

ONE-WAY TICKET TO DEVELOPMENT?

An in-depth analysis on the stakeholders in the Colombian gold mining sector and their main challenges to convert the sector to a motor of development

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FOREWORD

This research paper was compiled under the supervision of CATAPA and Utrecht University. The paper deals with the question how the Colombian gold mining sector can be converted into a locomotive for development in hosting communities of large-scale gold mining projects. This question is justified by the abundant number of concerns with respect to the contradictory effects of the sector on development. From a political ecology perspective, this paper brings forward a number of recommendations. These recommendations are based on the finding of an almost four months' during period of data collection in Colombia.

It is envisaged that the information in this document is used by policy-makers on a national level in Colombia to pursue development and ensure that prosperity is spread equally through the gold mining sector in the hosting communities.

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LIST OF ABBREVIATIONS

ANM	Agencia Nacional de Minería
APROMINCO	Associação de Proteção à Maternidade e à Infância de Colorado
BACRIM	BANDAS CRIMINALES
CATAPA	Comité Académico Técnico de Asesoramiento a Problemas Ambientales
CSR	Corporate Social Responsibility
DAFP	Departamento Administrativo de la Función Pública
FARC	Fuerzas Armadas Revolucionarias de Colombia
FDI	Foreign Direct Investment
IDMC	The Internal Displacement Monitoring Centre
IMF	International Monetary Fund
LGP	London Gold Pool
ME	Ministry of Environment
MME	Ministry of Mining and Energy
NGO	Non-Governmental Organization
ONU	Organización de las Naciones Unidas
PBI	Peace Brigades International
SAP	Structural Adjustment Programme
SMA	Small-scale and Artisanal Mining/Miners
TNC	Trans National Company
UPME	Unidad de Planeación Minero Energética
WB	World Bank

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ABSTRACT

The current development policy of the Colombian government, in which the mining industry is named as one of the locomotives to push the economy forward, is causing the unfettered entrance of multinational large-scale gold mining companies. The entrance of the gold mining companies meets with suspicious, and in some cases even resistance, in the communities that host the projects of these companies. By analyzing the stakeholders in the industry in depth, this research categorizes the responses of hosting communities and sets forth five drivers that cause these responses. These five drivers lay the foundation for a number of recommendations, in which the national government of Colombia, as a regulator of the private sector, plays a crucial role. An important starting point is to include the interests of and power relations between the stakeholders, and trace how the dynamic power positions of the stakeholders can be adjusted or utilized to pursue development through the gold mining sector.



1. INTRODUCTION

Since the 1970's, neoliberalism dominated the global market economy. Its manifestation since the 1970's heralded a new era in development cooperation. It meant the alteration to a more neoliberal perspective on development practices (Mitlin, Hickey and Bebbington, 2006). The manifestation of neoliberalism led to a limitless trust in the role of the private sector with respect to development. Both the International Monetary Fund (IMF) and the World Bank (WB) took the lead in 'the quest of spreading capitalism' by advocating and open border policies in development countries. This form of 'unfettered capitalism' is driven by its continuous need for geographical expansion and spatial reorganization (Harvey, 2003). Harvey referred to this expansion as a 'spatial fix', which main aim is to postpone the systematic crises of devaluating capital. The principle is incredibly simple; new geographical regions are sought, with the result that the surpluses of capital are absorbed. Consequently devaluation of capital is avoided (Gordon & Webber, 2008). At the same time profits can be secured, as labor and raw materials available in this newly found areas are generally cheaper than the existing markets. It is against this backdrop that multinational companies are entering Colombia. One of the Colombian markets that deliberately has been sacrificed for this by the national government is Colombia's mining and energy industry.

The mining and energy industry have been labeled as the cornerstone of the Colombian economy. President Juan Manuel Santos defined the industry as the locomotive that would offer jobs, less poverty and more security. To get this locomotive started however, the government assessed that it should increase the mining projects on a large scale (PBI Colombia, 2011 p. 4). And that happened: by the time of 2010, 42 mining districts were established and after the military victories of the Colombian national army against the guerrillas, Foreign Direct Investment ("FDI") increased on an unprecedented scale. The three most important products of Colombian mining and energy industry are coal, oil and gold. Colombia aims to double its coal exports and quadruple its gold exports for 2012 (ABColumbia, 2012). Simultaneously, the mining industry is the most criticized industry in the country. Colombia's first ranking on the internally displaced people list is largely driven by forced displacement in order to enable mining projects (IDMC, 2014; ABColumbia, 2012). The negative consequences of the mining industry are however most severe in the gold mining sector. A quick glance to academic studies reveals

Colombia's problems to keep the mercury surplus - used in the amalgamation process to extract gold - within limits (Olivero, Mendonza & Mestre, 1995; Cordy et al., 2011; Siegel, 2013 are examples of studies that investigate the mercury use in relation to the gold mining sector). Other, more action-orientated, reports reflect on the gold mining sector in relation to emergence of social protests (PBI Colombia, 2011; ABColombia, 2012). These protests do not seem to be unfounded after considering some of Colombia's most astonishing statistics; in 2011, some 40% of the Colombian lands are licensed to or being solicited by multinational companies (PBI Colombia, 2011).

Considering the words of President Juan Manuel Santos, it is expected that these numbers are expected to increase as he declared that he is expecting that by this year, 2014, about 80% of the Colombian territory will be explored. This does not seem to happen without any price. Guerilla and paramilitary groups, such as the FARC and BACRIM, recognized the enormous potential of the gold mining sector and are benefitting from the sector (Langlois & Mariani, 2012; The Economist, 2012). The numbers speak for themselves: between 2011 to 2011, 80 percent of the human rights violations occurred in mining and energy regions (PBI Colombia, 2011). This staggering number is fuelled by the entrance of large-scale mining companies, which oftentimes are not welcome in the hosting communities. It has been suggested that large-scale gold mining companies 'tend to appear in places that have previously suffered paramilitary attacks' (PBI Colombia, 2011). In the meantime, not a slightest obstacle has been put in the way of these mining companies by the national government. In fact, with laws such as the Mining Code of 2001, which put the large-scale mining companies in a pivotal role, the government is rather stimulating the status quo of these occurrences. The victims of these preferential laws, mostly farmers and small-scale and artisanal miners ("SMA") (Heemskerk & Olivieira, 2004), are ought to move and give up their possessions in case the subsoil contains promising gold reserves.

In essence, what happens in the Colombian gold mining sector is what Harvey describes as accumulation by dispossession. According to Harvey, accumulation by dispossession is appropriation of key livelihoods resources such as mineral wealth and are based upon the concept of primitive accumulation by Marx (Gordon et al., 2008). This type of accumulation is the trademark of capitalism, which takes shape in the form of multinational companies, in their search for spatial expansion.

The focus on the mining industry by the administration of president Santos is quite intriguing as the mineral industry finds themselves in the midst of an academic debate. The large-scale gold mining companies, often foreign-based, are the central subject of this discussion. Advocates of large-scale gold mining companies argue that the presence of these companies should be seen as a mean to instigate development. Proponents of the academic debate however argue that these companies constitute the 'enclave' nature of the gold-mining sector, with no to minimal linkages to other sectors or local

communities (Bloch & Owusu, 2012). The notions in the aforementioned academic discussion on whether the gold mining sector is or is not connected to the national economy seems to be divided and worth investigating. As mentioned, this is especially the case for Colombia for it has selected the gold mining sector as one of locomotives to push the country forward.

As argued before, academic studies on the Colombian gold mining sector are mainly focused on how the use of mercury in the amalgamation process affects the environment and human health. Although these studies are of the utmost importance, no research has been done to convert the problems of the sector in drivers to pursuit development. An all-stakeholder perspective takes a pivotal role in analyzing such a study. Hilson and Nyame (2006) conclude in their study to gold mining in Ghana's forest reserves that the success of governmental policies depends on whether the views and concerns of all stakeholders in the debates on land titles and concession have been included. The aim of this research is therefore to map the stakeholders in the Colombian gold mining sector and analyze how the gold mining sector can be converted in a motor of development, taking into account the wide range of critics. This research will produce an in-depth stakeholders analysis of the Colombian gold mining sector, which can serve as a basis in the formulation of future policies by the national government.

The subsequent chapter starts with bringing forward theories relevant to the theme of this thesis. The third chapter elaborates on the methodology of this research. After the methodology chapter, the fourth chapter presents the thematic context of this research. In the subsequent chapter, the first research findings are presented. This chapter provides the stakeholders analysis, which is the backbone for the subsequent empirical chapters. In chapter 6, the responses of the hosting communities are discerned and described. The subsequent chapter, chapter 7, sets forth the different drivers of these responses. Chapter 8 presents the conclusions of this research paper. Finally, chapter 9 presents the discussion of this thesis.



2. POLITICAL ECOLOGY OF THE GOLD MINING SECTOR

Since the prehistoric times, the mining and production of gold has been an ancient human tradition. The decorative status of gold is not remarkable if one considers that the metal worldwide always was recognized for its beauty and endurance. Approximately 90 percent of the gold supplied to markets, is dedicated to the manufacturing sector every year. In this sector, most gold is dedicated to the production of jewelry. Only 10 percent is supplied to private investors or monetary reserves (Butterman and Amey, 2005). For years, gold had a monetary function. That role has however been shrinking and more and more, gold is used for technical appliances in the electronics industry. This relatively new industrial function of gold has led to the revival of gold, perpetuating the status of gold and driving up the market prices of this metal.

The chapter that captures the thematic framework of this research elaborates in more detail on the characterizations of the gold mining sector. This chapter merely sets forth the relevant theories and approaches related to the sector. The first section determines the definition of a stakeholder and its relevance to the gold mining sector. The subsequent section describes the various schools of thought of the gold mining sector in relation to development. The third section places the theme of this research in the context of the academic current of political ecology. It sets aside the relevance of power and knowledge. The subsequent section provides the main research question and the sub-question of this research. Finally, this chapter closes with the presentation of the conceptual model.

2.1. Stakeholder analysis of the gold mining sector

As in other economic sectors, the gold mining sector is a meeting point of various stakeholders that somehow are linked with it. Or more accurately; it is rather the meeting point of the roles and interests of the stakeholders linked with the sector. By elaborating on the roles and the interests of the stakeholders of the sector, it is attempted to provide an answer to the question of how large-scale gold mining companies can be a motor of development. As already mentioned, the national government envisages that the sector should function as a motor of development.

As mentioned earlier, the stakeholder analysis is an integral part of this research. An elaboration on the concept of the stakeholders analysis in the theoretical framework would therefore be appropriate. The technique of a stakeholder analysis involves identifying relevant stakeholders in specific situations (Mitchell, Agle & Wood, 1997 p. 431). The main objective of a stakeholders analysis is to manage the interests of the participants, which enables one to anticipate better on the reactions of others.

In their article, Mitchell et al. (1997) provide an overview on the different definitions that exist on 'the stakeholder'. Although their definition more applies to business studies, a definition can be borrowed for this research. A relevant definition of the stakeholder for this research can be borrowed from Evan and Freeman (1988). According to Evan et al. (1988), a stakeholder is considered as such when it benefits from or is harmed by - in other words if the rights of the stakeholder are violated or respected by - corporate actions (p. 79). In the case of this research, corporate actions would be the actions that come from the large-scale gold mining companies.

As a synthesis of the analyzed definitions by Mitchell et al. (1997), they conclude that the different definitions on the stakeholder is not questioning the type of entities that encompass a stakeholder, but that it is rather about the existence and nature of the stake. In the end, what counts is the stake and not the stakeholder (Mitchell et al., 1997). The aforementioned definition of Evan et al. (1988) connects well with how McMahon & Remy (2001) describe the stakeholders in the mining industry. In this document of the World Bank, the aforementioned authors elaborate on - what they refer to as - 'the stakeholder tripartite relationship' within the mining industry. Throughout the document, McMahon et al. (2001) are distinguishing three stakeholders in the mining industry; i.) communities, ii.) companies and iii.) central or higher level governments. Thus, the latter can be divided in different spatial scales.

Academic literature shows that the distinction of only three stakeholders is however somewhat limited. A group that unjustifiably has been kept outside of the scope in this World Bank document are the SMA. A dozen of articles has been written on important role of the SMA (Heemskerk, 2005; Dondeyne, 2009; Hilson, 2002 are examples of these kind of studies). Furthermore, contemporary statistics demonstrate that the SMA contribute significantly to the total amount of produced gold. In one of the most prominent gold producing countries (see Figure 9), Colombia, more than 40% of the gold produced in 2011 came from unlicensed mines (The Economist, 2012). Besides the stakeholders distinguished by McMahon et al. (2001), SMA should therefore also be part of the stakeholders relationship.

A study of (Kumah, 2006) shows that the mining industry, specifically the sectors that produce precious materials such as diamonds and gold, are susceptible for the attraction of criminal activities. The high profits of these materials attracts criminal bands that seek to benefit from its exploitation. The blood wars in the diamond sector in Sierra Leone are examples of these attractions.

The scope of the stakeholders in the gold mining sector is therefore broader than what McMahon et al. (2001) argue in their document of World Bank. These authors do however touch upon a valid point in their document, do large-scale mining companies contribute to development? And if one speaks of the contribution to development, how can development be understood?

2.2. Development and the gold mining sector: schools of thought

Thomas (2001) argues that development can be understood in four ways: i.) development as a structural change, ii.) development as an intervention, which aims to improve a certain aspect regardless whether this improvement is actually achieved, iii.) development as an improvement of a situation and finally, iv.) development as a platform to facilitate development in the future. These definitions induce the idea that development can lead to the improvement of one aspect, but to a decline in another one. For example, the presence of large-scale mining companies can lead to income improvement for certain groups, whereas it simultaneously can enlarge income disparity within hosting communities.

Although the SMA sector contribute to development in countries where gold is produced (Hilson, 2002), does this research focus on the large-scale gold mining companies. For instance, these mining companies are officially taxed¹, whereas the SMA, due to its high mobility, are difficult to tax (Heemskerk, 2005). The intention of large-scale mining companies of contributing to development is oftentimes expressed in corporate policies on corporate social responsibility (“CSR”). Terms as CSR are used to describe the social and environmental contributions and consequences of the business activities by these companies (Jenkins and Yakovleva, 2006).

McMahon et al. (2001) claim that the large-scale mining companies positively contribute to local development. The authors are in fact very optimistic about how the presence of large-scale mining companies can contribute to development. By using six case studies, McMahon et al. (2001) show that the communities, the companies and the central or higher level governments were all learning from experience. McMahon et al. (2001) are discerning a rather positive trend over time with communities receiving increasingly sustainable benefits from mining operations. In a rather unsurprisingly concluding sentence however, McMahon et al. (2001) add that the scope and size of the benefits could however vary greatly, as these benefits are dependent on the location of the mine and the access to markets (McMahon et al., 2001). This rather weak concluding sentence illustrates the context specific situation of how companies in the mining industry can contribute to development quite well. The context specific

¹ Later in this chapter it is shown that taxes collected from these large-scale mining companies are reverted back into the communities for the pursuit development.

situation makes it the question whether the mining industry can contribute to development, a complex one. If narrowed down to the gold mining sector, the complexity only rises. A quick glance to the several studies on the potential of the gold mining sector shows that the academic world is divided with respect to this subject.

Two sides can be distinguished in the debate whether the gold mining sector can be contributable in the process of development. The large-scale gold mining companies play a key role in this debate. On one side there is the idea that refers to the gold mining sector as an ‘enclave sector’. According to this side, the gold mining sector has a low potential of positive contributions to development. In an enclave sector, there are barely to no backward and forward linkages with the rest of the economy. The concepts of backward and forward linkages are derived from Albert O. Hirschman, who is well known for his unbalanced growth theory for economic development. According to Hirschman excessive financial investments by the government in pre-selected sectors would destabilize the domestic economy. Since the industries within the economy are interlinked, this destabilized situation would create opportunities in industries where government investments were limited. Investments in the selected sectors would thus lead to the development of other industries. The concepts of backward and forward linkages play an essential role in the development of the selected and unselected industries, as every industry needs input and produces output (Cypher & Dietz, 2009).

For the gold mining sector, the mercury industry could, for example, be seen as an input industry. If a government decides to restrict the production of mercury (which in fact has been done in countries such as the United States), the price of mercury will increase (the demand for mercury remains the same, whereas the supply decreases). For the gold mining sector, the input - the mercury - would become more scarce, which would result in a higher cost price of the produced output and moreover, probably a lesser quantitative output. Hirschman later added two more types of linkages to the original forward and backward linkages; i.) fiscal linkages and ii.) consumption linkages. Fiscal linkages could be the taxation of the income streams associated with the commodity. In contrast, consumption linkages are the incomes that result from wage labor and are spent nationally on the outputs of other domestic industries (Bloch & Owusu, 2012). The dynamic concepts of linkages - especially the fiscal linkages - are closely connected with - what resource economists and geographers call – the market response model. The market response model is related to the field of political ecology (the connection with political ecology and this thesis is further deepened in the third section).

Advocates of the enclave nature of the gold mining sector thus argue that the gold mining sector is basically disconnected and delinked from the rest of the national economy (Larsen, Yankson & Fold,

2009; Bloch & Owusu, 2012). Larsen et al. (2009) come to the rather bleak conclusion that no noteworthy linkages within the sector can be discerned. For this, the authors use a dichotomy of linkages; i.) linkages with local suppliers of goods and services and ii.) linkages with the SMA sector. The only linkages that are discerned by Larsen et al. (2009) in their dichotomy of linkages are the employees that have worked in the large-scale gold mining sector and now use their experience in the SMA sector. Other collaborations than the former employment records with the large-scale gold mining companies are however not distinguished by the aforementioned authors.

An example which is often cited by the advocates of the enclave nature of the sector is the Bolivian city of Potosí. Potosí had a thriving mining industry, which made it one of the largest and richest cities in the seventeenth century. Due to the major difficulties in diversifying such a resource dependent economy however, the economy collapsed when the mining activities were shut down in the eighteenth century. The example of Potosí, nowadays one of the poorest regions in Latin America (Bravo, 2004), invigorates the idea that the gold mining sector is disconnected and delinked from the domestic economy and consequently do not offer a lot of spillover effects to other or similar industries nor leave lasting impacts behind.

The opposite side of the enclave nature of the gold mining sector argues that the mining sector, with a key role for large-scale gold mining companies, have led to development. Kitula (2006) for example argues that the mining industry has led to the development of the agricultural sector in Tanzania. Kitula (2006) shows that the development of the mining industry has attracted migrants, who need food to be productive. This has stimulated the quantitative supply of food in mining districts. Furthermore it shows that the agricultural sector and mining industry can coexist. Besides that, Kitula (2006) also observed that income from wage labor is spent on local goods and services. As already mentioned, McMahan et al. (2001) also argue that the mining industry leads to development. It is not surprising that they in the aforementioned document published by the World Bank, an organization that has his origin in the Bretton Woods Agreement, stimulate the inflow of large-scale companies in the mining industries. Their main argument is that mining is a powerful vehicle for transferring technologies and skills to developing countries and remote regions.

The debate whether the large-scale gold mining companies contribute to development is part of a broader discussion on the role of Trans National Companies (“TNCs”). Apologists argue that TNCs have a developmental role, providing host countries with income, employment, skills and technology, whereas critics argue that TNCs are ‘agents of exploitation’ (Kiely, 2008). It sets forth that development induced by TNCs should mainly be sought in aspects such as income, employment, skills and technology. Kiely (2008) argues that the debate between these sides is too black and white. The impact of TNCs in terms of

development depend on a number of factors, such as the role of the state in regulating the behavior of the TNCs as well as local resistance to the potentially bad effects of the entrance of a company. The subsequent sections will touch upon resistance.

2.3. The political ecology side of the gold mining sector

2.3.1. *The link of the gold mining sector with political ecology*

As mentioned in the previous section, the concepts of linkages are closely connected with, what resource economists and geographers define as, the market response model, which is derived from the political ecological field of study. Ribbons, Hintz and Moore (2010) argue that scarcity of environmental goods and services lead to higher prices, which not only causes an increased efficiency on the consumers side (the left side of the model in Figure 1), but also sets in motion a number of effects that lead to more efficiency at the producer side. This, in the end, increases the resource availability. Ribbons et al. (2010) argue that governments play an important role in stimulating efficiency of natural resources. By imposing taxes, national governments can artificially alter the prices of the resource. Following the model in Figure 1, rising prices lead to increased output of known sources, but also to the creation of new sources or options (Ribbons et al., 2010 p. 36). Wall and Pelon (2011) point out that taxes, such as royalties, are not only used to stimulate the efficiency of the natural resources, but also are reverted back to the hosting community. As the mining sector in the most countries is regulated on a national level, the amount that in practice is reverted to hosting communities is low. In many countries, taxes are collected in a general fund. The central government however determines how the tax money should be spend to serve the good of the public (Wall et al., 2011). Zambia is a country that has kept the management of its natural resources, that mainly consists of copper reserves, on a national level after the implementation of SAP's in the 1990's (Fessehaie, 2012). Although de-regulation, which is an indispensable part of these SAP's, minimized the role of the Zambian state in the mining industry, its limited management is still executed on a national level (Campbell, 2014).

The market response model in the context of the Colombian mining industry shows that environmental changes inarguably are interlinked with the existing political and economic conditions in the region. It is therefore important to include political ecology within the framework of this research on the stakeholders within the Colombian gold mining sector. But what is political ecology exactly?

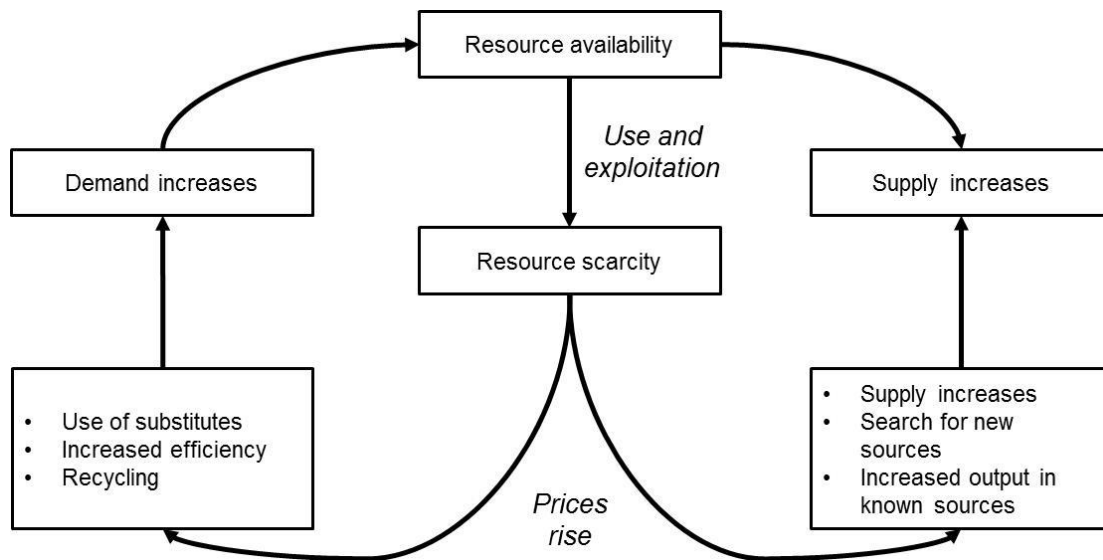


Figure 1: The market response model to Ribbons et al. (2010).

