operations on environmental, social, and human well-being. More recently, companies have been pressured by civil society to address issues outside their direct influence of operations. New obligations include “responsibilities regarding the promotion of environmental, labor, and human rights standards” (Baur and Schmitz, 2012, p.15). These indirect responsibilities fall within the framework of SD.

SD lies at the chaotic intersection of environment, society and economy. It seeks to find the greatest balance between the needs of all three systems in order to produce the greatest number of benefits for social development, with the fewest possible losses for the corporation. The SD framework is “a concept of needs, an idea of limitations, a future oriented paradigm, and a dynamic process of change” (Shields and Solar, 2000, p.16). For a more precise understanding of

sustainable development, the concept is frequently broken down into four forms of capital: *natural capital* (traditional natural resources); *human-made capital* (physical produced assets and the built environment); *human capital* (the health and wellbeing of individuals); and *social capital* (social relations, norms and institutions) (Shields and Solar, 2000, p.17). These forms of capital can be understood as steps on a ladder whereby natural capital is eventually transformed into social capital, expressed by the wellbeing, happiness and stability of human populations impacted by development (Shields and Solar, 2000, p.17).

Reed (2002) outlines a similar dissection of sustainable development as conservation-centred, equity-centred and growth-centred. A conservation-centred approach focuses on maintaining pristine ecosystems while a growth-centred approach prioritizes economic growth. Within this model, the environment serves as a tool for commercial development (Reed, 2002, p. 206). In between these two perspectives is an equity-centred approach which recognizes that balancing the needs of human and environment systems can produce optimal results for both interests in the long term.

Sustainable Mining

It is widely accepted that mining has a tumultuous history of environmental destruction, social disruption, and cultural deterioration (Banerjee, 2001, p. 43). Even if a mining operation does not directly require the relocation of a nearby community, indirect effects - such as cultural disintegration caused by mining's reorganization of traditional economies – impact neighbouring communities. Disturbance of socio-economic and ecological services may take the form of “industrial run-off affecting local water sources, or the destabilisation of the migratory and

mating patterns of game and the loss of arable land resulting from the infrastructural development accompanying mining” (Gordon and Webber, 2008, p.68).

However there are a wide range of views as to the potential benefits of mining. The following section reviews competing perspectives on whether mining can be performed within a model of sustainable development.

Proponents of Sustainable Mining

Mining companies frequently tout the opportunities for development that result from their operations: technological advancement, technical training, and spinoff prosperity to other sectors of the economy (Clark, 2002, 10). Many argue that the benefits from mining include employment, improved infrastructure such as transportation networks, greater access to education and medical services, and the expansion of ‘upstream’ and ‘downstream’ economies which supply mining equipment, process minerals, and export the product (Reed, 2002, p. 214; MMSD, 2002). Sustainable development is a widespread concept integrated into the vision statements and operational plans for many mining companies operating in the global South.

Barrick Gold highlights that their

... community relations staff works closely with communities to create and implement integrated development programs that take into account local issues, concerns and needs. Recognizing that our mines may operate in some communities for 20 years or more, we focus on long-term sustainable development (Barrick Gold Corporation, 2012).

The World Bank promotes mining contributions to local development in order to

ensure that affected communities, including Indigenous Peoples’ communities, benefit from projects as much as possible through good practice approaches to local recruitment and training, and the development of local suppliers and downstream industries... access to health services, community funds, vocational training, general education, and infrastructure (World Bank Group, 2004, p.4).

Although some communities have received much needed services from mining companies, many more cases exist where the services provided are short-sighted and inappropriate for the socio-economic needs of the community or they fail to be delivered at all. Reed (2002) suggests that providing these programs legitimizes the neoliberal model of shrinking government and its role as regulator and provider of essential services to communities. Although local communities may experience certain limited benefits, “[the company] cannot be relied upon to provide a comprehensive program which provides sufficient levels and a full range of services (in an equitable manner) for an entire nation” (Reed, 2002, p.218).

In 2000, the World Bank began a comprehensive assessment of its involvement in gas, oil and mining projects in the global South to determine whether extractive industries (EI) can be used to reduce poverty rates and enhance sustainability. Published in 2004, *The Extractive Industries Review* emphasises that EI contribute to sustainable development when thoughtfully implemented, and when benefits are properly distributed (World Bank, 2004). While the report broadly advocates for principles such as informed consent, community participation, and corporate transparency, it gives very little detail as to how these principles are implemented. The World Bank’s positive outlook on the correlation between human development and EI in the global South lends notable credence to the argument in favour of mining as an avenue towards sustainable development.

The Government of Canada follows the same line of thinking as the World Bank. It asserts that the Canadian mining industry offers global leadership in “sustainable economic growth, job creation and long-term poverty reduction” through mining operations in Latin America (DFAIT, 2009, para. 18). In fact, CIDA actively participates in reforming mining codes and policies of

countries in Latin America to facilitate the ease and profitability of Canadian mining investment.⁴ In 2002, the agency invested \$9.6 million in Peru's Mineral Resources Reform Project "aimed at providing technical assistance and technological support to Peru's Ministry of Energy and Mines to improve its administration of the country's mining and energy sector" (Gordon and Webber, 2008, p.69). CIDA, the WB and the IMF have all contributed to the reorganization of mining legislation and the opening up of Latin American economies to greater investment from advanced capitalist countries. These strategies produce favourable climates for corporate investment and eliminate "unfair barriers to accessing the region's mineral deposits" (Gordon and Webber 2008, p.69). The Canadian government makes clear that its perspective on mining and sustainable development favours the ultimate goal of opening markets and increasing access to new markets for Canadian mining corporations.

⁴ In 1996 CIDA helped the Colombian government reform its mining laws (Roy-Gregoire 2009, p.9). Also involved in this process was the Calgary-based Canadian Energy Research Institute (CERI) and Colombia's Ministry of Mines (Leech, 2009, p.63). The resulting Law 685, implemented in 2001, relaxed environmental regulations that mining corporations were required to fulfill. It opened new areas for mining, many of which contain sensitive ecosystems rich in bio-diversity (Roy-Gregoire 2009). The mining reforms reduced taxes to be paid by mining corporations and liquidated the state mining company Minercol. CIDA stated that the "Canadian energy and mining sector companies...will benefit from the development of a stable, consistent, and familiar operating environment in this resource-rich Developing economy" (Leech, 2009, p.64). In this case, CIDA's role in promoting development is synonymous with pursuing Canadian economic growth through access to mineral resources in the global South. Neoliberal restructuring reshaped various sectors of Colombia as evidenced by a 2.1 billion dollar agreement with the International Monetary Fund (IMF) in 2004 which gave foreign firms indefinite rights to hydrocarbons and decreased royalties from 20 percent to 8 percent (Roy-Gregoire, 2009, p.12). CIDA's role in paving the way for Canadian mining in Colombia is but one example of the close collaboration between government development agencies, IFIs, and private business in systematically eliminating political and economic structures that constrain profits of mining companies.

However, the government perspective is that host-country governments should be responsible for ensuring the transformation of economic growth and foreign investment *into* poverty reduction and sustainable development.

Improving resource governance, transparency and accountability in developing countries is critical to ensuring that the extractive sector contributes to poverty reduction, and creates a business and investment environment conducive to responsible corporate conduct in countries where Canadian companies operate (DFAIT, 2009).

The Canadian government believes that with the proper resources and technical counsel, countries in the global South should be able to benefit from Canadian mining as a tool for enhancing development. In effect, host-countries are blamed when Canadian mining fails to contribute to social improvement or when it worsens local conditions.

The Canadian government advocates for a voluntary self-regulation approach within the mining industry and it avoids legislating binding and enforceable policies for Canadian mining companies abroad.⁵ The government of Canada pursues free trade agreements that “consolidate the power of international investors vis-à-vis both national governments and civil societies, thereby facilitating the expansion of profitability and investment” (Clark, 2002, p.5).

Criticisms of Sustainable Mining

In contrast to pro-mining statements from government and the mining industry, much of the literature shows skepticism of the total benefits of the mining-development dynamic. Himley (2010) points to the neoliberalization of sustainable development as a way for mining proponents

⁵ The majority of CSR policies are voluntary and companies self-regulate their activities. The CCSRC (2009) reports that very few Canadian mining and exploration companies utilize independent monitoring of their activities to confirm adherence to their stated CSR objectives (p.6). Representing two entirely divergent philosophies, *the voluntary* approach of CSR is questioned based on concerns of how far it can follow development objectives before the bottom lines of profitability and competitiveness require actions contrary to those of human development.

to avoid raising fundamental questions about the nature of current mining operations against resource depletion and human displacement. The place of mining in the context of widespread environmental degradation is deeply questionable when it comes to gold mining. The World Gold Council estimates that sixty per cent of gold is used to make jewelry (World Gold Council, n.d.). Environmental destruction caused by gold mining is difficult to justify on the basis of meeting consumption demands for a luxury good like jewellery.

The argument for mining as a tool of development is a guise for imperialist “accumulation by dispossession,” or in other words, creating new spaces available for neoliberal restructuring in order to maximize profits (Gordon and Webber, 2008, p.65; Harvey, 2003). It is nothing new, as Eduardo Galeano (1997) traces this process back to 500 years of colonial development in the Americas. Only now with neoliberal ideology, the guise is set so as to assure that such development will create a rise in tide to raise all boats.

Gordon and Webber (2008) argue that mining does not necessarily equate to a better living experience for people who reside in project areas. On the contrary “some of the poorest areas in Latin America are those that have been subjected to mining development, as it leads to displacement, undermining of traditional economies and destruction of local ecosystems” (p.68).

Richards (2005) argues that sustainable mining will have to move beyond voluntary self-regulation and be held accountable by overseeing bodies to recognize the true costs of mineral production (p.26). Unsustainable practices result from externalizing costs whereby profit is made through economies of scale and by offloading expenses such as environmental degradation on to other actors (Richards, 2005).

The Community Perspective

The corporate perspective assesses a mining operation according to profitability and fulfillment of shareholder values. While community values can be incorporated into this perspective, they are only considered relevant where they do not obstruct the bottom line of profit. In contrast, sustainable mining, from a community perspective, leads to meaningful employment, preserves cultural values, and protects ecosystems that shape local socio-economic conditions (Clark 2002, p.7). To communities, a sustainable mining operation produces benefits instead of simply mitigating negative effects (Veiga et al, 2001, p.192). Communities want benefits like “direct employment, ancillary economic activity, water and power supply, transportation and other infrastructure; education, health and other facilities” in a manner that balances immediate needs without compromising long term ecological integrity for future generations (Veiga et al., 2001, p.201). If those assessments are made in a self-regulating fashion, how is it possible to really achieve the long term social development needs of local communities; especially when it can incur long term expense? CSR is one proposed tool to translate the conceptual ideas of sustainable development into operational norms that industry can employ to meet social development commitments.

Corporate Social Responsibility

Critical theory research on CSR focuses on deconstructing narratives used by the industry, to then position it against multiple meanings and outcomes to reveal the intentions of corporations that employ CSR (Idemudia, 2008; Sagebien and Whellams, 2010; Blowfield and Frynas 2005). CSR is a response to the widely-held belief that the market economy has direct impacts on the sustainability of societies and therefore private enterprise must play a role in acting responsibly to limit negative impacts on society (Hamann and Acutt, 2003). Hamann

(2003) states that CSR “entails maximising the positive and minimising the negative social and environmental impacts of mining, while maintaining profits: in short, contributing to sustainable development” (p.237).

CSR gained considerable momentum with the restructuring of global economies and opening up of trade through processes of globalization in the early 1990s (Himley, 2010; Sagebien and Whellams, 2010; Utting, 2000; Blowfield and Frynas, 2005) The result was decreased capacity for governments in the global South to effectively supervise industry operations and moderate the balance between economic growth and protecting human and environmental well being (Utting, 2000, p.1). Resource scarcity has led companies to “scale up production through the application of capital- and energy-intensive technologies” thus creating a larger visual environmental footprint and inciting broader mobilizations in resistance to these mega mines (Himley, 2010, p.3275). As a result of technological advancement, low grade ore, which was previously unprofitable, can now be extracted to access valuable minerals. This means that more waste rock is generated in a shorter period of time, leading to an increase in environmental pollution caused by extraction processes (BC Wild, n.d., p.2). In addition to more efficient extraction technology, an increase in the global price for minerals has meant that “deposits that were previously unknown or un-commercial, have become not merely viable but in many cases of great potential profitability” (Bebbington et al, 2008, p.6).

There is decreasing capacity for governments to act as regulators of social responsibility. Aided by free market ideology and enhanced communication systems, TNCs have transcended national borders to become more powerful than many poor nation-states. This has been to the detriment of nations in the global South, which allow deregulation and shrink welfare states as a

comparative advantage in global economic activity (Marsden, 2005, p.11). The result is “a process of competitive deregulation” amongst countries of the global south (Murphy and Bendell, 1999, p. 41). Additionally, neoliberal restructuring has led to an increase in ‘governance gaps’ or ‘governance failures’ where government capacity lags behind economic growth (Frynas, 2005; Murphy and Bendell, 1999; Hamann and Acutt, 2003). These gaps have opened the space for industry to volunteer as the regulating agent of its own operations.

Gramsci (1988) argues that “‘hegemonic power’ is maintained as much by manufacturing consent through the media as it is by coercion or force” (Murphy and Bendell 1999, p.41). Self-regulated CSR programs can aid in manufacturing such consent. However, civil society organizations (CSO) have gained access to new forms of media and information broadcasting systems to disclose the misconduct of TNCs abroad and to expose falsehoods of CSR intentions. As a result, the TCC hegemony is threatened by civil society’s access to information about irresponsible corporate behaviour because it loses credibility and consent from civil society. This explains the rapid and reactionary responses of corporations (via tools like CSR and NGO partnerships) to claims that their operations produce harmful consequences (Murphy and Bendell, 1999). While the communications revolution remains a direct threat to elite ideological control over civil society through the media, CSR remains as a hegemonic tool of creating “common sense” about their operations.

CSR within the mining industry

Proponents believe CSR is valuable in that it contributes to raising the standards for the industry’s best practice, it gives communities some ability to hold companies accountable to their own policies, it expands mining employees awareness of broader socio-economic conditions, and

it encourages subsidiary companies to adhere to the same policies (Macdonald and Ross, 2002).

However CSR does not come with an independent monitoring process to ensure companies follow their stated policies or that they uphold legal or monetary penalties for failing to do so.

Codes of conduct by mining industry are

voluntary instruments [which] tend to rely on self-interest and the innovation that can be found in multi-stakeholder approaches. There are real limits to what can be achieved through voluntary approaches, partly because real change in behaviour may be less evident than rhetoric implies...In addition, these efforts can actually be so successful that government is left behind, producing a climate of neglect by the state in which weaker groups may become more vulnerable” (Dalal-Clayton and Bass (2001) pp.22–24, in IIED 2002, p.29).

When ‘best practice’ principles, voluntarily created by the mining industry, are based on pragmatic goals for corporate objectives, these policies are much less likely to be consistently enforced from upper management through to employees in subsidiary companies (Reed 2002, p.215). It is assumed that companies will enforce their policies because corporate priorities such as internal stakeholder satisfaction, employee morale, and reputation can be influenced according to approval from local communities near operations (Idemudia, 2008). Murck and Hilson (2000) argue that because mining industries are dependent

upon the contributions and input from stakeholder parties, and the cooperation of surrounding communities, it makes practical business sense to account for the needs of these groups through appropriate corporate policies (p.230).

Few authors have taken a rigid stance on whether CSR is consistently a positive influence on development objectives or if it is fundamentally flawed. Many academics are skeptical of CSR’s voluntary approach towards regulation (Frynas, 2005). Research that asked mining officials about the effectiveness of CSR found similar criticisms to those voiced in academic circles. Frynas (2005) states that one mining representative believed CSR was about “managing

opinions and making people inside and outside the company feel good about themselves” as opposed to an ethical desire to operate fairly and sustainably (p. 582). However, some political leaders in influential government and development agencies see CSR as a viable way to secure long-term delivery of development and supporting services (Frynas, 2005). Reliance on CSR policies to provide important services in lieu of state provision impacts the development agenda of countries in the global South.

