ARTICLE

Becoming a project beneficiary in a mining region: Work, Negotiations and Development Programs in Northern Peru

Adriana Paola Paredes Peñafiel [1]
Guilherme Francisco Waterloo Radomsky [2]

[1] Universidade Federal do Rio Grande, São Lourenço do Sul, RS, Brasil
[2] Universidade Federal do Rio Grande do Sul, Porto Alegre, RS, Brasil.

Abstract:

In the northern Peruvian Andes, a large mining project assumes unique characteristics when a single company becomes an agent of development and accountability programs, contracts the workers and promotes local entrepreneurship. Based on ethnographic field research conducted between 2013 and 2014, this article explores the relationship between the mining company and the population of Hualgayoc, in the Cajamarca region. Mining enterprises generate all kinds of desires in people, including getting a job or financial compensation for land sales. Once the mine is constructed, direct employment becomes rare and environmental problems appear, development programs thus emerge as strategic actions, offering scenarios for conflicts and negotiations. While the company occupies a delicate boundary between assuming a state-like role or merely encouraging self-sufficiency in the local economy, the population seek to perpetuate ties with the corporation. Consequently, becoming a beneficiary of a project or compensation may represent one of the few available options.

Keywords: mining; development; mine workers; projects; Peruvian economy.

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Tornando-se um beneficiário de projeto em uma região mineira: trabalho, negociações e programas de desenvolvimento no norte do Peru

Resumo:

Nos Andes do norte do Peru, um grande projeto mineiro assume características singulares quando uma companhia se torna agente do desenvolvimento e de programas de responsabilidade, contrata trabalhadores e também promove o empreendedorismo local. Fundamentado em pesquisa etnográfica realizada entre 2013 e 2014, o artigo explora a relação entre a empresa mineradora e a população de Hualgayoc (Cajamarca). As empresas mineradoras geram todo o tipo de desejos nas pessoas, incluindo obter emprego ou compensação financeira pela venda das terras. Assim que a mina tem sua construção finalizada, os empregos diretos se tornam raros e problemas ambientais aparecem, desse modo programas de desenvolvimento emergem como ações estratégicas, criando cenários tanto para conflitos como negociações. Enquanto a companhia ocupa uma delicada fronteira entre assumir um papel de Estado ou meramente encorajar a autossuficiência econômica local, a população procura perpetuar os laços com a corporação. Consequentemente, tornar-se um beneficiário de projeto ou de compensação pode representar uma das poucas opções possíveis.

Palavras-chave: mineração; desenvolvimento; trabalhadores mineiros; projetos; economia peruana.

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INTRODUCTION

Every year in September, Hualgayoc, a city in the northern Peruvian Andes, celebrates the Feast of Virgen del Carmen. This is a traditional festival in a territory known to have been inhabited by pre-Columbian populations, which also has a long history following Iberian colonization.

Hualgayoc is proud of being a mining town, representing mining not only in its daily life, but also economically. However, recent history shows significant differences in this trajectory: with the boom in mining companies in Peru under post-1990 neoliberal governments, one of the most important companies is required to sponsor this festival and transfer funds to local government. Interestingly, researchers' fascination with these *campesina* mining communities that involve construction projects (De Vries, 2007) takes on a special meaning in this case. Part of the money transferred by the mining company to the municipality through the *Canon Minero*[1] was invested in the town's infrastructure for the annual festival: the renovation of the *Plaza de Toros* [Bullring] and constructions, including a gymnasium, a hotel, and the new *Plaza de Armas* [Parade Square].

It is worth noting, however, that the company's development agents did not concur with this insistence on investing resources in a bullfighting arena, suggesting instead that the money would be better invested in education, healthcare, and programs to encourage

1 The *Canon Minero* consists of the share that local and regional governments receive from the income earned by the Peruvian state from the commercial exploitation of metallic and non-metallic mineral resources.

self-sufficiency. Goldfields, which began its operations in Cerro Corona – with a mine of the same name – considered that resources resulting from mining, compulsorily transferred to local public administrations, could easily be diverted for other purposes. Rather than the resources resulting from mining being used to generate economic autonomy, more ties were articulated to extend the benefits and incentives provided by the company.

As we argue below, certain disagreements arose in the area evoking deeper conflicts over the nature of mining activity – conflicts also presented in Bebbington (2011) –, including the generation of jobs and the community's ability to survive in a scenario of recurring economic and environmental crises.

We should note that relevant changes have been observed in the political, economic and social context of Latin American countries since the beginning of the 21st century. Extractivism has become vital for these economies, but also as a more expressive form of integration with international capital. Several nations on the continent invested in the intensification of extractive strategies as a way of guaranteeing economic resources and designing social programs. In this scenario, environmental problems worsened (Ellner, 2021) and gave way to the emergence of neo-extractivist criticism. As pointed out by Ellner (2021), neo-extrativism writers show plenty of empirical evidence to prove that extrativism is related to violation of indigenous rights, to ecological damages and attack to democracy in Latin America. Nonetheless, the author also considers that these same writers commit a mistake in downplaying local interpretation about current extrativism, how it appears differently depending on which country we analyze, and the way class alliances can be arranged in order to sustain it.