Political ecology is *de facto* the merger of ecologically rooted social science and the principles of political economy (Peet & Watts, 1996 p. 6). Political ecology links up well with Marxist theories, such as that of accumulation by dispossession by Harvey.

According to Bailey and Bryant (2005), political ecology is based on three major principles. These principles have also been taken as points of departure in this research. In the first place are the costs of the environmental changes unequally spread among the stakeholders in the relevant contexts. The second principle very much applies to the political ecology in developing countries. This principle assumes an inseparable link between the environmental and developmental concerns. That is to say that any changes in the environmental conditions will have effects on the economic and political status quo. Finally, the third principle of political ecology assumes that changes in the environmental causes socio-economic changes, which result in political implications such as the wealth creation of some above the impoverishment of others. Environmental changes therefore indirectly lead to the alteration of power relations between the relevant stakeholders. According to Bailey et. al (2005), power relations should be interpreted as the ability to control or resist other stakeholders.

The third principle brought forward by Bailey et al. (2005) is interesting, as power is also a returning relationship attribute of the stakeholders analysis in the field of business administration and management studies (Mitchell et al., 1997). A well-known author in the study of power relations is Michel Foucault. In his essay '*Por qué estudiar el poder: la cuestión del sujeto*', Foucault (1984) elaborates on why the subject of power is important to be studied and subsequently how it can be

studied. Studying power relations is important, as the subject is complex and the knowledge on it is limited. Yet, the subject of power relations in a society take the interest of its participants. The relevance of studying power relations are perhaps best reflected when Foucault mentions that ‘*living in a society without power relations can only happen an abstract situation*’ (1984, p. 48). Thus, denying and excluding power relations would not only result into an utopian study, merely reflecting the abstract relations between the stakeholders, but it would also leave barely any room to dig deeper in the complexity and dynamics of power relations. The subsequent section further elaborates on the power relations and its fit in political ecology.

2.3.2. *Power’s reinforcement in knowledge and systems of communication*

The point of departure in this section before elaborating in more detail power and knowledge, is that human beings are continuously remaking the world but also remaking themselves in the process. By doing so, the human being determines the boundaries on what is considered natural and what is not (Robbins et al., 2010). Robbins (2010) refers to this as social constructionism and its meaning is closely related to cultural geography; the meanings that individuals and organizations contribute to their environment (Groote & Druiven, 2002). Robbins et al. (2010) indicate that it is important to realize that this social constructionism is happening within a social context. A social context is the ensemble of social relations that varies in place and time. It includes belief systems, economic relations of production and the institutions of governance (Robbins et al., 2010 p. 119). The latter reminds of the works of Elinor Ostrom (1990), who wrote on the governance of the commons.

It was however not Ostrom who commenced to write on how to govern the commons. It was Garret Hardin with his famous book of the “Tragedy of the Commons”, who in fact inspired four decades of policy making with regard to natural resources. The bottom-line of the contents of his book explains the negative connotation of the title: people are inclined to prioritize their own benefit before the collective benefit, which creates an unequal equilibrium between the benefits and costs. Hardin proposes two solutions to escape from a rather grim fate (the end of the earth’s resources): privatization or central government control (Hardin, 1968). It is interesting to observe how Colombia attempts to manage their natural resources by taking the route of central government control. It shows that institutions are extremely important, when this particular path is chosen. As mentioned before, Ostrom has expanded the literature on institutions in relation to the design and the enforcement of rules.

Ostrom (1990) designed eight principles in order to govern the commons effectively. In the first place she mentions that boundaries of the natural resource should be clearly defined. After that, tailor-made rules should be established for the use of the natural resource. The third principle that Ostrom puts

forward is that all stakeholders should be included in crafting the rules. Particularly this principle stresses the importance of a thorough stakeholders analysis before devising rules that apply to the natural resource. The fourth design principle that Ostrom discerns is that rules should be enforced by active monitoring. In other words, rules requires institutions that have the ability to impose sanctions. The ability to impose sanctions is the fifth design principle that Ostrom (1990) distinguishes. Anticipating on social conflict caused by the use of the natural resource, Ostrom (1990) argues that, as design principle number six, conflict resolutions must exist and made accessible for every stakeholder. This means that any barrier or limitations should be minimalized, so that design principle number three (“all direct stakeholders must be included in rule making”) can be guaranteed at all times. As design principle seven, Ostrom (1990) brings forward that there should be a minimal recognition of the rights to organize by the local government. Finally, governance of the natural resource should be recognized in the different layers of society. With the eighth design principle, Ostrom underlines that the natural resource cannot be only governed at a local level, but should also be ‘institutionalized’ on higher scale levels, such as regional or national.

If the natural resource still is not managed effectively in the eyes of the local population, the entrance of TNCs or more specifically, large-scale gold mining companies, can produce resistance, which implies changes on the power balance between the stakeholders. Power then reproduces itself into collection action, a term for which Mancur Olsen is well known. Olsen describes collective actions as the pursuit of a goal or set of goals by more than one person (Olsen, 1965). Collective action is therefore a tool to challenge power relations, which by any means are dynamic, as they rely on social relationships.

Power has a somewhat negative connotation and is often viewed from a top-down perspective. Foucault however argues that the aforementioned is not the case. Power is a dynamic process and circulates through society. Contrary to how power often is reviewed, power is not radiated downward, but can come from both ways. (Wetherell, Taylor & Yates, 2001). Moreover is power the medium through which conflicts of interests are ultimately resolved in management studies (Morgan, 1997). This does not only apply in management studies, but also applies in social sciences. Power is a producing network that runs through the whole society. Local power relations can therefore never be seen as the projection of central power (Wetherell et al., 2001). Foucault (1984) argues that although the power relations gradually have moved under the auspices of the government, it cannot be said that analyzing power relations on a governmental level alone would do the trick. As said, power relations run through the whole society, which implies that power relations are broader than the government alone. Studying the government and its executing governmental organizations alone would therefore result in a mere narrow-minded research.

According to Foucault, power cannot be seen separately from knowledge. Foucault was however not the first philosopher who linked power to knowledge. It was Sir Francis Bacon who once argued that knowledge in itself is power. Foucault merely extended his work by digging deeper into the concepts of power and knowledge. The most striking example of how power is linked with knowledge is when a client is visiting a dentist for a periodical checkup. The client would dedicate extra attention to his teeth before attending to the dentist. The action of the client is provoked by the authority of the dentist towards the client. After all, the dentist can remind the person to take better care for his or her teeth and possibly take measures that the client most likely would like to avoid. This example shows that power is established by knowledge. In the aforementioned study of Foucault (1984), he refers to this phenomenon as ‘actions that determine the available actions of others’. In that sense, knowledge is used to regulate the conduct of others. Power is therefore directly linked with knowledge (Ribbons et al., 2010) and leads to empowerment to make changes of the side where knowledge is greater, at the expense of the side where knowledge is lesser.

With respect to the different types of knowledge, it is interesting to distinguish different types of knowledge, as the remainder of this chapter will make clear that knowledge has a direct link with communication (knowledge shapes expressions and languages by the so-called ‘claim makers’). In her study on claim making in a conflict area in Ecuador, Buchanan (2013) distinguishes three types of knowledge: i. epistemic knowledge, ii. technical knowledge and iii. anecdotal knowledge. Buchanan (2013) based these three types of knowledge on studies of Flyvbjerg (2001) and Tenbenschel (2008). Both authors argue that power plays a role in every type of knowledge but that it is the most prevalent in technical knowledge, as the access to this knowledge often come with barriers. From here it is an easy bridge to epistemic knowledge. Epistemic knowledge is what potentially can be known by people. It essentially describes the limits of knowledge and the conditions in which it can be acquired. Technical knowledge is focused on the environmental state and the role of human activities within its struggles (Buchanan, 2013). Finally, anecdotal knowledge is the knowledge that comes from tradition or social circles. Even anecdotal knowledge is characterized by power, as it has the ability to reject certain discourses (Neves-Graca, 2004).

Knowledge or ‘*le régime du savoir*’ (the discourse of power) is dependent on the period that people live in. An good example of how knowledge varies over time are the disciplinary regimes in France. Centuries ago prisons were opened for public and punishment was executed through torture and execution. Contemporary prisons are however not open for public and punishment regimes are now much more individualized. It can therefore be said that knowledge is shaped by: i.) technologies, ii.) strategies of application, iii.) historical contexts and iv.) institutional regimes (Wetherell et al., 2001).

The third aspect, the historical context, relates to path dependency, which explains current situations by its historical facts and circumstances, also plays a role in shaping knowledge.

The confluence of power and knowledge creates - what Foucault calls - a knowledge and power regime. This knowledge and power regime is influenced by the state of knowledge, technologies, specific apparatus but also what is true on how to change behavior. With respect to the latter, every society has its own regime of truth. An example in this regard is that if everyone believes that single parenting lead to criminal activities of the children and punishes single parents accordingly, this will become the truth, while it could be that it was never proven.

Further on the subject of the regime of truth, some attention should be given to the role of communication or more specifically, the role of language. Foucault argues that communication, which can be seen as the production and reproduction of the elements of significance, is always a certain form to act above another person or persons. These communication relations must be distinguished from the power relations, but do conjunct closely with each other, which makes it difficult to discern them in societies. Besides that, there is no general equilibrium between communication and power relations, as every society has its context-specific equilibrium. This makes it ever more difficult to discern the aforementioned types of relations. In this context Foucault provides the example of an educative institution: the existing systems of communication and power create the environment to acquire skills or behavior. For instance, the systems of communication can be regulated by lectures offered, questions and answers on exams, codified signs of obedience and levels of knowledge, whereas the system of power is regulated by aspects such as surveillance, compensation and punishment and the pyramidal hierarchy. Various persons act within these contexts (Foucault refers to these contexts as ‘blocks’) and are in some way or another being influenced by these blocks.

2.4. The main research question and sub-questions

The reviewed literature pose the following research question:

How can large-scale gold mining companies be a motor of development in hosting communities in Colombia?

The following sub-questions have been designed to answer the above posed research question:

- 1) How is the national government’s prioritization of the gold mining sector as a motor of development expected to contribute to development in the hosting communities?

- 2) Who are the relevant stakeholders in the Colombian gold mining sector and how does the role and interests of large-scale gold mining companies relate to these stakeholders?
- 3) What responses have the presence of the large-scale gold mining companies triggered in the hosting communities?
- 4) What drivers explain the responses discerned in hosting communities?
- 5) How can development in hosting communities through the gold mining sector be ensured and what role can the large-scale gold mining companies play?

2.5. Conceptual model

The aforementioned theories on power and knowledge are incorporated in the conceptual model of this research (Figure 2). The surrounding cadre is the social context, which is the ensemble of the social relations including the existing belief systems, economic relations of productions and institutions of governance, shaped by the stakeholders of the gold mining sector. Hence, the importance of the stakeholders analysis.

The research question of this research specifically focuses on two sides: 1) large-scale companies, 2) the hosting communities. The hosting communities consists of a certain number of stakeholders, depending on the community.

Based on the literature that describes the large-scale gold mining companies as an enclave sector, it was chosen to put the large-scale mining companies at the opposite side of the hosting communities. The opposite sides underline that there barely are any linkages between the large-scale mining sector and SMA or mining communities, as was argued earlier in this chapter.

Foucault, who argues in his book that power relations are unequal, as they - as a rule - are always stronger at the side of the government and its executing governmental bodies, argues that power and knowledge are dynamic concepts and can differ for each stakeholder. As such, it is assumed that knowledge and power of large-scale gold mining companies and hosting communities differs. It is probable that the knowledge and power position of the large-scale gold mining companies is stronger than in comparison with the hosting communities as the third principle of political ecology states that any environment change - in this research the admission of large-scale gold mining companies in the gold mining sector - has political implications by leading to wealth creation of some above others, ultimately resulting in an alteration of the power relations between the stakeholders.

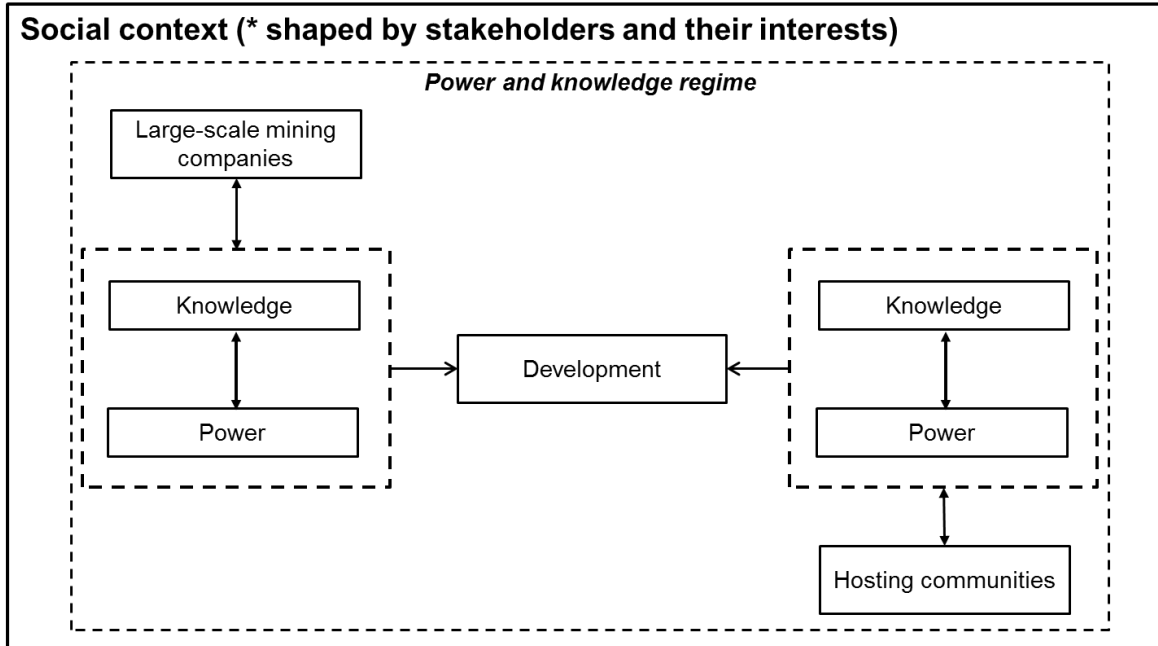
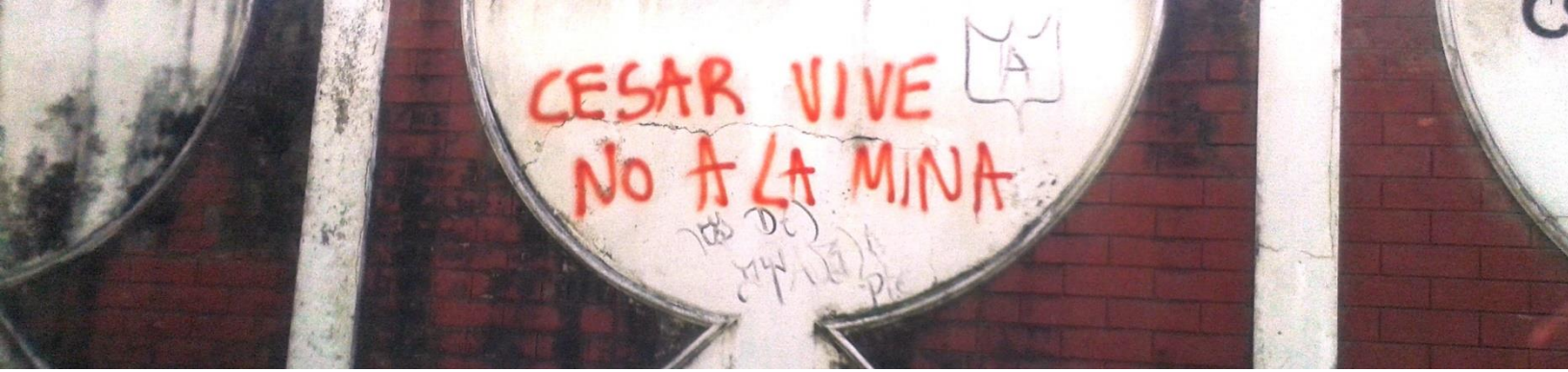


Figure 2: The conceptual model of this research.



3. METHODOLOGY

This chapter touches upon the used methodology of this research. According to Bryman (2012), the quality of social research should be assessed by three criterions; i.) reliability, ii.) replication and iii.) integrity of the research. With reliability, Bryman (2012) refers to the consistency in the results. Replication is the openness about used procedures for other research and validity is the integrity of the research. What becomes clear is that transparency in the used methods is of vital importance. This chapter therefore attempts to provide an in-depth description on the methodology of this research.

Two stages can be discerned for this research; i. the stage in which data is collected and ii. the subsequent stage in which data is analyzed. Section 3.1 elaborates on the data collection in this research. Section 3.2 briefly touches upon how this data was analyzed. The subsequent section then summarizes the risks and limitations. The chapter ends by the operationalization of variables in section 3.4.

3.1. Data collection

The data for this research was collected by the different stages that are shown in Figure 3.

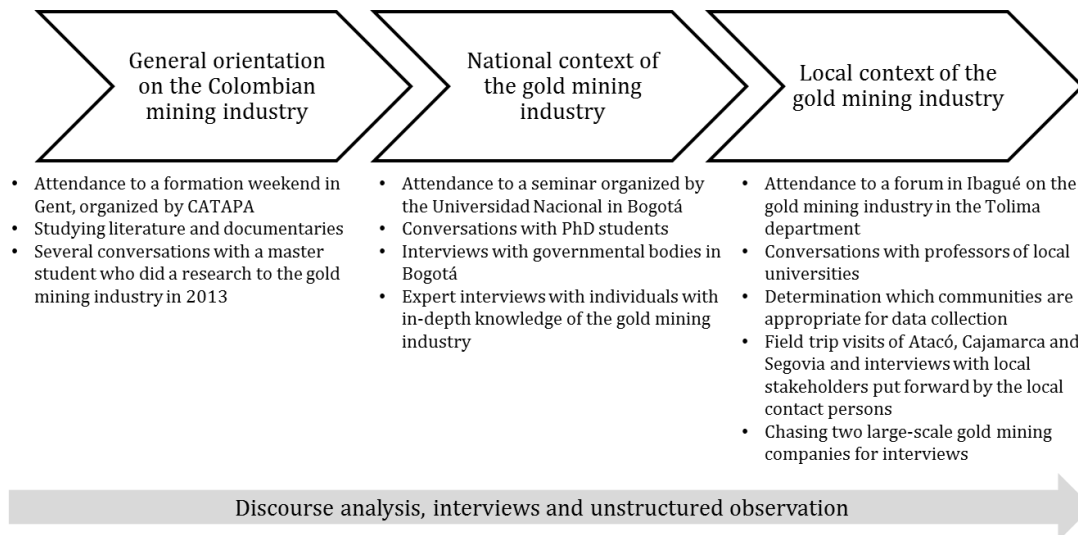


Figure 3: An overview of how data was collected for this research. Source: Author, 2014.

3.1.1. *General orientation on the Colombian gold mining sector*

Figure 3 shows that this research initially commenced with a formation weekend hosted by the host organization CATAPA in December 2013. CATAPA is an volunteer movement in Belgium. The movement is supporting farming communities that are endangered by large-scale multinational mining companies. The organization is specifically focusing on the gold mining sector, although an extended focus on the oil and gas industry is currently under discussion.

CATAPA intent to facilitate the creation of a social middle field, in which the organization forms a joint front with organized grassroots movements in order to make their voices heard by policy makers. The organization intent to achieve this by active lobbying in the North, providing academic and juridical support to local communities in the South threatened by mining operations, networking and providing alternatives to both the North and South, so that metals and minerals are extracted, produced and consumed in a responsible way (CATAPA, 2013).

The current partner countries of the organization are Bolivia and Peru. CATAPA was active in Guatemala, but withdrew from this country as their projects ended there. CATAPA is currently not present in Colombia, but is looking for partners due to the pressing situation in the country. As such, the host organization expressed their desire to obtain an exploratory research.

Next to the formation weekend in December 2013, general orientation on the Colombian gold mining sector is characterized by studying literature, such as general theories on the role of the extractive industries to pursue development. Reports of NGO's and the Colombian government were also consulted. The master student that is mentioned Figure 3 assisted in proposing relevant documentaries.

3.1.2. *National context of the Colombian gold mining sector*

Due to the lack of contacts upon arrival in Colombia was it decided to capture the national context of the gold mining sector first. This choice was motivated by two drivers:

- i. to understand the national context of the gold mining sector better;
- ii. to obtain contacts that can assist in facilitating the entrance in communities.

Figure 4 provides an overview with the individuals that were interviewed to shape a better understanding of the national context of the gold mining sector in Colombia.

- a professor associated with the Universidad de Nacional in Medellín with a specialization in the Colombian mining industry;
- a professor associated with the Universidad de los Andes, who is an expert on law applicable in the extractive industries;
- a geologist who is an expert on the geological impacts of the mining industry;
- an economist who is an expert on the economic aspects of the mining industry;
- a representative of the Agencia Nacional de Minería (“ANM”), the governmental institution of the ministry of mining and energy that is responsible for the mining sector;
- a coordinator of the sustainability of the productive sector, associated with the Colombian ministry of environment.

Figure 4: An overview of experts interviewed for the establishment of the national context.

Besides the recorded interviews that are mentioned in Figure 4, were unrecorded, and mostly informal conversations, held with PhD students, who did research on the Colombian gold mining sector or another related theme. These contacts facilitated attendance to a seminar organized by the largest public university in Colombia; la Universidad Nacional.

3.1.3. Local context of the Colombian gold mining sector

For this research three communities to collect data on a local level were selected. The selection of these communities were merely selected on the basis of feasibility in terms of trustable contact persons within the community. The assessment whether a contact person is trustable is a decision that is based on the common sense of the researcher. The three communities of this research were:

- i. Atacó in the department of Tolima;
- ii. Cajamarca in the department of Tolima;
- iii. Segovia in the department of Antioquia.

Figure 5 shows where these communities are situated in Colombia. The yellow marker shows the location of Atacó, whereas the blue marker points to the location of Cajamarca. Finally does the green marker indicate the location of Segovia.



Figure 5: Geographical situation of the three communities incorporated in this research. Source: Google Maps, 2014.