Voluntary Approach

Idemudia (2008) offers one way of deconstructing the multiple and nuanced ideological approaches to CSR, by defining three broad groups in which the diversity of perspectives can be organized: *voluntary*, *accountability* and *enabling environment* perspectives. The voluntary approach believes CSR allows a company to develop creative solutions and be adaptable to context-specific demands in which they operate. It sees legal obligations and regulation as detrimental to business profits and thus detrimental to broader development goals. The voluntary approach follows the ‘trickle-down’ theory for understanding the relationship between business and society. Prioritizing a free market leads to economic growth and eventually human development. Recognizing the theoretical and practical tensions between business and social promotion, Marsden (2000) argues that “doing good and doing good business within a capitalist market system are a fundamental oxymoron” (p. 23). Additionally, Murphy and Bendell (1999) question how voluntary the voluntary approach really is, if CSR is a corporate response to pressures from civil society (p. 45). Here it is viewed as a necessary corporate reaction. Hilson and Murck (2000) point out that “improved communications is proving integral in enhancing business relations in all industries, and extended corporate responsibility is now a growing

expectation within the public domain” (p.233). The voluntary approach is questioned as to how far it can promote social wellbeing alongside business goals that may run contrary to those of human development.

Accountability Approach

An accountability approach views the logic of capitalism as contradictory to sustainable development (Utting, 2000; Marsden, 2000). Utting (2000) believes business imposes fundamental structural constraints on CSR because it places “pressure on firms to cut or externalize costs and seek locations with weak labour and environmental regulations,” which are contrary to real development (p.18). Clark (2002) states that CSR is a rhetorical avenue for companies to maintain an upper hand in defining and framing the language of mining (p.9) and is a political strategy for avoiding legally binding forms of regulation that hinder profit (Utting, 2000; Jones, 2008). Amongst those who view CSR as primarily a corporate strategy “there remains a strong suspicion of public relations gloss” (Marsden, 2000, p.23).

Enabling Environment Approach

The final understanding of CSR is from an enabling environment perspective. This approach emphasises cooperation between government and private efforts in order to protect social and environmental resources. The government should offer incentives for innovation, reduced environmental impact, and future planning (Idemudia, 2008). Accordingly, the presence or absence of an enabling environment predicts a positive correlation between mining CSR programs and sustainable development. Hobbs (2005) argues that

the role of the developing countries is the creation of more conducive business environments and investment climates and the better management of natural resources, renewable energy and non-renewable energy. This will enhance sustained economic growth, political stability, and the contribution the mining sector can make to the

attainment of poverty reduction, the other Millennium Development Goals and sustainable development (p. 22).

For governments with severe financial constraints, economic growth and job creation from mining is difficult to resist (Hamann, 2003). Echavarria (2000) explains that

the urgency for much needed foreign direct investment and the need to generate jobs means that the medium and long term strategic importance of biodiversity may be minimized, the rights and ethnic integrity of indigenous peoples deemed contrary to national interest, potential public health hazards ignored, and the diversified livelihoods of rural dwellers undermined (p.87).

Governments often promote mining in an unsustainable manner out of a dire need for immediate revenues (Veiga et al, 2001, p.193). Idemudia (2008) argues that an enabling-environment perspective assumes the presence of a “well-functioning state capable of addressing a set of responsibilities” (p.97). Countries in the global South often lack the resources, political will, and economic capacity to create an enabling environment for mining that transforms economic growth into development. The corporate approach to development fails to address the contradiction of governments promoting liberalism, as an enabler of business, but also as a detractor to social development. Corporations overlook the “structural determinants of mal-development and how these can undermine government's ability to ensure an enabling environment for CSR” (Idemudia, 2008, p.94).

Failing to understand the structural conditions and limitations for governments and people in the global South can render development programs irrelevant, causing them to look more like tools for public relations. Frynas (2005) argues that TNCs are not attuned to the broader social problems which exist in the global South and as a result, their CSR programs “may divert attention from broader political, economic and social solutions for such problems” (p. 583).

Blowfield and Frynas (2005) suggest that in addition to

this absence of a structural understanding is an inability or unwillingness to consider causality. Thus, for instance, poverty is presented as a regrettable fact rather than a consequence of any causal conditions and events (p. 511).

Another limitation of CSR is that it is frequently developed from within the confines of corporations where the offices tasked with planning and implementing CSR are staffed by “managers, former administrative staff, engineers or former government officials” (Frynas, 2005, p.591). Often, mining employees tasked with designing CSR programs do not have experience in development work and they are rotated to a different operation after several years thus fracturing long-term project oversight. This is an internal structural constraint that impedes the application of effective development programs (Frynas 2005).

Piecemeal Application

The literature reveals widespread criticism that companies employ CSR narrowly, by only targeting specific issues of the context in which they operate. While environment is an evident and easily-targeted problem, CSR policies that focus entirely on protecting the environment miss complex social and economic dynamics which depend on, and affect, the state of one’s environment (Hamann, 2003, p.238). Frynas (2005) argues that

it is not surprising that corporate social initiatives rarely form part of larger regional development plans. Existing independently of such plans, CSR can yield no more than a drop in the ocean of development efforts, and even those resources that are devoted to it may not be channelled for the most effective developmental use (p.592).

Without integrating development plans into a broader context, mining companies risk creating unbalanced resource-based benefits within and between communities (Jenkins and Obara, 2006). As a result, companies must choose community projects according to their self-defined ‘area of influence’ and justify these choices to communities that feel undeservedly overlooked.

Assessment of CSR Impacts

A major gap in the research lies in assessing the real impacts of CSR programs on intended beneficiaries (Jenkins and Obara, 2006; Utting, 2000; Idemudia, 2008; Blowfield and Frynas, 2005; Hamann 2003; Sagebien and Whellams 2010). Instead, measurements of the transformation of mining into development have been largely anecdotal and have focused on internal industry changes versus the experience of directly-affected communities (Utting, 2000, p.11). Drawing information primarily from corporate sources means that we are assessing “instrumental outcomes (that is, outcomes rather than impacts)” of mining on local communities (Sagebien and Whellams, 2010, p.492). This problem can be overcome, according to Idemudia (2008), by focusing on processes as opposed to outcomes.

establishing a one-to-one causal relationship between CSR initiatives and their impact on development ... can be managed by clarifying the level of analysis, focusing on ‘processes’ as opposed to outcomes and privileging the voices and concerns of the intended beneficiaries of CSR initiatives in data-collection and analysis (Idemudia, 2008, p.103).

Business and NGO Partnerships

Blowfield and Frynas (2005) argue that corporations have captured the meaning of development and hold an unqualified amount of power to frame its parameters and objectives.

Inappropriate or irrelevant CSR projects occur when

companies do not have the time or experience necessary to tailor projects to specific countries or regions, involve the beneficiaries of CSR in the project design, or integrate CSR initiatives into a larger development plan (Sagebien and Whellams, 2010, p.492).

In response to these criticisms, corporations have sought partnerships with NGOs because they have greater development expertise and they are committed to long-term development objectives (Eaton et al, 2012; Frynas, 2005; Oxhorn, 2012; Baur and Schmitz, 2012).

The majority of literature on NGO-business partnerships focuses on the business intentions for seeking out this type of arrangement (Utting, 2000; Hamann, 2003; Marsden, 2000). Several authors have pointed out the ‘win-win’ potential for both partners if the relationship fosters open, critical, and honest interaction between partners (Baur and Palazzo, 2011; Hamann and Acutt, 2003; Hamann, 2003; Murphy and Bendell, 1999).

Civil Regulation

Murphy and Bendell (1999) argue that the emergence of business-NGO partnerships is a response to a new form of regulation for international corporations called “civil regulation.” When conditions of environmental and social degradation “become socially unacceptable and engender civil protest, then industry and other hegemonic groups must respond to maintain confidence in the current political-economic system” (Murphy and Bendell, 1999, p.38). Confrontational tools such as boycotts and direct action which have “deleterious effects on company sales, costs and social capital” are tangible examples of civil regulation (Murphy and Bendell, 1999, p.46). It is an expression of counter hegemony in the streets. This demonstrates how civil society can be influential in challenging the hegemonic context in which business operates.

Risks for NGOs in Partnerships

There has been a great deal of public criticism of NGOs for their willingness to participate in business relationships. Scrutiny of these partnerships is particularly strong in relation to NGOs working closely with transnational mining companies in the global South (Oxhorn, 2012; Eaton et al, 2012; Carin, 2012). Concerns about partnerships focus on the potential for NGOs to be co-opted by business through “a process of aligning NGO interests with those of corporations”

(Baur and Schmitz, 2012, p.10). Others have referred to this as ‘capture’ or ‘institutional capture’ whereby corporations manipulate civil society values to fit into policies harmonious to private interests (Utting, 2000; Hamann and Acutt, 2003; Jones, 2008).

Partnerships are also critiqued on the basis of a “corporate citizenship paradox’ which understands the objectives of business and NGOs to be fundamentally opposed (Marsden, 2000; Hamann and Acutt, 2003). Is it possible to solve civil society opposition to the degradation of environmental, social, and political systems through partnerships with the corporations that created these problems in the first place?

Baur and Schmitz (2012) draw attention to the difficulty of overcoming fundamental differences in “organizational cultures separating the for-profit from the non-profit world” (p. 18). Due to essential differences between these interests, some argue that one partner is forced to concede more of its policies and values than the other. A concession of core values is more likely to come from NGOs than from powerful TNCs because of the dependency relationship formed from corporate donations to NGOs (Baur and Schmitz, 2012). This may lead to a reduced ability for NGOs to critically evaluate their corporate partner or they may become ‘service providers’ for their partner’s development programs. Both of these consequences result in decreased transparency, accountability, and self-reflexivity in corporate practices (Baur and Schmitz, 2012). Partnerships require NGOs to divert attention away from the intended beneficiaries of development towards internal administrative and communication issues in order to avoid discord with their corporate partner (Hamann and Acutt, 2003). Others argue that power does not have to be equal between corporate and civil society partners, but that “they do have to recognize each

other as capable of imposing significant costs or providing benefits” (Covey and Brown, 2001, p.8).

The NGO Defense

NGOs defend the decision to partner with mining companies based on the need

to engage in the complex realities of the communities where we work... sitting on the sideline is not an option when foreign investments, and mining in particular, are at the heart of a developing country’s own economic development plans (Eaton et al., 2012, para.2).

NGOs such as World Vision, which partners with Barrick Gold in Peru in a CIDA-funded development program, argue that NGOs should collaborate with mining companies to increase the chances of transforming mining into meaningful development (Eaton et al, 2012). Baur and Schmitz (2012) argue that a company’s CSR programs offers insight into its true motivation for partnering with an NGO. *Strategic CSR* policies prioritize profit-maximization and pursue only surface changes as opposed to *political CSR* which welcomes public scrutiny and engages in self-reflexivity to reinvent itself in a manner consistent with stated intentions. The distinction between types of CSR can help predict whether an NGO will be co-opted in a corporate partnership (Baur and Schmitz, 2012). Without a deeper commitment to external issues, the autonomy and value of an independent NGO perspective will be a pesky annoyance to companies. However, if companies are committed to political CSR, NGOs could be critical in shaping holistic operations that respond to a diversity of concerns in a complex setting.

Strategic partnerships with corporations place NGOs at risk for co-optation which limits their capacity for critical evidence-based monitoring and reporting of mining’s negative impacts (Bebbington 2009, p.20). By partnering with NGOs, mining companies convey the message to civil society that they are positive agents of development whose operations are based upon

common values. Public relations for mining companies can counter negative publicity of mining conflicts with examples of progressive partnerships with development experts. These techniques serve to entrench the power of Canadian mining, to legitimize the ascendance of a TCC, and to pacify the potential for a counter-hegemonic resistance to the destructive actions of mining companies.

Hegemony and the Role of the State

Hegemony is the arrangement of particular class structures within society whereby the elite gain the ‘active consent’ over those it rules through intellectual and moral leadership and through an “entire complex of practical and theoretical activities” (Robinson, 2005, p.562). In the context of neoliberal economic reform in countries around the world, governments in the global South have lost autonomy to pursue policies beneficial, specifically, to their populations. If the state is not the primary arena of the ruling elite and if it has been superseded by a dominant group or willingly relinquished its power to private interests, what is the role of the state in hegemonic processes? Jones (2008) argues that that

the state is evolving in a post-democratic direction, or possibly devolving around an early-modern set of functions focusing on maintaining social order through force ... Perhaps we are in the midst of a transformation in which the state is becoming the primary disciplinary mechanism for global capital, while its other (social equity) functions are either shifted to alternative institutions (such as the TNC) or terminated altogether? (p.6).

The current global system has not forced states to the sidelines but intentionally reconfigured them in a way that actively promotes the interests of capital (Rwengabo, 2012). The state maintains responsibility for specific processes which support the smooth functioning of global capital such as “absorbing external costs, maintaining law and order, and related legitimation oriented activities” (Jones, 2008, p.6). Increasingly, states in both the global North

and South exercise their coercive arm and use violence when civil society threatens the ideological or tangible operational features of neoliberal capitalism.

Globalization can therefore be seen as a “class project without a national project, or rather, with a strategy that seeks to utilize the existing political infrastructure of the nation-state system” (Robinson, 2005, p.569). The TCC takes advantage of the state by ascribing it with certain obligations when it is convenient to do so. When media highlights social conflict or environmental damage caused by mining, companies absolve themselves from responsibility by pointing to negligent government oversight or inadequate regulation. The influential role of Canadian mining companies in shaping government policy and public debate in Canada and Peru shows how political systems are utilized by the elite to ensure that the interests of capital are fulfilled.

Chapter Three: Methodology

Multiple methods were used in this thesis to understand the hegemonic techniques employed by the Canadian mining industry to secure civil society consent to operations. The first method was a critical review of literature and grey literature documents specific to Barrick Gold Corporation, CSOs, the Government of Canada, and the Government of Peru. These documents were obtained through public access via the internet. Grey literature included NGO blogs and media releases, industry CSR reports and government policy announcements.

Exploratory conversations and grey literature were used to identify contacts while living in Lima, Peru, for two weeks beginning in February of 2012. General inquiries with environmental and social CSOs, as well as the general public in Lima offered an initial understanding of their perspectives on the importance of mining to Peru. Research through publications, media releases, and online documentation from Peruvian NGOs provided an overview of the specific sites of conflict, government response, and community requests for greater transparency and inclusion in the decision-making process.

Initial observations in Lima helped me to develop a basic understanding of the sentiments felt on the ground in Peru towards mining in the country. With the assistance of two Peruvian NGOs described later in chapter three, I was able to make contact with local organizers who agreed to participate in the case studies. Interviews were conducted in Huaraz and Otuzco in the north-central Andes of Peru. The two highland cities are located near the Pierina and Lagunas Norte gold mines. The two mines were selected based on specific criteria described in the following two sections. These sites constitute the primary focus of the case studies as the rural villages in their area are directly affected by these two mines. Interviews were conducted using a

semi-structured format. Participants included members of several small communities near Pierina and Lagunas Norte and two regional government employees. Field research was carried out over a span of two and a half months with approximately three to four weeks spent in both Huaraz and Otuzco performing interviews and gathering the narratives of local community members.

The methods used in this thesis effectively elicit the disconnect in narratives from corporations and from communities. This deliberate choice of methods is valuable for understanding connections between hegemonic processes that enable mining at the local level and at the international level. The intention was not to gather a holistic representation of all voices from communities with, and without, CSR benefits as well as workers who received employment from the mine. Instead, the methodology employed in this thesis focuses on the values of marginalized groups that are neglected from corporate impact assessments. The multiple methods employed in this thesis draw out the voices of the marginalized. They do not seek the voices of employees of the mining industry, as the goal is to seek out alternative narratives to that of the industry.

Justification of the Study

This study aims to explain the disconnect between the stated intentions of mining companies and the lived experience of people living near the Pierina and Lagunas Norte mines in north-central Peru. Understanding the complex socio-political factors that structure the impact mining has on communities is critical to explain the major disconnect between corporate claims and community experiences. By no means does this methodology claim to assume the reality of

all mining developments; rather it is an insight into a previously overlooked relationship between local autonomy and hegemonic interests.