In this regard, Hualgayoc's urban center has been abandoned and occupied successively by different generations according to the peaks and crises of mining. In the most recent narrative, many of the residents left in the 1990s due to a severe crisis in small businesses, while the legal framework of mineral exploitation was reformed, guided by criteria that focused on making the country attractive for capital-intensive mining during the first Alberto Fujimori government (1990-1995). Some returned to the city of Hualgayoc years later, following the implementation of modern open-pit mining.

The few who remained in Hualgayoc for many years criticized the newcomers, calling them opportunists and claimed that they knew about the "easy" opportunities for social mobility that had been created by the Yanacocha mine established a few kilometers north of the city of Cajamarca in 1992. This new scenario, where mining and development seem to produce alliances and – as shown by De Vries (2007) in the central Peruvian Andes – the image of a cohesive, united community, which in practice is never fulfilled, remains a powerful sign of the will to solve the problems of litigation, envy and exclusion. Following the work of De Vries (2007, 2013), our argument is that development generates desires, but such desires are differentiated in people and when both the mining project and its local effects come to fruition, frustrations emerge. The community sees itself as fractured, compromised, and development processes can be a means of attempting to gain something or obtain some benefit. However, for those who have been miners for a long time or understand their lives in this manner, getting a job is what really matters.

Unlike Cajamarca, where mining activities are recent, Hualgayoc has been a mining center since 1771. In this paper, we examine a case in which the relationships between the population and a large mining company become strained by the constant need for job generation in modern mining, in which labor-saving is significant. When jobs become scarce, legitimizing the mining activity through various development programs and projects becomes strategic, while the company constantly walks a fine line between merely acting as expected in a capitalist environment and offering benefits that are invariably demanded and negotiated, which then become a source of social conflict.

Our goal is to demonstrate that in addition to issues involving hired labor, benefits for the *Área de Influencia Directa* (AID) [Area of Direct Influence] of mining and dilemmas caused by environmental effects, this scenario also comprises frequent political negotiations in which a large mining company can sometimes play the role of the state. Hence, our argument is situated not only within the desire for development or mining because, as Taussig (1992) has discussed regarding the fetishism of the state, in relation to large mining companies, people express ambivalent feelings; they desire and are repulsed, they are attracted and repelled. It is worth highlighting that under these conditions, an important portion of the population of Hualgayoc is averse to losing their relationship with the mining company, however frustrating its effects may be. Thus, if for the mining company, there exists the potential for dependence on that which it fosters and promotes, for the people, it is a matter of maintaining relationships in the present and potentially into the future.

For the purposes of this research, the work of Blanco (2022) on niobium mining in the Brazilian state of Minas Gerais seems relevant: the desire is itself ambiguous, mining is a source of health risks and simultaneously a potential field of well-paid work. However, Blanco (2022) also shows that desire works as an excess, it is never fulfilled and yet it enables the continued promise of development that is never achieved (see also Kapoor, 2014; Radomsky, 2020).

This article is the result of nine months of ethnographic research conducted by one of the authors between 2013 and 2014, in the Cajamarca region. During this period, we attended some of the monthly round tables for dialogue and consultation in Hualgayoc, when the majority of the development projects were approved. In these sessions, we met some community members and residents of Hualgayoc who we interviewed at a later date.

We always asked for permission to participate in these dialogues. Negotiations between the company and the communities that sold land to the mine occurred behind closed doors. As such, it was not possible to participate in these sessions, with the exception of negotiations with the La Cuadratura community (discussed below), which was beginning its relationship as an AID and where someone in authority allowed us to be present. We managed to schedule interviews with the mining engineers.

The mine in question is located in the district of Hualgayoc. Nowadays, the mine's AID includes the town of Hualgayoc and six rural villages. Around 6,000 people lived within the AID in 2011 according to the company website. Although the research included visits to different places, the focus here is on the particularities of Hualgayoc. In the next section, we examine the profound changes involved when switching from being a mine worker to a project beneficiary. We then analyze the relationship between mining and labor, focusing on how water crises in the region are implicated in the emergence of fear and aversion, and how strategies for mitigating this problem are also related to possibilities for labor. Finally, we explore the negotiations and modes of governing through development projects and programs.

MINING AND WORKERS IN THE HISTORY OF HUALGAYOC

Hualgayoc and Cerro de Pasco, the latter in central Peru, were the most prominent silver mining centers in the Andean country in colonial times. The history of Hualgayoc dates back to the end of the eighteenth century, when explorers found ore. Since then, its trajectory as a mining region has not ceased – not since the country's independence in the nineteenth century, nor throughout the diversification of the Peruvian economy in the twentieth century as shown by O'Phelan Godoy (1992), Contreras et al. (2010) and Pérez Mundaca (2010). One striking aspect in the history of Hualgayoc is how the possibility of social mobility through mining work became a crucial factor in attracting labor. Even though rapid social mobility was possible in given periods, mineral reserves could be exhausted and, until the discovery of another area for exploration nearby, massive population exoduses were constant and turned the mining center into a ghost town.