As medium and large-scale mining is an integral part of this research, communities were selected on the basis of the scale in which gold is extracted. Atacó is characterized as an area where gold is extracted on a small and medium scale. In this community, gold is extracted in an artisanal way. In comparison, Segovia could well be described as an area where gold is being exploited on a medium and large scale. There are two major companies in this region that are exploiting gold on a large-scale. The subsequent chapter shows that Segovia is located in what could be called the gold-belt of the country: together with two other municipalities, Segovia is amongst the three largest producing communities of gold in Colombia.

Finally, Cajamarca can be described as the region that could perfectly be placed in the middle of Atacó and Segovia. In Cajamarca, a large-scale gold mining company has advanced plans to commence with their operations in the near future. Till date no gold has however been exploited by the company. The subsequent chapter elaborates on Cajamarca in more detail.

Reverting to the aforementioned criteria of social research, it is important to consider that aspects in this research occur in the communities that were chosen for this research. As the communities are not statistically sampled, the conclusions drawn in these communities cannot be generalized to the broader context of the Colombian gold mining sector. Conclusions of this research are therefore limited to the communities where data has been collected as well as to the people that have been interviewed during the field work of the research. The observation that the results cannot be generalized to a broader context are, according to Bryman (2012), inherent to the type of research (case study research).

In terms of methods and techniques, Bryman (2012) labels the chosen method of this research as a case study research. According to Bryman (2012), one common mistake is that people tend to situate case study research as qualitative research. Case study research does not necessarily have to be qualitative, but can in fact be quantitative. In case of this research, the nature is however qualitative. The main technique used for this research are interviews, which are complemented by other research techniques. These research techniques include and are not limited to unstructured observation and discourse analysis. Unstructured observation is a technique that enables the researcher to absorb the reality without any ideas that are shaped in advance. The nature of the observation is therefore predominantly holistic. To a lesser extent discourse analysis was used by studying newspapers, news broadcasts on the television and recorded interviews.

Next to the aforementioned techniques was a local forum on the gold mining theme in Ibagué visited. No official or recorded interviews were held on this forum. Informal conversations with a number of attendees were however held. Information derived from these conversation is also used in this research.

In terms of recorded interviews, 20 key individuals and organizations have been interviewed in total (including and not limited to the aforementioned expert interviews). The interviews were held in a time period of 15 weeks. From these 20 interviews, 19 interviews has been recorded by either a mobile phone (Samsung Galaxy Ace 3 GT-S7275B) or a recording device (Philips Classic 388). The structure of these interviews varied; some of them interviews were structured, whereas a number of them were unstructured. Interviews had to be structured, as a number of interviewees required to receive the questions prior to the actual interview. This was particularly the case with governmental organizations, such as ministries and governmental affiliated agencies. One Canadian multinational company that exploits gold on a large-scale in Segovia initially approved the interview but then decided to cancel the interview upon receiving the questions prepared beforehand. The withdrawal of this large-scale gold

mining company meant that the total amount of recorded interviews was reduced to the aforementioned amount of 19. Whenever possible, notes were taken during the recorded interviews. The majority of the interviews were transcribed in Medellín by a translator. Before contracting this translator, clear agreements were made on what to include in the transcript. As a consequence names in audio recordings have been left out, whereas vulgar words used by the respondents were included in the final transcripts.

For the local context of this research, the following individuals and organizations were interviewed:

- a leader of an organization that defends the interests of the small-scale miners in Atacó;
- a farmer who cultivates vegetables in Cajamarca;
- a farmer who cultivates vegetables in Cajamarca;
- a farmer who cultivates vegetables in Cajamarca and defends the social interests of the population in Cajamarca;
- the mayor of Cajamarca;
- the leader of an environmental non-governmental organization in Cajamarca;
- a large-scale gold mining company involved in large-scale gold mining in Cajamarca;
- a representative of COR TOLIMA, the autonomous regional corporation in Tolima;
- a leader of the syndicate that defends the interests of the medium and small-scale miners in Segovia;
- a leader of a medium-scale gold mining organization in Segovia;
- a miner and partner involved in a small-scale gold mine in Segovia;
- a partner involved in a gold mine in Segovia;
- a NGO that promotes responsible mining methods in Antioquia (that includes Segovia).

Figure 6: An overview of experts interviewed for the establishment of the local context.

A number of the interviews with the individuals and organizations mentioned above took more just one day, as it was necessary to spend the night in communities due to a variety of reasons. These interviews are however regarded as one interview. As mentioned, the recorded interviews were also used for critical discourse analysis or in other words; to analyze the used language by the respondents.

Besides recorded interviews, more individuals or organizations have been interviewed in the communities. Circumstances such as the absence of recording device however made it impossible to record these interviews. Notes have been taken where appropriate during these interviews. Examples of these unrecorded interviews are conversations with professors at local universities or a farmer who was interviewed while having drinks at the end of his work day.

The snowball method was used to compile the list of respondents. At the end of the interviews, respondents were asked if they would be willing to recommend other respondents relevant for this research. The used method has resulted into the chain that is showed in Figure 7.

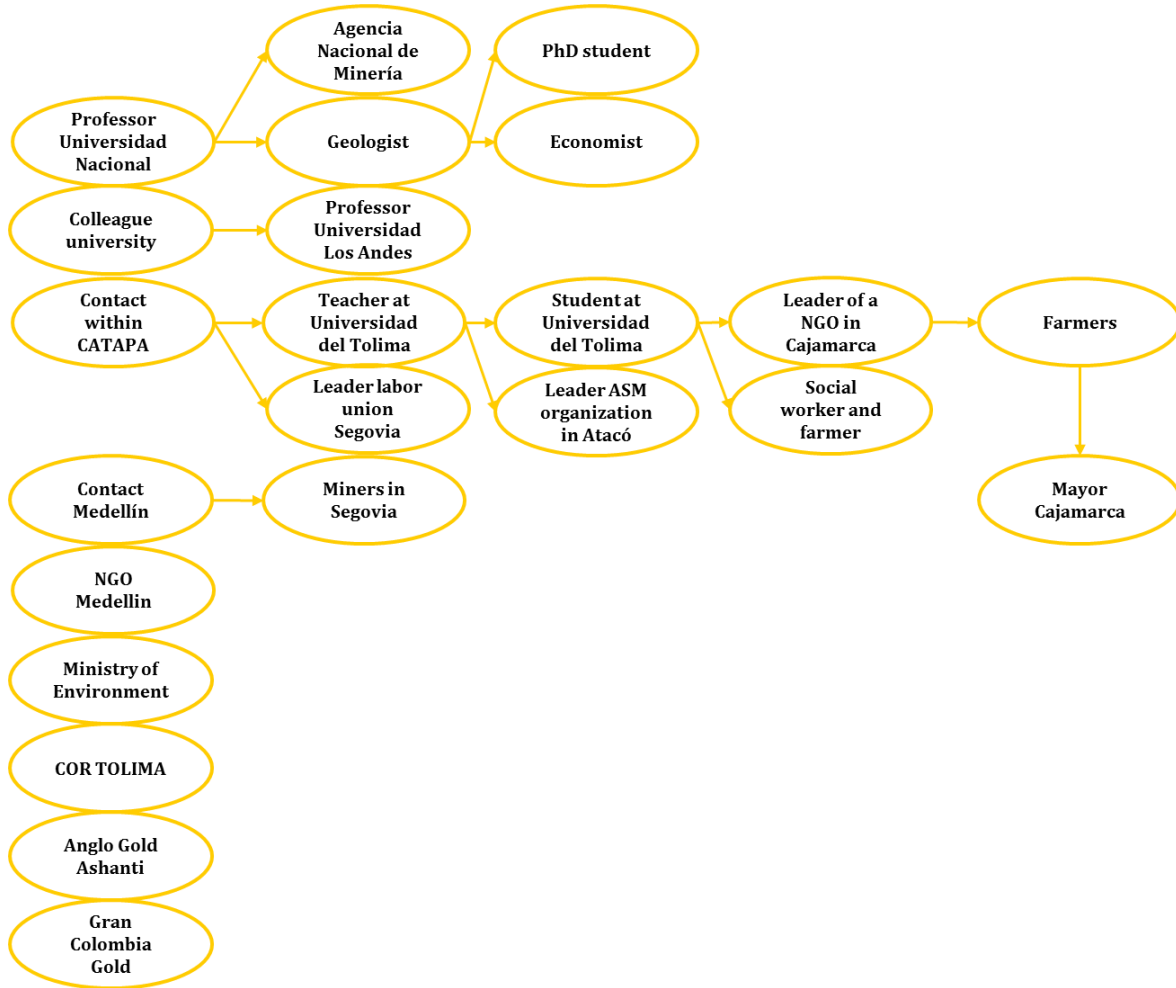


Figure 7: Chain of contacts and respondents by using the snowball method.

3.2. Data analysis

The transcriptions of the aforementioned translator resulted into a document of roughly 200 pages. The data from these transcriptions were downloaded in a software program called NVivo (version 10). NVivo is designed to analyze qualitative data. As the transcriptions were in Spanish, the process of analyzing the data was intensive. In total, the data analysis took three weeks. In principle, data from the transcriptions was coded by the theories mentioned in chapter 2, in order to warrant the cohesiveness of the research. Later however, when the exact scope of the collected data became more apparent, codes were gradually assigned on the basis of the stakeholders, the characteristics of the responses discerned in the communities and the drivers that induce the responses. After coding the collected data, coded data was filtered and selected by its relevance. Notwithstanding the objective view, the selection process is very much exposed to the subjectivity of the researcher due to the choices made.

Besides the data from the recorded interviews, notes taken during interviews and pictures collected during the field trips were also studied in the phase of the data analysis.

An important decision that was made in the phase of the data analysis was to refer in the research paper to the positions of the respondents, rather than to the actual names of them. This decision was made, as the majority of the respondents indicated that they would prefer discretion about their identity. Where appropriated, for instance in the case of NGO's, which fulfill a public role, specific references are and can be made. Mentioning these specific references contribute to the replication of this research.

3.3. Limitations of the research

Several limitations that hampered the collection and analysis of the data collected can be distinguished. Most of the limitations are situated in the phase of the data collection of this research.

One limitation to collect a proper sample of data was that the communities of Cajamarca and Segovia are situated in conflict and violent areas. For example, the guerilla movement FARC was born in the region of Cajamarca, whereas a number of respondents states that Segovia was extremely violent. One respondent urged that no photos could be taken publicly in Segovia. During the field trip to Segovia, two death threats were made towards the researcher, which ushered the evacuation from this area. These circumstances made collecting data at times complicated.

Another limitation that arose during the field work was that it was not always possible to visit mining communities of interest, as there was no time available in the time planning. For instance, contact details of a mining community in the Caldas department were obtained. Due to lack of available time however, this area could not be visited. The lack of time was partly due to the short time that was made available for field work as well as time-consuming visits to forums and seminars, in order to establish contacts that could accompany the researcher to communities.

Thirdly, it was found that conversations with miners within the mines were difficult to conduct. Most of the time, miners were not open to provide the researcher with relevant information about their struggles with the large-scale gold mining companies in their community. Heemskerk (2005) argues that this attitude is caused by distrust in the researcher and fear for government interventions in the daily operations. The working conditions in the mines (for example, wet and humid working conditions) made it also difficult to obtain constructive and recorded data from these workers.

Another limitation of this research is the language barrier that occasionally was experienced. Although the researcher was able to communicate with the most respondents, were local accents difficult to follow at times. The recorded interviews largely absorbed this gap, but in a number of interviews more data could be obtained if the proper follow-up questions were asked.

The final limitation of this research is that a large-scale mining company was not willing to cooperate with the research and provided an official statement, which is enclosed in Appendix 1.

3.4. Operationalization of variables

Certain variables have been mentioned throughout this research paper. Three key variables can be distinguished: development, power and knowledge. Figure 2 shows that these variables shape the conceptual model of this research. This section aims to explain how these variables are measured in the research.

Power

As previously has been set forth, power relations have gradually moved to the auspices of the national government. Power can therefore be measured by how stakeholders *trust* the national government. The national government simultaneously enables certain means of power to the stakeholders in order to (re)gain (or lose) their positions on the power balance. The *believe* in these means of power, such as opportunities enabled by the constitution or protest marches, are vital to produce statements about the power relations. As political ecology claims that changes with respect to a natural resources induces changes in the socio-economic status quo, power can also be measured by the stakeholders' *fears* for these changes. The *involvement* of all stakeholders in decisions with respect to the gold mining sector in the communities subject to research are also used to measure power. Finally, there is an overlap with knowledge, when power is also measured by the stakeholders' *knowledge* on laws and policies.

Knowledge

Knowledge is used by the *language* and *arguments* used by the stakeholders to strengthen their positions. In terms of how knowledge claims are made, the stakeholders' *attendances* to meetings, seminars and forums are scrutinized. Knowledge is also measured by the stakeholders' capability to *organize* these events. The capability to organize meetings, seminars and forums is linked with power.

Development

Wall et al. (2011) distinguish certain areas in which large-scale mining companies can contribute to development. Mining companies can contribute to employment, beneficiation, procurement on a local level, project infrastructure, community investment (such as schools or churches), government payments and compensation. The researcher chose to keep these areas as a rough guide to measure development, as the stakeholders' interpretation of development was found more interesting. Using these areas as

stringent factors could limit the complete perception of the stakeholders on development. To a lesser extent, the *effectiveness* of CSR policies by large-scale gold mining companies is also used to measure development.



4. THEMATIC FRAMEWORK

The objective of this chapter is to shed light on the theme of this research: the gold mining sector. The first section briefly sets forth the global context of the gold mining sector. Scaling down to national level, the second section elaborates on the gold mining sector in Colombia and briefly touches upon the definitions of the terms that are used in this research. Finally, the third and final section provides an end to this chapter by providing the political and legal framework relevant for the gold mining sector.

4.1. The global context of the gold mining sector

Traditionally, gold have been a natural resource that caught the global interests. The valuable role of gold was already recognized in the times of King Salomon and the old Egyptians, who measured their wealth by their possessed gold. Later on, the Spanish brutally looted Latin America's gold after setting the two ruling brothers of the Inca empire in opposition to each other.

Nowadays, the global interest of gold can be read by the global market prices. Figure 8 shows the global market prices of gold that are based on the so-called London PM Fix. The prices are set by the members of the London Gold Pool ("LGP"). London has an important place within the global gold mining sector. Most large-scale companies have stocks on the London gold stock exchange. Figure 8 shows a steep rise of the global gold prices. This increase has set in motion a run on global gold reserves by large-scale gold mining companies.

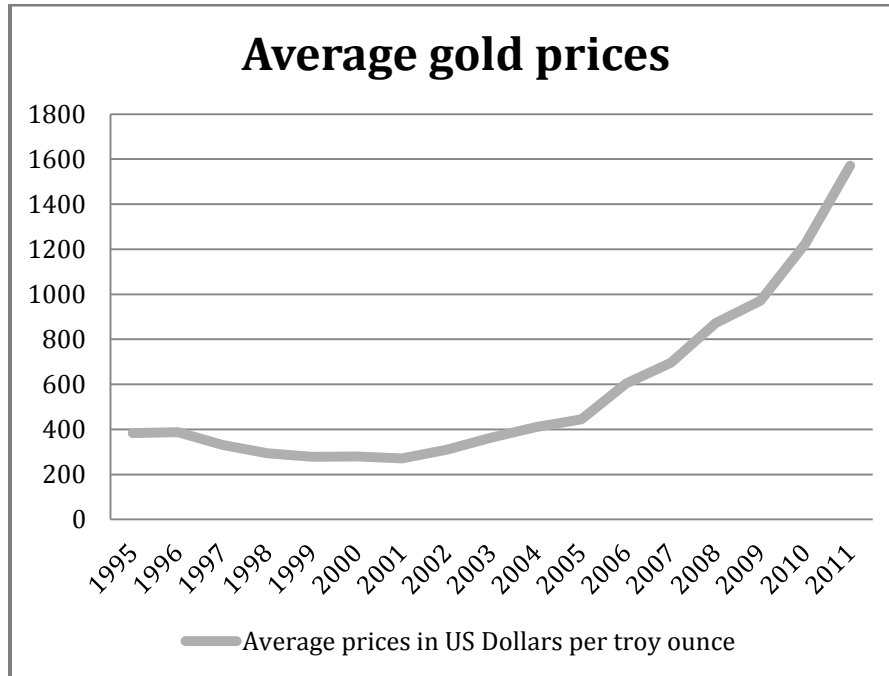


Figure 8: Historical gold prices as from 1995. Source: NMA, 2014.

Gold is distinguished from other non-renewable natural resources by its fluctuating characterization in the global market. Due to its sustainable nature is gold, which previously was mined, able to enter the global market at any given time. The global gold prices are also very much linked with the real estate market; when returns on the global real estate market are low, demand for gold as an investment increases.

Figure 8 shows that the China, the United States and the Australia are the ‘pioneer countries’ with respect to gold production. The world largest gold mining companies come from Canada, the United States, Australia and South Africa. In the global gold production ranking of Figure 8, Colombia occupies the fourteenth place.

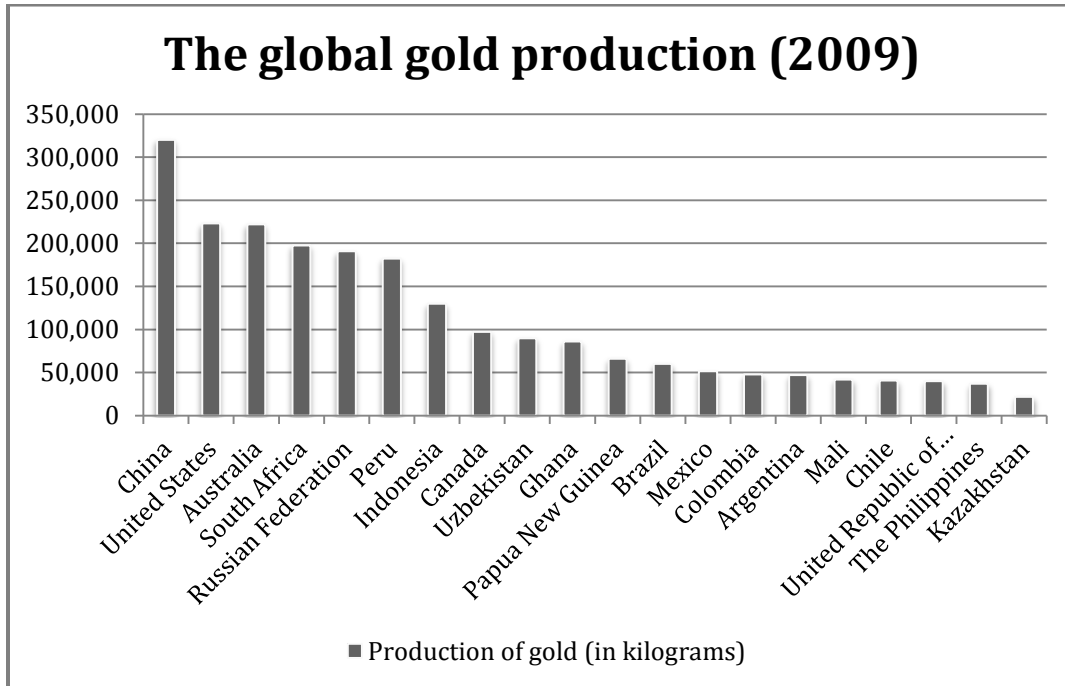


Figure 9: The 2009 global gold production. Source: USGS Minerals Resources Program, 2014.

4.2. The national context of the Colombian gold mining sector

As stated in the introduction of this report, the mining industry is labeled by the Colombian government as one of the pillars to pursue development. Besides non-renewable resources such as coal, nickel, silver, platinum and emeralds, gold takes an important place within the Colombian extractive industries. In 2012, 66 tonnes of gold were produced. From the total production, a percentage of 41 per cent came from the department of Antioquia, where Segovia is situated (ANM, 2013). Together with the Choco department, the Antioquia department is the main producer of gold.

Figure 10 shows that the production of gold has been increasing ever since 1931. After a steep increase between 1982 and 1985, gold production has been gradually growing to an amount between 50 million gram and 60 million gram in 2012.

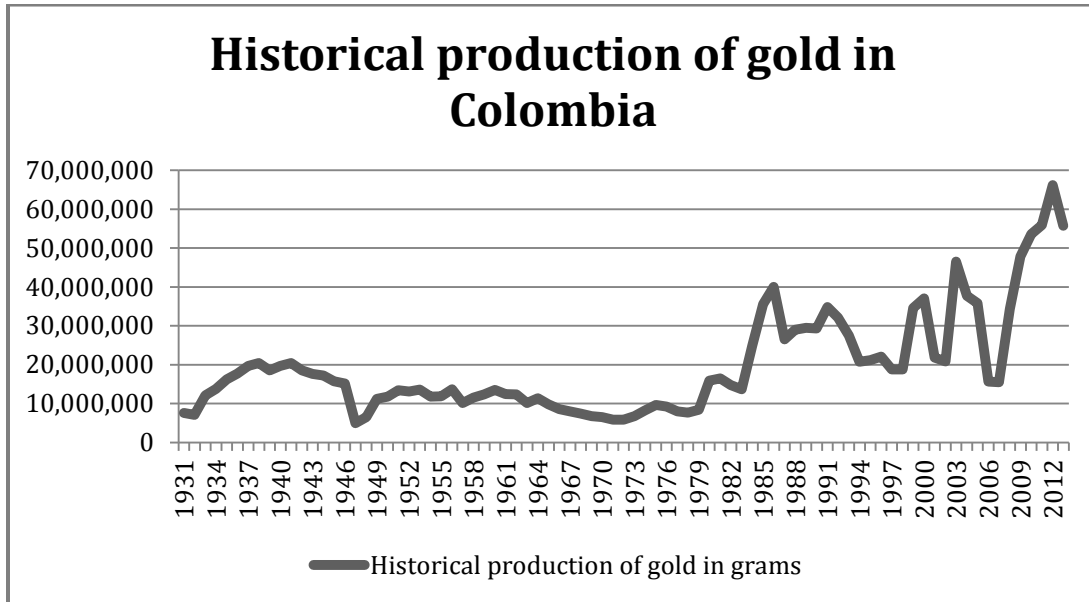


Figure 10: The historical production of gold (in grams) in Colombia. Source: UPME, 2014.

Figure 11 shows the annual produced gold of the largest Colombian gold production municipalities in 2013. The largest gold producing municipalities in Colombia are El Bagre, Caucasia, Segovia and Remedios, which are situated in the department of Antioquia. The municipalities of N3vita, Istmina and Quibd3 are located in the department of Choco. Figure 11 shows that the contribution of Atac3 and Cajamarca are both minimal.