DFAIT reports that seventy-five per cent of mining and exploration companies globally are headquartered in Canada making the Canadian sector the largest player in the global mining industry (DFAIT, 2009). Canadian mining companies are therefore especially influential in setting standards for operations abroad, leading CSR strategies, and shaping the public debate over CSR in mining on a global scale.

A preliminary search through media and corporate literature showed that Latin America is an attractive region for mining investment as it has some of the richest mineral deposits in the world (Gordon and Webber, 2008). In 2009, Canadian companies spent 60 billion dollars on mining investment globally; of that total, they spent 41 billion dollars in Latin America (DFAIT, 2009). In narrowing the options for where to perform research, Latin America quickly emerged as a region that would yield rich insights. Peru was chosen as the country of study for several reasons.

Before 1990 there was almost no Canadian mining investment in Peru. By 2000 “sixty Canadian companies [were] active in the country, representing over \$4 billion worth of investments” (Clark, 2003, p.29). The willingness of the Government of Peru to enable mining investment, give land concessions, and co-operate with the Canadian government is evidenced by the Canada-Peru free trade agreement, enacted into law in 2009 (DFAIT, 2012).

In 2011, Canadian exports to Peru reached slightly over \$522 million and included cereals, machinery, paper and paperboard (mainly newsprint), electrical machinery and vegetables. Canadian merchandise imports from Peru reached \$4.453 billion in 2011 and included precious stones and metals (gold and silver), mineral ores (mainly copper, lead and precious metal ores), mineral fuels and oils, coffee, vegetables, and tin (Gov of Canada, 2012, para.4).

Evidently, the Government of Canada has much to gain from this agreement. Increased trade enabled by the free trade agreement has led to Peru's position as Canada's "second largest bilateral trading partner in Latin America and the Caribbean (excluding Mexico), and the third largest destination for Canadian direct investment in South and Central America" (Gov of Canada, 2012, para.6). Through their association as partners in free trade, Peruvian and Canadian policy decisions enable a deeper analysis of the countries' pro-mining stance and the degree to which both countries defend the interest of Canadian mining companies. This is an important and unique opportunity to explore this unfolding relationship.

Toronto-headquartered Barrick Gold operates two mines in Peru under its Peruvian subsidiary Minera Barrick Misquichilca (MBM) (Himley, 2010). The Pierina and Lagunas Norte mines are the only two mines Barrick operates in Peru. It also operates two other South American mines in Chile and Argentina. Although only four of Barrick's twenty-six mines are in South America, these properties "are responsible for 25 percent of the company's total gold production and approximately half of its net profits, thanks primarily to lower-than-average cash costs per ounce at these mines" (Himley, 2010, p.3277).



Figure 1 - Barrick Mines in South America. Photo Credit: Barrick Responsibility Report, 2011.

Evidently Barrick’s mines in Peru are a significant focal point for CSR and development programs because of their preferred position as top profit-earners amongst Barrick mines globally. Minimizing local opposition and maintaining uninterrupted operating environments is imperative for continued profits. Barrick’s prior president and CEO Aaron Regent, who was abruptly dismissed in mid 2012 over stagnant share price performance, said in 2010 that “Peru, in particular, has been a motor of development for the corporation” (Himley, 2010, p.3277). Clearly the significance of this region merits Peru as a fitting country to address the research questions.

Case Studies

Huaraz is the capital city of the Ancash region in north-central Peru. La Libertad, the region just north of Ancash, includes the province of Otuzco and its capital city of the same

name. The Pierina mine is ten kilometers from Huaraz. From this point, 175 kilometres north is the Lagunas Norte mine, located approximately 140 kilometers east from the coastal city of Trujillo. The cities of Huaraz and Otuzco were ideal points of departure for this research because they allowed access to communities affected by the mines. In addition, the cities served as a location s to encounter potential research participants. The physical location of these small cities was ideal, as communities in extreme isolation are challenging to access due to geography and infrastructure in the Andean regions of Peru. Gaining acceptance and trust amongst community members can be difficult in isolated regions (Creswell, 2012). The mines' proximities to urban centres requires Barrick Gold to be more transparent and accountable for their actions than mining operations in extremely isolated locations where communities have little means of publicizing intimidation or violence they encounter from mining companies. Barrick Gold is seen as an industry leader in developing and applying CSR policies towards local development. In November of 2012, *Corporate Knights*, a Toronto-based media and investment research company, gave Barrick Gold first place in a mining sustainability ranking. Additionally, Barrick placed forty-eight in the '2012 Best 50 Corporate Citizens in Canada' (Corporate Knights, 2012, [Press release] para.1). Barrick's Lagunas Norte mine was ranked ninth largest gold mine in the world according to 2011 output (Latimer, 2012). The company's sheer size equates to a high degree of public exposure and the need to maintain a positive reputation. As a 'benchmark' company, Barrick Gold is an excellent choice for exploring the thesis's research questions as smaller companies will try to mimic the social responsibility and environmental sustainability policies that Barrick claims it follows.

Peter Munk, the founder and chairman of Barrick Gold Corporation, stated that “Barrick’s reputation rests on responsibility. Good corporate citizenship is a calling card that precedes us wherever we go” (Sexty, 2011, p.139). Despite a reputation of responsible corporate behaviour within the industry, Barrick Gold has been accused by affected communities and CSOs of committing human rights abuses and extreme environmental degradation in countries around the world (York, 2012). A combination of the political climate, extreme poverty, and government absence at Barrick’s North Mara mine in Tanzania has created a ‘public relations disaster’ for the company (York, 2012). On paper, Barrick’s guidelines suggest that it is a world leader in the mining industry. Yet the company is frequently cited in accusations of harmful corporate activity at odds with human rights and development objectives (York, 2011; Gordon and Webber, 2008; Arnold, 2012; Vukosavic, 2012). The deliberate selection of country, region, and company were appropriate choices for this study because they offer a tangible example of the practical problem wherein a disconnect exists between corporate rhetoric and lived experience of communities.

Limitations to the Scope of Study

There are limitations to the research questions considering the diversity of impacts mining has on various regions of the world. A study of just two mines owned by only one company is marginal in understanding the global conditions of mining companies. Prioritizing the micro-level experiences of communities located near mining operations to help explain hegemonic trends globally has not been a major focus in mining-related literature until now.

The majority of sources which inform the literature review refer to large scale mines owned by transnational companies from various countries. Beyond this general characteristic, the study does not make distinctions between mining techniques, types of mines, and the minerals

being mined.⁶ While these variables may have a marginal impact on the probability of conflict around a mine site, they do not enrich the depth of this study as they have already been thoroughly investigated in the literature.

Required Information and Documents

The majority of information collected in this study was obtained through grey literature surveys from a variety of sources in the public domain and included government reports and media and NGO publications. The public nature of these sources is important as they show how mining companies intentionally project their public image to civil society and how they respond to criticism.

Literature reviews drew information from government websites, particularly CIDA's and DFAIT's web portals. Similarly, industry literature such as Barrick's CSR charter, 2011 responsibility report, press releases, vision statements and operation site overviews were required to create a fuller understanding of mining companies' stated intentions. Material produced by industry groups such as the International Council on Metals and Mining (ICMM), of which Barrick is a member, included SD frameworks, guiding principles, position statement reports, and country-specific statistics which gave insight to industry-wide trends and the importance of mining for the Peruvian economy. This information was widely accessible online thanks to a growth in transparency and reporting initiatives by the mining industry.

⁶ Both case studies investigated large scale gold mines that used similar processes for extracting and processing minerals.

Understanding the Peruvian context required an understanding of the response of the Government of Peru to mining conflicts. Domestic and international media sources and online NGO reports detailed government response and directed me to official government policy statements and press releases accessible online. NGO reports included those from Amnesty International, OXFAM, Mining Watch Canada, and World Vision. It was critical to locate supportive NGOs to provide local context and to assist with interviews. Being associated with respected NGOs that work with affected communities was critical for building trust in communities, especially given the legacy of broken promises and physical violence against vocal opponents of mining. Two NGOs were located, one in each community of study. *La Asociación Marianista de Acción Social*, The Marianist Social Action Association (AMAS), a social activist campaign of *La Compañía de María* (Marianistas) in Otuzco and *La Comisión Diocesana de Servicio Pastoral Social*, The Diocesan Commission for Pastoral Social Service (CODISPAS) in Huaraz provided background information, administrative support, and legitimacy for the study.

AMAS is dedicated to providing technical skills and support for communities affected by mining in La Libertad. Specifically, this NGO works with community members in the ríos Perejil, Chuyuhual and Caballo Moro watersheds, which surround Lagunas Norte, to monitor and report on the quality of communal water sources in order to defend the environmental rights of marginalized communities.

CODISPAS is a human rights organization affiliated with the Catholic Church that operates in Huaraz. Its main objective is to defend human rights by providing leadership training through local-level capacity building.

Sample and Sample Size

Decisions regarding the sample group in this study were shaped by phenomenological research. A key objective of phenomenological research is to absorb the complexity of a topic by prioritizing the depth of an individual's experience. This thesis aimed at such outcomes through the multiple methods used. This approach emphasises purposive sampling, a technique which seeks out participants who share an experience related to the topic of study (May, 2001).

Research participants are strategically located based on their shared experience of a particular event or circumstance. Participants in this study shared an experience of being affected at a community-level by the mining operations of Barrick Gold Corporation. The intention is not "to claim an ability to generalize to a specific population, but instead, the findings are relevant from the perspective of the user of the findings" (Bailey, 1992, p.30).

The research participants were found through snowball sampling. Snowball sampling is a technique which requests recommendations from current research participants for future participants with whom they are familiar (May, 2001). This strategy allows the researcher to quickly identify potential interviewees that already have a depth of knowledge or intimate experience of the topic, which leads to cases that are 'information-rich' (Creswell, 2012, p.158).

Initial contact was made with participants in this study on my behalf by the two aforementioned NGOs who work on issues of social justice, human rights, and environmental health. There is a sentiment of skepticism and distrust for foreigners in mining-affected communities in Peru. My identity as a Canadian researcher could compromise participants' degree of openness based on the risk that I could be working with Barrick to identify anti-mining activists. Concerns about my underlying intentions, specifically *who do you work for?* and *why*

are you interested in this topic? were voiced by community members. As Josselson (2007) describes

Narrative research consists of obtaining and then reflecting on people's lived experience and, unlike objectifying and aggregating forms of research, is inherently a relational endeavor. Every aspect of the work is touched by the ethics of the research relationship (p.537).

In respect to the power dynamics I encountered as a Canadian studying the impacts of mining in Peru, I sought out avenues of engaging research participants in ways that built trust and allowed me to express personal authenticity (Creswell, 2012). For these reasons, NGOs extended an invitation to community members to participate in the study as they shared a relationship of trust and familiarity. This process was helpful in quickly pinpointing individuals who wished to share their narrative. As the intention was to fully understand and describe the experiences of affected individuals, reliability and validity of the sample was unimportant. Narrative research prioritizes the stories, or narratives, of people in order to form a strong understanding of the human experience (Creswell, 2012).

An effective way of discovering meaning that defines human experience is through semi-structured interviews. May (2001) states that semi-structured interviews "allow people to answer more on their own terms ... but still produce a greater structure for comparability over that of the focused interview" (p. 123). I recognized that as a researcher unfamiliar with Peruvian culture and norms, I may unintentionally miss the meaning conveyed through subtleties of body language and linguistic tendencies. In relation to this concern, the semi-structured interview is a strong method for ensuring a depth of meaning is discovered because it encourages clarification and elaboration on the meaning a research participant conveys.

Observation

Observation was employed in the preliminary stages of research. While living in the capital city of Lima I made several key contacts with assistance from *CooperAcción*, a Peruvian development NGO. I lived in the small cities of Huaraz and Otuzco for one to two weeks prior to beginning interviews where I routinely interacted with locals in order to witness their reactions to current mining operations unfolding at the local level. Participant observation “encourages researchers to immerse themselves in the day-to-day activities of the people whom they are attempting to understand. In contrast to testing ideas (deductive) they may be developed from observations (inductive)” (May, 2001, p.148). During this time, my role of *observer as participant* allowed me to develop an understanding of the social dynamics, attitudes, and values in each place of study (May, 2001). This form of observation is distinct from *complete participant* and *participant as observer* which emphasise the overt or covert identity of the researcher. As an observer, I was present and aware of the tendencies in which others responded to me. This shaped only a marginal part of research, but gave insight into the most culturally appropriate ways to behave while performing research in order to create a space of comfortable interaction and trust.

Key Informant Interviews

Interviews with key informants were the primary instrument of research used in this study. May (2001) states that interviews “yield rich insights into people’s biographies, experiences, opinions, values, aspirations, attitudes and feelings” (p.120). Interviews were conducted with eight community members near Huamachucho in the Quiruvilca district surrounding Barrick’s Lagunas Norte mine, and around Huaraz, which is located close to the Pierina mine in Peru.

Additionally, two regional government employees were interviewed to offer a government policy perspective. The semi-structured interview was chosen because it allows the researcher to clarify or ask participants to elaborate on their statements. Participants benefit from the semi-structured interview because they are encouraged to respond to questions according to their own priorities. Semi-structured interviews enable “flexibility and the discovery of meaning, rather than standardization or a concern to compare through constraining replies by a set interview schedule” (May, 2001, p. 125). Interview questions were based on preliminary research and a literature review which acted as a guide to predominant themes surrounding the topic. Open-ended questions enabled interviewees to contemplate their unique experience with mining.

Participants who agreed to take part in the project were invited to meet in a quiet space at the CODISPAS or AMAS office, in a public place convenient to them, or at their home or place of work. All interviews were recorded on a hand-held digital recording device. Participants were told why a digital voice recording is helpful for research. Digital recording allows the researcher to “concentrate on the conversation and record the non-verbal gestures of the interviewee during the interview” (May 2001, p.138). When asked if they were comfortable being recorded, all participants gave their consent. Interviews lasted between forty-five minutes and an hour depending on the volume of feedback and depth of description.

Oral consent to participate in the study was the most culturally relevant method for establishing consent. Some community members were illiterate or semi-literate and signing a form could create uneasiness and distrust.

The interview process evolved as new directions and unexpected insights emerged. Interviews allowed the narratives of interviewees to challenge unnoticed presumptions or gave a

unique meaning to an unanticipated issue (Josselson, 2007). Interviews focused on the experience of living in a community located near the Pierina or Lagunas Norte mining operation. Questions uncovered the challenges and benefits of nearby mining operations. Specifically, these included community expectations, claims and promises made by the company, the distribution and application of CSR programs, human and environmental health concerns, employment opportunities, and opinions on the accountability of the Government of Peru.

Interview results show a strong recurrence of themes, suggesting that theoretical saturation is reached. A total of ten interviews were conducted to offer a sufficient breadth and depth of meaning to inform the study. A clear synthesis of themes emerged from these interviews.

Analysis of Interviews

I was able to communicate in Spanish, but many of the interviewees' native language is Quechua meaning that Spanish was a second language for both actors in the interview process. The semi-structured question format offered a point of reference when communication felt strained or interviewees displayed uncertainty in their response. For similar reasons, a fellow volunteer with AMAS offered advice and clarification during the transcription and translation process. The volunteer was studying the impact of mining operations on water quality and human health and so was an appropriate and trustworthy research assistant who agreed to all confidentiality and consent protocols within the ethics review process.

Coding the interviews enabled comparability of responses from different research participants. Information from interviewees was plugged into thematic categories to demonstrate how broadly a sentiment or situation was experienced by participants. The coding process was

complimented by themes that emerged in the literature review and it was also reflected in the literature review within the public domain.

The combination of participant observation and key informant interviews from two case studies provided a strong understanding of the narratives from communities affected by Barrick mining operations. Participants' comprehensive understanding of the issues at hand, namely government inadequacy to provide social welfare or infrastructure, the company's bottom line of profit, and corporate aptitude for deception helped explain the disconnect between corporate rhetoric and the community experience.

