Unearthing Community Stakes in Mining Negotiations

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In Latin America, mining plays a key role in many nation's efforts to encourage foreign investment. In some instances, the agreements reached between transnational mining corporations and national governments have a positive impact on the economic and social well-being of affected communities. But for many communities, especially those in remote areas, mining can bring major disruptions to their environment and way of life.

These communities are rarely consulted when a foreign mining company moves into their area. To address this problem, a number of mining communities in Latin America approached CoDevelopment Canada (CoDev), a Vancouver-based non-governmental organization (NGO), to help them become active negotiators with mining companies. In 1995, with support from the International Development Research Centre (IDRC), CoDev held community consultations with local NGOs in five Latin American countries.

Decision-making model

"From this process, we developed a comprehensive community decision-making model around mining activities," which helps communities identify their concerns, notes Jim Rader, Director of Mining Initiatives at CoDevelopment Canada. For example, if a community is receptive to mining activity, the model helps them define what conditions are acceptable and how to engage the mining companies in negotiations that cover issues ranging from environmental impacts to social and economic benefits.

Fortunately, mining companies are becoming more interested in working with communities to ensure that they benefit from their mining activities. Rader chalks this new approach up to the globalization of communication and increasing pressure on companies to meet the approval of investors.

Institutional investors

"Mining companies have to raise substantial funds on the stock markets to bring a mine to production. Institutional investors such as pension funds shy away from controversy, such as local
community resistance to a mine or indigenous rights being infringed. And with the Internet, this news travels instantaneously around the world and those investors will choose other, less risky, projects," observes Rader.

This reality provides new opportunities for communities to have their voices heard. In Bolivia and Nicaragua, an IDRC-funded project aims to foster local capacity to ensure that mining activity does, indeed, benefit affected communities. The three year project, which began in 1998, involves one community in Bolivia and two in Nicaragua.

**Mining exports**

In Bolivia, mining has dominated the economy throughout the country's history. Today, it accounts for 80% of exports. Gold is the most important commodity, with annual exports of US$119.1 million, followed by zinc at US$104.3 million. Here, CoDevelopment Canada is working with the Centro para la Promocion Minera (CEPROMIN) in the community of Tasna, located in southern Bolivia, where bismuth is the main mineral being produced.

"CEPROMIN has always had a focus on community economic development, which is a very important concern for any mining community contemplating a mining development. On the other hand, I think the key thing we bring to the project is a cultural perspective on how to negotiate with Canadian mining companies, including an awareness of how they think and how communities can be trained to take advantage of that," says Rader.

**MMTD**

In Nicaragua, mining also dates back hundreds of years. Like Bolivia, gold is the main mining export, but most Nicaraguans have seen few benefits from this industry. To help reverse this, CoDev is working with the Movimiento de Mujeres Trabajadoras y Desempleadas (MMTD) in the communities of La India and Cerro Quemado.

According to Rader, there is a power imbalance between local communities and mining companies, as most communities lack territorial rights over their land. But many Canadian mining companies recognize the benefit of good community relations. This means that those communities armed with strong negotiating skills have a fighting chance at improving their quality of life — not just for the duration of the mining activity but beyond.

**Benchmarks of success**

The project's benchmarks of success include ensuring that each community has a long-term sustainable development plan in place, develops an adequate negotiation package, and actually carries out the negotiations. To achieve these goals, CoDev and its NGO partners are getting community leaders on side, providing negotiation training, and helping to raise awareness that communities can, in fact, determine their own interests.

"The real impact of this project is changing the community consciousness with regards to power and how decisions are made," says Rader. "The sense of empowerment that they really can affect change in their relationship with the mining company is taking hold. For instance, in Tasna, the community thinks the approach we're using will also be very useful in negotiations with government officials in a variety of departments."
Local capacity

While the timing is right for communities to actively engage mining companies, he stresses that developing local capacity to negotiate directly with these powerful companies will take time.

"Our role is to support the communities to achieve long-term sustainable development during the life of the mine and after it closes down. Although we are clearly identified with the communities, the mining companies we are dealing with are also comfortable working with us," concludes Rader.

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