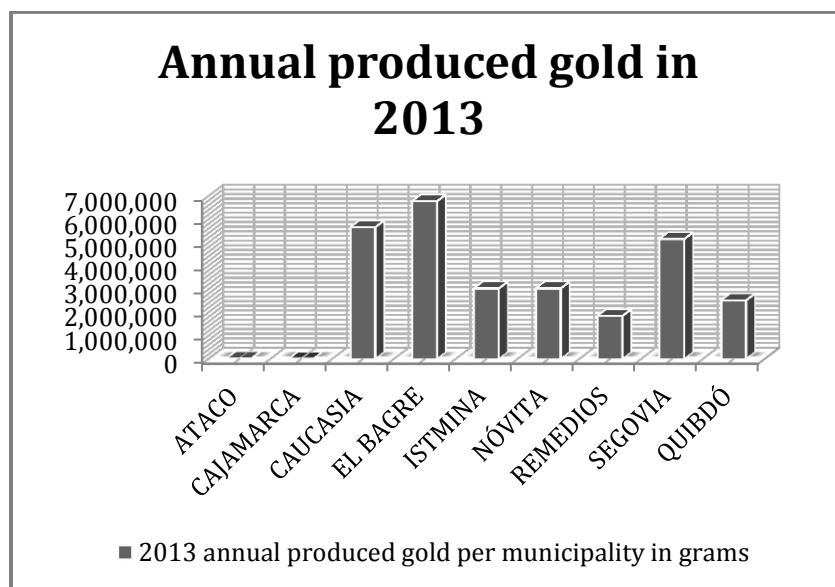


Figure 11: Annual produced gold in 2013 by Colombian municipalities. Source: UPME, 2014.

The reason why Segovia is the only community with a notable gold production is because the community hosts a number of operational large-scale gold mining companies. With a production of 23,785.08 grams in 2013, Atacó is ranked second of the investigated communities in Colombia. The community of Atacó mainly consists of SMA. No signals of a possible entrance of large-scale gold mining companies were observed in the time that data was collected for this research. The investigated community of Cajamarca comes third with a gold production of zero grams. In Cajamarca the community has been resisting the ‘La Colosa’ gold mining project, since the large-scale gold mining company have entered the community in 2007. The reason why the operation of the aforementioned gold mining project has been resisted by the community is because this community is the agricultural depot of Colombia.² The population of Cajamarca is divided in three groups: people that welcome the gold mining project, people that maintain a neutral position towards the gold mining project and people that opposes the continuance of the gold mining project.³

4.3. The political and legal context of the Colombian gold mining sector

This section sheds light on the political and legal context of the Colombian gold mining sector. In sub-section 4.3.1. the political context is described in more detail. Sub-section 4.3.2. elaborates on the legal context in more detail.

4.3.1. Political framework

The academic discourse of political ecology is an essential element in this research. This sub-section therefore briefly touches upon the political structure of Colombia.

² Derived from an interview with the president of a board of communal action in a particular neighborhood within Cajamarca and a farmer that cultivates vegetables and fruits in the nearby mountains of Cajamarca.

³ Derived from an interview with an employee of a large-scale gold mining company, April 29, 2014.

Figure 12 shows the various levels of governance in Colombia. The political competences in Colombia are top-down distributed. Policies, plan and strategies are devised on a national level. The department level is responsible for the execution of the law. The competence to manage the so-called administrative sectors is also placed at this level. These administrative sectors can include autonomous public bodies. Regional autonomous corporations are examples of autonomous public bodies. The main objective of

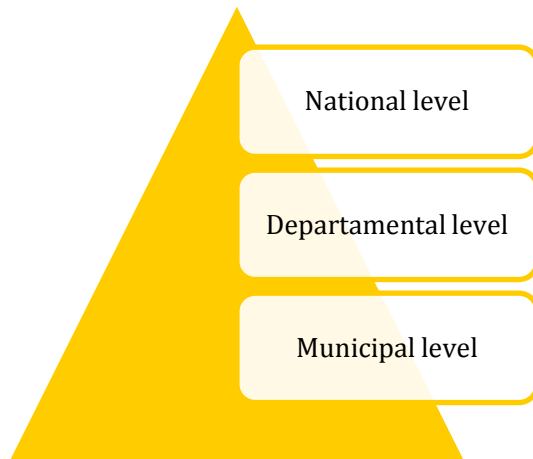


Figure 12: The decentralized distribution of political competences in Colombia.
Source: DAFP, 2014.

the municipality is the provision of public services that are determined by law, manage construction works, order the development of the territory, the promotion of the participation of communities and finally, the improvements in quality of lives of their residents (DAFP, 2014).

The decentralization process in Colombia taken the long path to achieve stable decentralization. In their research paper on the dilemma of decentralization in Colombia, Acosta and Bird (2003) assess that Colombia has recorded major improvements with respect to decentralizing its structure (p. 4). An issue that could hamper further decentralization of its structure however, is the lack of autonomy at the subnational governments. Subnational governments have insufficient autonomy with respect to revenues and expenditures, which - till date –makes decentralization a false hope. In addition, Acosta and Bird (2003) assess that the governments on a departmental and municipal level possess a certain power that is not exercised in its full extent.

4.3.2. Legal Framework

Laws are thus devised on a national level. The most important law that provides norms, and which basically regulates the mining industry in Colombia, is the 2001 Mining Code. The 2001 Mining Code regulates the relations between the bodies of the state and the private sector with respect to the activities

of prospection, exploration, exploitation, benefits, transport, utilization and marketing of non-renewable natural resources on the soil or in the subsoil.

The Mining Code distinguishes various stages within the mining process. These stages connects with a model that has been devised by Mjimba (2012), who investigated the nature and determinants of linkages in the merging mineral sector in Tanzania. Figure 13 shows that Mjimba (2012) distinguishes four stages that connect well with the activities that the 2001 Mining Code of Colombia attempts to regulate.

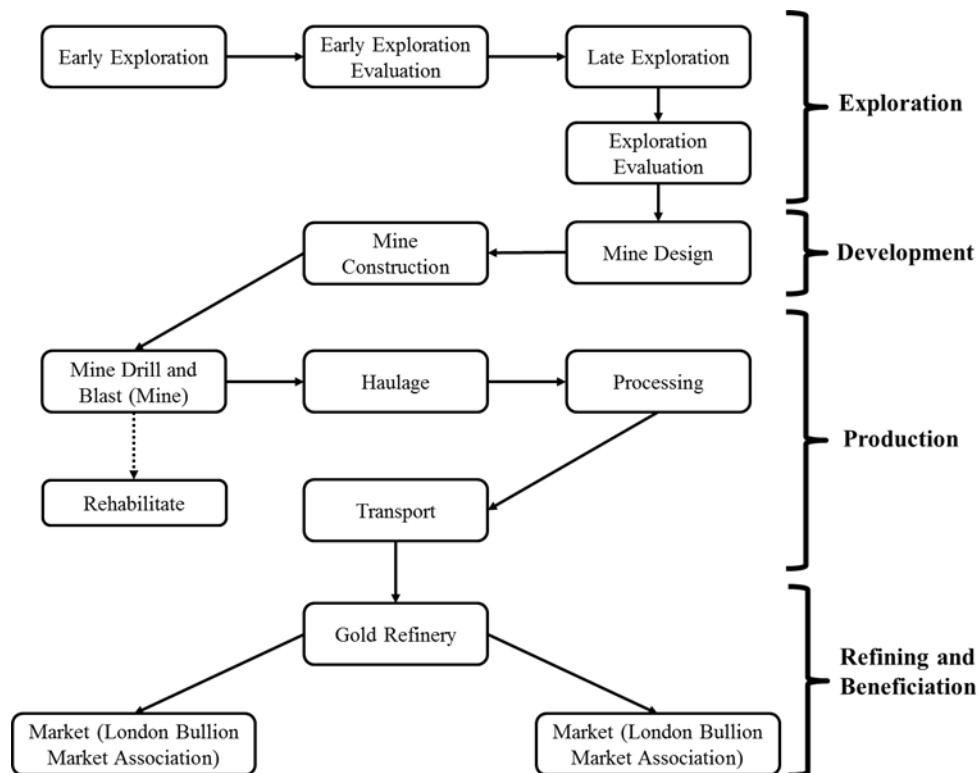


Figure 13: The four different stages in the gold mining process. Source: Mjimba, 2012.

Besides the regulation of mining activities does the Mining Code also distinguish three characterizations within mining: small-scale mining, medium-scale mining and large-scale mining. The code establishes the maximum number of hectares for these three types of mining. Small-scale mining is restricted to an area of 100 hectares that can be exploited. Their license maximally lasts for one year. With medium-scale mining, the code refers to a maximal exploitation of 100 to 1000 hectares within a timeframe of two years. Large-scale mining can exploit a maximum area of 1000 to 5000 hectares within five years. Article 18 and 19 of the 2001 Mining Code enables foreign persons and companies to bid on mining titles in Colombia, once these persons and companies fulfilled certain requirements, stipulated in these articles.

Besides the 2001 Mining Code are laws and decrees enacted by the national government. These laws and decrees elaborate in more detail on the related themes. Table 1 provides an overview of the existing decrees that are applicable in the mining industry.

Name of norm	Contents of the norms
Degree 1335/1987	Establishes provisions on hygiene and mining security in subterranean labor
Law 141 of 1994	Establishes the creation of a national fund for royalties, a national commission of royalties and provides regulations for the right to impose royalties for the exploitation of non-renewable resources by the state
Degree 2636/1994	Legalizes the exploitations of natural resources by the small-scale mining sector
Degree 501/1995	Regulates the inscription in the registry of mining titles for the exploration and exploitation of minerals that are owned by the state
Degree 1385/1995	Establishes mechanisms to mediate between the factual exploiters and granted mining rights in case these overlap
Degree 1481/1996	Establishes the requirements of an environmental license for the inscription in the national mining registration

Table 1: An overview of relevant laws and degrees applicable in the Colombian gold mining sector. Source: UPME (1), 2014.



5. STAKEHOLDER ANALYSIS

The objective of this chapter is to shed light on the different stakeholders relevant for large-scale mining companies that enter the Colombian market in the search for profits by exploiting the gold reserves of the country. The stakeholders mentioned in Figure 14 can be distinguished in the light of this research.

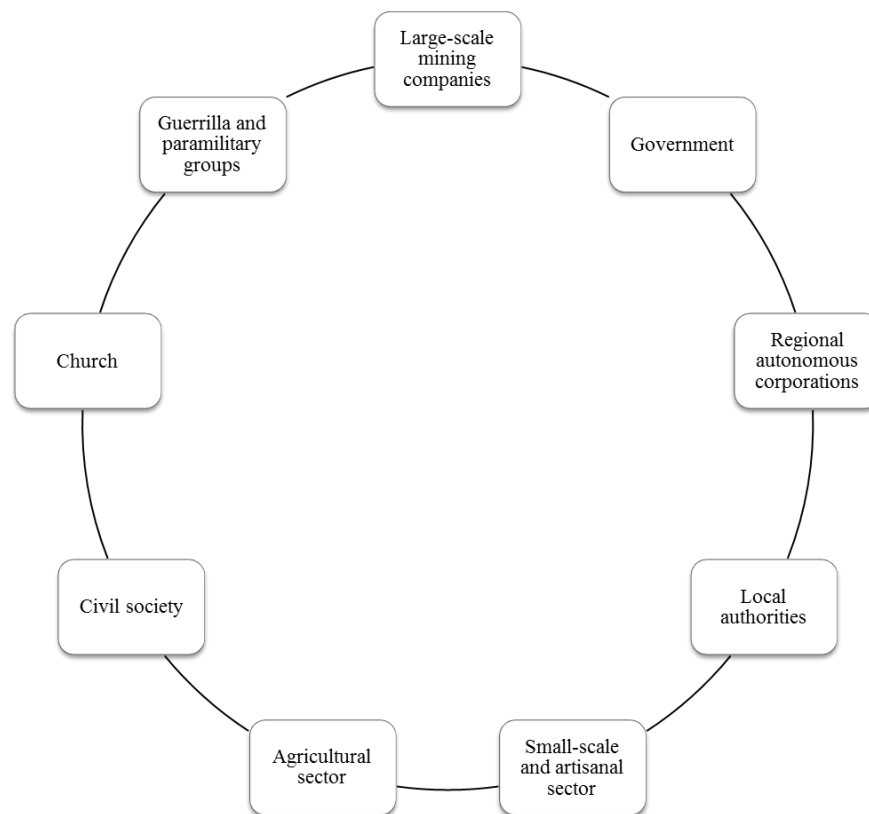


Figure 14: An overview of the stakeholders in the Colombian gold mining sector.

Considering the second sub question on how the stakeholders mentioned in Figure 14 relate to the large-scale mining companies, the sections of this chapter will thoroughly elaborate on the role of each stakeholder. In each section are the relations of the stakeholders with the large-scale gold mining companies deepened out. The chapter closes by providing a summary of all the relevant stakeholders that came forward from the collected empirical data.

5.1. Large-scale gold mining companies

The stakeholder analysis commences with the large-scale gold mining companies, as these companies have an important place in this research. The gold mining companies are expected to stimulate development through their projects. The exact contours of the position that the large-scale gold mining companies have therefore becomes clear throughout this entire chapter. Elaborations on the roles and interests of other stakeholders explain the role of these gold mining companies.



Figure 15: An adult and a youngster, 17 years old, listening to instructions of their colleague-miners in a mine of a large-scale gold mining company (Segovia). Source: Author, 2014.

In a world where neoliberalism dominates the global economy, it is evident that large-scale gold mining companies are mainly driven by the incentive to make a profit at the lowest possible cost.⁴ This motive meets with criticism from other stakeholders, which believe that the large-scale gold mining company should dedicate more capital in developing the community.⁵ The role of the gold mining companies in

⁴ Derived from an interview with an employee of a large-scale gold mining company, April 29, 2014.

⁵ Derived from interviews with several respondents that specifically are elaborated in the following chapters.

the Colombian gold mining sector is criticized by expert that were interviewed for this research. Besides experts, stakeholders, such as labor unions, are also very skeptical with respect to the role of these gold mining companies. For example, a labor union that strives to defend and improve the rights of the small-scale miners in Segovia argues that the gold mining companies are not willing to cooperate in projects that aim to dispose rock waste in an environmental responsible manner.⁶

The discussed role of the gold mining companies takes form when a partner of a gold mine in Segovia attempts to explain the debated role of the gold mining companies: *“if you have a farm in Colombia, [suppose] you are a farmer and you have 50 hectares, [or] 40 hectares [and] your farm. You are only the owner of the upper part, the subsoil, the wealth, that is what is in there, it is not important if that is just gold, it could also be petroleum, gas, that what you are going to remove from there, the owners are going to be the ones who are paying the taxes for the subsoil. The farmer is being charged an amount of taxes and they are being charged the cadaster taxes, valuation, generally they must be paying for their farm. But a moment arrived that having some wealth, the owner of these wealth are going to be other persons and that hurts, that hurts the farmers and it hurts the Colombian, it has been hurting [them]. A large-scale gold mining company bought this part, these titles and currently has this position with respect to the people in the region.”*⁷ What the respondent shows is that the position of the large-scale gold mining companies oftentimes are conflicting with that other stakeholders, or in this case, the agricultural sector. An aspect that contributes to these conflicts is that the soil is owned by other stakeholders than the subsoil. The responsibility to grant gold mining titles is placed on a national level.

5.2. The government

This section aims to elaborate on the second stakeholder that is related to the large-scale gold mining companies. In an interview with an expert on law applicable in the extractive industries, it was argued that the government is one of the principal stakeholders if one looks into the gold mining sector from the perspective of the large-scale gold mining companies.

⁶ Derived from an interview with a leader of a labor union that defend and strives to improve the rights of the small-scale miners

⁷ *“En Colombia si usted tiene una finca, es un campesino y tiene 50 hectáreas, 40 hectáreas, su finca, usted solamente es dueño de la parte de arriba, el subsuelo, la riqueza, lo que haya, ni importa si que no sea simplemente oro, puede ser petróleo, gas, lo que usted vaya a sacar de ahí, los dueños van a ser quienes estén pagando impuestos por el subsuelo. Al campesino le están cobrando una cantidad de impuestos y le están cobrando estos impuestos de catastro, valorización, todas estas cosas, generalmente ellos tienen que estar pagando por su finca, pero llegado el momento de tener alguna riqueza, los dueños de esas riquezas van a ser otras personas y eso duele, eso duele en el campesino y en el Colombiano, duele, ha dolido. [El nombre de la compañía de minería] compró esa parte, esos títulos y tiene en estos momentos esa posición que tiene la gente de la región con respeto a ellos.”* – Source: A partner of a gold mine in Segovia.

In the mineral industry, the Colombian government is represented by the Ministry of Mining and Energy (“MME”) and the Ministry of Environment (“ME”). These two ministries work side by side to regulate and monitor the mineral industries. The MME is the overarching ministry of the ANM in Colombia that as one of the main tasks has to grant mining titles. Part of the activities of the ANM is to execute studies in order to establish areas that shows potential in terms of mineral resources. These areas could then be offered as tenders in a later stage.

The environmental issues with regard to the mining titles are however placed under the ME. The ME monitors whether owners of mining titles comply with the applicable environmental requirements. The environmental license stipulates certain rules on the prevention of river and natural resource pollution. Together with an environmental plan, which are owners expected to submit with the ME, the environmental license is the basis for monitoring the owners of the mining titles. A professional at a governmental organization for the management and protection of the environment in Tolima explains that the ME has the ability to suspend any activity of the owners of mining titles if the ministry observes that they are not complying with the requirements. Environmental licenses are therefore not provided for a definite period of time, but can be removed at any moment of non-compliance.

Although these ministries are said to be present to regulate and monitor the provision of mining titles with gold reserves, does a geologist specialized in the extractive industries point out that the government is very irresponsible to allow gold exploitation on the current ‘unprecedented’ scale. The government is very much linked with the mineral industries and especially with the large-scale gold mining companies by providing these companies with the necessary means to exploit gold. This makes perfect sense as the large-scale gold mining companies have a key role in pursuing the interests of the government: developing the economy by developing the - amongst others – gold mining sector. The manifestation of the government within the mineral industries results in a relatively weak perception of the government by most respondents. The aforementioned respondent claims for instance that the industry can generally be characterized by the absence of the government.

In addition to the aforementioned geologist, an economist specialized in the theme of mineral industries in Colombia points out that a result of the vast assignment of mining titles with gold reserves to the large-scale gold mining companies inducts the linkage of the government with the private sector. In contrast with, for instance, health and educational services, in which the government is the sole and principal stakeholder, is the private sector an indispensable element for the exploitation of the minerals. That is to say that the large-scale gold mining companies provides the necessary capital required for the exploitation of the gold reserves. The government however ends up with less non-renewable resources

by each assignment of mining titles to large-scale gold mining companies. This result is an important feature in the exploitation of exhaustible resources, according to the referenced economist.

The much commented role of the government in the mineral industries is fueled if the bigger picture of it is considered. As briefly mentioned in section 5.1, the use of territory falls directly under the responsibility of the municipalities, that is to say the local authorities. Nevertheless, the use of the soil is regulated by the national government. A professional at a governmental organization for the management and protection of the environment in Tolima points out that this bifurcation is the reason for skepticism towards large-scale gold mining projects within the municipalities. The respondent argues that the capacity to decide on certain areas cannot simply be taken from the municipalities, just because these contain mineral reserves. It poses the question whether the government is the appropriate actor that assigns gold mining titles. Their involvement seems to result in a blurred picture that can contain 'mixed interests' in its caption.

This picture however meets with fierce criticism at the side of a number of interviewees. One respondent that invested in a medium-scale mine in Segovia suggests that the government should think of a strategy, in which Colombia can benefit more from the gold mining sector. The government should invest in the education of 'Colombian miner', rather than acquiesce in the current course of business, in which these companies take the gold overseas in return of a low taxes, such as royalties. This current course of business elicits the negative perception of the government with respect to the gold mining sector and contributes in the dubious flavor with respect to the relations between the government and the private sector.

The interests and relations of the government with the private sector in the gold mining sector can be explained by how the government financially benefits from the large-scale gold mining companies that exploit the natural resources within the border of the Colombian republic. Large-scale gold mining companies are obligated to pay the national government royalties, whereas interviews conducted in Atacó pointed out this is not the case for the SMA: SMA miners are not obligated to pay the government royalties. The national government can channel received royalties back into the mining companies to create public support for the presence in mining communities. Used as such, royalties can be used as a mechanism to monitor the domestic market of minerals. The system of royalties is however susceptible to misuse and corruption (see Box 1).

B O X I

Royalties as a mechanism to monitor the market of minerals?

A way to monitor the market of minerals by the state is to impose, of what Robbins et al. (2010) refer to as, 'green taxes'. As Figure 1 in chapter 2 showed, altering prices can force the private sector to use natural resources more efficiently by, for instance, innovations. The capital raised by the government through these green taxes can be employed to provide services to the private sector in order to develop the market. The royalties paid by large-scale gold mining companies in Colombia could be utilized as green taxes.

The reality in Colombia however shows that the system of royalties might not be the right way to keep track of the gold mining sector, as the system is subject to money laundering activities on a large scale. That is to say that statistics on the gold mining sector are not reliable. In the 2012 and the 2013 reports, the total gold exports were analyzed and contrasted with the amounts of royalties paid. These reports showed that a percentage of 20% of the gold exported did not coincide with the gold produced: the amount of produced gold was higher than the amount of gold that left the country. This difference can be explained by how produced gold is sometimes declared, while no gold was actually produced.

What happens is that certain people declare produced gold on a local level and pay the amount due on royalties to the mayor. In return, the mayor forwards the amount to the central administration, who returns it after one or two years. The exact amount that is returned to the mayor is 87% and during the payout of the aforementioned percentage, the mayor receives a high share that is utilized to enter into contracts for public works. Most of time, these public works are fictitious, which leaves the system extremely susceptible for money laundering. These money laundering practices result into the aforementioned unequal proportion: the amount of produced gold is greater than what truly was produced.

Utilizing royalties as means to launder illegal capital has a relatively low costs. In general, to launder illegal capital is expensive, but with the relative ease in the system of royalties, the costs to launder illegal capital can be reduced to 20 to 30 percent. This low costs make the system of royalties an extremely interesting business, as illegal capital could not be justified prior to the laundering process, but can be explained at the end of the process.

Source: Guillermo Rudas Lleras, Economist at the Externado University of Colombia

5.3. Regional autonomous corporations

Regional autonomous corporations are public organizations, whose prime interest is to protect the environment on a regional scale. Policies have an important place in the pursuit of their interests: regional autonomous corporations are responsible for the implementation of the policies that are devised by the ME. Law 99 of 1993 establishes the *raison d'être* of the regional autonomous corporations. Their role is however limited, as the policies are devised on a national level. In spite of a decentralized structure in Colombia, the capacity to make decisions with respect to large-scale gold mining projects falls directly under the scope of the ME. As such, the regional autonomous corporations are not involved within large-scale gold mining projects.