The methods presented in this chapter yielded rich insights for the research questions posed in this study. Barrick Gold operations in Peru demonstrate the tangible conditions in which the practical problem is playing out; a notable disconnect exists between Barrick's claims of corporate responsibility and widespread opposition to mining operations from Peru's rural communities. The literature review highlighted that the voices of the intended beneficiaries of mining are so far under-privileged in studies that juxtapose community narratives against the intentions behind corporate development rhetoric such as CSR. This study, employing the methods discussed above, aims to relieve this gap. The methods employed answered the first research question which asks if the narratives of mining-affected communities in Peru reflect the intentions and development objectives of Barrick Gold. Literature reviews were performed throughout and after my field work in Peru to monitor changes of broader trends such as corporate privilege given by the Government of Canada, as well as the strategies Barrick employs to gain consent from civil society. These methods answered the second research question that seeks to describe the tactics used by Canadian mining companies to portray shared

values with civil society. Analyses of literature and grey literature allowed me to keep informed of current events relevant to the topic and incorporate key news items into the study throughout the writing process. These methods are beneficial for understanding how corporate strategies such as CSR, SD, and partnerships with NGOs fit into hegemonic processes that legitimize the interests of mining corporations over those of marginalized communities.

Chapter Four: Community Narratives

Few assessments of the stated intentions of Canadian mining companies privilege the voices of community members who are supposed beneficiaries of mining-related development. This chapter answers the first research question which asked if the narratives of mining-affected communities in Peru reflect the intentions and development objectives of Barrick that operates nearby mines. This question was addressed through observation and semi-structured interviews mentioned in Chapter Three. This chapter demonstrates that community narratives do not reflect Barrick's stated intentions of furthering sustainable development through CSR.

The elite in Peru, who represent TCC interests, receive the benefits of domestic government policy that actively breaks down barriers for Canadian mining companies to access minerals in the country. Financial benefits levied from deregulation and lowered corporate taxes are concentrated in the hands of politicians, property owners, financial managers, and lawyers who are all associated to foreign partnerships. Economic growth from mining continues to produce disparities in wealth in Peru, especially between rural and urban areas, through the political agenda of the Government of Peru. The current government prioritizes free market growth to support and benefit elite interests through policies antithetical to comprehensive development for the poor.

Findings drawn from participant interviews show that rural communities fear the dangers mining operations pose to traditional livelihoods and that they are discontent with Barrick for not fulfilling its development promises. Recurrent themes from interviews relate to water supply and increased contamination of potable water. Numerous health problems are also brought up. A false sense of CSR is a recurrent theme noted in the lack of employment and the distribution of

mining's benefits at a community level. This confirms a major disconnect between corporate claims for development and narratives of dispossession within communities. Rural communities struggle to receive a fair distribution of development programs from Barrick, and many desire adequate compensation for environmental and health damages. The tiny communities represented in this study are systematically excluded from genuine development processes that would equip them with sustainable employment, social, and economic opportunities beyond mine closure. Although isolated communities are wrought with poverty, the social fabric of traditional livelihoods offers some degree of human security and collective resources for subsistence without the influence of nearby mining. Mining operations at Pierina and Lagunas Norte threaten the very foundation of these traditional rural livelihoods and decrease opportunities for sustainable development. The following sections are organized according to themes that emerged in interviews. The predominant themes, such as water depletion and pollution, appear first in the chapter while succeeding themes held lesser significance for participants and appear later in the chapter. Each section includes statements from interviewees and makes connections to the broader political context with supportive literature in order to reveal hegemonic processes.

Key findings in this chapter show that Barrick's stated intentions for development are not experienced at a community level. The absence of development initiatives suggests that CSR programs are intended to pacify local populations' dissent, and build consent, both locally and in Canada, to corporate interests instead of creating community-based social development.

Water supply

The ability to maintain agriculturally-based livelihoods is an overarching theme pulled from semi-structured interviews. The availability of water is critical to communities that engage in small-scale agriculture. In fact, this study revealed an order of importance for themes, which emerged according to how much of a threat each theme posed to livelihood maintenance. Clark (2002) states that livelihood is

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. (p.11).

The major grievances for communities affected by Barrick's mines in regards to livelihoods mostly relate to water supply and contamination of local water sources. These findings are consistent with the literature. Bury's 2002 study on livelihood resources found that water supply and quality were rated most likely to incite community protest in the Peruvian Andes (p.12). "*El agua vale más que oro.*" - "Water is worth more than gold"- is a common phrase and rallying call for mining-affected communities in the rural Peruvian Andes. There is reason for communities to be concerned, as Peru is South America's most water-stressed country and the "third most vulnerable country to the impacts of climate change" according to 2009 data from the Tyndall Centre for Climate Change Research (Bebbington and Williams, 2008, p.191). In Peru, water supply for many communities is delivered by river systems, which are fed from high-mountain headwaters in the Andes. High elevation basins are critical to the maintenance of downstream economies. Coincidentally, headwaters are environmentally sensitive regions that also host rich mineral deposits and consequently mining concessions and operations (Bebbington, et al., 2008).

The first case study for this thesis took place near Huaraz in north-central Peru in the department of Ancash, approximately 420 kilometers north of Lima. Interviews were conducted with members of several communities in and around the *Callejón de Huaylas*. The Callejón de Huaylas – Alley of Huaylas - is a high-elevation valley within the Andes and is straddled by the Cordillera Blanca and Negra (White and Black Mountain ranges) on either side. Communities in the valley, and along the sides of the mountain, engage primarily in subsistence farming and depend on glacier-fed rivers for agricultural production (Bury, 2002, p.8).

Figure 2 - Map of Pierina mine in the Ancash region of Peru (left) and Lagunas Norte mine in the La Libertad Region of Peru (right).



MBM, Barrick's Peruvian subsidiary, owns both Pierina and the Lagunas Norte mine where the second case study was performed. MBM's designated "area of influence" at Pierina includes "eighteen primarily Quechua-speaking small-scale farming communities" (Himley, 2010, p.3271). Of the five research participants from communities surrounding the Pierina mine, only Ignacio's community, *Caserío de Tara*, falls within MBM's area of influence. Interviews quickly revealed a major discrepancy between the way Barrick draws the contours of its self-defined 'area of influence' on a map, and the way communities outside these boundaries feel they are still directly affected by the mine.

All research participants described the existence of water shortages and water contamination in their communities. Moses' family lives in a rural village of just ninety-eight people not far from Pierina. With a modest production of *choclo* (corn) and *papas* (potatoes), Moses sells surplus produce on the local market to support his family. But in the last four years, water supply has been decreasing and community members believe this is due to the high volume of water used daily at the Pierina mine. He explained that

Before the mine, we were able to consume our crops and sell them on the market. I was able to provide for my family, it was easier that way. Now we can't farm because the water sources are limited. The situation is impoverishing us (Moses, Feb-25).

Although mining companies claim

their water use is highly efficient, communities and activists remain unconvinced and hydrologists tell us that the effects of removing large parts of rock in headwater areas can have non-linear, negative effects on water availability downstream (Bebbington et al., 2008, p.908).

Interviewees were frustrated that mining operations reduced their local water supply. Mayra described how her husband had to leave the community to find work around bigger cities because the mine compromised their ability to maintain a subsistence lifestyle. Interviewees felt that MBM's operations should not compromise their ability to maintain traditional livelihoods. Healthy and ample water supply is the most critical requirement for subsistence and small-scale market production of crops, animal husbandry, and fishing. Research participants like Manuel

clearly understand the fundamental requirement of a healthy and abundant water source to ensure basic human security in order to move towards broader development objectives.

We need clean water free from contamination to be able to sow our lands, to obtain healthy crops for human consumption, and to be able to make a living from selling the food we collect (Manuel, Mar-14).

Community members expressed a deep sense of loss and sadness when describing their inability to continue practicing traditional agricultural methods. While the relationship between the land and rural identity should not be romanticised, nor the burden of deep poverty overlooked, there remains profound pride in the collective memory of rural communities who work the land. Being forced off traditional lands and away from family members and communities is a particularly painful experience for those affected by the Pierina mine.

Reduced water supply is of grave concern for agricultural communities globally and has been the source of growing conflict with Peru's communities and companies operating mines nearby. Tragically only six months after this research was completed in Huaraz, media sources reported a clash at the Pierina mine between protestors and police forces that left four people injured and one dead. Protestors were demanding that Barrick assume responsibility for causing extreme water shortages and water pollution in the surrounding region and called on the company to ensure availability of healthy water sources ("Deadly Clash at Peru Protest," 2012). Moses put it simply; "what we need is water. Water is life."

Contamination

We left Otuzco, a highlands city seventy-five kilometers inland from the sea, just before sunrise to tackle the rugged mountain road that leads to Huamachuco, and eventually the Lagunas Norte mine. The rising sun cast a smoky pink haze over sleepy towns perched dubiously

over the flanks of the mountains. Children scrambled over rocky outcrops and dusty ledges up to the rolling green of the hills and made their way to unseen schools. The road followed the mountain's ledges as our driver navigated hairpin turns and met oncoming traffic with unnerving defiance.

There is a certain magic to the landscape. To the observer the area feels steeped in history, forged by ascent of the Sierras. Towering cones and spindly spears of rock pierce gentle green hills, suggesting a timeless wisdom. But the reality of life for the people who live here does not necessarily reflect the contemplative wonder a brief visitor might experience.

In La Libertad, the department where the Lagunas Norte mine is located, 29.7 per cent of the population live in extreme poverty. More specifically, three of the high-mountain provinces that comprise La Libertad (Otuzco, Sanchez Carrion and Santiago de Chuco) have extreme poverty rates of 66.6, 79 and 68.5 per cent respectively (AMAS, 2011, p.15). Juan whose family lives on the Perejil river that is fed by headwaters originating near the Lagunas Norte mine, described the stress and constant struggle of deep poverty.

I want to make a better life for my two daughters. But they have not been able to finish high school because I cannot afford to send them. The money I make is not enough to eat and pay for education (Juan, Mar-12).

A context of deep-seeded poverty makes the impact of the Lagunas Norte mine especially destabilizing for traditional economies and agricultural communities that are inextricably maintained by fresh water and healthy eco-systems.

We were headed to Huamachuco, a town close to MBM's Lagunas Norte mine and the location of the second case study. The small town is located within the Quiruvilca district of La Libertad in Northern Peru. We met with a community leader named Manuel who travelled from

his small village outside Huamachuco to meet us. We ordered some bowls of *seco de gallo*, a chicken stew, and Manuel began telling us how his community has been negatively impacted by the Lagunas Norte mine. Shortly thereafter, two older men walked into the quiet restaurant and Manuel abruptly stopped talking. He met my perplexed expression with a commanding stare which conveyed a need to change the topic of conversation. These two men were leaders in Huamachuco and evidently in support of the mine.

Our breakfast with Manuel displayed the strong sentiment of forced silence for people in the region who are opposed to the Lagunas Norte mine. The amount of benefits provided by the company depends on community size and proximity to the mine but this depends on who you talk to. Unlike Huamachuco, Manuel's tiny community is downstream of Lagunas Norte and falls outside of Barrick's defined 'area of influence' meaning that the mine's benefits are not felt but the negative impacts are.

The mal-distribution of benefits has created glaring divisions and conflict between what was previously harmonious neighbourly relations. The mine strains familial relationships when relatives find part-time rotational mine work and feel pressured to support MBM contrary to their family's wishes. Manuel explained that MBM officials

arrive at communities and pick a representative and offer a work post at the mine in exchange for the community's loyalty. The officials say that the mine can give communities the things they need. And to keep their job post the community people should support everything that the mining company says. This creates the problem of discord and separation within communities (Manuel, Mar-14).

Barrick's Lagunas Norte is an open-pit gold mine located between 4000 and 4260 meters above sea level in the *Alto Chicama* valley (Barrick, 2013, para.1). The mine is situated within an ecoregion called the *puna* grasslands, a strikingly beautiful and eerie landscape reminiscent of

moorlands. The puna grasslands exist above the tree line and below the permanent snow line in the Andes of Northern Peru. Extreme temperature fluctuations characterise the region and can create a disorienting fog that moves in without warning. Towering over the Alto Chicama property are the remnants of an ancient volcano called Cerro Shullcahuanca; it stands like an extraterrestrial observer to the landscape now scarred and flattened by Lagunas Norte. Some say that Cerro Shullcahuanca still holds spiritual significance to the indigenous Quechua people of the region. In fact, “evidence that it was used as a sacred site predates the arrival of the Spaniards by many centuries” (Scales, 2005, para. 5).



Figure 3- Lagunas Norte mine in the distance.



Figure 4 - Research participant and AMAS representative observe a lake at the Lagunas Norte mine.



Figure 5 - Puna grasslands on Barrick's Alto Chicama property.



Figure 6 - Perejil, Chuyuhual, and Caballo Moro watersheds.

Also on the mine property are five *lagunas*, or lakes, of a surreal aqua-marine colour unique to high-elevations. The lakes are a starting point for surface and groundwater sources that move downstream (Scales, 2005, para. 11). This is a major point of contention for opponents of the mine. Controversially, Lagunas Norte is situated directly between the headwaters of three rivers: ríos Perejil, Chuyuhual and Caballo Moro (AMAS, 2011, p.33).

The region of La Libertad has great biodiversity and sustains the agricultural activities and sources of livelihood for thousands of families who engage in small-scale production. However, the exploitation of natural resources in the region and the absence of the state fractures the social organization of communities within the Perejil, Caballo Moro, and Chuyuhual watersheds and threatens rural subsistence economies (AMAS, 2011). Communities on these watersheds claim that water is polluted as a result of mining operations. Juan, a middle-aged man from a farming community on the Perejil river, explained that

Minutes from a meeting with Barrick show that they admit that they have contaminated the river. As a compromise, they said there would be a large financial compensation for this, and they would support youth education with scholarships and support social enterprise but the mine has failed to do all these things. We feel that the company has neglected us (Juan, Mar-12).

The risk of contaminating local water systems with heavy metals such as mercury, cyanide, arsenic or cadmium is the major focus for environmental protection efforts related to the extraction of minerals from the earth (Clark, 2002; Gordon and Webber, 2008; Reed, 2002). Water pollution is also the primary concern of mining-affected communities whose agricultural practices, animal husbandry, and cultural values depend on a continuous flow of potable water. Water pollution associated with mining is largely due to Acid Mine Drainage (AMD). AMD occurs because open-pit mines require

the excavation of large quantities of waste rock (material not containing the target mineral) in order to extract the desired mineral ore. The ore is then crushed into finely ground tailings for processing with various chemicals (BC Wild, n.d., p.3).

Bebbington (2009) further explains that

modern mining requires large quantities of water for separating minerals from rock, a process that also often involves the use of toxic substances like cyanide. At the same time, by breaking up ground rock into far smaller parts, it increases the speed of naturally occurring chemical reactions that release toxic substances that can then be carried downstream in what is called acid mine drainage (p.15).

The chemical reactions that take place with AMD cause acid levels in nearby lakes and rivers to rise. AMD can sometimes be prevented by submerging “the waste rock or tailings under water (behind an impoundment or in a natural water body) to prevent exposure to oxygen” (BC Wild, n.d., p.11). However, this strategy requires highly stringent monitoring to ensure that tailing dams or ponds remain structurally sound throughout the mine operation. They must be built to last far beyond mine closure when there is no constant supervision. Containment areas for tailings are prone to structural leaks, failures, and overflow, which poses a direct threat to ground water or streams surrounding the mine site. The corporate objective of cost-efficiency means that long-term considerations of environmental protection are often absent when planning tailing ponds and corners may be cut in building them or maintaining their structural integrity (BC Wild, n.d.).

Both Pierina and Lagunas Norte mines employ a cost-effective technique called “heap leaching” to extract gold. Heap leaching involves spraying cyanide onto piles of crushed ore. In fact, “up to 75 gallons of the solution is applied each day for every square foot of the ore heaps” (BC Wild, n.d., p.20). Gold particles are attracted to the cyanide solution, which, together, sink to the bottom of the pile and flow into ponds for collection. The liners that contain ore heaps are

often made of a synthetic high-density polyethylene and are known to tear allowing chemical leakages into groundwater (BC Wild, n.d., p.21).