A similar situation has been reported in other studies. Mnwana and Bowman (2022) show the case of Limpopo province in northeastern South Africa, where the expansion of industrial mining could be seen as welcomed by rural people in areas affected by mining who are dealing with a lack of employment.

At the end of the twentieth century, a crucial transformation took place. Between the late 1980s and early 1990s, small mines – many of which were formed by underground tunnels – ceased operations and the owners declared bankruptcy, leaving behind around 1,200 environmental liabilities. Between 2004 and 2005, the South African company Goldfields negotiated with landowners to implement the Cerro Corona project, beginning in 2008. The old techniques for extracting ore from underground mines could no longer be used to obtain the gold and copper scattered throughout the mineral-rich mountains. Open-pit mining is the way metals are extracted, which requires a different type of installation, usually involving a massive pit, with different equipment, waste areas and separation systems.

Open-pit mining has two phases of labor hiring: the first, during construction, in which the company hires a significant number of people, employing a large manual labor force. The second is that of operations, when the demand for workers decreases because the system operates mainly with machinery and equipment and less-complex jobs are scarce, so fewer people are hired. Thus, within a few years of the company beginning operations, workers can easily find themselves excluded from mining activities.

Cerro Corona, operated by Goldfields, is a gold and copper mine that applies conventional open-pit mining methods and sulfide mineral treatment through concentrate flotation extraction. Every day, this concentrate is transported approximately 236 miles (380 km) by trucks to the port of Salaverry (in La Libertad, on Peru's northern coast) for shipment to Asia and Europe. It is located in the district of Hualgayoc, six miles (10 km) northwest of the urban center, also called Hualgayoc, at an altitude of 3,500 meters (11,480 feet).

In 2014, the project area comprised the upper reaches of the Tingo/Maygasbamba and Hualgayoc/Arascorgue river basins. The mining operation and installations occupy both the Hualgayoc and Tingo river basins. The pit is located in the first basin, including two deposits of organic material, two sedimentation pools, a maintenance workshop for mining trucks, and the office. The other basin contains the *relaves* [tailings] deposit, the *botadero* [scrap heap], the mineralized oxide pile, the *chancadora* [concentrator plant], and four *botaderos* of organic soil unsuitable for use. The whole area was initially estimated at 570 hectares, with the possibility of expansion. In 2014, the mine was considered a medium-sized enterprise, compared with the Yanacocha mine, which is located an hour and 15 minutes away by road.

Characterized by modern mining techniques, the Goldfields pit design in Cerro Corona is achieved by drilling, blasting and loading (Knight Piesold Consultores, 2005). This can only be done using heavy machinery (drills, excavators, dump trucks). In this scenario, traditional underground mining skills lose their effectiveness, and this social transformation is one of the most dramatic. Miners who had worked in underground mining until the late 1980s reported that when they sought employment in the modern mining industry. They were told they were no longer miners, given the current context of advanced mining technologies and new formats of mineral extraction in Peru and many places worldwide (Salazar-Soler (2006), for instance, explores in detail the life of workers in underground mines in the Peruvian region of Huancavelica).

It was hard to believe that former miners could express nostalgia for a Hualgayoc whose history was marked by frequent deaths in the mines. However, people complained that Hualgayoc, which formed part of the AID of the Cerro Corona operations, did not benefit from offers employment despite feeling the impacts of a mine nearby. Since job posts generally required qualifications, it was mainly outsiders who profited from the economic benefits and the labor market created by the construction and implementation of the mine.

Thus, in the case of Hualgayoc, the category of those directly affected by mining included everyone who felt the impacts of the Corona project, though as Blaser (2010) argues, we suggest it "tamed" the way the residents related to the company. It was not always possible to enjoy the economic benefits of employment and social position, because from the moment that someone is part of the AID, they become project beneficiaries and, therefore, mere clients of development proposals that are not always well evaluated (see Hobart, 1993; Walsh, 2010; Lie, 2022).

One way the company began to encourage alternative work options was through incentives to develop transportation services for people. It is striking how the design of open-pit mining destroys old routes between locations, such that the distances become too far to travel. Workers, development agents, instructors and other professionals move between locations using the van system, which consists of a system of road transport involving small and medium-sized vehicles. Since the implementation of the mine, this system has been considered a job market fostered by the company, that is, when planning the format of the operation, particularly regarding how to organize relationships with local communities, the company had anticipated economic dynamization that involved jobs in daily transportation services. However, this type of work depends exclusively on the investment capacity of local actors. It is worth emphasizing that this capacity for investment only applied to those who had money from selling land to the mine. However, not all of those living within the AID had sold their land, only those inside the area where the open pit was planned.