The relation of the regional autonomous corporations with the large-scale gold mining companies is limited to collecting environmental taxes that apply in the relevant region. Besides the periodically collection of taxes, large-scale gold mining companies are confronted with regional autonomous corporations if regional taxes remain unpaid. According to a professional at a governmental organization for the management and protection of the environment in Tolima, regional autonomous corporations distinguish two phases in terms of monitoring and sanctioning systems. The first phase has a persuasive nature, whereas the second phase is more coercive and involves subpoenas. Despite these presented procedures, it is most unlikely that a large-scale gold mining company maintains extensive relations with regional autonomous corporations.

5.4. Local authorities

Local authorities in Colombia are represented by mayors and municipal councils. The role of the local authorities is, similarly to the regional autonomous corporations, limited. This is carefully brought forward when the mayor of Cajamarca admits that local authorities do not have any competency or designated role with respect to large-scale gold mining projects. Large-scale gold mining projects are handled by the state, who is represented by the national government.

Logically, the local scale of the mayor and municipal councils entails that these authorities are more accountable to the local population than the national government. This becomes apparent when an expert on law applicable in the extractive industries claims that only organized protests and strikes on a national scale can force the government and their ministries to move and act. The proximity of the mayor and municipal council enables the local population to better track and trace their positions in debates. Local mayors and municipal council are therefore susceptible for comments and critiques. In Cajamarca, a farmer argues that the mayor has proved to be on the side of a large-scale gold mining company and

therefore in favor of the ‘La Colosa’ gold mining project. The mayor however claims the opposite: the local authorities have a neutral stance towards the project and more research on the possible benefits is desirable, before any claims can be made about the effects on a local scale. The critiques and comments from the community on the position of the local authorities can be traced to their low capacity to act. The mayor of Cajamarca explains that *“the position of the mayor is very difficult, as the mayor is [both] the representation of the people as well as the institutionalization, that is to say: the norms and rights that are permitted through the mining code and the national norms. The government provides the licenses to the large-scale gold mining companies in such a way that if the mayor objects nothing really happens.”*⁸ The local authorities are therefore caught in an impasse between the national government and the local population, whose interests - in the case of Cajamarca - differ.

This impasse makes it difficult for the local authorities to interfere in large-scale gold mining project in their municipalities. A leader of a labor union of informal miners in Segovia somewhat agitated explains that the local authorities are not dedicated to how large-scale gold mining project can contribute to social development within the municipality. Instead, the local authorities are more dedicated to pursuing other policies, such as the pavement of roads in certain neighborhoods. These critiques stress the incapacity of the local authorities and show that although the local authorities do not have the required capacity, they are to withstand extensive criticisms from the local population, whereas it would be much more appropriate to direct these criticisms towards the national government.

5.5. The small-scale and artisanal gold mining sector

The fourth stakeholder that relates to the role of the large-scale gold mining companies is the SMA. According to a NGO that strives for the interests of the SMA in the Antioquia department, the most adequate characterization of these miners are their high labor intensive activities and the low levels of remuneration. The same NGO argues that the majority of the work force in the mining sector is employed in the SMA sector and not in the large-scale gold mining sector. Albeit this vast majority, the former sector is only responsible for a small percentage of the total produced gold in Colombia.

SMA that utilize heavy machinery, which by law is forbidden, are referred to as illegal or informal miners. The government has however set up a program that aims to formalize these category of miners. Once formalized, this category of miners can contribute to the national economy with a legal and recognized status. To label the SMA as illegal destabilizes the power balance between this group and

⁸ *“El alcalde está en una posición muy difícil, primero porque es el representante del pueblo y segundo porque es el representante de la institucionalidad y la institucionalidad, es decir: las normas y el derecho, permiten a través del código de minas y las normas nacionales que ellos estén aquí, el gobierno nacional les ha dado la licencia, de tal suerte, que si el alcalde se opone, no pasa nada.”* – Source: The mayor of Cajamarca

other stakeholders. The aforementioned NGO however claims that the procedure to obtain a legal status is rather complicated; it is said that the procedure is complex and not practical for the informal miners.



Figure 16: A father and a son attempting to find gold from a creek in the mountains of Tolima. Source: Author.

Strikingly enough has the complexity and cumbersomeness in the formalization procedure also been brought forward by the leader of a local labor organization who defends the interests of the SMA in Atacó. In a conversation with the leader, it was said that there is a gap in knowledge on how to obtain formalization for the miners. The respondent that also works as a small-scale miner assesses *“that the government has discriminated us [the miners], why? Because the government have not paid attention, in order to determine the needs of the people and the communities. What are their needs? Send a commission to determine “what are your needs and what do you want?” [In Atacó], we would like to make a legal mining industry, we [the government] are going to provide you with the mining titles, we are going to provide you with the permission, so that you can do your work with responsibility”*.⁹

⁹ *“el gobierno nos tiene discriminados. ¿Por qué? Porque el gobierno no le ha puesto una atención, a mirar la necesidad del pueblo, de las comunidades, cuáles son sus necesidades, de venir, enviar una comisión, ¿cuáles son sus necesidades? ¿Qué quieren ustedes? Queremos que hagan una minería legal, vamos a cederles a ustedes los títulos mineros, vamos a cederle el permiso para que ustedes hagan su labor, su trabajo con responsabilidad.”* - A leader of a local labor organization who defends the interests of the SMA in Atacó

It seems however that the opposite happened in Atacó. In 2013, the national government visited Atacó, although in the shape of national police officers. The police officers confiscated the machinery of the SMA to prevent them from performing illegal mining. The NGO that strives for the interests of the miners in Antioquia reckons that the disadvantaged position of the SMA can be substantiated by the marginalizing laws in Colombia. Nonetheless, it is important to mention that the SMA sector also includes and is not limited to illegal or more appropriately described, informal miners.

The question that remains is how the SMA sector relates to the large-scale gold mining companies. A tripartite of linkages can be discerned to substantiate a relation between the SMA sector and the large-scale gold mining companies. First of all, SMA can have an employment record at a large-scale gold mining company. For instance, one of the respondents interviewed at a mine in Segovia had an employment record at one of the large-scale gold mining companies. Another aspect that postulates a relation between the SMA sector and its large-scale counterpart are the alliances between the two. Recently, extreme violence in the Segovia municipality has been converted to alliances in order to extract gold in a synergetic manner. The subsequent chapter elaborates on these alliances and their issues in more detail. Thirdly, the relation between the SMA sector and the large-scale gold mining companies take shape in how SMA occasionally use sites licensed to large-scale gold mining companies that have abandoned the region to exercise their practices. The NGO that strives for the interests of SMA indicates that an abandoned site of a Canadian large-scale mining company that left the department of Nariño in the seventies is now utilized by SMA to sustain their livelihoods.

5.6. Farmers

Farmers in the agricultural sector has unintentionally become the most examined sector when it comes to the establishment of large-scale gold mining projects in a certain region. Not entirely illogical, as areas with gold reserves are frequently situated in areas that are dedicated to agricultural activities. It cannot come as a surprise that when the statistics on the number of internally displaced persons are reviewed and show that Colombia tops the list globally (IDMC, 2014), as it is argued by a professor specialized in the extractive industries, most of these displaced individuals were farmers. It is therefore impossible to separate the agricultural sector from the gold mining sector.

As elaborated in chapter 4, Cajamarca can be characterized by its dependence on agriculture. Most concerns by the farmers with respect to the gold mining sector were therefore expressed in this municipality. In an interview, a geologist sustains that farmers generally are most worried about the

quality of the water and soil. Several farmers have expressed concerns with respect to the quality of their used water and soil. Chapter 7 elaborates on the concerns at the side of the farmers in more detail.



Figure 17: A farmer at work in the coffee fields nearby Cajamarca. Source: Author.

In spite of the evident relation between the agricultural sector and the gold mining sector, various claims can be discerned. In an interview with a professor with a specialization in the extractive industries, it was ventilated that both sectors cannot co-exist together. The professor argued that it was indisputable that agriculture tends to disappear where gold mining on a large scale emerges. A claim that denotes a different point of view is a statement that was brought forward by a gold mining company. In an interview with a professional that works for this company it was brought forward that *“the agricultural and the gold mining sector can make synergy and develop jointly, [developing] the two economic activities jointly”*.¹⁰ A joint development remains however to be seen, as the interests of the farmers and the large-scale gold mining companies differ. A farmer, who is also the president of the board of communal action in Cajamarca argues that the farmers rather would see that development is sought through an economic model that has a prominent place for the agricultural sector, instead of the gold mining sector.

¹⁰ *“la minería y la agricultura hagan sinergia y se desarrollen conjuntamente, las dos actividades económicas conjuntamente”*. – Source: A professional that works for a large-scale gold mining company

Despite these different claims, it is evident that the entrance of large-scale mining companies in areas where vegetables and fruits are cultivated have effects on the agricultural sector. That is to say at least, in terms of raised concerns by farmers.

5.7. Civil society

Civil society is a stakeholder that can be divided into two specific actors. First of all, non-governmental organizations (NGO's) can be discerned. There are various NGO's in Colombia that ought to prevent the environmental impacts caused by gold mining as well as those that strive to improve the rights of the SMA. The second group that can be discerned are labor unions, which are entrusted with defending the rights of SMA.

5.7.1. NGO's

The municipalities of Cajamarca and Segovia host a number of NGO's. These NGO's differ in terms of the themes. As a leader of a labor union that strives for the rights of the small-scale miners in Segovia argues: *“there only exists one labor union and NGO in Segovia, which were set up, but for the restoration of the good name of the small-scale gold mining sector, [caused] by the issue of the pursuit that a large-scale gold mining company and the government were doing to small-scale miners, but environmental organizations, no, we do not have.”*¹¹ The aforesaid is remarkable, as Segovia tops the lists of water contamination due the abundant usage of mercury and cyanide (see box 2 in chapter 7). In Cajamarca however, the principal NGO's are environmentally driven. The first NGO that informed the community about the consequences of gold mining was environmentally driven. In an effort to halt the operationalization of the gold mining project in Cajamarca, a couple of NGO's have reassembled in town to campaign against the project. Still, these NGO's seem to have a significant influence in the municipal discourse with respect to gold mining. Chapter 7 elaborates in more detail to how these NGO's occasionally disseminate claims that seem to be slightly exaggerated.

The perception of NGO's by various actors within the community strongly differs. As such, a large-scale gold mining company that intends to initiate a mining project in Cajamarca refers to the NGO's, which are present in the community, as 'radical'. It is argued that these opponents reject any intention of cooperation. In an interview, the aforementioned professional argues that the NGO's only

¹¹ *“en Segovia solamente existe el sindicato y una ONG, que conformaron pero para el restablecimiento del buen nombre de la pequeña minería, por el tema de la persecución que la [nombre de la compañía de minería] y el gobierno le estaba haciendo a los pequeños mineros, pero así como organizaciones ambientales, no, no tenemos.”* - A leader of a labor union that strives for the rights of the small-scale miners in Segovia

state that “they simply do not want a mining industry, [citing NGO’s:] “we do not want the mining industry”. That is their only discourse.”¹² However, these accusations seems to be reciprocal. The NGO’s claims that the large-scale gold mining company hired a NGO to provide the community with positive reports on gold mining, which would - in turn - pave the way for the operationalization of their gold mining project. The strategy of the NGO’s is to prevent the operationalization of the gold mining project by pushing the environmental impacts of the gold mining project forward.¹³ The aforementioned shows that the existing relations between NGO’s and large-scale gold mining companies are sensible.

5.7.2. Labor unions

In recent years, security conditions of labor union members moved to the center of attention in a number of Colombian media sources. In 2010, Semana (2014) reported that Colombia is about to be declared as the world most dangerous country for labor union movements. There are numerous labor unions that strive to defend and improve the rights of small-scale miners in Colombia. Labor unions are despised by large-scale mining companies, as is revealed by a leader of a labor union that strives to defend and improve the rights of small-scale miners in Segovia. Their dislike towards the labor unions is exposed when the leader of the labor union argues that “*The two large-scale gold mining companies do not allow their employees to have a labor union.*”¹⁴

The fierce dislike of the large-scale mining companies can be explained by the role that the labor unions have in shutdowns and strikes. Labor unions initiate these movements to show that there is an uneven activity that does not favor the people, but diminishes the quality of life. Movements such as shutdowns and strikers are however specified as legal means in the Universal Declaration for Human Rights as well as the national constitution. The leader of the labor union that previously was cited in this sub-section wonders why large-scale gold mining companies maintain the fierce dislike towards labor unions. The leader asks “*what future are we going to give to our future generations, what education, what schools, what aqueducts [and] what environment do we leave to them? [But because we raise these issues], we are bad*”¹⁵ As the leader of the labor union reveals are the relations between the large-scale gold mining companies and the labor unions rather tense. There are speculations that this tense situation

¹² “no ellos simplemente no queremos minería, no queremos minería, es solo el discurso de ellos.” - Source: A professional of a gold mining company in Cajamarca

¹³ Derived from an interview with the head of a local NGO that opposes the continuance of the ‘La Colosa’ gold mining project, March 23, 2014.

¹⁴ “[nombres de la compañías de minería], no le permiten a los trabajadores tener sindicato.” - Source: A leader of a labor unión in Segovia

¹⁵ “qué futuro le vamos a dar a nuestras futuras generaciones, que educación, que escuela, que acueductos, que ambiente le vamos a dejar a ellos, entonces por eso somos los malos.” - Source: A leader of a labor unión in Segovia

has moved the large-scale gold mining companies to hire guerrilla and paramilitary groups for the assassination of labor unions' leaders. Though such speculations are difficult to substantiate, it is evident that the security conditions of labor union members are very poor. For instance, in the interview with the leader of the labor union it was stated that labor union leaders cannot have a permanent place to sleep due to the ongoing threats.



Figure 18: Miners at work in a mine of a large-scale mining company in Segovia. Source: Author.

Although NGO's and labor unions are two different actors in civil society, an overlap between the activities of the two can be discerned. In the past, NGO's have provided their support to the labor unions. Several NGO's even expressed their solidarity to the cause of the labor unions by marching side by side in demonstrations. Although NGO's and labor unions are two separate actors within civil society, a mutual enforcement of each other can be observed.

5.8. Church

A stakeholder that is easily overlooked and yet is relevant in the stakeholder analysis from the large-scale companies' perspective, is the church. Although this stakeholder was not profoundly taken into account

when interviewing respondents, the role of the church regarding the presence of large-scale gold mining companies explicitly, or rather painfully, was brought forward. In Cajamarca, the leader of an organization that resists the operationalization of the ‘La Colosa’ mining project by a large-scale gold mining company, argued that the role of the church is doubtful. The aforementioned respondent argued that “*the church is kneeling for the company*”¹⁶. That is to say that the church is at the side of the gold mining company. The claim is further substantiated when this respondent claims that a local festival for peasants called ‘San Isidro’, which is initiated by the church, gradually is disappearing. The interviewee claims that the reason for its gradual disappearance has to be sought at the gold mining company; the festival would antagonize the gold mining project. The church is therefore a stakeholder, which has a more limited role than for instance, the national government.

5.9. Guerrilla and paramilitary groups

The last stakeholder could be discerned in relation to the large-scale gold mining companies are the guerrilla and paramilitary groups. An expert on the economic aspects of the mining industry in Colombia argues that “*the guerilla and paramilitary groups have invaded the business of gold with informal enterprises or with relations with formal enterprises, which are being investigated by different organs of the state and yet have not produced many results. What undeniably can be argued is however that there is a higher level of criminality in gold production, which does not exist in the coal production*”.¹⁷

Although it cannot be substantiated that large-scale gold mining companies have relations with guerrilla and paramilitary groups, as it would be a complicated process to establish such a relation, the involvement of guerrilla and paramilitary groups within the industry cannot be denied. A professor affiliated with the Universidad de Nacional in Medellín claims that a number of events occurred, in which guerrilla and paramilitary groups intimidated local farmers to force them to sell their territory. Oftentimes these territories are abundant in gold, which makes the exploitation of those areas lucrative. Nonetheless, the relations between the large-scale gold mining companies and the guerrilla and paramilitary groups remains rather vague and hard to substantiate.

¹⁶ “*No, la iglesia acá en Cajamarca está que arrodillada a la empresa.*” - Source: The leader of an organization that resists the operationalization of a mining project in Cajamarca

¹⁷ “*Los mismos grupos guerrilleros y grupos paramilitares, incursionan (invade) en el negocio el oro con empresas informales o con relaciones con empresas formales, que están siendo investigadas por los distintos órganos del estado, con muy pocos resultados todavía. Pero si hay indudablemente un alto nivel de criminalidad en la producción de oro que no existe en la producción de carbón.*” – Source: An expert on the economic aspects of the mining industry in Colombia

To conclude this chapter, Table 2 elaborates on this chapter’s findings. The first column sets forth the various stakeholders in the Colombian gold mining sector. The second column indicates the level of involvement in the sector (indicated as a low, medium or high level). The level of involvement can be derived from what was mentioned in the sections of this chapter. The third column elaborates on the stakeholders in relation to the large-scale gold mining companies.

stakeholder	level of involvement in the sector	role of the stakeholder in relation to the stakeholder of the gold mining companies
the government	medium	<ul style="list-style-type: none"> • provision of mining titles and environmental licenses • monitor compliance of owner of mining titles and environmental licenses • collection of taxes
regional autonomous corporations	low	<ul style="list-style-type: none"> • collection of periodical regional taxes
local authorities	medium	<ul style="list-style-type: none"> • limited capacity to deal with large-scale gold mining projects
SMA sector	high	<ul style="list-style-type: none"> • employment record of SMA at large-scale mining companies • alliances between the SMA sector and large-scale gold mining companies • usage of abandoned sites of mining companies by the SMA
farmers	high	<ul style="list-style-type: none"> • use the soil above subsoil that has been licensed to mining companies as a mean to sustain their livelihoods
civil society	high	<ul style="list-style-type: none"> • NGO’s that function as watchdog to the activities of the mining company • labor unions that attempt to defend and improve the rights of the miners employed with the mining company
the church	medium	<ul style="list-style-type: none"> • would be causing the disappearance of local festivals
guerrilla and paramilitary groups	<i>difficult to quantify</i>	<ul style="list-style-type: none"> • unsubstantiated relations with mining companies

Table 2: A summary of this chapter's findings.



6. COMMUNITY RESPONSES

The objective of this chapter is to answer the sub-question what responses were triggered by the presence of large-scale mining companies in hosting communities. For this purpose, it builds upon the stakeholder analysis that was presented in chapter 5. The stakeholder analysis enables the evaluation of the responses from the communities that are subject to this research. These communities may contain a number of stakeholders, which have been described in the previous chapter.

6.1. Two categories of responses

The presence of large-scale gold mining companies has aroused a variety of responses within the hosting communities that were visited to execute this research. The researcher however decided to place these responses under the umbrella of two broader categories of responses:

- 1) conformation to a transformation that is taken place;
- 2) resistance of a transformation to take place.

These responses can both be discerned in the communities of Cajamarca and Segovia. As the community of Atacó does not hosts large-scale gold mining projects and there is no treat of large-scale gold mining project, the aforementioned responses were not observed in this community.

As argued in chapter 2, political ecology assumes that alterations in environmental conditions have effects on the economic, political and socio-economic status quo. It is indisputable that the alterations in environmental conditions also sets in motion a number of responses within the hosting communities. More specifically, it was observed that the communities of Cajamarca and Segovia either conform to or resist the transformation brought by the presence of the large-scale gold mining companies. Although it was chosen to make a dichotomy of the responses in hosting communities, can certain types of responses have an overlap with each other. For example, as is elaborated in this chapter, a referendum can either be used to conform and resist. Voting in favor of a mining project is captured under conformation, whereas voting against the a mining project would be a form of resistance. The dichotomy in the responses merely structures the findings of this research.

An important note that should be made here is that the aforementioned responses are related to the path dependencies of these communities. An interview with a respondent that invested in a medium-scale mine in Segovia reveals what impacts decisions made in the past can have on a contemporary situation. The partner of the medium-scale mine in Segovia argues that *“it was in 2007, 2006, during the government of Álvaro Uribe Vélez, when the total area of gold mining in Segovia was partly owned by Frontino Gold Mines. I think this part is very specific, but after a certain period of time, the government took the decision that the mining industry is the cultural heritage of the people of the region, the people of Segovia. The part of Frontino Gold Mines was sold to a large-scale gold mining company, while there was an agreement with the miners of Segovia that provided otherwise. The only that they have done was reimburse and sack many workers. Some of these workers however did not want to receive a pension or a monetary settlement, instead they requested the government, they demanded that the mining area could not be sold, but should be distributed among the people, as it was already a cultural heritage of them. I understood that the mining industry in Segovia goes back for more than hundred years, sustaining and working in the mining industry. The government simply neglected it and supplied it to a large-scale gold mining company. A large-scale gold mining company later made contracts with Zandor Capital and gold mining associations to execute this type of mining, which I have been saying. The miner lost a direct income from the mining industry and traded it for income from employment or income as third or fourth parties. What they now receive is however way less. So there is a combat now.”*¹⁸ Although this respondent elaborates on the situation in Segovia is the difference with the statements found in Cajamarca not big. The explanation of the respondent with a stake in a gold mine in Segovia shows that decisions, which were made in the past under certain circumstances by the stakeholders of the gold mining sector therefore determine the current course of events within communities.

¹⁸ *“Creo que fue en el 2007,2006, en el gobierno de Álvaro Uribe Vélez, donde siendo toda la zona minera de Segovia, parte propiedad de La Frontino Gold, es muy concreto, esa parte creo, había un acuerdo con los mineros de Segovia, se lo estaban tomados después de tanto tiempo en la minería como patrimonio cultural de las personas de la región, de las personas de Segovia, esa parte se vendió a la [nombre de la compañía de minería] y lo único que buscaron fue indemnizar y sacar muchos trabajadores, algunos de esos trabajadores no quisieron ni recibir una pensión, ni una liquidación monetaria, sino que demandaron al gobierno, exigiéndole que esa zona minera, no la podía vender, sino entregársela a la gente de la región, a la gente del pueblo, entregársela a la gente del pueblo porque era ya patrimonio cultural de ellos, tengo entendido que en Segovia llevan más de 100 años, sosteniéndose y trabajando la minería, el gobierno simplemente omiso y envió a la [nombre de la compañía de minería], luego ya la [nombre de la compañía de minería] hizo contratos con Zandor Capital, varias sociedades mineras, para hacer este tipo de explotación, que es lo que te he venido diciendo. El minero ya, perdió un ingreso directo de la minería, para trabajar a sueldos o tener unos ingresos ya como terceros, como cuartos, ya es más poco lo que recibe. Actualmente hay una pelea.”* – Source: A respondent that invested in a medium-scale mine in Segovia

6.2. Response 1: Conformation

The first response that can be observed within the communities is confirmation to a transformation that is taken place. This transformation is caused by the presence of large-scale gold mining companies. In Cajamarca, confirmation to a transformation takes shape in voting in favor of the ‘La Colosa’ gold mining project in the local referendum (‘consulta popular’). In Segovia, confirmation to a transformation is expressed by the collaboration of small-scale miners with large-scale gold mining companies.