Bebbington and Williams (2008) estimate “that every year mining and metallurgy release over 13 billion m³ of effluents into Peru’s water courses” (p.191). In the Caballo Moro river in La Libertad, the local community believes that all of the trout have been killed as a result of chemical-laden tailings released into the river by the Lagunas Norte mine. *Trucha*, or trout, is an important freshwater fish in Peru and is consumed abundantly in high-mountain Andean communities. *Trucha* is a significant and accessible source of protein and is widely consumed by families in a variety of ways. The disappearance of the *trucha* has been very challenging to Santiago’s community.

I am closed. I cannot say what I think about the mine. We are talking about a person in conflict with the mine – we know the contaminated water has killed all the fish and wild animals. We knew there would be problems but many communities didn’t realize this (Santiago, Mar-15).

Similar impacts are experienced by communities near the Pierina mine. The Pierina mine is also an open-pit gold mine. It is located ten kilometers north of the city of Huaraz and sits at an altitude between 3800 and 4200 meters (Himley 2010, p.3276). Many small-scale farmers bring their produce twice a week to the large markets in Huaraz. The streets are filled with a colourful assortment of fruits and vegetables, fresh cheeses, and bread. Peru is famous for its thousands of varieties of potatoes that have waxy skins of rich colours - dark violets, crimsons and golds. Wheelbarrows overflow with corn and street vendors sell it grilled, *choclo con queso*, with a chunk of fresh cheese. Spicy *aji* peppers, aromatic medicinal herbs, plantains and citrus fruits dress the sidewalks. Inside the market the meat sections are draped with whole chickens, beef cuts, *cuy* (guinea pig) and an assortment of animals parts used to give flavour and texture to

platas typicas in the local cuisine. It is impossible to miss how much small-scale food production and animal husbandry shapes culture and sustains life in this part of Peru. It is very possible to imagine the long-term impacts on surrounding communities if this culture ceases to exist.

High-mountain run-off cuts through the Pierina mine before reaching communities downstream. When the Pierina mine opened in 1998, members of Nico's community began to notice that the water supply was unusual colours and it had an unpleasant odour.

My mother in law from upstairs noticed that, on some days, the water looked dirty as if it had ashes in it (Nico, Feb-23).

Observations of discoloured water continued for several years and by 2000 Nico had saved enough money to order water tests to verify contamination. The tests showed the presence of high levels of lead in the water. Nico attempted to prove to the regional government that the mine was causing serious water contamination, but even with results from water testing, he was treated with patronizing skepticism and racist remarks. Nico says that he was told that

Native people don't know what contamination is. Native people don't have any money to claim it either. You can complain wherever you want, no one will listen (Nico, Feb-23).

Nico's family relies on the local water supply for animal husbandry.

We use the water to spray our Alfalfa plants which are used to feed our animals, and then we consume the animals. We don't know yet what are the side effects of consuming food contaminated with magnesium, cyanide or arsenic? We have also noticed that our farming production has declined (Nico, Feb-23).

The health of animals was a personal concern for three participants in this study and all but one participant mentioned the health of animals as a wider concern within communities. Animal sickness caused by drinking contaminated water or by consuming crops irrigated with polluted water threatens the livelihood for families in the regions surrounding both of Barrick's mines.

We welcomed them, and now they are contaminating our environment, our water and our ground (Santiago, Mar-15).

Clearly, the narratives render a landscape deeply impacted by the operations of Barrick.

Health

Water contamination has led to a variety of human health concerns caused by the chemicals used in mining extraction and processing. Ricardo's family has been ill from the heavy metals he believes are in their water supply.

My children and wife have had rashes and nose bleeds for weeks. I went back to Lima to take my children to the international clinic. There they found that she had a high level of arsenic in her system. It worries me. I don't know what is happening to her health (Ricardo, Feb-19).

All the research participants from communities near the Pierina mine were aware of health problems in their communities. Participants near the Lagunas Norte mine are more concerned about animal health but said they were worried about the potential impact the mine may have on their own health in the future. Participants felt that the overall health of their communities was slowly deteriorating.

Young people have been progressively getting contaminated. People were healthy before the Barrick mine arrived because the water and the rest of the environment was clean and free from pollution (Ricardo, Feb-19).

Health problems related to cyanide, a substance used in the gold extraction process at both mines studied in this thesis, are a major concern for mining-affected communities.

Exposure to high levels of cyanide, by inhaling, drinking, or eating contaminated substances, or by skin exposure is very toxic and sometimes fatal. Lower level,(sub-lethal) exposure over time can also cause problems with breathing, nervous system disorders and the digestive tract (BC Wild, n.d., p.21).

Additional sources of pollution that cause major human health concerns occur through leaching. Massive quantities of rock that are removed from an open-pit mine site can contain

metals such as arsenic, cobalt, copper, cadmium, lead, chromium, gold, iron, lead, silver or zinc depending on geological conditions that are present. These metals are leached out of the excavated rock when any water passes over the rocks (BC Wild, n.d., p.2). When such a large amount of earth is removed to access valuable ore, these metals multiply in concentration and become toxic. They often dissolve in acidic waters due to AMD, which is common for water sources surrounding mining operations (BC Wild, n.d., 9).

When metals are in a dissolved form they are more readily absorbed and accumulated by plant and animal life, and therefore generally more toxic than when they are in solid form. “Sub-lethal” negative effects can occur as these metals concentrations settle into streams, stream beds and banks. Because the transfer or “uptake” of metals can occur to animal tissues and plants, they can be passed along to other living things in the food chain (BC Wild, n.d., p.9).

Communities located near mines face increased risk of health problems. In July of 2012, a major pipe burst at the Antamina mine in Peru. The Antamina mine is a massive copper-zinc mine also located in the Ancash region of Northern Peru. It is located 270 kilometres northeast of Lima and approximately two hundred kilometers east of the Pierina mine (Xstrata Copper, n.d.). The rupture sent forty-five tonnes of mineral waste spewing twenty-five meters into the air, “exposing more than 200 people to a mineral slurry” of chemicals (Taj and Cespedes, 2012, para. 1). Untrained locals rushed to the scene to try to contain the spill from contaminating the nearby river, *río Fortaleza*, which provides water for dozens of agricultural communities. (Taj and Cespedes, 2012). While the company maintains that the slurry was not toxic, Reuters reports that “residents complained of headaches, nausea, irritated eyes and nosebleeds more than a week after the spill” (Taj and Cespedes, 2012, para. 5).

Health problems are a major concern in rural communities where social inequity contributes to negative health outcomes. In the three provinces surrounding the Lagunas Norte

mine, there are between 0.3 and 0.4 physicians for everyone one-thousand people (AMAS, 2011 p.15). This is contrast to 2010 WB data that shows a Peruvian average of 0.9 doctors. In Canada there are 2.0 doctors for every one-thousand people (World Bank, “Physicians (per 1,000 people)”. While WB statistics from 2011 show an overall decline in poverty rates in Peru from 48.5% in 2004 to 27.8% in 2011, there are major disparities between rural and urban areas. In 2011, Peru’s poverty rate for urban areas was 18% and over three times higher in rural areas, with 56.1% of the population living in poverty (World Bank, “Peru Overview”). The social determinants of health which include income, education, employment and social and physical environments are impacted by poverty at a local level. Health outcomes are structured by these determinants by tangible limitations such as communities only having access to one source of drinking water and being unable to afford or access other water sources. Rural areas of Peru also face higher rates of malnutrition stemming from poverty.

One out of five children in Peru does not consume the minimum necessary to satisfy his or her basic needs for growing (chronic malnutrition). In rural areas the figure is one out of three children (Guevara, 2010, para.8).

When medical problems arise it can be costly for families to leave their homes and visit distant cities to seek specialized testing and treatment. In addition to the costs of travel, poor infrastructure and road closures caused by landslides can dissuade families from seeking medical attention. The increased vulnerability from living in poverty, paired with sloppy environmental controls in the mine, create a health calamity. Taken with the lack of health works for reactive care, and a lack of government programs for health promotion and disease prevention, these factors create a spiralling health disaster.

Rural communities are doubly disadvantaged by health problems caused by mining. Grinding poverty reinforces a lack of power and maintains a cycle of structural violence (Farmer, 2003). Risk of environmental contamination caused by mining accidents is forced onto communities who are often unequipped to recognize, or to fully prove, damages. It is very difficult for community members to demand compensation for mining-related health problems from companies. Overt racism creates structural barriers that lead to inaction in claiming damages from mining companies for environmental pollution. These barriers similarly contribute to a lack of financial capital to pursue costly legal action. Minimal access to alternative or critical media, coupled with limited information networks in isolated areas of the Andes reduces the chances of gaining public attention to irresponsible corporate behaviour.

As taken from the incident at Antamina, community members place their health in jeopardy as a result of negligent actions of mining companies who opt-out of the precautionary principle within their CSR protocols in favour of a lackadaisical approach to environmental protection and accident prevention.

CSR Programs

For participants in this research study, MBM's failure to carry out their promised programs was only a marginal grievance in comparison to the known issues of water contamination to fragile water supplies. However, participants described how MBM's promises of employment, technology, and prosperity were not carried out to completion. AMAS meetings with communities in the monitored watersheds detail ongoing frustration from *campesinos* who feel that Barrick has not fulfilled its promises to communities (AMAS, 2008, p.1).

Ignacio's community falls within Pierina's self-defined area of influence. Because of this designation, in 2005, the town received technological improvements to their irrigation system as well as a storage tank for groundwater. Ignacio explained that almost immediately the projects became inactive due to a dramatic reduction of the local water supply caused by the mine. Ironically, the mine's operations rendered its own CSR program effectively useless. As he explained,

“The mine's projects are useless if we don't have the resources to use them” (Ignacio, Feb-27).

Pablo works as an engineer at the office of Energy and Mines in the Ancash municipal government. The office enforces the policies of the regional government. In Pablo's opinion, communities are part of the problem when they complain about ineffective mine programs:

The community must assume responsibility and take charge of these projects because the company will not be there helping them forever. The company will help in the starting phases of the project, but in the long term, the community has to take over (Pablo, Feb-19).

In Ignacio's experience, mine operations depleted the water supply which is why the project became inactive, as opposed to it falling into disuse from community neglect. Pablo believes communities must actively manage their CSR programs in order to avoid dependency on the mine and to transition to sustainable post mine-closure projects. However there was no instruction or long-term strategy discussed with Ignacio's community in regards to technical training or the financial and human resources needed to maintain the project. MBM installed the irrigation system as a one-off, 'tick off the checklist' project without setting the foundation for its maintenance as a sustainable development project. Because Barrick needs to ensure a stable

operating environment at the mine, CSR projects like the irrigation system are a means of ‘buying’ the local communities’ consent to operations (Frynas, 2005).

The inferior treatment of indigenous people in the region was also noted by CODISPAS staff that work to ensure human rights are respected in marginalized indigenous communities. Shelley, a legal counsellor with CODISPAS, told me that the Quechua people often face widespread discrimination in Peru from non-indigenous and urban populations that equate poverty and subsistence farming with laziness and backwardness. Pablo, the engineer with the regional government, expressed that some frustrated *campesinos* “just expect money to land in their pockets!” (Pablo, Feb-19).

Both local government officials who I spoke with believed the mine was inherently positive for the region. They argued that communities are responsible to effectively utilize the benefits of mining instead of it being the responsibility of MBM to create a cohesive regional development plan that responds to local socio-economic contexts. This is a recurrent theme articulated by the global elite and also reflected on a local scale in Peru. It follows capitalism’s promotion of the trickle-down effect whereby a failure to benefit from economic growth is the fault of those for whom the trickle-down benefits are supposed to reach. This logic assumes that communities excluded from economic growth failed to take advantage of the development opportunities offered by economic growth. Or alternatively that the capitalist market must intensify and increase profits in order for the dregs of economic development to finally reach the thirsty.

Eduardo works for the local municipal government. My meeting with him was set up by CODISPAS who maintain a respectful relationship with him. He was reluctant and appeared

nervous during the meeting, cutting the conversation short when local residents dropped in to speak with him. It was evident that because of his position with the municipality, he was limited in the degree of critical analysis he could openly provide. Eduardo maintained a positive view of the role of Barrick in stimulating the local economy and increasing local capacity but seemed apprehensive when answering various questions. He recognized the tensions between community requests and Barrick's willingness to provide effective and long term projects that respond to the specific local context of every small community. However, Eduardo was inclined to think that communities should take a more active role in requesting their development projects. He explained that

All the nearby communities have benefited from the projects. Sometimes the same communities have asked and identified their projects, but many times they have not requested the things that would have benefited them the most (Eduardo, Feb-24).

The assumption that communities should understand the potential impacts of mining, anticipate future problems, and request appropriate CSR programs is deeply flawed. This expectation might be reasonable if Barrick ensured that communities were genuinely informed about the potential impacts of mining openly, and honestly, and without relying on chronic poverty as a means of persuasion. This has not been the case for any rural mining-affected community in La Libertad or Ancash. The mining industry rarely seeks informed consent. If mining companies fully described the risks of mining, to include water contamination and animal husbandry risks, very few communities would likely see immediate benefits as a worthwhile trade-off for the inherent long-term risks. Indeed, avoiding informed consent and inflating direct and indirect development outcomes from mining is a crucial strategy for companies planning operations in rural communities of Peru.

Employment

Locally, MBM used employment opportunities to gain consent from communities and limit organized dissent to the mine. Initially, employment opportunities with MBM were an important factor for communities that accepted proposals for Pierina and Lagunas Norte mines. However, the minimal number of jobs that resulted was a source of great disappointment for all the people I interviewed. The company failed to carry out its grandiose promises of mass employment for communities. Each community member I spoke with recalled Barrick's vague promise of employment for any community member who wanted work. Manuel describes how his community was cautiously excited by what the mine could bring to his community:

Initially, when they first arrived, they offered 4000 job posts but when they established the mine, everything was different. There is also discrimination. The only job community members get are simple jobs that have no importance and they can pay us less (Manuel, Mar-14).

Specific details relating to job description, frequency of employment, and required skill-level never factored into sparse information sessions held by mine officials. Juan explains the reality of limited employment offered by MBM near Lagunas Norte.

18 years is the start age. The jobs last only three months because there are so many workers, so they need to spread out the hours for everybody (Juan, Mar-12).

This type of labour exacerbates insecurity and poverty because workers are unsure when the next work contract will come. Another variable is the life-expectancy of the mine. Hilson and Murck argue that for a company to successfully contribute to sustainable development

in terms of employment, it is critical not only for the mine to hire locally, but to help residents seek alternative employment ... or at a minimum, the skills required to work in other industries following mine closure (2002, p.230).

According to participants, the company has not provided the number of jobs to local people that it promised when initially seeking consent from communities. Instead, all community members described the presence of ‘outsiders’ being brought in to work at the mine. Moses described the minimal employment his community actually received from Barrick due to their hiring policies.

There are ninety-eight people in my town including me and from those people only two or three work during the year because the company prefers to bring in outsiders (Moses, Feb-25).

Eduardo explained that MBM’s hiring policies should be more focused on local employment.

Currently, a big mining company called Antamina hires people from the same area, but this hasn’t happened here. The majority of people have come with some experience from other mines. The mine (Pierina) could train them and give them direct work, but they just use contract workers (Eduardo, Feb-24).

The influx of workers from outside the immediate region exacerbates socio-economic transformations of livelihood resources already taking place due to environmental degradation.

Hilson (2002) points out that although Latin America’s largest gold mine, Yanacocha, in Northern Peru, brought

US\$7 million in roads, schools, and local infrastructure, at the same time, housing prices, education and staple goods increased in price as a result of the presence of higher paid (mine) employees” (p.67).

While these impacts are not the current concerns of research participants in this study, expansion proposals from both mines may increase unintended negative impacts by bringing in highly-paid specialized employees. A section of MBM’s CSR document for Pierina operations titled *Social Development Action Plan* lays out objectives through which MBM plans to contribute to local development. The document states explicitly that surrounding communities will not receive full-time positions at the mine because “many of these positions will require

technical training in modern mining practices and equipment which would be beyond the current capabilities of the local population” (Himley, 2010, p.3278).