This approach of stimulating an economy through the formation of markets involving companies and their workers is not only a local story. Studies on work, precarization and development in different countries have shown how capitalist dynamics impose the need for entrepreneurship, the individualization of initiatives and local competition with large companies or the state, inciting initiatives and offering few direct jobs (Rosenfield, 2018; Jakimov and Harahap, 2016; Forbes-Mewett et al., 2020). Noy (2023) has remarked that precarization and informal jobs form part of mining in the Global South; however, here we witness a different but related aspect: few well-paid jobs in the mining company and an important system of work in services that support the mine that do not always fit the ideal formal job people are looking for. In Hualgayoc, the very mining that destroys aspects of the landscape and the social world – with new legal frameworks for open-pit mining replacing the old underground mines – implies a reorganization that includes new activities in the hope of contributing to local development.

However, this emerging labor market only exists because the open-pit mining design has created problems, here adopting Escobar's (2018) notion of the designs of the world. Notwithstanding, the company's department for social responsibility deemed the case successful. Drawing on Escobar's (1995) best-known work, the state and companies act strategically towards populations that are considered vulnerable, by organizing a consortium of enterprises and state bureaus (Ribeiro, 2002). Particularly in the Hualgayoc case, there seems to be a dual relationship: while projects and resources are channeled into resolving problems, the expectation is that economic dynamism will stimulate social actors to be proactive. A recent work by Lewis (2019) on interactions between the dynamics of capitalism and intentional means of improving the conditions of a population, called "little D" and "Big D," sheds light on such problems. According to Lewis (2019), different research contributions show a dual possibility of understanding development

> [...] as something that *is done* (and therefore involves intention and choice) and development as something *that happens* (occurring according to some kind of largely predetermined *ex ante* logic). Confusion arises because the word "development" is sometimes used to refer to change and its consequences, while other times it refers to the intentions of institutional actors to bring change about (Lewis, 2019: 1957).[2]

Up to this point, we have deliberately not defined development, and the relationship described above by Lewis (2019) is crucial to what we seek to demonstrate. It may well be conceptualized as Rist (2008) argues,

> 'Development' consists of a set of practices, sometimes appearing to conflict with one another, which require – for the reproduction of society – the general transformation and destruction of the natural environment and of social relations. Its aim is to increase the production of commodities (goods and services) geared, by way of exchange, to effective demand (Rist, 2008: 13).

As we seek to clarify, the case of Hualgayoc may well be an illustrative example of Rist's concept of development.

LESS WATER, MORE JOBS?

Noé Zúñiga, a writer born in Hualgayoc, is the author of *El socavón compactado* [The compacted sinkhole] (1990). The novel tells the story of a treasure hidden in the depths of the mines in which the owner creates the means for the mineral to remain untouched. The tale informs us that the fortune left by Don Josef Casanova, the first miner of Hualgayoc, was obtained through a pact with the Devil in exchange for his soul. The novel's fictional plot draws from historiographical narratives. When we asked the author about the historical data of the region during our field research, he told us that he had researched the "discovery" of Hualgayoc ore:

> At the time of the colony, manufactured products that came from Spain were traded for produce from the rain forest [tobacco, coca, among others] by *trueque* [bartering] through a route that linked the city of Cajamarca [the Andean part] and the town of Chachapoyas [in the highlands of the Peruvian Amazon]. Once, the leader of the expedition, the Spaniard Rodrigo Torres de Ocaña, was traveling along the trading route. This journey was made in five *pascanas* [stages], and the first one ended in Mesa de Plata, which is very close to the urban center of Hualgayoc. The group of traders camped at Mesa de Plata and, since there was plenty of pasture because it was summer, the mules went looking for food and got lost. So, those accompanying Don Rodrigo, who aren't named in the story, prepared a fire to look for the mules. However, at dawn, they noticed that where the bonfire had been built, a glowing metal fluid had appeared. At first, they claimed it was mercury and called the expedition leader. However, as the liquid solidified during dawn, Rodrigo de Ocaña claimed it was silver and they immediately abandoned the mission to return to Cajamarca and make arrangements to extract the silver. The place where they had found the metal was named "*Nuestra Señora*

2 Reflections on this can also be found in Li (2007).

de la Aurora" [Our Lady of the Dawn] because it was at dawn that that liquid "became" silver and [later, in this location] a temple was built (interview, Noé Zúñiga, April 2014).

The story is intriguing because it reflects on one of the most coveted minerals, both then and now, at the founding of the city, thus connecting past and present with the challenging economic alternatives in the region. This is a narrative inherent to the future history that unfolded in Peru, since it is set in a moment prior to Independence, when native-born offspring of Spaniards, based on deep knowledge of the potential of such mineral resources, were conceiving the idea of a Peruvian homeland and distancing themselves from the country's Indigenous past. Thus, what is at stake is the struggle for control of the historical narrative, in which the *cerros* [mountains] of Hualgayoc are emporiums of wealth.