6.2.1. Consulta popular

The constitution of the Colombian Republic enables Colombian civilians to hold a ‘consulta popular’¹⁹, or better said: a referendum, about an aspect that has a vital importance. In September 2014, a consulta popular with respect to the ‘La Colosa’ mining project in Cajamarca is planned to be held in Espinal, a municipality in Tolima. Interviews and informal conversations with people in Cajamarca reveal that the planned consulta popular have elicited debates and discussions within the community.

The hopes on a certain outcome, that is to say a result that would suspend the mining project, are high among certain stakeholders, such as NGO’s and farmers. An example that extensively has been used to pile up these hopes of these NGO’s and farmers, is a consulta popular that was held in Piedras, which also is located in Tolima. The result of this consulta popular was the partly suspension of the ‘La Colosa’ gold mining project in this area. Part of the aforementioned project would have been established in Piedras. Although NGO’s and farmers use the case study of Piedras to pile their hopes up for a collective ‘no’ against the mining project, the large-scale gold mining company present in Cajamarca does indicate that the case of Piedras should not provide any straws in the wind. An employee of the company indicates that the consulta popular in Piedras never happened in accordance with the laws. This respondent claims that *“The state raised their hand and said: you cannot do this, as you do not decide on the mining industry, I [the state] decide, as the activity in the mining industry is an activity of general interests, local activities are subordinated on these activities, thus the mayor and the councils, the authorities that made the referendum in Piedras, are being investigated today, as they violated the law in one way or another. That is why there will not be a referendum here”*.²⁰ What becomes apparent is that there are differences in beliefs and ideas with respect to the consulta popular. On one side there are the

¹⁹ Derived from an interview with the leader of local NGO in Cajamarca, March 23, 2014.

²⁰ *“el estado alza la mano y dijo: no pueden hacer eso, porque sobre minería no mandan ustedes, mando yo, porque la actividad minera es una actividad de interés general, que prima sobre las actividades locales, entonces el alcalde y los concejales, las autoridades que hicieron esa consulta en Piedras, hoy por hoy, están siendo investigados, porque violaron de una u otra manera la ley, entonces por eso no se va a hacer ninguna otra consulta acá.”* - Source: An employee of a large-scale gold mining company

NGO's and the farmers that have embraced the consulta popular as a glimmer of hope for the abandonment of the gold mining project. One farmer²¹ even claims that 90% of the population in Cajamarca will vote against the operationalization of the gold mining project. Further to this statement, does another farmer, who is also the president of the board of communal action in a neighborhood in Cajamarca, state that in case less than 50% of the population in Cajamarca is against the continuance of the gold mining project, a referendum would never be held. The sentiment in the town is however constantly measured by means of surveys, which are currently in favor of a referendum in Cajamarca. On the other side, the large-scale gold mining company appears rather skeptical on the consulta popular. This side does not see the referendum as a mean to enforce discontinuance of the project.

In contrast with the large-scale gold mining company, the mayor of Cajamarca has a much more neutral view on the consulta popular. In an interview with the mayor, it is however argued that the people should base their votes on their own acquired knowledge instead of using the referendum to further their own interests. It shows the distribution and acceptance of knowledge with respect to the consulta popular are important themes within the community. The subsequent chapter elaborates on the distribution and acceptance of knowledge within the communities subject to research in more detail.

In spite of the diverging opinions with respect to the execution and the outcome of the consulta popular, a vote in favor for the 'La Colosa' gold mining project is equal to the confirmation to a transformation that is taken place. With a positive vote, people adopt the transformation within the community.

6.2.2. *Collaboration of small-scale miners with large-scale gold mining companies*

The collaboration of the small-scale miners with large-scale gold mining companies is another example of how communities can conform to a transformation that is taken place. In Segovia, large-scale gold mining companies entered into contracts with small-scale gold mining associations for the exploitation of gold on subsoil areas that have been licensed to these companies. These contracts stipulate that the large-scale gold mining companies allow the small-scale gold mining associations to exploit a specific number of hectares, which has been licensed to the mining company, against a certain percentage. In an interview with a foreman of a mine, it was indicated that "30 percent of the profit is for the account of the mining company".²² Collaborations of this kind are relatively new, as one of the respondents²³ indicates that relations between the two sides historically have been characterized by violence.

²¹ Farmer Edwin Vargas, March 25, 2014.

²² "El 30% para la [nombre de la compañía de minería]" - Source: A foreman of a mining association in Segovia

²³ Head of a local mining association subcontracted by a large-scale gold mining company in Segovia.

The collaborations between large-scale gold mining companies and small-scale miners induced that procedures with respect to safety regulations improved. Large-scale gold mining companies conduct regular visits to the mine to inspect the ventilation systems in the mine as well as the mine itself for preventing it to collapse. These inspections are important improvements, as two gold mines have collapsed in Colombia earlier this year (La Voz, 2014), leaving seven miners killed . Besides inspections by the mining company, these companies also provide technical knowledge and pay social security contributions to the subcontracted mining associations.

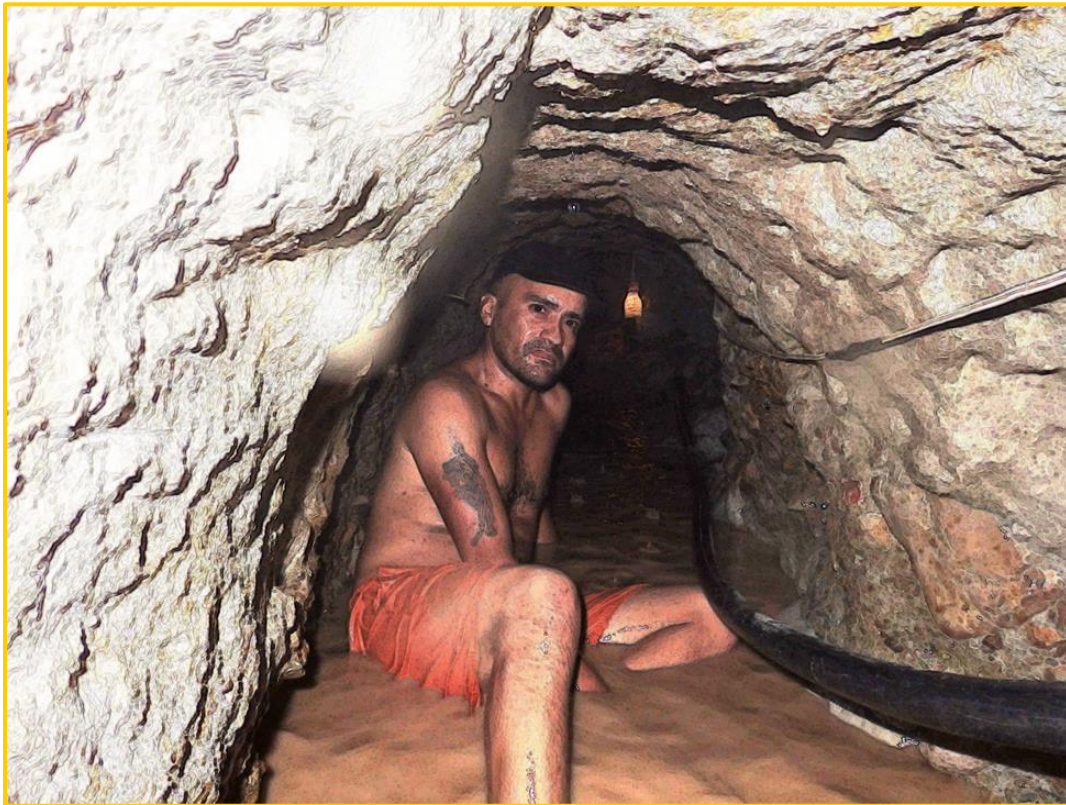


Figure 19: Safety oftentimes is a problem in gold mines. Collaborations with the large-scale gold mining companies however improved the safety within the gold mines significantly. Source, Author, 2014.

The collaborations have however not only induced positive developments to the small-scale gold miners. Two respondents²⁴ indicate that miners, which work for a gold mining association, subcontracted by a large-scale gold mining company, are not allowed to join labor unions. It is also argued that the gold mining companies safeguard themselves from labor responsibilities with respect to the miners that work in their mines by subcontracting gold mining associations. These responsibilities would be carried by the

²⁴ Leader of a labor union that defend and strives to improve the rights of the small-scale miners and a head of a local mining association contracted by a large-scale gold mining company in Segovia.

gold mining associations. The large-scale gold mining companies would therefore only be responsible for receiving their part of the agreed profit-share agreements (see box 3).²⁵

A number of negative comments can also be discerned with respect to the somewhat rigid attitude of the large-scale gold mining company. The head of a local mining association contracted by a large-scale gold mining company in Segovia claims that large-scale gold mining companies leave mining associations no choice but to accept the terms presented by the gold mining company. In case mining associations disagree with the terms presented, other gold mining associations are contacted by the large-scale gold mining companies. This attitude results into a widespread discontent by the members of these associations. The aforementioned respondent argues that *“there is a discontent with the gold mining company as the contracts are made in such a way that they serve the purpose of the gold mining company, always violating the rights of the contractors. In every meeting we have been asking them, but they don’t accept anything.”*²⁶ It are these terms that are referred to as ‘terrible’ by a NGO that strives for the interests of the SMA in the Antioquia region.²⁷ It is also been argued that these terms induce the migration of miners, in search for better remunerations.²⁸

In spite of these discerned critiques are collaborations between large-scale gold mining companies and small-scale gold mining associations ways to conform transformation induced by the entrance of the large-scale gold mining companies.

6.3. Response 2: Resistance

The second response that can be discerned within communities is resistance to prevent that a certain transformation, induced by the large-scale gold mining companies, will take place. In Cajamarca, resistance can take shape by voting against the continuance of the ‘La Colosa’ project in the upcoming ‘consulta popular’. As the concept of the ‘consulta popular’ already was presented in section 6.2., does this section not further elaborate on the aforementioned theme. Besides the ‘consulta popular’ are communities resisting transformations by acting collectively. This section therefore only elaborates on the various forms of collective action.

²⁵ Partner of a medium-scale gold mine in Segovia.

²⁶ *“todos descontentos con [nombre de la compañía de minería] porque los contratos los hace amañadamente, a gusto de [el nombre de la compañía de minería], siempre pues violando muchos derechos de los contratistas y en varias reuniones se les ha dicho a ellos lo mismo, pero ellos no aceptan nada.”* - Source: A foreman of a mining association in Segovia

²⁷ Derived from an interview with a NGO that strives for the interests of the SMA in the Antioquia region, 16 April 2014.

²⁸ Head of a local mining association contracted by a large-scale gold mining company in Segovia.

Collective action in communities can take shape in several shapes; protest marches, strikes that are led by labor unions, organized meetings by NGO's, student movements and local musicians that are involved in the theme of resistance.



Figure 20: A flyer that calls for a grand march against the 'La Colosa' gold mining project in Cajamarca. Source: Author.

Protest marches are frequently used forms of collective action in Cajamarca. The latest march against the continuance of the 'La Colosa' gold mining project took place in June (see Figure 20). In an interview with a local environmental organization, it is indicated that with every protest march, the number of participants grows. The first march "counted 400 farmers, in the second march 700 farmers participated and in the other march there were 200.000. [In this march,] people were accompanied with people from universities. The theme of this protest march, the death of César Garcia Cesar²⁹, united us in a very strong way. His death converted into a symbol of resistance here in Cajamarca."³⁰

The mayor of Cajamarca claims that the protest marches in Cajamarca are well attended by outsiders, such as people from Ibagué, which is the capital of the department of Tolima, indigenous people and people who have affinity with the theme of defending the environment and water resources. The involvement of these outsiders are not always appreciated by the involved stakeholders. In an interview with the leader of the aforementioned local NGO, it is claimed that support from outside could work counterproductive. References are made to a number of international NGO's that participate in protest

²⁹ César Garcia Cesar was the president of the board of communal action in the neighborhood of Cajón La Leona in Cajamarca. He was assassinated on November 2, 2013 when he was returning to his farm with his son.

³⁰ "...salieron 400, la segunda marcha salieron 700, en la otra marcha salimos mil 200, gente acompañados de la universidad personas el tema es algo que nos reúne muy fuerte fue la muerte de César García Cesar se convirtió como en ese símbolo de resistencia aquí en Cajamarca" - Source: The leader of a local NGO that strives against the continuance of a large-scale mining project in Cajamarca

marches, whilst these NGO's receive financial support from multinational mining companies. A farmer and the president of the board of communal action in a neighborhood of Cajamarca even states that the large-scale gold mining company would have establish alliances with a NGO, called APROMINCO, to better enforce continuance of their gold mining project in the town.

The protest marches in Cajamarca are not well received by the large-scale gold mining company that is responsible for the establishment of the 'La Colosa' mining project. The gold mining company respects the protest marches within the community, as this expression is permitted by law but simultaneously the company indicates that these marches are detrimental for the mining company. The marches are detrimental, as the mining company have invested a significant amount of resources to inform the residents of Cajamarca about the benefits of their envisaged gold mining project. In an interview with an employee of the gold mining company, it is argued that *"we [the large-scale gold mining company] want the people to believe in us, believe in what we do, to see in what we invest, so that in spite of what is said or seen in the marches, they have the believe that we are a very good company indeed. But the marches harm our work, it is clear, they polarize [the people] more."*³¹ It can therefore be said that the effects of the protest marches are felt at the side of the large-scale gold mining company. This makes the protest marches a fairly strong mean to resist.

The effects of protest marches become strikingly apparent in Segovia. Although these protest marches are more inclined to take shape in strikes led by the labor unions, their nature does not differ much from the protest marches against the gold mining project in Cajamarca; the strikes are organized against the large-scale gold mining companies. In 2009, small-scale miners in Segovia faced the police in a protest, as these miners did not approve the way, in which the government sold subsoil rights of the region to the large-scale gold mining companies. A foreman of a mining association, subcontracted by a large-scale gold mining company, described in an interview that the miners were throwing dynamite, used in the gold mines, to the riot police. The foreman argues that these protest marches, that were accompanied with strikes, led to a different system: *"after that point in the conflict, the large-scale gold mining company took the management of the company that formerly was used and started with a different system of work, directly under the control of the large-scale gold mining company. From here till there, many things have changed here since the system of work is different. The remunerations have*

³¹ *"...queremos que la gente crea en nosotros, crea, vea lo que hacemos, vea en lo que invertimos, de tal manera que independientemente de lo que digan o lo que vean en las marchas, tengan como la convicción de que realmente somos muy buena empresa, pero si las marchas perjudican nuestro trabajo, claro, polarizan más."* Source: An employee of the large-scale gold mining company in Cajamarca.

*improved, terms of contract are [better] defined, [these protest marches] have changed a lot.*³² Labor unions in Segovia have an important place in organizing these protest marches³³. But, as large-scale gold mining companies do not allow mining associations to have a labor union, this group is generally excluded from these protest marches.

Besides protest marches and strikes that are led by the trade unions are organized meetings, student movements and musicians that are involved in the theme are other means to resist against transformations induced by the large-scale gold mining companies.

In interviews with NGO's and farmers that are involved in movements against the continuance of the 'La Colosa' gold mining project, it appears that these NGO's and individuals are involved in organizing meetings to inform their fellow residents in Cajamarca about the gold mining project. These gatherings are oftentimes organized in workplaces where videos and documentaries are shown.³⁴ In the same interview, the president claims that there are a number of student movements that are committed to the theme of resisting the 'La Colosa' gold mining project. The universities of Tolima and Quindío are specifically mentioned for hosting these student movements.

*"I am from Tolima, from the snow I launched my voice,
rumble a chorus for your mountains and for your flat earth,
that we want life in this earth,
that no-one can sell the mountains,
that for the fortune of our sons and daughters,
everyone in Tolima... firmly advances!"*

Jorge Humberto Jiménez

Figure 21: Text from a song of the musician Jorge Humberto Jiménez.

³² *"Después de ahí para acá de ese conflicto, [el nombre de la compañía de minería] cogió ya la administración de esta empresa y empezó un sistema de trabajo diferente, bajo la dirección de [el nombre de la compañía de minería], de ahí para acá, ha habido muchos cambios acá, ya el sistema de trabajo es diferente, los sueldos son diferentes, ya los contratos son a término definido, ha cambiado mucho."* - Source: A foreman of a mining association, subcontracted by a large-scale gold mining company in Segovia

³³ Interview with the president of the labor union that strives for the defense and improvement of the rights of the small-scale miners, April 4, 2014.

³⁴ Derived from an interview with the president of a board of communal action in a particular neighborhood within Cajamarca.

Finally, it is argued that musicians also collaborate with respect to the resistance of ‘La Colosa’ gold mining project. A national recognized musician that is involved in the aforementioned theme is Jorge Humberto Jiménez (see Figure 21). Local musicians, for instance the local band called ‘Alma Negra’ are also involved in the theme of resisting of what would be the largest operating gold mining site in Latin America. There is no doubt that songs by these musicians have an effect of the sentiment within communities.

To end this chapter, there are types of responses that have been categorized as i.) confirmation or ii.) resistance. These categories are not ‘tight’: a certain overlap between the two is possible. The next chapter elaborates on the drivers of these responses in more detail.



7. DRIVERS OF RESPONSES

Chapter 6 distinguished the various responses that were discerned in the communities that were subject to this research. The two responses from the community, confirmation and resistance, do not emerge from nothing. This chapter therefore aims to shed light by setting forth the different drivers that explain the aforementioned responses. The drivers that can be derived from the collected data can be classified as follows:

- i. development expectations from the community;
- ii. knowledge within the community;
- iii. fears on the preservation of the existing ways of living within the community;
- iv. perception of an unequal power balance by the community;
- v. engagement of the community in decision-making.

7.1. Development expectations from the community

The first driver that seem to induce the responses that are described in chapter 6, are the expectations of the community with respect to development issues. A rather gloomy picture is painted with respect to development expectations by several respondents that have been interviewed.

The leader of a labor union that defends and strives for the improvement of miners' rights in the region of Segovia agitatedly sets forth how the large-scale gold mining companies were supposed to contribute to local development: *“they [the companies] are organizing absolutely nothing, nothing, nothing, they do not bring development. When they entered there, they committed that they would bring investment to the mayors of Segovia and Remedios, but it has been two years in Segovia and if you ask one of the mayors of the municipals that are close to the mine: “what are investments have the two large-scale gold mining companies left in the municipals”, they are going to tell you nothing for sure. They have left nothing. They have not invested one dime, they have not applied any social or business responsibility, not with the employees, nor with the people, nor with anyone. They are only and exclusively looting, [what they are doing] is looting the natural wealth here. There is no investment*

whatsoever”.³⁵ The statement of labor union leader unravel how certain improvements in development were expected by the promises of the gold mining companies that were made to the local authorities. The statement that gold mining companies have not brought any development at the time of this research is strengthened by a foreman of a local gold mining association that is subcontract by one of the large-scale gold mining companies present in Segovia. The foreman argues that there is currently very low economic development that have resulted into an economic crisis in Segovia. The foreman states that there are several crises within Segovia; with the people, the large-scale gold mining companies and with the exploitation.³⁶



Figure 22: A site for the exploitation of gold from a large-scale gold mining company. Source: Author, 2014.

³⁵ “Ellos no han organizado absolutamente nada, nada, nada, no tienen desarrollo, cuando ellos entraron allá, se comprometieron con los alcaldes de Segovia y Remedios de que iban a traer inversión, hace dos años están en Segovia y si usted le pregunta a uno de los alcaldes de Segovia o Remedios, que son los municipios que quedan ahí cerca a esa mina ¿Qué inversión le ha dejado [nombres de las compañías mineras que explota oro en una escala grande] a los municipios? Seguro que van a decir que nada, no han dejado nada. No han invertido un solo peso, no aplican la responsabilidad social y empresarial, ni con los trabajadores, ni con el pueblo, ni con nadie, ellos están única y exclusivamente saqueando, ellos están saqueando esas riquezas que hay allá, porque no están dando ninguna inversión.” - Source: The leader of a labor union that defends and strives for the improvement of miners’ rights in the region of Segovia

³⁶ Interview with the foreman of a gold mining association that is subcontracted by a large-scale mining company in Segovia, April 7, 2014.

Having expectations on local development is one, but being explicit in what is expected by the large-scale gold mining companies is another. The leader of a labor union that already cited in this section sets forth in what aspects the large-scale gold mining company was expected to contribute to development. The leader of the trade union argues that *“it is illogical that a [gold mining] multinational comes to your region, exploits your natural wealth and does not revert anything from this wealth to benefit this community. It is illogical, but it is happening here in the sad case of Segovia. The two multinational companies are not reverting anything in terms of social investment, nor education, nor health, nor development, nor prosperity, nor roads, nor aqueducts and nor sewage systems, [the are reverting] nothing.”*³⁷ Through this statement of the leader of the labor union in Segovia, it becomes apparent that the large-scale gold mining companies were expected to invest in social investment, such as education, health, roads, aqueducts and sewage systems for the spread of prosperity. In a letter from one of the gold mining companies that has operational gold mines in Segovia, it is said that the company however acts as an agent of social development (see Appendix I). The aforementioned leader of the labor union in Segovia questions what will be left in Colombia if large-scale gold mining companies do not revert anything of their benefits to the community. Gold, as a non-renewable resource, is looted from Colombia, without any return for the community. Not the large-scale gold mining companies are the only ones to blame however. The leader of the labor union in Segovia also criticizes stakeholders, such as the local authorities and the administration of the municipality, who ceased to develop the area.³⁸

In Cajamarca, where a gold mine of a large-scale gold mining company is not operational yet, the large-scale gold mining company admits that it is at times complicated to cope with the expectations of the community. In an interview with this company it is brought forward that *“the community starts to see it [the gold mining company] as the state and not as a private company, then the community starts [towards the gold mining company]: “help me with the education, help me with the health, help me on this. This is the most difficult part.”*³⁹ The large-scale gold mining company present in Cajamarca claims that this envisaged role within the community is induced by the absence of the state. The state that is

³⁷ *“Es ilógico que a su tierra venga una multinacional a explotar “sus” riquezas y no revierta algo de esas riquezas en beneficio para esa comunidad, es ilógico, pero está sucediendo, Segovia es un caso muy patético, Zandor Capital y [el nombre de la compañía de minería] no están reinvertiendo nada en inversión social, ni en educación, ni en salud, ni en desarrollo, ni en prosperidad, ni en vías, ni en acueductos, ni en alcantarillados, ni en nada.”* - Source: The leader of a labor union that defends and strives for the improvement of miners’ rights in the region of Segovia

³⁸ Interview leader of a labor union that defends and strives for the improvement of the rights of miners in Segovia, April 4, 2014.

