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Canadian Mining Imperialism: The Latin American Struggle Towards Economic Freedom

Abstract

David Harvey's take on Marx's theory of primitive accumulation—through the notion of accumulation by dispossession (ABD)—is a theoretical framework used to break down capitalist exploitations in Peru by Canadian mining companies. Bastioned by the global North, capitalist imperialism rests on the dispossession of land, human rights, and assets to accumulate capital. The pursuit of accumulative areas of capital has come at the expense of the Peruvian people, who, for the past few decades, have struggled against the violence and force of Canadian mining companies. Evidently, the pledge towards economic prosperity, job security, and environmental caution has yet to materialize. Naturally, this capital-tailored mechanism has sparked resistance movements amongst those who are excessively victimized. This paper explores the evolution of Canadian mining companies in Peru, the violation of human rights, the environmental impact, and the resistance movement that stems from them by analysing the case of Tambogrande.

Keywords: Imperialism, Capitalism, Accumulation by Dispossession, Mining, Canada, Peru

Résumé

L'interprétation de David Harvey de la théorie marxiste d'accumulation primitive—et ce à travers la notion d'accumulation par dépossession (APD)—est un cadre théorique dont l'on se sert afin d'analyser les exploits capitalistes des compagnies minières canadiennes au Pérou. Bastionné par le Nord global, l'impérialisme capitaliste se base sur l'usurpation des terres, des droits humains, et des biens d'un peuple avec comme but l'accumulation du capital. La poursuite des domaines cumulatifs du capital compromet le bien-être du peuple péruvien, qui durant la dernière décennie, a lutté contre la violence et le monopole des compagnies minières canadiennes. Évidemment, les promesses de prospérité économique, de sécurité d'emploi, et de vigilance envers l'environnement n'ont pas été maintenues. Naturellement, ce mécanisme orienté vers le capital a incité des mouvements de résistance parmi ceux qui sont particulièrement victimisés. Ce texte explore l'évolution de compagnies minières canadiennes au Pérou,

la violation des droits humains, l'impact environnemental, et le mouvement de résistance qui en résulte, et ce, grâce à l'analyse du cas de Tambogrande.

Mots clés : Impérialisme, capitalisme, accumulation par dépossession, mines, Canada, Pérou

Introduction

For decades, mining has annexed itself into the backbone of Peru's economy and further integrated the state into the world economy. The infiltration of foreign capital has stimulated the expansion of capitalist imperial activities in the state itself. It is perhaps not a surprise that control over resources is often under the hands of multinational corporations who overlook the consequences of mining in the affected communities. The emergence of a neoliberal order has served to intensify this process and restructure the economy of the Peruvian state. In recent years, scholars have embarked on an imperial capitalist debate which illustrates Canada as a core capitalist state, a prominent bastion of neoliberalism, and a main driving force behind its institutionalization across the international system for the interests of Canadian companies (Tetreault, 2013, p.193). The debate has shed light on the dark activities of Canadian mining activities in Peru, as they are often the centre of land dispossession and environmental disputes. To address this matter, one must present an argument in the context of global capitalism and challenge the notion of an uneven distribution of power between the global North and the global South in the contemporary era (193). Through the lens of David Harvey's theory of accumulation by dispossession, this paper will demonstrate that Canadian mining imperialism poses an imminent threat to the development of rural communities in Peru.

Theoretical Framework

Capitalist imperialism stems from the philosophy of a socioeconomic model that is predicated upon the dynamic pursuit of capital, regardless of the limits it places on labour power (Gordon and Webber, 2008, p.65). Often, the system finds itself vulnerable to over-accumulation, "a condition where surpluses of capital (perhaps accompanied by surpluses of labour) lie idle with no profitable outlets in sight" (Harvey, 2003, p.149). David Harvey, a distinguished thinker of accumulation by dispossession, suggests that "if system-wide devaluations (and even destruction) of capital and of labour power are not to follow, then ways must be found to absorb

these surpluses. Geographical expansion and spatial reorganization provide one such option" (Harvey, 2004, p.63). Capital, backed by state power, whose purpose serves to expand the global capitalist project, strives to find a spatial fix that suppresses the effects of over-accumulation (Gordon and Webber, 2008, p.65). In this sense, land dispossession becomes habitual in many parts of the world to avoid the non-profitable condition of capital surpluses and prevent capital's devaluation, while access to cheap labour becomes increasingly exploited (65). That said, foreign capital penetration requires the development of new areas of accumulation, where former colonial territories become subject to the interests of foreign powers once again.