At some point during our field research, an interlocutor, recognizing the vicissitudes of the region's mining vocation, proudly stated that "the mineral for the ransom to free Atahualpa came from Hualgayoc."[3] Fabiola is a teacher who has lived all her life in the city of Hualgayoc. Her father, now deceased, had worked in the Los Mantos mine (which went out of business in 1990). He had been the head of the mining plant and had a deep knowledge of the processes of separating and recovering the mineral, despite having no university degree; he learned everything by working with engineers. When interviewed, Fabiola was astonished at the effects of mining in the region. What most drew her attention was how the activity generated jobs for those outside Hualgayoc and how the city suffered from the resulting environmental damage. One of the most dramatic problems observed in the research was the crisis related to the lack of water, ironically perceived as an opportunity to generate work in the region without being directly linked to the mining company. For this reason, we argue that the environmental issue is important in that it evokes actions to connect more jobs to the processes of development. Along similar lines, our analysis perceives that the ambivalence towards mining and development emerges in these interstices, since attraction and desire coexist with aversion and fear (see also Radomsky, 2015).

Not only Fabiola, but several other people in the city have also stated that, even though the old mines generated environmental impacts, there was no issue with water supply. Moreover, even if contamination of the rivers occurred, the headwaters still flowed. However, with the advent of modern mining, water scarcity was of considerable concern, given the constant need for water tankers to supply drinking water. Since the installation of the Goldfields mine, the landscape has changed, and water is a crucial element to understanding this transformation (Paredes Peñafiel, 2019). During the summer (May to October), according to Fabiola, there was less water in the wellsprings that supplied the city, but there were always the *puquios* [springs] that never ran dry, and families brought water from these *puquios* to prepare their

3 Reference to the kidnapping of the last Inca, who was held captive in Cajamarca between 1532 and 1533 and who promised Francisco Pizarro, known as the conqueror of Peru, an enormous amount of silver and gold in exchange for his freedom.

food. Besides her nostalgia for the springs, Fabiola described them as infallible, despite the changes in water volume between seasons. Even though with the old form of mining in tunnels, waste was dumped into the rivers and the effects were harmful, the springs always ensured clean water for the population. The fact remains that since open-pit mining operations began, the springs have disappeared regardless of the time of year. Some research has highlighted the risky association between large-scale-mining and water insecurity in Andean territories (see Damonte, Godfrid and López, 2021).

The following interlocutor expresses quite clearly how desire and fear can exist side-by--side and, more importantly, how desire takes precedence. Hernandez, another native of Hualgayoc, stated that there were advantages to the new mining: "there's no shortage of work in Hualgayoc," which contrasted with the general sense of unemployment among the local population. Hernandez said that, when he was a child, his father used to come home dirty and exhausted after working in the mine, so he vowed not to engage in this occupation. In April 2014, however, he was doing just that, working for Goldfields in a laboratory, seven days one week, seven nights the following week, and then seven days off. His father, meanwhile, had got an influential job at city hall. Hernandez explained his choice to work in the mine precisely because, in his view, Hualgayoc is a "sick" town – the town depends on mining and, when the mines shut down in the early 1990s, Hualgayoc almost "died." The only way to keep the place alive is for it to continue being a mining town – a path-dependence that becomes a curse. He added: "that's why I say if there was no mining in a place, it's better to keep it that way, on this the people of Conga [in the Bambamarca district] are right [for mobilizing against mining]."

Hernandez's father was one of the leaders of the largest protest against Goldfields in the town, but today, after getting a job, he no longer speaks out. Consequently, the "reputation" of hualgayoquinos who had negotiated any personal benefit with the mining company was not good. They were said to distance themselves from others, no longer wanting to eat with others, they did not offer rides in their vehicles, recently acquired through settlements, and were even suspected of making pacts with *brujos* [sorcerers] to get ahead economically. This is a recurring issue in mining regions – see the works of Nash (1979) and Taussig (1980). Suspicion of illicit enrichment is also the theme of Wachtel (1994). In many situations, the narratives involve rapid enrichment and hidden pacts. This is the type of issue that we seek to highlight in this work: a large mining project profoundly alters the local reality, consequently compromising the community, since desires are directed towards certain ends and the individual search for better living conditions is central, even though achieving this is not accessible to everyone.

In order to understand another perspective of the issues, we sought to hear from staff members from the company's Community Relations and Sustainable Development offices. During informal conversation with one of them, when asked about the gradual alienation of new employees at the mine from their friends and neighbors – a fact that could happen to anyone who received a reasonable benefit from the company – the staff member reported that following the arrival of mining initiatives by large companies, something happened within the "souls" of Hualgayoc's inhabitants. He referred to subtle or even emphatic forms of social distinction associated with the desire for wealth. But beyond this subjective perception, an issue that was important to hear directly from the staff concerned the appropriateness of the company's involvement in local relations and in spheres not directly associated with the operation of mineral extraction. After listening to the question, he replied: "And what about development?" Later, during a round table discussion, another staff member said:

> Goldfields' proposal is Responsibility. Hualgayoc needs jobs, El Tingo needs jobs. Hualgayoc welcomed us, but it was the El Tingo community that handed over their land. We have a formal, moral commitment with them. Goldfields processes 17,000 tons a day, Yanacocha 150,000. It is a mid-sized mine, since mines ranging from 5,000 to 50,000 are deemed medium-sized. [...] Mining will always be an option for Hualgayoc – in the past, now and going forward. It is important to bear this in mind in the medium-term future. Mining has been here for 300 years. It is an option today and will be in the future. You must consider that mining is a reality in Hualgayoc because that is the fate of Hualgayoc, it's God's plan. (Community Relations Office staff member during a dialogue and consultation round table in Hualgayoc, 2014).