³⁹ *“Que la comunidad comience a verlo a uno como estado y no como empresa privada, entonces ya comienza la comunidad: ayúdeme en educación, ayúdeme en salud, ayúdeme en esto, eso es lo más difícil.”* - Source: An employee of the large-scale gold mining company in Cajamarca

represented by the governments has a number of programs in health, education, housing, aqueducts and other basic issues. But as these programs are inadequate, the population of the community reverts their attention in terms of expectations to the large-scale gold mining company. The large-scale gold mining company therefore assists the government in the expansion of these programs. Simultaneously however, as it is indicated by the gold mining company that the maneuvering room of a private company is limited.⁴⁰

As a conclusion of this section it can be established that expectations in terms of development range from investments from the gold mining companies in local education, health, housing, roads, aqueducts and sewage systems in order to distribute prosperity between each stakeholder in the community. At times, expectations from the community are however piled up too high. It is argued that gold mining companies cannot cope well with these high expectations, as their role is limited.

7.2. Knowledge within the community

Knowledge-sharing within the community is the second driver that induces responses that have been described earlier in this thesis. In an interview with a renowned geologist, it is argued that there is a general lack of knowledge in the mining industry, which - besides gold - includes coal and petroleum.⁴¹ The lack of knowledge on a national scale trickles down to the communities, where gold mining projects are initiated.

The mayor of Cajamarca affirms this lack of knowledge when it is argued that the residents of the town do not know how what effects the gold mining project of a large-scale gold mining company will bring. The residents of Cajamarca, which are principally involved in agriculture, do not have the education to assess how the gold mining project can serve or impact their activities. It is unclear what the gold mining project can bring for the future. This hazy situation sets a battle in motion between environmentalists and developmentalists. There where the developmentalists argue that the gold mining project will contribute to local development and that the effects of mining are compensable, claim the environmentalists the opposite. This continuous battle of claims and antagonisms makes it complicated for the residents to take a position with respect to the gold mining project. It therefore cannot be substantiated whether the mining industry is a blessing or a curse for Cajamarca.⁴²

⁴⁰ Derived from an interview with the large-scale gold mining company present in Cajamarca, April 29, 2014.

⁴¹ Derived from an interview with Julio Fierro Morales, February 28, 2014.

⁴² Derived from an interview with the mayor of Cajamarca, March 27, 2014.

The claims of the environmentalists, which take shape in the form of activists affiliated with local NGO's, can count on the rather skeptical attitude of the large-scale gold mining company in the community. In an interview, an employee of the gold mining company argues that *“there is an enormous bias, enormous, and I say - [ironically] I do not investigate, I do not document, I do not find out, I only take this and start to pass it forward to other, strengthening that bias, and there is more: there is so much absence of technical knowledge or arguments to oppose the project, that they do not discuss, because they know that when it comes to discuss the two positions, they do not have the sufficient knowledge to say and demonstrate this is genuinely bad for Cajamarca. And the [department of] Tolima.”*⁴³ The gold mining company accuses the environmentalists of distributing anecdotal knowledge, such as cases in Peru which have been detrimental for the relevant regions, amongst the residents of Cajamarca. Not only does this induces fear, it also causes polarization within the community, dividing the community in two opposite sides. The gold mining company attempts to counter these effects with knowledge, data, references and figures. The employee of the large-scale gold mining company however states that their knowledge meets with great skepticism within the community. Some residents in the community claim that the gold mining company are liars and spread lies.⁴⁴

The aforementioned is affirmed when a head of local NGO, who also introduces himself as a farmer, is interviewed. The NGO opposes the continuance of the ‘La Colosa’ gold mining project. In an interview it is argued that *“from the moment that the gold mining company entered the country, they [started to] bring lies with them. Everything that the company claims is based on lies. These lies are so substantial, that only one who believes them is the gold mining company itself. These lies are beneficial for them in economic terms.”*⁴⁵ Later on, it is argued by the same head that rather than spreading lies, the mining company should expose the genuine truth of their project.⁴⁶

But what exactly is the truth? The respondent refers to a case in Minas Gerais in Brazil, where in a town called San Bernardo, men have died of silicosis as result of working for gold mine companies. The argument by the large-scale mining company that the project would create the necessary jobs is also received rather skeptical by the farmers that oppose the gold mining project. The president of a board of

⁴³ *“Hay un sesgo enorme, enorme, y digo-yo no investigo, yo no me documento, yo no averiguo, tan solo tomo eso y comienzo a trasmitírselo a los demás, procurando ese sesgo, y es más: es tanta la carencia de conocimientos técnicos o de argumentos para oponerse al proyecto como tal, que no debaten, porque saben que al debatir las dos posiciones, no tienen los conocimientos suficientes como para decir y demostrar esto va a ser realmente malo para Cajamarca. Y el Tolima.”* - Source: An employee of large-scale gold mining company

⁴⁴ Derived from an interview with an employee of a large-scale gold mining company, April 29, 2014.

⁴⁵ *“...desde que ellos ingresaron al país, llegaron con mentiras y todo se sostiene la empresa nos tiene a base de mentiras, mentiras tan grandes que sólo se las creen ellos y los que se benefician de ellos por el tema económico.”* - Source: a head of local NGO that strives against the continuance of a large-scale gold mining project in Cajamarca

⁴⁶ Derived from an interview with the head of a local NGO that opposes the continuance of the ‘La Colosa’ gold mining project, March 23, 2014.

communal action in a particular neighborhood within Cajamarca argues that Cajamarca is in no need of jobs, as the region already relies on agriculture. The value chain of the agricultural sector would be much more beneficial for the residents of Cajamarca than the value chain of the mining industry.⁴⁷

The large-scale gold mining company has developed an ‘open door policy’, in order to counter these arguments. Every week, the gold mining company takes at least 40 persons to their project, to show them what their plans are and how, for instance, water is regulated. Besides this ‘open door’ policy does the gold mining company provide knowledge about their project in organized gatherings. To measure the knowledge about the gold mining company, forms are distributed and completed by residents. It was however observed that these forms are also completed by outsiders. Several claims have been made that these outsiders are paid by the gold mining company to demonstrate a positive receipt of the project within the community. It appears, it is very complicated to examine these claims.

The somewhat pretentious claims made by opponents of the gold mining project reveal their hesitant attitude. When a farmer is asked about the consequences of the gold mining project, it is argued that the gold mining project induce the disappearance of the mountain where the project is established. *“This elevate impacts and these negative impacts contribute to the damage of the ecosystems and it also contribute to the global warming. Then the mountains necessarily, they capture the pollution, they capture all that and also help to give oxygen, so this oxygen and that what capture this pollution, they get lost, then everything is released in atmosphere, in the air, this then creates such pollution and damage the ozone layer, especially when there is carbon dioxide.”*⁴⁸ When this respondent is asked how this knowledge was obtained, it becomes clear that organized meetings, national forums, conferences, documentaries, magazines and newspaper have an important place in how knowledge is obtained. As was already put forward by the large-scale gold mining company, this type of knowledge can be characterized as anecdotal, a type of knowledge that was distinguished in chapter 2.

NGO’s have an important place of what knowledge enters the community. The aforementioned president of a board of communal action, argues that a Dutch NGO, called Pax Christi, provides them with vital information. Although this NGO claims to maintain a neutral position in the communal debate between advocates and opponents of the gold mining project, their knowledge is used to pursue the interests of the

⁴⁷ Derived from an interview with the president of a board of communal action in a particular neighborhood within Cajamarca.

⁴⁸ *“...eso eleva los impactos y esos impactos negativos ayudan al daño en los ecosistemas y eso ayuda al calentamiento global, entonces, las montañas necesariamente, ellas atrapan la contaminación, ellas atrapan todo eso y también ayudan a dar oxígeno, entonces ese oxígeno y eso que atrapa esa contaminación, se van perdiendo, entonces todo se va quedando en la atmosfera, en el aire, entonces eso va creando esa contaminación y va acabando con la capa de ozono, especialmente cuando hay bióxido de carbono.”* - Source: A farmer in Cajamarca

opponents. Pax Christi argued that the gold mining project has impacts on the vegetation layer and for the region. Another NGO, called Ecotierra, have been informing residents that ‘the gold mining project is not as nice, as the gold mining company wants to show’.⁴⁹ Understandably, this has led to a negative sentiment towards the gold mining project, which has been characterized by exaggerated claims.

One example of an exaggerated claim is when the aforementioned head of a local NGO mentions that a helicopter, deployed by the gold mining company to explore for gold reserves “*created great discomfort in the community, as the helicopter with his noise on a low level had killed cattle. Cows were killed, bean crops were damaged, the children got under the beds from fear, dead horses...*”⁵⁰

In comparison with the dynamics of knowledge within the community of Cajamarca, is knowledge in Segovia more unambiguous. An individual that holds shares of a gold mine in Segovia states that knowledge in the past was passed on from fathers to children, which resulted in limited knowledge with the children. Since the entrance of the large-scale mining companies has the artisanal mindset changed to an industrial mindset, characterized by technical knowledge. The labor and environmental standards applied by the large-scale gold mining companies positively contributed to this change in mindset.

Small-scale miners that are however not subcontracted by the large-scale gold mining companies indicate that it is a rather arduous process to obtain knowledge. Neither the gold mining companies nor the government are sharing knowledge with this group. These miners have no option but to investigate and find relevant knowledge by using the internet, talking to friends or labor unions.⁵¹ Besides these forms, academic literature is also extensively used to obtain knowledge.⁵²

7.3. Fears on the preservation of the existing ways of living

The third driver that induces the responses described in chapter 6 is the fear on the preservation of the existing ways of living. Various respondents have expressed their fears how the presence of large-scale gold mining can affect or is affecting their ways of living. Concerns that particularly were expressed by these respondents is how large-scale gold mining companies could pollute the water used for agriculture or consumption.

⁴⁹ Derived from an interview with the head of a local NGO that opposes the continuance of the ‘La Colosa’ gold mining project, March 23, 2014.

⁵⁰ “...ahora eso generó gran molestia en la comunidad porque el helicóptero con su bulla enorme a bajo nivel hubieron ganados se mataron, se mataron vacas, se dañaron cultivo de frijol, los niños de miedo se metían debajo de las camas, caballos muertos...” - Source: The leader of a local NGO in Cajamarca

⁵¹ Interview leader of a labor union that defends and strives for the improvement of the rights of miners in Segovia, April 4, 2014.

⁵² Derived from an interview with Julio Fierro Morales, February 28, 2014.

As previously mentioned in this research are the waters in the community of Segovia heavily polluted. These polluted water resulted into severe human health problems. As box 2 shows are residents from Segovia unable to donate blood due to the higher mercury levels in their bodies. These effects on the human health have set a number of policies by the departmental and national government in motion that aim to reduce the use of mercury in mining communities.



Figure 23: A sign outside Segovia showing a global mercury project that is taking place in the region. Source: Author, 2014

B O X I I

Segovia: the second most contaminated place in the world.⁵³

The fears for water contamination by the farmers in Cajamarca are not unfounded, if the gloomy case of Segovia in relation to gold mining is reviewed. In an interview with a leader of a labor union in Segovia, it is argued that Segovia is the world's second most contaminated location. The leader of the labor union states that *“the Organization of the United Nations with the government of Antioquia have developed a project in Segovia, which is called ‘Plan Mercury’, a couple of years ago (see Figure 23). [The aim of this project] is to attempt to minimize the maximum use of mercury in the mining industry in order to reduce the contamination. [If] you live three months in Segovia, you can no longer give blood. For example me, [if] you go with me to any hospital, to a blood bank “mister, I want to give blood” and they ask you where you are from, I am from Segovia, you cannot give blood.”*⁵⁴

Veiga (2010) argues that the rising prices of gold induced rudimentary procedures, in which the use of mercury takes a prominent place. It can therefore not come as a surprise that Colombia holds the first position as the world's largest mercury polluter per capital in SMA. Although this position is based on the SMA sector, chapter 6 has showed that the large-scale gold mining companies maintains links with the aforementioned sector. Hence, the concerns for water contamination are not unjustified.

The abundant use of mercury in Segovia raises questions on how the liquid enters the community. If tables on the main exporting countries of mercury to Colombia are reviewed, it appears that more than 50% of the mercury used is imported from European countries. The Netherlands holds the first place in terms of country that import the most tonnes of metallic mercury to Colombia (see Table 4 in Appendix 2).

⁵³ Interview with the president of the labor union that strives for the defense and improvement of the rights of the small-scale miners, April 4, 2014.

⁵⁴ *“La ONU con la gobernación de Antioquia, hace unos años viene desarrollando un proyecto en Segovia, que se llama proyecto plan mercurio, que es tratar de minimizar al máximo el uso del mercurio en la minería para tratar de bajar la contaminación, usted vive más de tres meses en Segovia y ya no puede donar sangre. Yo por ejemplo, usted va conmigo aquí a cualquier hospital, a un banco de sangre-hombre yo quiero donar sangre y le preguntan usted de adonde es, yo soy de Segovia, usted no puede donar sangre.”* - Source: The leader of a labor unión

In Cajamarca, similar concerns for human health have been expressed by respondents. The leader of a local NGO claims that a former employee of the large-scale gold mining company in Cajamarca would have argued that the chemicals that are used by the company are very damaging for the human health. A woman, who worked for the gold mining company and was involved in an accident is struggling with severe human health problems. The accidents left half of her body disabled. The leader of the local NGO argues that that *“there are sick people, who therefore have claims for the damages to human health on the company, [problems include] including back problems, breathing problems, many problems.”*⁵⁵ Further to these potential health problems does a farmer that cultivates in the community of Cajamarca claims that *“according to the specialists, they say that they [the large-scale gold mining company] affect the waters a lot, they will very much contaminate [it], say, according to the specialists.”*⁵⁶ The concerns expressed by these farmer does not only reveal his fears, but also the key role of knowledge-sharing within the community (see section 7.2) Another farmer, who appears clearly skeptical towards the gold mining project, expresses his concerns when he talks about the gold mining project: *“they [the large-scale gold mining company] are going to use dynamite, this dust of the dynamite together with rock and the metals that there are mixed all together, they expand till the atmosphere, as the wind will take them, it will spread them as micro particles that stay in the atmosphere. When it rains, the rain will capture the contaminated micro particles and take them to the ground, the plants, the water sources, water supply and gradually it is going to contaminate, intoxicating the plants, the earth and the water.”*⁵⁷ Fears for water contamination are abundant in Cajamarca, as the community heavily leans on water for its large agricultural sector. The gold mining project of the large-scale gold mining company is closely situated to water sources, where important rivers for the department of Tolima originate.⁵⁸

Another fear that have been put forward in Cajamarca is the displacement of residents by the gold mining company. A president of a board of communal action in a particular neighborhood within the town claims that there is a neighborhood that ceased to exist and was converted to a place where the gold mining company now conducts its business, as the people there were displaced to other farms. The large-scale gold mining company admits that it have been involved in ‘resettlement’ programs, in which

⁵⁵ *“...y ya hay gente enferma por eso la empresa ya tiene demandas por las afectaciones a la salud humana, por ejemplo problemas de espalda, problemas respiratorios, muchos problemas.”* - Source: The leader of the local NGO in Cajamarca

⁵⁶ *“según los especialistas, dicen que afectan mucho las aguas, van a contaminar muchísimo, dicen, según los especialistas”* - Source: Farmer Bernain Vargas

⁵⁷ *“obviamente van a utilizar dinamita, el polvo de la dinamita junto con la roca y los metales que haya ahí, se revuelven todos, se expanden hacia la atmosfera, el viento se la lleva, la esparce como micro partículas y se queda en la atmosfera, cuando llueve la lluvia atrapa esas micro partículas contaminantes y las manada hacia el suelo, hacia las plantas, hacia las fuentes de aguas, hídricas y regularmente va contaminado poco a poco, va intoxicando las plantas, el suelo y el agua.”* - Source: Farmer Edwin Vargas

⁵⁸ Derived from an interview with the president of a board of communal action in a particular neighborhood within Cajamarca.

residents of farmers that live on exploitation sites are properly reimbursed and are relocated. The gold mining company claims to have successfully resettled 42 families. These resettlement programs have however caused fears among the population.

Other fears that are expressed, though less frequently mentioned, are the rising costs of living due to the presence of the large-scale gold mining company.⁵⁹ Opponents of the gold mining project also claim that treats were received by phone calls and messages. It has also been brought forward that the operationalization of the gold mine of the large-scale gold mining company will lead to the arrival of drug abuse and prostitution.⁶⁰ The relation with prostitution became painfully clear in the field trip to Segovia. In an interview with a partner of a medium-scale mine it is argued that *“it is an ancient custom to spend the money that one earns, 2.000 million or 3.000 million Colombian pesos, spend it drinking, partying, with women, prostitution, this is what they call “cachionar”, you say to a woman ‘I am with you and I buy you a motor’ ”*.⁶¹ The fears of the residents in Cajamarca is therefore not unfounded.

7.4. Perception of an unequal power balance by the community

Another driver that induces the responses within the communities is the perception of an unequal power balance by the hosting communities. The unequal power balance takes form in how the large-scale gold mining companies are favored by the national government in terms of legal requirements. These preferential policies result in a distrust of the large-scale mining companies and the government.

The leader of a labor union in Segovia points out that the problem *“is [de facto] our government and our legislators, from 2001, they started to create laws that favors transnational companies above the own people [in the community]. So the laws says, you as an enterprise can create, can create social corporate responsibility by informing the employees, giving good shoes, good machinery, a good social corporate responsibility, keep your employees informed, give them good machinery to enable them to produce. From there, social responsibility is something that should come out, that they have a percentage that is not very big, but I know that it is going to have a positive impact, for instance until a percentage of 35%, it could be with the production of this month that with this percentage we are going to start improving this school, we are going to bring a laboratory for the school, we are going to donate this school with*

⁵⁹ Derived from an interview with a farmer that cultivates vegetables and fruits in the mountains nearby Cajamarca, March 26, 2014.

⁶⁰ Derived from an interview with the head of a local NGO that opposes the continuance of the ‘La Colosa’ gold mining project, March 23, 2014.

⁶¹ *“Es la costumbre del minero antiguo, que el dinero que gana, 2.000.000.000, 3000.000.000 de pesos, se lo gasta, se lo gasta tomado, rumbeando, con mujeres, prostitución, ellos lo llaman “cachoniar” le dicen a una mujer yo estoy con vos y te regalo una moto.”* - Source: A partner of a medium-scale mine in Segovia

computers. To say something, this could be corporate social responsibility, but it does not say that it is helping the corporate responsibility, because providing new uniforms to the workers every month, which are needed to work; it is clothing to work, these are 'the machineries of work' implemented by them. It cannot be taken as social corporate responsibility, in any moment, this have been the largest mistake here in Colombia, the legislators that in order to eat a lunch there, create these laws that ultimately and exclusively are benefitting the ones that are coming to loot [the natural wealth in] our territory."⁶² What the leader of the labor union indicates is that the large-scale gold mining companies and the national government seem to work side-by-side. Consequently, laws devised by the national government benefit the large-scale gold mining companies above the hosting communities.

In addition, an expert on law in the Colombian extractive industries argue that understanding laws is clearly a case of power. It is argued that to use laws, a minimal level of understanding is required. What oftentimes can be observed is that these hosting communities do not have the knowledge to use the laws for their benefit.⁶³ The perception that the national government work closely together with the large-scale gold mining companies is strengthened by the fact that a Canadian mining firm and Canadian mining lawyers were involved in the construction of the 2001 Mining Code.⁶⁴

What already became apparent in previous chapters is that large-scale gold mining companies in Segovia are not tied to any legal requirements in terms of replacing subcontracted mining associations in case that these associations are not willing to accept the terms of the gold mining company.

In Cajamarca, a farmer argues the same as the aforementioned expert on law, when it is argued that the large-scale gold mining companies have huge economic and political powers that influences politics and the media. The community would not have the sufficient knowledge to compete with these gold mining

⁶² *"es que el problema también es de nuestro gobierno y de nuestros legisladores, desde el 2001, vienen ellos legislando más a favor de las trasnacionales que del mismo pueblo, entonces al ley le dice, usted como empresa puede generar ¿puede generar responsabilidad social empresarial, informando bien a los trabajadores, dando buenos zapatos, una buena maquinaria, una buena responsabilidad social empresarial, tener a sus trabajadores uniformados, darles una buena maquinaria para que puedan producir, responsabilidad social debe ser lo que sale de ahí en adelante, que tienen un porcentaje no muy grande, pero yo sé que le va a repercutir positivamente, por ejemplo hasta un 35% puede ser, con la producción de este mes, con ese porcentaje, vamos a empezar a hacer esta escuela, vamos a traer un laboratorio para esta escuela, vamos a dotar esta escuela de computadores, por decir algo pues, eso sí puede ser responsabilidad social empresarial, pero no puede decir que está apoyando la responsabilidad empresarial porque poner al trabajador a estrenar un uniforme cada mes, que de todas maneras lo necesita para trabajar, eso es indumentaria de trabajo, esos es maquinaria de trabajo, implementos de ellos, eso no puede ser tomado como responsabilidad social empresarial, en ningún momento, ese ha sido el gran error aquí en Colombia, los legisladores por comerse un almuercito de más allá, crean esas leyes que en última instancia está beneficiando únicamente y exclusivamente a los que están viniendo a saquear nuestro territorio"* - Source: The leader of a labor union in Segovia

⁶³ Derived from an interview with an expert on law in the Colombian extractive industries, February 17, 2014.

⁶⁴ Derived from an interview with a NGO that strives for the interests of the miners in the Antioquia department, April 16, 2014.

companies.⁶⁵ The leader of a NGO that opposes the ‘La Colosa’ gold mining project in Cajamarca claims that the large-scale gold mining companies consequently stigmatize the opponents of their project for having links with the guerillas in the media. The aforementioned leader continues that the National Prosecutor is also at the same side as the large-scale gold mining companies. As such, it is argued that the National Prosecutor is not monitoring the gold mining company in Cajamarca, but does attempt to control the people in Cajamarca to avoid a referendum by open council meetings.

The leader of the NGO that opposes the gold mining project in Cajamarca *“thinks that the way in which things are today, is that the same ignorant Colombian government aims to put a company above the decisions of the people.”*⁶⁶ The leader of this local NGO clearly attempts to show that there is an unbalanced power balance between the hosting communities and the large-scale mining companies when it is argued that *“they [the company] came with this to sell the idea that everyone in Cajamarca agreed on a national level, this was a big damage that was done to the country, with the help of the same President Uribe that by doing this were the biggest cheaters of all.”*⁶⁷ Box 3 further elaborates on how the administration have favored the large-scale gold mining companies above the local miners.



