

Conflict continues over Peruvian copper mine as peasant blockade is lifted

By Cesar Uco and Armando Cruz
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After five hours of deliberations, on Thursday April 10, representatives of 27 peasant communities, whose lands are used to transport copper concentrate from the Las Bambas mine reached an agreement with the government to end a 66-day road blockade that interrupted the export of the mineral to China.

The government represented by the prime minister Salvador del Solar plus four other ministers and a representative of the Chinese transnational MMG Ltd., owner of Las Bambas, agreed to all terms presented by the president of Fuerabamba—the peasant community that maintained a road blockade.

The deal will allow the resumption of the daily passage of 250 heavy load trucks transporting the copper concentrate to the seaport of Matarani in the department of Arequipa, a 500-kilometer trip. It was emphasized, though, that the measure was temporary, pending the success of negotiations.

In exchange, the government agreed to withdraw its police from the area and lift a “state of emergency” declared last October after violent confrontations between the peasant community members—in Spanish known as “comuneros”—and the police.

The government’s giving in to the *comuneros*’ demands expresses how desperate it is to ensuring the uninterrupted export of what amounts to 400,000 tons of copper concentrate to China. It saw the continuation of Las Bambas conflict as casting Peru as unstable and unsafe for foreign capital to invest in mining. Peru is the second largest exporter of the metal worldwide.

However, the Fuerabamba *comuneros*’ president, Gregorio Rojas, warned that the underlying problem was not fully solved.

Fuerabamba is asking to be paid for the use of the road that crosses its “communal” lands and those of 38 other peasant communities, with whom they share the road from Las Bambas to the Hacienda Yavi Yavi. The conflict occurred when last year the central government unilaterally reclassified the road owned by the local communities from

“communal” to “national,” so that the owners of the Las Bambas mine wouldn’t have to pay for its use.

In 2014, MMG Ltd, the Melbourne-based unit of Chinese state-owned Minmetals Corp, bought Las Bambas from the Swiss mining company Glencore for US\$ 7 billion, with a total estimated investment of US\$ 10 billion. Las Bambas, an open-pit mine, is expected to become the sixth largest copper mine in the world, producing 400,000 tons per year, responsible for 2 percent of the global market.

At the time, an important agreement reached by the *comuneros* and Glencore was to build an underground “pipeline” through which the copper would be transported instead of using the dirt road that would end up ruining the communally owned land. When Las Bambas was purchased by MMG Limited, this proposal was rejected and the decision made to use the road that leads to Yavi Yavi, crossing the land of 39 communities, with the new owner promising to pave the road.

Faced with the breach of what was agreed to by MMG, the community members, gathered in an assembly, decided on February 4 to block the road demanding its asphaltting and that it be paid for its use, because they were not consulted as required by the ILO conventions. For the *comuneros*, the road is still “communal” and their property.

In the first 50 days—until mid-March—the road blockade had no impact on production at the mine and its concentrator plant, with the mineral being kept in storage located on the mine’s own land.

The Chinese company MMG reacted by threatening to execute “force majeure” and lay off 8,000 employees—including 2,500 workers operating the mine and the concentrate plant. The conflict was thereby radicalized, and a clash on April 4 left seven civilians and five policemen injured. The news of a possible paralysis of the Las Bambas operations went global. Bloomberg warned of the impact it could have on the price of copper worldwide, which, due to its shortage, has already increased 7 percent this year.

Just as MMG was about to run out of storage capacity

after more than 50 days of the blockade, late in March the central government ordered the arrest of the president of Fuerabamba, Gregorio Rojas, his two legal advisers, the Chávez Sotelo brothers, and one more leader, accused them of trying to extort MMG in exchange for lifting the road blockade.

Outraged by the arrest of its leaders, Fuerabamba immediately won the support of the other 38 communities located in the departments of Apurímac and Cusco, which decided to go on indefinite strike, and also the support of the governors of the departments of Apurímac and Cusco. In solidarity, *comuneros* in Arequipa occupied the transoceanic highway for three hours. Angry for not being taken seriously, when a helicopter carrying three ministers was departing from Fuerabamba after failed negotiations, it was stoned by *comuneros*. With the conflict threatening to expand, encompassing the entire regions of the Southern Andes in which several multibillion dollar transnationals operate, the central government finally decided to pay attention to Las Bambas.

The indigenous communities of Quechua and Aymara origin were brutally exploited, humiliated and ignored, first by colonial Lima and then by the descendants of Spaniards born in South America who retained ownership of the large haciendas.

These landowners had total control over their lands, including the local priests, mayors and the police. The centralized bourgeois state in Lima had virtually no jurisdiction over the haciendas, especially over those located in the remote Andes where the Quechua and Aymara communities live. To this day, the *comuneros* continue to practice their ancestral customs of life, with many communities not speaking Spanish.

Transnational mining companies contribute 40 percent of Peru's export revenues, with these companies operating in the departments with the highest poverty. The poorest is Cajamarca with its large gold mines, followed by six departments, including Apurímac, with a poverty rate between 33 and 36 percent. In remote regions, poverty is even greater. This is the case of Fuerabamba, where it reaches 84 percent.

Because the mine was located just below the old town of Fuerabamba, MMG offered to build a "modern" town 25 kilometers away, known as Nueva Fuerabamba.

The business daily *Gestión* reported on the deterioration in the standard of living of the community members of Nueva Fuerabamba: "Three years after moving, many of the residents still struggle to adapt to the suburban environment. ... [although some received up to 400,000 soles or US \$ 125,000 to relocate, a figure not confirmed by the mine] ... they miss the life of growing potatoes and raising cattle."

"Many have squandered what they received. Idleness and isolation have blunted the spirits of [the] community ..." *Gestión* continues, "Their new two and three story drywall houses seem weak and cold compared to their old roofed adobe huts of straw that were heated with wood stoves ..."

The newspaper adds that "Most jobs... are for maintenance of the town because many lack the skills to work in a modern mine." Therefore, the residents "demand ... more jobs and title deeds of their homes" not yet delivered.

"Now they have to pay for basic needs such as water, food and fuel that they used to take from the land" ... Alcoholism is increasing it added. "During a 12-month period, four residents committed suicide by taking agricultural chemicals."

An independent study indicates that "prior to the relocation... the old village of Fuerabamba suffered from high rates of domestic violence, alcoholism, illiteracy, poverty and lack of access to basic public services."

While the general manager of MMG, Troy Hey, and the bourgeois state qualify the transfer of the *comuneros* as "a positive change", Camilo León, specialist in mining resettlements, said that for "subsistence peasants it is usually very difficult to leave their traditions and getting used to the 'very urban, very organized' environment of the planned cities..."

In Peru there are six transnational corporations that have relocated indigenous peoples. "And this month," León said, "a US\$2 billion copper project, Michiquillay, would be tendered, which would also involve relocating another community."

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