As a social determinant of health, access to secure employment in rural areas impacts health outcomes. WHO advocates that “safe, secure, year-round work is by far the preferred option to help lift rural dwellers out of poverty” (WHO, 2008, p. 70). Contrary to necessary steps for a reduction in poverty and health inequity, MBM actually worsens employment insecurity. Seasonal or rotational work has been the best case-scenario for many communities despite the major social disruption that this form of employment causes. Mayra, whose husband receives contract work with Barrick at the Pierina mine told me that

A hundred per cent of the people were farmers before the mine was established, and now at least fifty per cent have left to work in the mine (Mayra, Feb-27).

While some community members have benefited from employment, others have experienced insecurity because work contracts rearrange social organization and familial routine. Changes to the traditional organization of communities as a result of the mine has disproportionately burdened women. In addition to caring for children and tending to household chores, women must also make up for the lost labour of their husbands who are away for several weeks, and up to three months, at a time.

According to community members, MBM has not engaged them in conversations about post-mine closure plans. None of the research participants could offer an example of mine-sponsored capacity-building projects that would give communities the resources, necessary markets, and technical skills to maintain meaningful employment beyond the mine’s closure.

In the context of MBM’s neglect for the principles of sustainable development, workers and their families may have to transition back to former livelihoods after the mine closes,

without assistance or employment or they will have to move farther away from their homes to find work. Historically, this type of transition is devastating especially when the mine has eliminated or rendered unusable the natural resources that sustained a person's former livelihood.

Community members acknowledged that the mine has brought services and infrastructure to other communities, according to the "area of influence" mapped out by MBM. Ricardo described the problem of an inequitable distribution of the benefits of mining:

There is support for bigger places. Benefits such as the construction of community centres, and schools, but smaller communities don't get support (Ricardo, Feb-19).

The lack of benefits provided by MBM to the smaller communities represented in this study suggests that Barrick cannot effectively manage the development agendas of a plethora of small communities located far beyond the company's current self-defined area of influence. The impacts of massive open-pit gold mines, such as Pierina and Lagunas Norte, are far reaching. Any attempt to fully comprehend the direct and indirect effects of mining in a cohesive regional development plan or to keep industry-related risks within a carefully defined territory is unrealistic. The potential of down-stream consequences from water flow may evade even the most structured and well researched plans for environmental and livelihood protection.

Some community members suggested that Barrick utilized CSR in response to a perceived threat to company operations from nearby communities. In this sense, larger communities received highly visible and evident projects and infrastructure because they posed a greater potential for dissent and organizing capacity to oppose the mine. Although Barrick's exact intention behind the placement and distribution of its CSR projects cannot be determined with certainty, the fact remains that communities who feel they are directly impacted by the mine believe that they cannot actively participate in the potential benefits of the mine. While none of

the research participants could describe a valuable service the mine has brought to their own community, Pablo, who works for the regional government in Ancash, maintained that the mine has an overall positive impact on the region.

There is infrastructure for education and spaces for recreation. Now we have better roads in Ancash. I can easily go to the hospital and know that I will be taken care of (Pablo, Feb-19).

Sustainable development for communities may be possible if “the accrued rent from the depletion of mineral resources is continuously reinvested into sustainable economic undertakings and in community support services” (Hilson and Murck, 2000, p.230). Although some larger communities show visible signs of social reinvestment from mining, as seen in Huamachuco, benefits are not fairly distributed and are a source for major frustration in more isolated communities. Even in larger communities, CSR projects may represent cosmetic changes that will not last beyond closure of the mine.

Distribution of Benefits

The downstream nature of water quality and quantity problems, meaning that it is the vulnerable communities who feel the effects more than the industry, results in areas not designated in MBM’s ‘area of influence’ being still directly impacted by the mine and as a result, they feel they are marginalized by Barrick. Juan described how he perceived this marginalization.

They never communicated anything to us. The people the company sees as ‘directly impacted’ are getting money, public works and other projects but we have been discriminated. Even though the mining company Barrick affects us directly, we don’t get the same rights as other people do (Juan, Mar-12).

When I asked Eduardo, an employee of the municipal government in Jangas, if the mine contributes to the overall development, he told me that

Yes, the mine creates jobs and development, but at the same time, the mine has the responsibility to protect the water resources and the environment. It should also be responsible for creating broad community work not small (Eduardo, Feb-24).

Eduardo suggested that the preconditions required for the mining industry to create broad development have not been carried out by Barrick or supported by the Government of Peru. Any form of sustainable development is contingent on the preservation of local culture and autonomy and is dependent on services provided by healthy eco-systems. Without this fundamental condition, CSR is likely to consist of short-term projects that pacify local populations and allow Barrick to claim it has met its CSR objectives. In contrast, Nico explains that the way Barrick treated his community is entirely contrary to the company's claims of enhancing local development, which it portrays through its public image.

They promised to control the quantity and quality of the water. That's what the documents say, but they have not complied with the rules established in the document (Nico, Feb-23).

Barrick and its subsidiary MBM employ CSR narrowly, only targeting specific projects like agricultural innovation without fully engaging local capacity or capacity-building that would ensure the continuation of the project. The intentional ambiguity of CSR blurs the line between programs that are designed to prevent direct negative impacts of mining operations such as environmental damage, compared to programs that move beyond negative impacts toward "the pursuit of moral and social good" (Idemudia, 2008, p.29). Idemudia (2008) defines these differences in approach as "negative injunction" versus "affirmative duties" respectively. In the case of mining, negative injunction duties primarily include ensuring operations do not pollute or deplete local water resources or fracture social organization and traditional livelihoods. Affirmative duties include promoting innovation in local agricultural techniques, providing meaningful employment, and promoting education and health programs to encourage community

development. However, as demonstrated by Ignacio's story of a failed irrigation project, it is clear that affirmative duties may be useless if all possible negative injunction duties are not performed in the first place.

MBM's Social Development Action Plan at Pierina is extremely vague and fails to articulate the "social or spatial reach of specific programs," provide a budget of available financial resources or confirm if proposed development partners have committed to helping implement the plan (Himley, 2010, p.3280). For example, MBM states that

a large or excessive number of children will not allow poor families a healthy socio-economic development. Family planning education should start in lower school and progress through all school years and include adults as well. A local NGO called IMPARES could be of help in this effort (Himley, 2010, 3280).

Himley (2010) maintains that despite the plan's ambiguity, it clearly shifts attention away from negative injunction duties to affirmative action towards social development, thus advancing "a version of sustainable development compatible with techno-organizational trends within the mining industry," which includes modes of production at mega-mines that are energy-intensive, that use large quantities of toxic chemicals, and that generate a great deal of waste (p.3280).

The major themes that emerged from interviews in this thesis are consistent with media and CSO reports that highlight the negative impacts that Canadian mining companies have on communities. Recurring grievances were related to diminishing water supply and contaminated water sources and the environment followed by health problems, CSR ineffectiveness, under-employment and an unfair distribution of the benefits of mining.

Barrick's CSR programs were absent from the communities of most interviewees I spoke with, despite the fact that community members were directly affected by mining activities. This demonstrates that Barrick is not currently fulfilling its negative injunction duties to prevent

massive environmental degradation the mine is causing on a broad-scale which has a negative and life-altering impact on local residents. Rather it redirects attention to short-term, relatively inexpensive projects which offer observers a tangible example of the company's allegedly positive impact. A disjointed CSR agenda of minor cover-up projects costs less than internalizing the costs of protecting rivers, ensuring abundant water supplies, and engaging local capacity. Barrick has cashed in on massive profits by literally dropping the costs of environmental protection and long-term social investment into the rivers to be shouldered by communities downstream on limited financial and social resources.

While the literature shows that CSR may be a critical component for transforming mining into local development, it was a relatively minor issue for research participants. Barrick fails to contain the inherent risks of mining operations at Pierina and Lagunas Norte within corporate-drawn boundaries. This is due to the paradox of Barrick providing a corporate model of sustainable development to communities while simultaneously cultivating avenues to enhance its bottom line imperative, which is to cut costs and increase corporate profits. To deflect attention away from the structural limitations created by this paradox, Barrick places emphasis on its affirmative development projects in certain communities, which suggests to civil society that this is the overall experience of all people impacted by its operations. If Barrick was genuinely committed to following principles of sustainable development, it would be able to prevent negative impacts such as contamination and also imagine a holistic, long-term strategy for leaving a region better than it was found. This is not the case simply because, similar to the mining industry broadly, Barrick's CSR is strategic rather than genuine in motivation.

This chapter sought to privilege the voices of communities affected by two of Barrick's mines. By emphasising local narratives, this research reveals how communities in rural Peru are struggling simply to maintain traditional livelihoods in the face of nearby mining operations and are not benefiting from corporate initiatives towards sustainable development. This reality demonstrates how CSR is a hollow concept used to maintain mining operations without altering the neoliberal model of environmentally-damaging intensive capitalist production and the hegemony it maintains.

Evaluating Corporate Claims of Local Development

In response to the first research question, which asked if the narratives of mining-affected communities in Peru reflect the development claims of Barrick Gold, community narratives show that corporate behaviour at the community level does not reflect stated goals for social development or the values supposedly shared with civil society. For some, the question might then become 'how can Barrick enhance its CSR activities and development objectives to become more egalitarian, inclusive, and responsible'? Does the company simply require additional time and experience in order for its impacts on the ground to truly reflect its stated intentions to benefit those most directly impacted by its operations? I argue that industry claims of sustainable development and CSR are contrary to corporate success and therefore cannot be transformed into meaningful avenues for social development regardless of time and experience in practice. The overall disappointing outcomes of SD and CSR principles applied in local communities by the mining industry globally is

not simply a reflection of the fact that the process of change is of recent origin; it also derives from the way in which companies choose to respond to the economic, political and structural drivers of change- responses that often involve imagery, public relations and relatively minor adjustments in management systems and practices, as opposed to

significant changes in the social and environmental impact of a company's activities (Utting, 2000, p.viii).

The reason mining companies have flocked to remote parts of Latin America is to gain access to minerals. The corporate objective is to transfer operations to areas with significant mineral supplies, cheap labour, lax environmental laws, and less accountability, specifically in order to save on costs and to increase profits. To actually internalize production costs, such as ensuring environmental protection and investing in local capacity, runs contrary to corporate objectives as deep investments in these areas make companies less competitive in the global market. Precious metal prices are set on a global market. In order to maximize profits, mining companies reduce operating and output costs for extraction in order to maximize their earnings. Therefore claims of strengthening CSR to ensure positive outcomes would require scaled-up investment by companies. Shareholders may perceive such investments as incongruent to maximizing profit. CSR initiatives encourage governments to deregulate in favour of corporate self-regulation. As such, CSR contributes to the corporate need for “*construction and consolidation* of neoliberal state forms, modes of governance and regulatory relations,” in the process Peck and Tickell (2002) describe as ‘roll-out neoliberalization’ (p.384, in Himley, 2010).

Furthermore, the recent growth of transnational mining is largely due to ideologically-driven policy decisions from governments in addition to technological advancement and increased mineral prices, which has made previously unviable deposits commercially profitable

and has resulted in short-term and high-impact mining operations.⁷ Neoliberal policy that privileges corporate interest, over social development, and quick economic gain “tends to increase the footprint (in spatial and environmental terms) of mining operations, due to both the increased quantity of inputs (e.g., land and energy) required as well as the higher volumes of waste generated” (Himley, 2010, p. 3275). This is in contradiction to the values embedded in sustainable development, which include long term planning, future generational equity, and reducing unnecessary consumption.

CSR serves to build “common sense” amongst civil society by glossing over inherent contradictions between the values of sustainable development and mining industry practices. CSR tells the corporate narrative in order to quell dissent from segments of civil society that are opposed to the environmental and social destruction created by neoliberal capitalism.

The major findings of semi-structured interviews shows that by contaminating local environments in rural Peru, Barrick is eroding, or eliminating completely, the backbone of traditional societies. This perpetuates poverty, increases insecurity, and fractures social unity of communities which have limited, but important, informal support systems. While Barrick continues to highlight the positive contributions it makes to communities surrounding both the Pierina and Lagunas Norte mines, it simultaneously strips many more communities of the ability to participate in any economic growth because their basic living resources are destroyed.

⁷ Himley (2010) describes the recent changes in the “techno-organizational” trends of transnational mining companies. Through capital- and energy-intensive technologies, companies have scaled-up mineral production and can access minerals that were previously unprofitable. Himley (2010) describes that “in the case of gold mining, this is seen in the turn towards open-pit techniques and the use of cyanide heap leaching to process ore” (p.3275).

Evidently, CSR was not designed to operate in rural parts of the world for the benefit of mining-affected communities. Rather, SD and CSR allow Barrick to maintain its mining operations without altering the neoliberal model of environmentally-damaging intensive capitalist production and to quell civil society movements that threaten hegemony.

Chapter Five makes connections from the preceding local-level research to broader corporate rhetoric and corporate strategic associations that entrench neoliberal ideology. It offers tangible examples of the tactics employed by corporations like Barrick to legitimize and maintain global systems of power in Canada, and how these tactics eventually impact the daily lives of people in rural Peru.

Chapter Five: Current Collaborations

The second research question asked in this thesis is what sorts of hegemonic tactics are used by Canadian mining companies to frame their intentions so that civil society within locally affected communities and within Canada subscribes to the interests of this elite group? This chapter will give further context to the strategies employed by the transnational capitalist class (TCC) to build consent, both within Peru and within Canada, in order to limit the potential for counter-hegemonic resistance. First, the state is described as a hegemonic role enabler for mining interests. Secondly, the chapter explores how the state (both the Government of Canada and the Government of Peru) promote the interests of Barrick Gold Corporation, rather than the interests of the marginalized. Connecting the lived-experiences of mining-affected communities to national and global collaborations enables an understanding of how hegemony impacts the day-to-day lives of people in rural Peru.

Gramsci understood hegemony in its domestic form by focusing on the internal processes of nation-states (Rwengabo, 2012). Many current approaches to understanding hegemony similarly emphasize a state-centric perspective in that the elite class is maintained and legitimized through internal national processes first and foremost. However, the rise of global capitalism has created modifications to the power dynamics between the elite group and those it rules.

In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. And as in material, so also in an intellectual production. This intellectual production of individual nations become common property (Marx and Engels, 1992, p.6)

The theory of a TCC hegemony offers an effective way of understanding hegemonic and counter-hegemonic processes in a global world order where traditional nation-states are increasingly marginalized and have actively stripped themselves of power by participating in free-trade agreements that prioritize the rights of corporations. The presence of a TCC is evidenced by transnational corporations which make more in profits than the GDP of many countries in the global South (Utting, 2000, p. 2). Additionally, corporations explicitly prioritize market goals over development objectives like poverty reduction by suing governments when state regulations that protect people and environment threaten corporate profits.

In the context of neoliberal globalization and a TCC hegemony, the role of the nation-state is modified to provide political support and moral legitimacy to the elite. With this transformation, it is important to reevaluate the role of the state and how it promotes mining globally.

The dominant class reassigns the state with its traditional roles and responsibilities when necessary, even though stripping the state of these exact capacities has been integral to reinforcing hegemony. This strategy is commonplace for Canadian mining companies. The mining sector lobbies host-governments to ensure stability and to suppress organized labour as a means of prioritizing corporate profitability above local concerns. For example, the MMSD, a project initiated by the world's largest mining companies claims that

Government must provide an enabling environment, define the standards expected of industry, assure those standards are being met, and have meaningful incentives and sanctions to encourage compliance (MMSD, 2002, XIV).

Yet simultaneously, the industry pushes for minimal government regulation and avoids enforcement, preferring the adoption of voluntary guidelines and self-regulation. Transnational

mining companies expect local governments to cater to their corporate needs based on the claim that fulfilling private interests creates economic transformations to the benefit of society. The TCC will blame government for poor labour standards, lax environmental control, and feeble social support, even though these are often pre-conditions of investment. When development promises are not fulfilled in regions surrounding operations, mining companies blame communities for unrealistic expectations by arguing that a broad-scale provision of services is the responsibility of the state, not corporations. This distracts civil society from recognizing larger processes of collaboration between state and private business interests and results in civil society blaming the state, rather than the elite, for any social wrong-doing.