In the staff member's account, we observe a strategy to deal with the fact that mining is a part of history, something essentially immutable, which has relevant effects on actions related to incentives for job creation and in the way environmental problems are dealt with. Clearly, we are facing attempts not just to save development, by identifying a very long history with divine figures and the future of mining, but also the civilizing mission of Western economic activities.

On environmental issues, the company presents a different perspective based on technical expertise as we can see in Li, F. (2015) and Stensrud (2019). [4] The engineers pointed out that contamination is a consequence of the activities of mining companies operating from 1970 to 1980, that is, underground mining, which continue to pollute the Tingo and Hualgayoc rivers, since the rains still carry toxic substances in the extracted earth still present in the territory. They claim that the modern company is different. According to company documents (Goldfields La Cima S.A., 2013), Cerro Corona was designed to utilize two sources of water. The first comes from rainwater storage. Through a pumping system, rainwater is sent to the processing plant to be used in various stages. The wastewater is continuously derived from the tank, that is, it is used cyclically. The second source comprises underground wells.

4 Li, F.'s work (2015) in a nearby region, also located in the Andes, showed that experts become crucial in defining guidelines for practices, responsibilities and compensations. Certain activities generate impacts, others produce contamination. Contamination is a critical and irreversible effect, while impacts can be mitigated. Again, we are faced with the power of engineers in these activities and interpretations of the world (Stensrud, 2019).

However, people who live inside the AID claim that these underground wells are responsible for "drying up" the springs and waterheads by sucking directly from the underground water. Another administrator of the project, an operations manager, explained the drought using other arguments. According to him, the lack of water is due precisely to the increase in the urban population that moved to the city searching for work in the mine. Thus, there is a demographic dimension to the anthropic factor. The old pipeline system was inadequate to supply the population and it collapsed. As a result, the company ended up taking over the city's water supply, using water tankers to bring water from other locations, an action that forms part of their social responsibility policy. What caught our attention is that those who provide the water tanker service may be the very people affected by the impacts of mining, those officially recognized within the area. They can perform such a service, provided they became entrepreneurs and earn the support of the mining company. Thus, paradoxically, the "disappearance" of the water, whatever its causes, emerges as a "development" opportunity, generating transportation jobs inside the area of influence.

During the final weeks of research in Hualgayoc, still in 2014, an incident related to the processes described above is worth reporting. Gloria, the owner of a wellspring leased by the mining company to supply water to the city, refused to allow the water tankers to collect water for distribution in Hualgayoc. For four consecutive days, Hualgayoc was without water. To make matters worse, it was the dry season, so there was no rain. A school teacher provided us with more details concerning the case. Gloria is a peasant woman whose land is within the AID of the mine. She had become a "communal entrepreneur," and was renting machinery to the mining company. However, since the company had shifted focus from construction to its extraction operations, the mine terminated Gloria's contract to supply machinery. One way of insisting on further negotiations to use her machinery was to leave the city of Hualgayoc without water. After a few days, the situation normalized, but this event enables us to infer that opportunities to profit are always at stake on such occasions.

Being a "communal entrepreneur" was one of the options proposed during negotiations aimed at generating job opportunities in anticipation of the demand for construction of the Cerro Corona project. Here, a crucial observation should be made: those who acquired heavy machinery with substantial capital investment were the very people who sold their land to Goldfields. These actors were "lucky" that their properties were exactly where the subsoil is rich in minerals. Since their lands were purchased for high prices, they had the funds to buy machinery and rent it to the mining company. In contrast, there were those who were not eligible for land sales and despite being classified as people inside the AID – the urban center of Hualgayoc – they did not have the same opportunities to become "communal entrepreneurs" or to get jobs in the company.

Considering that 2014 was already a critical year, since the company had shifted from the construction phase, which required much more labor, to the operational stage, to recover that peak demand for labor, the only strategy seemed to be to the expansion of the mining operations. Evidently, this involved expanding the pit, annihilating more water springs and arranging contracts with more "communal entrepreneurs" to fetch water for the city even further away. This narrative rewrites the "origin myth" of mining in Hualgayoc, articulating it in history much like one of the interlocutors mentioned earlier: mining as the past, present and future of the region. The contradiction is that the vast majority could no longer be miners like they had been in the past, since modern mining does not absorb the workforce in these proportions and even when it does, the vast majority do not master the new skills required. The question that emerged was: how many giant pits would it take to actually create jobs in the future?