Figure 24: The road leading to the 'La Colosa' gold mining project in Cajamarca. Source: Author, 2014

⁶⁵ Derived from an interview with a farmer in Cajamarca, March 25, 2014.

⁶⁶ *“Yo creo que como están las cosas en la actualidad es ignorante el mismo estado colombiano, que pretende meter a una empresa por encima de la decisión de los pueblos.”* - Source: The leader of the NGO that opposes the gold mining project in Cajamarca

⁶⁷ *“ellos llegaron esto para vender la idea a nivel nacional de que toda la gente estaba de acuerdo en Cajamarca esto fue un gran daño que le hicieron al país, con el apoyo del mismo Presidente Uribe que estaba en ese entonces y sus ministros es fue un engaño total.”* - Source: The leader of the NGO that opposes the gold mining project in Cajamarca

B O X I I I

Preferential policies by Uribe?

In the administration of Alvaro Uribe Velez, the president of Colombia from 2002 to 2010, the current gold mining company appropriated the mining titles of Frontino Gold Mines in Segovia. Frontino Gold Mines was by then co-administrated by jubilates and employees that worked and were still working for the company. These jubilates and employees were named the new owners when the owners before them were liquidated by means of a notary act in New York in 1979. In 2004 however, the administration of Uribe began with another liquidation process to remove these jubilates and employees. Figure 8 in chapter 4, shows that the international price for gold started to increase as from 2004. Therefore, extracting gold has become an extremely lucrative business since 2004. The increasing price of gold has only increased ever since, which made the industry more and more interesting in terms of financial turnover. Six years after 2004, the administration sold the mining titles to two other gold mining companies in 2010. What is remarkable is that Maria Consuelo Araujo became the CEO of the current gold mining company in 2010. This is remarkable, as she also was the minister of culture during the first term of Uribe, which ran from 2002 to 2006.

Since 2010, the current gold mining company has been entering into agreements with the former miners that worked for Frontino Gold Mines in Segovia. An owner of an informal mine in Segovia, illustrates what happens if the miners enter into agreements with the aforementioned company: *“basically the miners make an agreement with [name gold mining company] and tell them “I will pay you a ten to twenty percentage of the gold that I extract, if you let me work in the subsoil that you own”. The gold mining company accepts it and is released from the direct relationship with the workers, whereas they would otherwise be partly responsible for the society. Now, the gold mining company is only responsible for receiving for what is theirs as they are the owners of the title of the subsoil, whereas other people do the work.”*⁶⁸ What this owner illustrates is that the current gold mining company - through the dubious manner in which they have acquired the rights of the liquidated company Frontino Gold Mines - is making an ‘easy and quick buck’ without any further commitments nor responsibilities.

⁶⁸ *“Hacen un acuerdo con la [el nombre de la compañía de la minería de oro] y le dicen, yo te voy a pagar un 20% un 10% de lo que yo saque para que me dejes trabajar en esta minas, en este subsuelo, la [el nombre de las compañías de la minería de oro] acepta, la [el nombre de las compañías de la minería de oro] se libera de la relación directa con los trabajadores, porque de eso ya se encargaría la sociedad como tal, y simplemente se encarga de recibir lo suyo por ser dueño del subsuelo, donde otras personas lo hacen”*. - Source: A partner of a médium-scale gold mine in Segovia

C O N T I N U A T I O N O F B O X I I I

The liquidation of Frontino Gold Mines in 2004 explains why a number of interviewees perceive the policies of the government as ‘preferential’. What happened with Frontino Gold Mines in terms of how the jubilates and employees were removed, strengthens the idea that the government is favoring the large-scale mining companies more than the small-scale miners. The case also demonstrates how land rights (the land rights were officially owned by the jubilates and employees of Frontino Gold Mines by means of the aforementioned notary act in 1979) were disrespected and are regarded as being ‘in dispute’ by the miners in Segovia. The aforementioned owner illustrates the frustration of the miners rather well, when he argues that *“there always has existed - what is called or what we call today - small-scale or traditional mining, which are small-scale miners who have established or opened a way of living through mining, seek livelihood there in mining and well, have been there ancestrally. Now with the capital inflows of the two gold mining companies, who were brought in through a liquidation process in which the national government removed us from these mines and gave them to their friends of the two gold mining companies, there started to exist, to grow, to originate a social - labor conflict. Because these mines do not allow, these multinational companies do not allow, they do not accept that there are small-scale miners working inside the title of them, which they now use to work”*.⁶⁹ Although small-scale miners are not allowed to work in the mines of the two large-scale mining companies on their own, they are allowed to work in the mines under subcontracts and against most of the time meager financial terms (see section 7.5).

What becomes clear by the quote of this owner is that disrespecting the land rights, even if these rights are common property or customary, contributed to the change in social dynamics within Segovia.

⁶⁹ *“siempre ha gravitado o existido lo que llaman o lo que llamamos hoy la pequeña minería o la minería tradicional, que son pequeños mineros que se instalan, abren una fuente de trabajo en minería, buscan el sustento ahí en esa mina y bueno, han existido ahí ancestralmente. Ahora con la entrada de [los nombres de las compañías de la minería de oro] que fue mediante un proceso de liquidación que el gobierno nacional, nos quitó esas minas y se las entregó a sus amigos de la [los nombres de las compañías de la minería de oro], es entonces cuando viene a existir un, a crecer, a engendrarse, a nacer un conflicto- laboral social- porque estas minas no permiten, estas multinacionales no permiten, no aceptan de que existan pequeños mineros trabajando dentro del título que ellos ahora están trabajando”*. - Source: A partner of a médium-scale gold mine in Segovia

7.5. Engagement of the community in decision-making

The lack of engagement of communities in the process of decision-making is the fifth driver for one of the two responses that could be discerned within the communities subject to research. In an interview with an expert on the Colombian mining industry it was argued that *“the state [represented by the government] has a vision, but never ask to the communities, for instance, with respect to the river Cuello, where it is going to install, there the people, it is a huge agricultural zone, [but] to the people they do not ask: “do you want to continue cultivating” This, since it is an mining title, nobody asked them, listen: “is the river going to be affected”, [dialogue: responds] “no”. When I say that the mining industry is related to the environment, to the communities and to the state, well, you have to plan your work whether it is profitable or not. But this does not exists here”*.⁷⁰ What becomes apparent is that the communities are not consulted in the determination of gold mining titles that are sold to large-scale gold mining companies. This is rather contradictory, as the mechanisms do exist.

In an interview with an expert on legal affairs within the mining industry, it is argued that there are mechanisms, *“but that the mechanisms to participate in practice have problems to be realized and besides do many communities not believe in the cannels of participation that they offer. The only communities that have a right to say something if they going to exploit in their territory, are African descendants and the indigenous people.”*⁷¹ This makes it complicated that the voices of people that are not African descendant or indigenous are heard. The same respondent argues that these groups must make themselves heard by the national government.⁷²

That the residents of Cajamarca do not participate in decision making becomes strikingly apparent when the president of the board of communal action in a neighborhood in Cajamarca argues that the decision to pursue economic development through the gold mining sector is illogical. Instead of investing in the gold mining sector should the government subsidize farmers and capacitate them with technology.⁷³ The

⁷⁰ *“el estado tiene una visión, pero nunca le preguntan a las comunidades-por ejemplo- en el rio Cuello, donde se va a instalar, allá la gente, esa es una zona de agricultura, grande, a la gente no le preguntaron ¿ usted quiere seguir cultivando? Eso, ya es un título minero, nadie le pregunto, oiga ¿el rio se va a afectar?, no. Cuando digo, la industria minera tiene en cuenta el medio ambiente, tiene en cuenta las comunidades, tiene en cuenta el estado, pues, tiene que planear su trabajo y si es rentable o no. Pero eso no existe aquí.”* - Source: an expert on the Colombian mining industry

⁷¹ *“En la práctica los mecanismos de participación tienen problemas para llevarse a cabo y además muchas comunidades no creen en los canales de participación que les ofrecen, en Colombia las únicas comunidades que tienen derecho a decir algo, si van a explotar en su territorio, son los Afro descendientes y los indígenas.”* - Source: An expert on legal affairs within the mining industry

⁷² Interview with an expert on legal issues in the Colombian mining industry, February 17, 2014.

⁷³ Derived from an interview with the president of a board of communal action in a particular neighborhood within Cajamarca.

residents were not involved when these decisions were made. A leader of a local NGO claims that the people did not know when the subsoil rights of the ‘La Colosa’ gold mining project were awarded to the gold mining sector in 2007. More recently, the same gold mining company has commenced with constructing platforms for perforations. The community of Cajamarca, which mainly consists of farmers, were not involved in this decision.⁷⁴

In Segovia, engagement of the community in decision making is also low. Here, the community, which mainly consists of small-scale miners, has concluded alliances with the large-scale gold mining companies that hold the subsoil rights. As already mentioned previously, the space for the small-scale miners to negotiate with the large-scale mining companies is limited. The head of a gold mining association that is subcontracted by a large-scale gold mining company therefore argues that detrimental contractual conditions are forced upon them. The large-scale gold mining company has a very rigid attitude, the association either accept the terms or they will look for another association that does would like to work on their terms and conditions. The respondent states that *“everyone [here] is dissatisfied with the mining company, since the contracts are manipulated in favor of the mining company, always violating many rights of the contractors and in various meetings they say the same, but they do not accept anything.”*⁷⁵ The rigid attitude of the large-scale mining company leads to a lack of participation of the community that collaborates with the large-scale gold mining companies. The head concludes that *“there is no participation, they [the gold mining companies] have closed all the participation, they do not want, no participation, they do not accept any participation of the people in the policies of the enterprise.”*⁷⁶

With the lack of participation this section comes to a close. The data that has been brought forward in the chapters on the thematic framework, stakeholder analysis, community responses and the drivers of responses, are captured in Table 3. In this table, the left column discerns the different stakeholders in the Colombian gold mining sector. The central column subsequently sets forth the perceived position by the researcher of these stakeholders on the power balance. The third and final column elaborates on the risks of conflicting interests with the large-scale gold mining companies.

⁷⁴ Derived from an interview with the head of a local NGO that opposes the continuance of the ‘La Colosa’ gold mining project, March 23, 2014.

⁷⁵ *“Todos descontentos con [el nombre de la compañía de minería] porque los contratos los hace amañadamente, a gusto de [el nombre de la compañía de minería], siempre pues violando muchos derechos de los contratistas y en varias reuniones se les ha dicho a ellos lo mismo, pero ellos no aceptan nada.”*

⁷⁶ *“No, no hay un participación, ellos cerraron toda participación, ellos no quieren, ninguna participación, no aceptan ninguna participación del pueblo dentro de las políticas de la empresa.”*

Interest large-scale gold mining companies:		
<i>“Driven by the incentive to make a profit at the lowest possible cost”</i>		
Stakeholders	Power perception	Risk of antagonizing interests
Government	very high	very low
Regional autonomous corporations	low	very low
Local authorities	low	low to medium
SMA sector	low	medium to high
Agriculture sector	medium	very high
NGO’s	very high	very high
Labor unions	high	very high
Church	very low	low
Guerilla & paramilitary groups	<i>difficult to quantify</i>	<i>difficult to quantify</i>

Table 3: The stakeholders’ power position and the risks of antagonizing interests with the large-scale gold mining companies.

8. CONCLUSIONS

The research question that was posed in the theoretical framework of this thesis is:

How can large-scale gold mining companies be a motor of development in hosting communities in Colombia?

The main question of this research is related to how the gold mining sector is prioritized as one of the pillars to pursue development by the administration of the current president of Colombia; Juan Manuel Santos. Consequently, the legal framework that regulates the mining industry on a national level has a considerable importance. The thematic framework demonstrates that the 2001 Mining Code has an important place for foreign persons and companies. The explicit nomination of foreign persons and companies accompanied by the fact that 40% of the mining titles was licensed by large-scale mining companies in 2011, indicates that the large-scale gold mining companies are expected to take the lead in the development of the industry. As indicated by the president are the large-scale gold mining companies therefore expected to contribute to development by the creation of jobs, which would lead to less poverty and more security. It can therefore be argued that the large-scale gold mining companies are expected to mainly contribute to the development of the country.

In the communities that were subject to this research, stakeholders can relate to each other in various ways. The relevant stakeholders in the Colombian gold mining sector are the national government, regional autonomous corporations, local authorities, the SMA sector, the agricultural sector, civil society, the church and guerilla and paramilitary groups. The stakeholders analysis in chapter 5 was used to shed light on the various roles and interests of these stakeholders. This chapter showed that the conjunction of the interests of large-scale gold mining companies on certain occasions can antagonize the interests of other stakeholders. For instance, the interests of large-scale gold mining companies coincide more with the interests of the national government, who has - as argued - reserved a prominent role for these companies, than the hosting communities. In Cajamarca for example, the interests of the community, which heavily leans on the agricultural sector for its sustenance, and the interests of the large-scale gold mining companies are mutual exclusive.

The conjunction between stakeholders in communities can induce a set of responses that can be categorized as either i.) confirmation to a transformation or ii.) resistance of a transformation. These transformations are caused by the presence of large-scale gold mining companies. The collected set of data does not allow space to argue that one of the aforementioned responses strengthens the large-scale gold mining sector as a motor of development more than another response. For instance, resistance has a negative connotation in terms of its contribution to development. The data used in this research however shows that resistance, in its various forms and shapes, can induce improvements in labor conditions. In Segovia, labor conditions of miners have been improved after a number of protest marches and strikes initiated by labor unions. The most notably improvement was the little raise in remunerations. On the other hand does confirmation, in terms that large-scale gold mining companies are accepted by the community, not necessarily have to mean that these companies are the driving force for development. In Segovia, where large-scale gold mining companies collaborate with small-scale miners, there is currently an economic crisis. Several respondents state that the large-scale gold mining companies have not brought any development whatsoever. The data shows that respondents understand development by improvements in local education, health, housing, roads, aqueducts and sewage systems. Besides barely any improvements in terms of development are envisaged plans in corporate social programs of large-scale gold mining companies not properly executed. These claims are contradictory with the statements of the large-scale mining companies that claim to be ‘agents of social development’. These statements reveal the prevailing notion that benefits, which mining companies reap from natural resources, are not returned to the communities. It therefore cannot be argued that one of the aforementioned responses is the correct path to pursue development within communities. Confirmation does not outweigh resistance and vice versa; one response is not better than the other.

In fact, this research shows that large-scale gold mining companies as a stakeholder within the playing field of these responses contribute little to development. The described responses come into existence through a number of drivers that can be discerned from collected data:

- i. the development expectations from the hosting communities have not matched how the gold mining companies have contributed to development;
- ii. there is a plethora of knowledge in hosting communities, but it is complicated for people within these communities what to believe;
- iii. fears on how the large-scale gold mining companies can affect the preservation of the existing ways of living within the community;
- iv. the perception of an unequal power balance, in which it is perceived that the national government is favoring large-scale mining companies;

- v. stakeholders within the hosting communities are not engaged in the processes of decision-making.

The aforementioned drivers complicate the envisaged role of the large-scale gold mining companies by the national government. That is to say: in its current circumstances large-scale gold mine companies are unable to embrace their envisaged role of engines for development.

Towards conciliation

The administration of president Juan Manuel Santos has pushed the gold mining sector forward as a motor of development with a key role for large-scale gold mining companies. With the admission of a plethora of large-scale gold mining companies, which are mostly foreign based, the national government is looking to these companies to take the lead in developing the country's economy. With that decision, the government seems to take the role of facilitator rather than regulator. Simultaneously however are decisions with respect to gold mine concessions kept on a national level, whereas it, according to the respondents interviewed, would be more appropriate to decentralize this to a more local level. The national government seems to be stuck in what can be called 'the paradox of Hardin'. Rather than opting for a clear road, privatization or regulation by the government, the government of Colombia is stuck in between these two.

Instead of transferring the responsibility to the gold mining companies, who admitted that they entered the Colombian mineral market for its promising profit prospects, the national government should take the lead and adopt the role of regulator. The collected data shows that certain modifications are however required for the adoption of this role. These recommendations are mentioned below:

- Large-scale gold mining companies should be held more accountable for their contributions to development in hosting communities. Simply stating that the gold mining company is 'an agent of social development' is not enough. Commitments that were made towards local authorities must be followed up by the large-scale gold mining companies. A way to hold the large-scale gold mining companies more accountable is to tighten the legal framework;
- The government has a key role to play in the determination of what knowledge is distributed. Rather than facilitating council meetings to keep the population from organizing a consulta popular, should the national government direct its efforts to enforce the stakeholders of the gold mining sector with knowledge;

- The envisaged role of regulator requires guaranteeing transparency to all the stakeholders of the gold mining sector. The hosting communities of large-scale gold mining companies must be informed about decisions made on a national level that potentially can affect them. For example, gold mining titles cannot be awarded to large-scale gold mining companies if these titles are in fact possessed by small-scale miners in the local community;
- As a regulator, the national government should put more effort in aligning the interests of large-scale gold mining companies to the interests of other stakeholders in the gold mining sector. The drivers that are discerned in this research should be taken into account when formulating policies applicable in the gold mining sector;
- Integral to the aforementioned alignment of different interests, it is recommended that the national government should take its decisions from an ‘all stakeholder perspective’, including the interests and roles of the stakeholders in the gold mining sector. The principal stakeholders have been set forth in this research;
- In a country that claims to have a decentralized political structure, more responsibility with respect to decisions related to the regional or local gold mining sector should be transferred to the departmental and local authorities. It is illogical that the local authorities are responsible for the planning of the land use, whereas gold mining titles in the region are awarded by the national government. The competence of granting gold mining titles should be placed under the umbrella of the local authorities, as the local authorities are better able to serve the community.



9. DISCUSSION

The question whether the mining industry, which includes and is not limited to the gold mining sector, leads to development is a recurring theme in development studies. This question is not only launched by academic scholars such as Hilson (2002), as a document of the World Bank (2002) shows. The central question is this document is whether the industry, including the gold sector, can be seen as treasure or trouble in terms of development. As the conceptual model of this research showed, it was assumed that large-scale gold mining companies have an enclave status, contributing little to nothing to development. The relatively new collaborations between large-scale gold mining companies and the SMA sector has however rolled the dice more in favor of the notion that these companies are ‘agents of development’.

Although the collaborations between the large-scale mining companies and the SMA sector seem to weaken the notion of the enclave status, it simultaneously strengthens it. The unequal power balance between these two, outweighing the SMA sector compared to the powerful position of the large-scale gold mining companies, sets in motion a process what can be referred to as the third principle of political ecology (Robbins et al., 2010). Wealth is created by large-scale gold mining companies at the expense of the SMA sector. In Segovia for example, it become apparent that small-scale gold mining associations have barely to no room to negotiate. Only when the affected stakeholders act collectively, by for instance organizing strikes or protest marches, certain improvements can be recorded. This observation connects with the theory of Olsen (1965), who argues that the power on the power balance of social relations can be (re)-gained by collective action. The ability to act collectively originates from the available power. It therefore is not possible to state that the small-scale mining associations in Segovia, or the farmers in Cajamarca, have no power whatsoever. These stakeholders merely have less power than the large-scale gold mining companies. A number of factors are responsible for this gradation in the power relations between large-scale gold mining companies and the small-scale miners and farmers, which are part of the hosting communities.

One of these factors that contribute to the gradation in the power relations are the differences in knowledge between the stakeholders. In line with the findings of Buchanan (2013), a tripartite can be distinguished in the knowledge between the large-scale mining companies and the stakeholders in the

hosting communities. Knowledge of the large-scale gold mining companies is predominantly technical, whereas knowledge of stakeholders in the hosting communities is principally anecdotal. The distinction in knowledge affect the language used by the stakeholders. For example, the large-scale gold mining company in Cajamarca has adopted an open-door policy to provide stakeholders in the hosting community with technical knowledge. In contrast, stakeholders in the hosting community, such as NGO's and farmers, tend to refer more to detrimental cases in Brazil and Peru.

Power is a dynamic concept. The gradation in the power relations between the large-scale gold mining companies and hosting is therefore no absolute and can be adjusted. Foucault (1984) already argued that the national government traditionally have had the auspices of the power relations. The national government therefore has an important role to play in converting the gold mining sector into their envisaged motor of development. Chapter 8 already presented a number of recommendations with a key role for the national government as regulator. In addition, more research to the theme of how the gold mining sector can function as a motor of development is recommended.

This research is based on data collected of three communities that somehow have a relation with large-scale gold mining projects initiated by mining companies. Further research should be directed to the broader range of large-scale gold mining companies in Colombia. A more extensive research would enable tighter generalizations to the national context.

Without any improvements in the gold mining sector, the sector is condemned to be entangled in what can be described as the 'post-stage of mature colonization' (Cypher et al., 2009), in which multinational gold mining companies enter the country, do 'some things' with indigenization, such as hiring locals for low positions, plunder the gold reserves and take the benefits home to the lands of the newly made colonizer.



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APPENDIX I



Medellin, 08 de mayo de 2014

**Señora
GERY NIJENHUIS
Facultad de Ciencias Geográficas
Universidad de Utrecht
Holanda**

Respetada Señora Nijenhuis:

Acusamos recibo de su comunicación, en la cual nos solicita apoyar al señor Daniël Jongejan, inscrito en el programa de maestría Estudios Internacionales para el desarrollo de la Universidad de Utrecht, Holanda, para realizar un análisis de las relaciones sociales desiguales entre los diferentes stakeholders y su impacto al desarrollo local. Al respecto queremos informarle que para GranColombiaGold el trabajo como agentes sociales del desarrollo es fundamental y cumplir con los objetivos que esto implica hace parte de nuestras políticas empresariales.

En GranColombiaGold hemos concentrado nuestros esfuerzos en apoyar al Gobierno Nacional en el proceso de formalización de la pequeña minería en el país, a través de nuestra iniciativa de encadenamiento productivo de la pequeña minería, mediante la cual hemos formalizado a más de 3000 mineros en los municipios de Segovia, Remedios y Marmato.

Infelizmente estaremos fuera de la ciudad las próximas dos semanas motivo por el cual nos es imposible atender su solicitud.

Sabemos que las actividades que realiza su institución son indispensables para el desarrollo de nuestro país y les deseamos éxitos en su gestión.

Cordialmente,

JOSE IGNACIO NOGUERA G.
Vicepresidente de Asuntos Corporativos y Sostenibilidad

APPENDIX 2

Country	Tonnes/a HG
The Netherlands	25.35
Spain	19.04
Mexico	13.33
Germany	8.63
United States of America	6.91
Russia	3.11
United Kingdom	1.38
Kyrgyzstan	1.28

Table 4: The main exporting countries of metallic mercury to Colombia. Source: Veiga, 2010.