The theory of TCC hegemony matters because collaboration between the state and the corporations is imperative in maintaining the conditions to allow Canadian mining companies access to local minerals. The following examples of cross-sector collaborations involving Barrick demonstrate the tangible strategies used to persuade civil society to their interest and to minimize counter-hegemonic resistance.

Examples of Cross-sector Collaboration

Mining companies crave liberalized economies. For example “as a precondition for securing World Bank and IMF loans, recipient governments in mainly developing countries have divested state mineral assets, privatised large-scale mining operations, and implemented favourable mineral taxation and investment policies” (Jenkins and Obara, 2006, p.10).

Liberalized economies are also opened up to corporate investment via free-trade agreements signed between governments. Notably, the Canada-Peru free trade agreement is a case in point. Further economic incentives such as low taxes and low labour standards are provided by host

countries to attract mining investment. Since the 1990s the Peruvian government has consistently offered foreign mining companies

the same treatment as national investors, all barriers to repatriation of profits were removed [and] fiscal provisions requiring that they pay no more than regular company tax and long-term stability in taxation rates were guaranteed (Hinojosa and Bebbington, 2007, p.4).

Such incentives take the form of decreased environmental regulation and a reduction of royalties paid by the company to the host government, which systematically weakens the capabilities of the state.

CIDA and Tri-Sector Partnerships

In September of 2011, the Canadian International Development Agency (CIDA) announced it would provide funding to three project-focused partnerships between Canadian mining companies and NGOs with the goal to reduce poverty in several countries (CIDA, 2011). One of these partnerships was \$1-million project between World Vision Canada and Barrick Gold in Peru (CIDA, 2011). Some congratulated the Canadian government for its support to “this pilot initiative which will strengthen the relationship between the local government and mining firms ...and ensure that communities secure sustainable benefits from the presence of mining operations in their district” (CIDA, 2011, para.12). However, others criticised the government for using taxpayer dollars “to subsidize the corporate social responsibility projects of the world’s most profitable mining companies,” in order to legitimize and support the actions of Canadian mining abroad (Coumans, 2011, para.5; Leblanc, 2012).

In Peru, Barrick Gold Corporation partnered with World Vision in the Quiruvilca District of Peru near Lagunas Norte to provide “the tools and capacity to develop an economic plan that ensures sustainable development beyond the end of mining operations” (Beyond Barrick, 2012).

CIDA is providing a fifty-fifty match for funding provided by Barrick to carry out development programs (Arnold, 2012). World Vision will lend expertise in applying the development programs by helping “women, youth and people with disabilities to become more involved and influential in their own community planning... there will be capacity-building for local leaders to ensure Quiruvilca follows a path of sustainable development in the long-term” (Arnold, 2012, para.2). According to Arnold (2012), this funding arrangement is a “pacification program, not a development project” (para.13). It absolves Barrick from its obligations to participate in meaningful dialogue with communities based on the criticism that mining companies do not have development expertise. Additionally, Canadian taxpayers are funding half the bill for the CIDA partnership but Barrick receives the majority of positive publicity for its financial contribution. This is yet another way in which hegemony props elite interests above the operations of the state.

In April of 2012 an organization representing communities in the three provinces impacted by the Lagunas Norte mine sent a letter to the then minister of CIDA expressing extreme disappointment in Barrick’s empty promises for development in relation to operations at Lagunas Norte. The organization felt that the region had been “cheated by these and other so-called social responsibility activities” (Solyom, 2012, para.12). They asked CIDA to stop supporting anti-development projects with mining companies like Barrick and to start ensuring that human rights are maintained and that the environment is protected.

In response to CIDA’s new funding trend, Pierre Gratton, president of the Canadian Mining Association stated that “there is a policy shift under way, and it is one we are encouraged by” (Le Blanc, 2012, para.5). The Government of Canada is directly subsidizing the CSR programs of Barrick in the region instead of strengthening regulation and enforcing punitive

measures for non-compliance. Clearly, this speaks to the state's willingness to meet the interests of the private sector before public needs.

Tri-sector partnerships that consist of a government development agency to oversee and distribute funds to a strategic partnership legitimize the hegemony of the TCC (Frynas 2005). Typically NGOs represent the interests of the public sector and counter-hegemonic alternatives “against the power-driven interests of the state and the profit driven interests of the economy” (Chandhoke 2005: 359). When NGOs agree to work with corporations towards shared objectives, this symbolizes to civil society that corporations take the moral authority, share civil society values, and that they can supposedly compromise in order to reduce harm to society despite the purely strategic operatives of partnerships. Partnerships are a hegemonic project that “brings the interest of the leading class into harmony with [those of the] subordinate classes” (Cox, 1993, p.168). Critical to maintaining hegemony is the development of a shared ideology between the elite class and civil society. The creation of universally-accepted values by the TCC works to “erase the consciousness and identity of lower classes over whom it rules” (Rwengabo, 2012, p.9).

CIDA props up the TCC by creating avenues to enhance profitability, retreat from social responsibilities, and be perceived as moral authorities of development. This is done through partially-funded partnerships that place the burden of work on NGOs like World Vision to respond to Barrick's complex social impacts and to manage its CSR programs. World Vision's energy and its capacity is diverted away from larger, more cohesive development objectives towards narrow objectives in the specific region affected by the Lagunas Norte mine. Through these partnerships, the Government of Canada shows that its version of foreign policy is

synonymous with short-term projects that use public funding to enable continued growth of global capitalism.

Funding Cuts for CSOs

At first glance, government cuts to development CSOs such as KAIROS and CCIC may seem like an issue apart from hegemonic business-NGO partnerships. However, policy decisions that cut, or reduce, funding for outspoken or contrary CSOs that criticise neoliberal policies, or hegemonic practice, have not taken place inside a vacuum. The real beneficiaries of global capitalism, the elite, silence antagonistic forces that represent the foundations of counter-hegemonic resistance by eliminating funding in the name of austerity. As a result, many development CSOs have been effectively silenced by a ‘chill effect,’ the result of funding cuts determined by an organization’s criticism of government policy (Clark, 2010; Stewart, 2010).

For example, in 2010 CIDA withdrew its \$1.8 million yearly funding to the Canadian Council on International Co-operation (CCIC). The CBC reported that “sometimes called the ‘heart and soul’ of Canada's voluntary efforts overseas, the CCIC represents some 90 organizations, including some of the largest aid groups working on Canada's behalf” (Stewart, 2010, para. 20). Despite forty years of supporting CCIC, CIDA’s defunding represented two-thirds of the CCIC’s annual budget, forcing the organization to eliminate seventeen of its twenty-five staff positions (Stewart, 2010). Gerry Barr, head of CCIC, stated that CIDA was employing “politics of punishment” in response to an organization’s open criticism of CIDA for its decision to cut funding to KAIROS in 2009, consequently creating a chill effect amongst NGOs that feared losing funding as well (Stewart, 2010). Gerry Barr furthered explained that “today, you can see the emergence of a kind of partisan brush-clearing exercise and a punishment approach

adopted towards those whose public views run at cross purposes to the government" (Stewart, 2010, para. 13).

While CIDA maintains that “an NGOs funding is evaluated on effectiveness in delivering aid and matching CIDA's aid priorities” it is increasingly clear that CIDA’s priorities follow objectives that greatly benefit private interests (Clark, 2010, para.12). The agency manages the foreign application of networks to support global capitalism as opposed to supporting development opportunities in the global South.

By cutting funds to CSOs in the name of austerity, the Government of Canada sharply curtails criticism of its neoliberal trajectory and policies that cater to the needs of private interests. CIDA funding cuts reduce the ability for vocal opponents to monitor and scrutinize harmful corporate behaviour. The cuts also limit capacity for strengthening alliances between Canadian CSOs and communities and CSOs abroad that are also opposed to the application of the Government of Canada’s neoliberal foreign policy in the form of polluting extractive industries. For fear of government retaliation or funding cuts, Canadian CSOs are forced to compromise on core values of social and environmental justice, human rights, and sustainability. By actively restraining CSOs from openly pursuing their core values, the Government of Canada reduces the critical-mass necessary to pursue counter-hegemonic alternatives.

Intellectual and Moral Leadership

Consensus-building requires corporations to portray moral authority symbolic of the supposed values shared between the elite and civil society (Rwengabo, 2012). Barrick makes an impressive consensus-building effort in Canada by integrating corporate objectives with services and institutions viewed as external to core transnational capitalist functions. The effect of this

process works to legitimize the company's name as an agent of good rather than as an agent of harm.

Funding to Educational Institutions

In 2010, Lakehead University in Thunder Bay, Ontario, announced it was pleased to accept a series of financial gifts from Barrick Gold Corporation. The Northern Ontario School of Medicine (NOSM) received a total of \$200, 000 and a NOSM Student Bursary of \$70,000 which was paid in half by Barrick and half by the Ontario Trust for Student Support (OTSS) (Lakehead, 2010). A second shared-funding arrangement between Barrick and OTSS created the *Barrick Gold Graduate Scholarship* worth \$100, 000, which is given to a "Lakehead graduate student with financial need who is focused on mining issues with preference given to persons of Aboriginal heritage" (Lakehead, 2010). OTSS pays \$50 000 of this scholarship, despite the scholarship title which gives full acclaim to Barrick.

These actions suggest to civil society that Barrick is committed to long-term improvement of rural health care delivery and access to high-quality education for a disadvantaged group within Canadian society. Barrick achieves a façade of moral consciousness through funding gifts despite their strategic motivation because these gifts suggest to civil society that communities located near Barrick operations around the world receive similar treatment in the name of community development. The strategic corporate benefit created by these gifts was candidly described by Lakehead (2010) president, Brian Stevenson, when he stated that "Lakehead is uniquely positioned to offer Northwestern Ontario students advanced training in fields that will benefit the current mining renaissance taking place throughout the North" (para. 6).

Barrick's founder and current chairman, Peter Munk, is one of Canada's notable philanthropists. In 2010 he was awarded companion of the Order of Canada, "the country's highest civilian honour [that] recognizes a lifetime of outstanding achievement" ("Order of Canada," 2010). The two major focuses of Peter Munk's philanthropy are the Peter Munk Cardiac Centre and the Munk School of Global Affairs at the University of Toronto.

In late 2011, *The Peter and Melanie Munk Charitable Foundation* donated eighteen million dollars to the Peter Munk Cardiac Centre, bringing the total investment by the Munks to \$65 million. The Munk Centre opened in 1997 and operates out of Toronto General Hospital and the Toronto Western Hospital. In 2006, the Munk's \$37 million donation made news for being "the largest-single gift ever made to a Canadian hospital" (Blackwell, 2010). The centre sees around 37,000 patients each year who "receive innovative and compassionate care from multidisciplinary teams" (Peter Munk Cardiac Centre, 2011, para. 10). Peter Munk provides a compelling example of his commitment to health care for Torontonians and giving opportunities for Canadian physicians to train and practice in an esteemed professional setting. None of these benefits transcend to the communities stuck in grinding poverty in Peru, or to those marginalized by Barrick's operations.

Munk School of Global Affairs

Perhaps no example better illustrates Barrick influencing spaces for critical thought better than the Munk School of Global Affairs at the University of Toronto. In light of shrinking government funding, universities are turning to private interests for funding, often appealing to wealthy university alumni for financial assistance (McQuaig and Brooks, 2010).

In April 2010, Peter Munk donated \$35 million to establish The Munk School of Global Affairs. The Ontario and Federal government agreed to donate \$25 million each, in addition to Munk's philanthropic gift (McQuaig and Brooks, 2010, p. 195). The media failed to publicize the \$16 million tax rebate Munk would receive for this act. In total, this means that Canadian taxpayers would contribute \$66 million in contrast to Munk's \$19 million after tax. One of the two Munk School of Global Affairs buildings on UofT's St. George campus faces bustling Bloor Street West in Toronto reminding passerbys of Munk and Barrick's position as a major contributor to higher educational learning in Canada. McQuaig and Brooks (2010) amusingly quip that "it would be more accurate to call it *the Canadian Taxpayers' School of Global Affairs With Some Help from Peter Munk*" (p.196). In 2007, the University of Toronto turned down proposals from a group of university professors to name the Health Studies Program after Canada's beloved Tommy Douglas, father of Canada's Medicare system. The proposal was not accepted because administration felt the university would benefit more from naming the program after a wealthy individual who might bestow further funding upon the university. Dr. Hamel, a biology professor involved in the Tommy Douglas proposal felt the situation highlighted how "the priorities of the university have been skewed toward areas that interest the elites ...rather than towards the priorities of faculty, staff and students who are engaged in critical analysis, research and teaching (McQuaig and Brooks, 2010, p. 193).

Students have spoken out about the corporate conquest of educational institutions that are transforming spaces of critical open-debate to areas censored according to the values of funding corporations. A student activist group called 'Munk of out U of T' launched "a campaign to get Barrick Gold's influence out of the University of Toronto." Another act of protest occurred when

a graduate student renounced his degree at convocation in June of 2011 “in protest over the ongoing commodification and bureaucratization of education at this University, best exemplified by the increasingly intimate relationship between the University and such venemous institutions as Barrick Gold” (Vukosavic, 2012, para. 3). Despite such efforts, counter-hegemonic resistance perseveres on campuses.

Some sources claim that Munk’s agreement with the university confirms that funding will be paid over time and subject to Munk’s approval of school operations instead of given as a lump sum for the university to use at its own discretion (McQuaig and Brooks, 2010). It is not known whether funding will continue if students or faculty at the Munk school choose to study the negative impacts of Barrick, or Canadian mining more broadly, on people in the global South.

Significance for Peru

These acts may seem like benign corporate public relations distant from the people affected on a daily basis by Barrick’s mines in Peru. However, they are strategic avenues for building consensus with Canadian public by diverting attention away from the destructive actions of the Canadian mining industry abroad. As described in the previous chapter, rural communities in Peru face structural barriers to gaining publicity and media attention to their collective struggles against mining operations. Yet far from being passive observers, many Peruvian communities in the vicinity of mining operations are engaged in fierce resistance to demand that Humala’s government protect the rights of indigenous peoples and the environment. *Campesinos* from the Cajamarca region of Peru spent eleven days walking the 870 kilometer route to Lima in February of 2012 on a “National March for Water and Life” to demand that the government cancel the Conga project which would threaten critical community water supplies (Wallace, 2012). These

are important cases of resistance against the deleterious impacts of Canadian mining companies on communities abroad, but they are underreported by the Canadian media. In fact, the executive report from NewsWatch Canada (2011), a student research group from the School of Communications at Simon Fraser University, ranked Canadian mining abuses abroad, along with the industry's lack of accountability, as the second most underreported story between September 2010 and August 2011. Underreported stories were chosen according to their

national and international importance and demonstrate issues that are critical to our health, safety, and democracy. Such omissions in major Canadian news media imply that the news provides only a partial reflection of the information citizens need for a functioning democracy (NewsWatch Canada, 2011, p. ii).

The group included the lethal conflict at Barrick's North Mara mine in Tanzania in May of 2011, as well as widespread conflict between local communities in Peru and Canadian mining companies in its analysis of important incidents contributing to Canadian mining abuses as a top underreported story in Canadian media (NewsWatch, 2011, p.15). However, when Barrick or Peter Munk announces new funding it is reported by major media outlets such as The National Post, Globe and Mail, The Star and CBC.

As Canadian mining represents seventy-five percent of the global mining industry, it is imperative that the Canadian public is exposed to accurate media reports of the industry's impacts abroad in order to pressure the Government of Canada for major reform. Regional protests in Peru must be accompanied by Canadian public opposition in solidarity with those who are negatively affected by Canadian companies abroad. Although impressive and in many cases well organized, counter-hegemonic movements in Peru face considerable challenges in having demands met by their government. This is because the government of Peru is constrained by conditions embedded in the Canada-Peru free trade agreement. For this reason, hegemonic

tactics of persuasion and consent-building that keep the majority of the Canadians apathetic to the struggles of communities abroad must be challenged. With enough pressure from a well-informed Canadian public, the Government of Canada might actually pursue stringent mining regulations, limit excessive corporate profits gained by externalizing the true costs of mining operations, and ensure development objectives are prioritized above corporate profitability.