POLITICAL NEGOTIATIONS AND GOVERNING BY DEVELOPMENT PROJECTS

At this point, it should be clear that in the old mining days, it was enough to be from the city or live there to work in one of the many mines, while today the worker must fit into the categories determined by the mining company. Like in any large development program, its hierarchical, classifying organizational process bureaucratizes relations and separates actors into distinct scales of actuation (Escobar, 1995; Ferguson, 1994). What makes this case relevant is the dual articulation, in which the company operates in a typical capitalist economic environment, while also organizing programs to address social contradictions and exclusions, using bureaucratic means and standardized systems to stagger and manage problems that also create an environment in which competition, entrepreneurship and individual initiative are key. It is readily apparent that development is a fundamental axis through which the company legitimizes its activities and simultaneously disseminates its presence in the region, that is, inserting itself into the families' lives. However, the issue is complicated, given the effort to ensure that this power does not turn into permanent ties, and with company members working to avoid situations of excessive dependence, this is a complex case study.

Perhaps we would not have grasped the dimension of tensions in the city were it not for Oscar, a man with many years of mining experience, who reported that his knowledge was insufficient. He was hired, but was fired soon after:

> I have always worked in mining. In the 1970s, Hualgayoc was at its mining peak. Before working at Goldfields, I'd worked with the Emilio Montoya family. [...]. I have 25 years of experience in mining. I'm the president of the Hualgayoc Miners Association [...]. I sought advice, we formed a union; there's 300 people in the union. [...]. We are always told that we're not prepared to work. Why? We've worked for so many years in mining. It's discrimination. I started working in 1979. Before, mining was very different. In 1979, we had six mining companies, Colquirumi, Banco Minero, Emilio Montoya, San Nicolás, Los Mantos. In 1982, Carolina arrived. In 1990, the unions were destroyed, the companies were sold, and many were left without work. This *pueblito* suffered, and everyone was left without work. We've lived through unemployment since 1990. [...]. People began to migrate. When Goldfields arrived in 2004, many came and started working. But there's not [enough] work. (Interview, Oscar, 2014)

The alternative became the struggle for compensation. Like many others, during the early negotiations, Oscar took the collective stance of accepting the company's operations in Hualgayoc in the hope that he would be able to work as a miner, because in 2014, he was unemployed. At that time, he was attending meetings on Goldfields' expansion of operations that would affect his community, La Cuadratura, where he had a small landholding. This part of the territory had recently been included in the AID and there were expectations of benefits. The Community Relations Manager and his team attended a meeting to negotiate an agreement with the community where Oscar's land is located.

It is of interest to observe that the La Cuadratura community submitted a proposal for this agreement. This reminds us that among the modes of governing populations by development projects and programs, there are forms of political negotiation that do not permit initiatives to be simply imposed by one group on another and passively accepted (Li, 2007; Long, 2001, Beck, 2017). The proposal presented a list of requests: scholarships for young people, cows per family, a paved road between La Cuadratura and Hualgayoc, sheds for raising guinea pigs, training in heavy machinery, advice to organize a communal enterprise and a venture to plant quinoa.

Negotiations began, and it goes without saying that the balance of power was tilted in favor of the mining company, and the list of requests was changed. In the end, the community obtained grants for training in MS Office, the mining company only agreed to a single communal company to transport people by van, and one heifer per family. This last item is rather curious, since the demand seemed beyond the families' capacity to raise them. They requested one cow for each family affected, but a mine official claimed that it would not be possible because they did not know how to care for the animal, so they changed it to one heifer (19-30 months) or calf (under 8 months) per family. Thus, they would learn to raise them correctly and the heifer would get used to the highland soil. It is important to highlight that this specific negotiation ended up demonstrating what was at stake. When the parties began to get irritated, a community leader from La Cuadratura affirmed: "whether it's a heifer or a calf, the important thing is we get them." Therefore, for the community residents, gaining something was imperative, since this indicated that they had some bargaining power (Beck, 2017) and the mining company would only expand its operations if it could offer the people something. They certainly understood that political clashes were more likely to reorganize the way they were governed (Chatterjee, 2004) than to display strength against big mining companies. It is important to realize that, during this negotiation, at no point it can be said that there was attachment to the idea of development *per se*, or that there were strong desires for social progress. They were not "devoted to development", as shown by Pandian (2008); what was at stake was obtaining something and demonstrating some leverage in the relationship.

Since there is a long history of mining and movements for or against it, the issue is all the more politicized and negotiations are true practice politics (Li, 2007), even if the overall outcome ends up limited by the way government is exercised (Chatterjee, 2004) with the ever-expanding mining and the allure riches can generate. Gaining something is an important bargaining chip when there is little room for agency.

Due to the absence of the state in supplying basic needs in these areas, it is not unusual for mining companies to undertake certain initiatives in this regard. Connections between mining and development programs commonly form part of the concession agreements between the Peruvian state and these companies; therefore, negotiations involving such programs are inherent to the concession. The MICAVIR project, *Mejoramiento de los indicadores de calidad de vida de la Población en Riesgo del Distrito de Hualgayoc* [Improvement in quality of life indicators for the population at risk in the District of Hualgayoc], was among the mining company's development projects in alliance with the municipality of Hualgayoc. The staff was composed of development agents, mainly from the districts of Bambamarca and Cajamarca, who were responsible for tackling child malnutrition rates. Here we observe that, in connection with the environmental and socioeconomic impacts of mining, forms of reconstructing the social world emerge to deal with problems created by capitalist dynamics.[5]

Governing by projects was a reality related to precise goals and established indicators to provide accountability (Li, T. 2015; Vianna, 2014). However, with the proliferation of programs or projects run by a company, a side effect arises from installing an open-pit mine. While hierarchical relationships were being discussed, the idea of relations of dependency was also emerging, especially for the company. Suzana, an employee of Goldfields, was straightforward in her assessment of the situation. She was responsible for development projects in the Hualgayoc district. Among the initiatives she supervised, one concerned clothes manufacturing, which she was keen to mention. Suzana had previously undertaken certain projects she conceived as successful elsewhere and wanted to replicate them in Hualgayoc.