Bill C-300

The Canadian government actively evades avenues for creating a cohesive regulatory framework for Canadian mining companies operating abroad. In 2009, Liberal Member of Parliament, John McKay, introduced a private member's bill called Bill C-300 "An Act Respecting Corporate Accountability for the Activities of Mining, Oil and Gas in Developing Countries" (Mining Watch, 2009). Bill C-300 would hold the Canadian government accountable for ensuring that extractive companies supported by taxpayer dollars are in compliance with human rights and environmental requirements in operations outside of Canada. Companies would have to adhere to standards to continue receiving financial and political support from Canadian government agencies such as CIDA, Export Development Canada (EDC), DFAIT and the Canadian Pension Plan (CPP). Non-compliance of regulations would be disputed using a complaints mechanism to investigate allegations of environmental degradation, human rights violations, and failure to consult nearby communities (Mining Watch, 2009).

A groundswell of support for Bill C-300 emerged from civil society organizations and average Canadian citizens (Whittington, 2010). "Opposed by Prime Minister Stephen Harper and the Conservative caucus," the bill was narrowly defeated in October 2010 in its third and final reading in the House of Commons by 140 to 134 votes (Whittington, 2010, para.5).

According to several media sources Barrick was an important player in the lobbying effort to stop private member's Bill C-300 (Kraus, 2012; Rennie, 2010). The company believed the bill was "punitive" and would encourage mining companies to leave Canada as well as weaken Canada's position as a leader in global mining (York, 2011, para. 58). Mining companies belong to a broader extractive industry group that is very influential in policy-making due to its wealth, cross-sector connections, and a contingent of "prominent ex-politicians, including former Liberal Minister of International Trade, Jim Peterson, among its lobbyists" (Simons and Macklin, 2010, para.1).

Not surprisingly, in the lead up to the vote on Bill C-300 in parliament, the Canadian government formally signed on to the Voluntary Principles on Security and Human Rights which "recognize the importance of the promotion and protection of human rights throughout the world and the constructive role business and civil society – including non-governmental organizations, labour/trade unions, and local communities – can play in advancing these goals" (Voluntary Principles, 2013). Only a month after the defeat of Bill C-300, Barrick announced that it too had signed on to these voluntary principles and was proud to be the first Canadian company to do so (Barrick, 2010). If Barrick and the Canadian government held the values suggested by the Voluntary Principles, then Bill C-300 would have passed. Evidently, this initiative, alongside other cross-collaborative strategies, is designed to deflect attention away from their fundamental opposition to legally-binding forms of regulation that could hinder profits. It begs the question that if companies like Barrick operate ethically, what is there to hide from the law?

The defeat of Bill C-300 demonstrates the powerful influence of corporations in shaping the political agenda, which enables the TCC to maintain authority with the least number of structural barriers possible.

Intimate Ties

In late 2012, Barrick was the centre of media commotion surrounding a conflict of interest investigation of Nigel Wright, Stephen Harper's chief of staff. Wright had received Barrick lobbyists on three separate occasions despite close personal ties with the company and the Munks. Wright worked with Peter's Munk's son, Anthony Munk, and is godfather to his son. Allegations assert that Wright gave preferential access to Barrick to discuss its business interests in hopes of maintaining a favourable position within the Conservative government's agenda (Bryden, 2012).

Another case of intimate ties between government policy and the mining industry is Marketa Evans, who was the first director of the Munk Center for International Studies (the first school built with Munk funding) and is now 'Extractive Sector Corporate Social Responsibility Counsellor,' which reports to DFAIT. This government body is supposed to provide information about Canada's expectations of CSR for companies operating abroad and to assist in resolving disputes related to non-compliance. While the voluntary emphasis of CSR limits its effectiveness, the counsellor's role is even more futile because formal investigations of complaints can only be pursued with cooperation from the involved mining company (Solyom, 2012). In sum, private interests are deeply seeded into the normative operations of government. The resistance to transparency and the direction of philanthropic outpouring demonstrates hegemonic actions of securing private interests above ensuring the public good.

This chapter offered examples of collaboration across seemingly distinct sectors: the state, corporations and civil society. The TCC is composed of individuals in corporate and government positions who use their position of influence to manipulate economic and political systems to favour the movement and growth of transnational capital. Far from being a passive observer in these relations, the Government of Canada actively opposes legislation to regulate its mining industry abroad thus revealing its preference for unrestrained capitalist growth. The importance for the TCC to display moral and intellectual leadership is strategic in producing hegemonic narratives. Finally, the TCC benefits from opportunities to fill the void created by government cuts to spaces of critical thought such as educational institutions. This chapter showed the strategies through which Barrick frame its intentions to gain consent from civil society.

Chapter Six: Conclusion

This thesis examined the disconnect between TCC's stated intentions and the narratives of dispossession from communities directly affected by mining. On a local scale, these intentions were to allegedly bring employment, technical advancement, infrastructure, and increased prosperity to the region. Globally, the mining industry advocates its role in supposedly contributing to sustainable development through economic growth and CSR programs. Taken together, as this thesis has demonstrated, neither claim is fulfilled and instead mining concerns like Barrick create hegemonic narratives that legitimize their actions and authorize their power.

Interviews privileged the voices of local community members near mining operations to find that the stated intentions of mining companies do not transform into sustainable development for community members. Many communities affected by Barrick's mines in Peru are struggling simply to maintain their traditional livelihoods against the reality of water scarcity and baffling pollution caused by the industry. Community narratives reveal that corporate CSR programs are applied incomprehensively and lack commitment to long term sustainable development and mine closure plans, suggesting that they were never designed for the stated beneficiaries, but instead for the maintenance of hegemony. Findings demonstrate how Barrick's development programs are designed to quell dissent from civil society by notably playing into the vulnerability of deep poverty. The programs do not ensure that mining is synonymous to sustainable development for local populations.

In response to the second research question, critical review of literature and grey literature shows that mining corporations as well as the Government of Canada frame their intentions via instrumental tools such as SD, CSR, and partnerships with NGOs. Document analysis

demonstrated broader trends of collaboration and corporate cooptation of NGOs to show that these strategies create an illusion of intellectual and moral legitimacy to build consent in society. The remainder of this chapter will review the key findings from the multiple methods employed in this thesis.

Tools for pacifying counter-hegemony

Liberalization of mining sectors led to a massive escalation of the size and impact of the mining frontier on vulnerable communities (Himley, 2010). CSR is a self-regulated attempt to justify sustained access to new frontiers via a continuation of relaxed trade agreements and incentives from accommodating governments. The concept was created in response to pressure on corporations from civil society to act more responsibly and contribute to social development.

Communities affected by Barrick's mines in Peru are already burdened by poverty. They face structural barriers to human security, health, and long-term prosperity. These conditions are in fact worsened by the presence of nearby mining, which has reduced water supply and contaminated water sources in all the communities represented in this study. The maintenance of traditional livelihoods is impossible without natural resources such as water and land which form the backbone of rural agricultural existence. Barrick Gold exacerbates conditions of inequity in Peru between rural and urban populations by eroding basic livelihood resources that communities rely on. This in turn creates disunity between communities based on the distribution of mining benefits and a disintegration of previous social support networks. Furthermore, the impacts of Pierina and Lagunas Norte will be even more detrimental after the mines are closed and limited job opportunities disappear completely.

As demonstrated by these case studies, CSR does not provide meaningful opportunities towards development for communities in rural Peru. CSR could be important for redirecting attention away from irresponsible corporate behaviour towards claims of social re-investment, environmental protection, and sustainable development. It has protected, and in some cases enhanced, the reputation of mining companies like Barrick and it limits opposition to mining from civil society. Far from a philanthropic motivation or an ethical commitment of business to society, strategic CSR, as employed by Barrick, deals exclusively in objectives of self-interest and promotion. It is a hegemonic process of maintaining authority over marginalized landscapes.

An alternative to CSR could be the transfer of regulation and the provision of services back to the state. While a more stringent regulatory framework that is enforced by the state may lead to a reduction of profits for mining companies, this may be balanced out by the high costs to corporations for the provision of CSR programs. In addition, regulation from the public sphere, instead of voluntary corporate self-monitoring, may encourage companies to internalize the true costs of production, leading to fewer cases of environmental and social degradation.

Mining companies have not simply taken advantage of available opportunities to set up profitable operations abroad but participate in an intentional and well-coordinated process of breaking down economic, social, and political barriers to transnational capital and creating consent by applying a moral and ethical component to these actions. If the corporate trend of partnerships with NGOs continues to grow, the perceived leaders of development within civil society may be increasingly co-opted, or at least quieted by private interests. As conditions of environmental degradation, and social inequity and exclusion grow in the global South,

partnerships work to pacify civil society by suggesting that corporate abuses will be kept in check by NGOs when civil society opposition threatens hegemony.

The theory of a TCC identifies how seemingly benign corporate initiatives, such as SD,CSR, and NGO partnerships are persuasive tools employed to legitimize the power of the elite and to provide a facade of shared values that quells resistance by restricting counter-hegemonic movements within marginalized communities, and around the world.

Why does this matter?

There are several reasons why this study is important. Academic analyses have focused on the prevalence of specific conditions that impact mining-affected communities in precise localities. While this is important to reveal the challenges faced by these communities, the majority of academic literature misses the opportunity to draw a connection between local narratives and global trends. A TCC hegemony exposes the parallels and shared experiences of mining communities. It draws links between Canadian taxpayers, corporate shareholders and CPP contributors to the seemingly distant plight of impoverished communities exploited by Canadian mining in Peru.

The TCC hegemony offers a way to articulate the strategic relationship between corporations and governments. Without educating civil society about these intimate ties, both groups continue to benefit from being perceived as separate entities, laying blame on each other when necessary to soothe civil society discontent. But ultimately, it is the private interest that comes out on top. In addition to challenging the power of corporations, civil society movements such as ‘Munk of out UofT’ must also acknowledge how government action or neglect deliberately creates conditions prime for corporate infiltration. Civil society must demand that

the Government of Canada reject its neoliberal agenda and resume responsibility of providing valuable services that maintain social and environmental well-being and ethical societies.

While civil society contemplates global issues like resource scarcity, disparity in wealth, and economic insecurity, it also considers the role of massive corporations in contributing to current conditions. If the majority of the world – those dominated by a TCC - accepts SD, CSR, and NGO partnerships as a reflection of genuine corporate concern for development, the result will be increased corporate abuse, environmental destruction, poverty, and insecurity across the globe. Hegemony dampens civil society outrage by providing supposed examples of positive mining impacts on communities to distract from the systemic problems. The result is a conflict of messages which fractures counter-hegemonic movements, as there is no longer a clear-cut antagonist to challenge.

Neoliberalism is a potent, endemic, and multi-faceted ideology that pervades every-day life for people in all parts of the world. To challenge this system that disproportionately favours the elite, global civil society must embrace local narratives in order to challenge the hegemonic narratives. Civil society needs to give greater weight to personal narratives as it does to scientific evidence. Perhaps it is time that civil society disregards the imperative for objectivity when it does not serve to better the environmental, social, and cultural integrity of communities around the world. Empathy increases when civil society embraces story-telling and narratives as a valid avenue for making links between seemingly disparate places and people. From there, empathy may inspire collective action from Canadians to pressure the government for regulation, to disinvest in unethical companies, and to imagine and participate in counter-hegemonic alternatives to in order to create economies and societies that serve genuine development for

people. Recognizing the dominance of a TCC is the first step in breaking down perceived barriers within civil society, to only then spark a counter-hegemonic reimagining of our deeply divided, and socially inequitable, world.

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Appendix A – Interview guide for Community members

- Como se llama de tu comunidad?
- Por cuantos años has vivido en tu comunidad?
- Tu vivía en tu comunidad antes llego la mina Pierina?
- Que pensabas que iba a pasar con la llega de la mina?
- Que prometió la mina cuando llego en tu comunidad?
- Estaba la comunidad informada de debates sobre desarrollo de la mina?
- La comunidad fue invitada para participar en la toma de decisiones sobre la mina y el futuro de la comunidad?
- La mina les da trabajo? Cómo?
- Recibieron otras personas en la comunidad un trabajo directo o indirecto por la mina?
- Como fue tu comunidad antes de que llegó Pierina?
- Crees que la comunidad ha cambiado por las operaciones de la mina?
- Crees que tu relación con tu comunidad ha cambiado por la mina? En que maneras?
- Crees minería ha hecho un impacto grande en la cultura y valores de la gente en Jangas?

Opiniones sobre salud

- Tú has notado algunos cambios económicos en tu comunidad desde antes de la mina hasta ahora?
- Algunos cambios del medio ambiente?
- Algunos cambios de salud?
- Ha sido un cambio negativo de tu salud desde cuando comenzó las operaciones de la mina?

- Ha sido cambios negativos de la salud de tu familia o tus amigos en la comunidad?
- Crees que problemas de salud son es resultado de la operación en Pierina?
- Puedes describir algunas problemas de salud en tu comunidad o que de tienen?
conocimientos?
- De que manera afecta la mina en salud?
- Piensas que la mina esta contaminando al aqua en tu comunidad o cerca aqui?
- Hay ha sido cambios de los usos o en acceso de los fuentes del aqua?
- Piensas que la mina te ha hecho tu vida mas facil o mas duro? Por qué?
- La mina afectado tu calidad de vida?
- Que cosas necesitas para realizar un vida saludable y una calidad de vida alta en tu
comunidad?
- Esta la mina esta ayudando o te impidiendo de vivir?
- Todos los miembros de tu comunidad están en acuerdo o desacuerdo de la mina?
- Quien debe ser responsable para resolver los problemas de salud? El gobierno de Peru, la
empresa Barrick, el gobierno de Canada?
- Que cosas necesitas para realizar un vida saludable y una calida de vida alta en tu
comunidad? (para proteger la salud de sus miembros? Cual servicios o apoya necesitas)
- Quien recibe los beneficios económicos de minería a Pierina? (La comunidad? El gobierno
locale? Nacional? La empresa?)
- Cómo ha respondido la comunidad a esos problemas? Que son los objetivos de las protestas
contra la mina?

- En todo, piensas que minería podría contribuir al desarrollo de comunidades in Peru? Si no, podría hacer algo el gobierno para asegura las beneficios y limite los riesgos?

Appendix B- Interview guide for Government Employees

- Que impactos positivos ha hecho la mina Pierna a la comunidad de Jangas and otras comunidades rodeando?
- Que impactos positive ha hecho la mina en la zona y la nación?
- Crees que la distribución de los beneficios económicos es distribuido en una manera uniforme y equitativa?
- Que impactos negativos ha hecho la mina Pierina para las comunidades lo rodean?
- En general, impactos negativos de minería están concentrado cerca la mina?
- Cómo han respondido las comunidades a la mina y los problemas lo creado?
- Hay ha sido problemas de contaminación. Por qué estos problemas existan?
- Quien debe responsable para buscando soluciones?
- Hay ha sido problemas con la cultura tradicional o la estructura social causado por la mina?
- Hay apoya suficiente o oportunidades políticas para la comunidad a buscar soluciones de su desafíos?
- Piensas que mineria es un via sostenible que puede otras comunidades del Peru perseguir para desarrollo económico, social y bienestar real?

Appendix C – List of Interviews

Pseudonym	Title	Community	Date
"Ignacio"	Community Member	Tara	February 27, 2012
"Manuel"	Community Leader	Tres Cruces	March 14, 2012
"Juan"	Community Member	San Pedro	March 12, 2012
"Moses"	Community Member	San Juan de Pischo	February 25, 2012
"Mayra"	Community Member	Jangas	February 27, 2012
"Santiago"	Community Member	Callacuyan	March 15, 2012
"Nico"	Community Member	Mareniyoc	February 23, 2012
"Eduardo"	Municipal Government Employee	Jangas	February 24, 2012
"Pablo"	Regional Government Employee	Huaraz	February 19, 2012
"Ricardo"	Community Member	Ramon Castilla	February 19, 2012