The company donated sewing machines to set up the workshop and provided training. The firm also agreed to buy the first orders until the market launch. When Suzana sought out the women involved in the association, she realized they were not at all proactive. When approaching the women, she asked: "Don't you want to be self-sufficient?" To which she heard them reply: "We don't want to be self-sufficient, we know Goldfields will buy [the products]." In recounting this episode, Suzana was enraged by the women's attitude and suggested they were no longer Andean *campesinas* because they did not want to work. "People have learned to be shrewd," she concluded. Which parties are right about the problem is not in play here, what matters is how the mining company acts to encourage entrepreneurship and considers that through this process the local economy will be able to establish its own dynamics and be less dependent on mining. However, the actors struggle to maintain close ties with the company, as if somehow the mining company is forever indebted to the community.

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5 In her book published in 2007, Li had previously noted the relevant role of "development projects," which become more present than the state's public policies. The argument is highlighted in Li, T. (2015). Lie (2022) shows how large corporations have entered the field of international development in the last decades.

CONCLUSIONS

In the case under analysis, we see that a large mining company in the northern Peruvian Andes is causing significant transformations in the labor market where it is located, as it acts much like any capitalist company (Kirsch, 2014). In parallel, it manages to permeate the lives of families through development projects and programs to mitigate a number of the problems of social exclusion created by the company. One intriguing issue is that a reasonable portion of Hualgayoc residents express a strong desire for the mining activity, even though they are aware of the dilemmas and problems it causes. There seem to be no illusions about this; on the contrary, the challenges of changing the course of social and economic processes are well known. As shown by Nash (1979) decades ago, large extractive projects offer conditions for different groups and social classes to establish both what seems possible to obtain and realistic interpretations of what can be transformed.

This is the reason why we insist on the ambiguous relationship between the desire for development through mining and the simultaneous aversion to it. Desires are plural, differentiated, and the perception is that individual objectives become expressive in the rift in the community relations, particularly when related to employment and proximity to the universe of the mining company. In Hualgayoc this dissemination of desires seems to overlap with the fears that are common to all: lack of water and lack of employment.

The uniqueness of this situation is relevant, since we understand that, in the current context, the operation of a large company increases the prospects of employment among the population. However, given that not everyone is included, the management of development programs legitimizes the mining operations, channels resources for specific purposes (projects to improve living conditions and the allocation of resources for community festivals and local infrastructure) and raises expectations for the future. These expectations strive to promote work in an economy driven by large investments, encouraging new entrepreneurs to be self-sufficient, while imposing limits on the over-dependence of society.

The water crisis in the region is oddly associated with development opportunities, as a way of creating jobs and, for the company, offering the means for communal entrepreneurship. Here, it makes perfect sense to reclaim Rist's (2008) concept of development, cited above, since the destruction of the environment and social relations are an intrinsic to it.

Mining activity established after the 1990s requires skills and training, and these requirements are found in workers who are often not part of the community. It is not just the design of the pit that changes, given that mining companies establish relationships that can eventually disempower social groups. Ceasing to be a worker to become a beneficiary of a development program is sometimes perceived as frustrating, although it may recreate new local articulations and negotiations with these companies. Maintaining ties and creating systems of dependency with mining, even as a "communal entrepreneur," suggests that the connections desired by society are not impersonal and ephemeral. People seek long-lasting and binding relationships that a capitalist world gradually renders impersonal, making it increasingly difficult to hold the community together (De Vries, 2013). For outside workers, accepting that work is merely a contractual relationship is easier, though this makes the situation even more dramatic as it leads to envy and contempt on the part of the population of Hualgayoc. The logic of stolen opportunities nourishes an uninterrupted plot that is overcome, even momentarily, when people manage to negotiate collective benefits and obtain something through development programs, no matter how small.

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Adriana Paola Paredes Peñafiel
Federal University of Rio Grande
Universidade Federal do Rio Grande, São Lourenço do Sul, RS, Brasil
adrianapenafiel@furg.br
https://orcid.org/0000-0003-4792-2750

Guilherme Francisco Waterloo Radomsky
Federal University of Rio Grande do Sul
Universidade Federal do Rio Grande do Sul, Porto Alegre, RS, Brasil
guilherme.radomsky@ufrgs.br
https://orcid.org/0000-0002-3756-4286

Editors
Laura Moutinho (https://orcid.org/0000-0001-6479-2711)
Gisele Fonseca Chagas (https://orcid.org/0000-0003-3798-8721)
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