Certain aspects of accumulation by dispossession derive from the mechanism Marx refers to as 'primitive accumulation' in his take on the turbulent rise of capitalism during Pax-Britannica. In fact, Harvey suggests that certain elements of primitive accumulation must be revisited in order to understand the historical nature of capital accumulation (Harvey, 2003, p.144). In particular, one must consider the expulsion of destitute communities and the emergence of a "landless proletariat", as in the case of the people from Tambogrande (145). Hence, Harvey's take on Marx's 'primitive accumulation,' in the context of accumulation by dispossession, takes form in several aspects and is omnipresent regardless of the historical period where over-accumulation requires the expansion of capital into new spaces of accumulation (Harvey, 2004, p. 76). Moreover, the rise a neoliberal world order has served to fuel a new period of imperialist accumulation by dispossession (Gordon and Webber, 2016, p.183). Economic reforms in Peru served to facilitate the expansion of advanced capitalist states into new areas of accumulation and suppress the effects of over-accumulation as explained above. To further understand this concept, the next section will provide an in-depth exploration into the roots of neoliberalism and the structure that sustains it.

Neoliberalism

In the wake of a need for new economic policy assumptions and for the role of the state to be defined, neoliberalism emerged as a promising solution in the 1970s and 1980s. Neoliberalism shifted the focus away from market failures towards government failures—issues that could be resolved through economic liberalization (Kentikelenis, and Babb, 2019, pp.1721). The aim of the paradigm was global in perspective and implicated what scholars now recognize as neoliberal globalization: a scaled-down role of the state, deregulation, liberalization, and privatization (Kentikelenis and Babb, 2019, pp.1721). In practice, neoliberalism pressures the state to develop a legal structure that attracts foreign capital regardless of its socio-economic effects. For instance, cutbacks to social programs such as healthcare, public pensions, and employment insurance benefits, are often made to generate tax breaks for privatized industries (Kotz, 2002, pp.65). Democratic backsliding becomes a recurrent phenomenon as states turn into subjects of advanced capitalist states.

The extent to which neoliberalism was embedded across the international arena indulges one to uncover the system responsible for its perpetuity as the dominant economic policy discourse. By doing so, it sheds light into the dependency of neoliberal proponents on international institutions such as the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO), who were often used as platforms to enact neoliberal policies on a global scale. Additionally, mass media outlets such as the Wall Street Journal, and research institutes such as Institute for International Economics, were also used to secure public confidence in the ideology (Scholte, 2005, pp.39). Indeed, it was the unified force of dominant actors in the international arena that facilitated the degree in which neoliberalism infiltrated itself as the dominant economic policy discourse of today.

Neoliberalism in Peru

Historically, Peru has been a mining powerhouse in the Americas. Though mining activities trace back to the colonial era, it was only in the 1990s and early 2000s that the industry really took off due to the “Fujishock”—neoliberal reforms—installed by authoritarian

President Alberto Fujimori (183). In this period, Peru was a relatively weak state due to Alan Garcia’s disastrous former government between 1985 and 1990, which saw inflation reach 2,178,482%, poverty reach 57.4%, and Peru’s foreign debt to the IMF reach \$1 billion (Varona et. al. 2024; Trece, 2001, p.382; Murillo, 1990). As such, the shock served to integrate Peru back into the global financial system, ameliorate its relationship with the IMF, and protect foreign direct investments (FDIs) as it created favourable environments for privatized industries. Interest over Peru’s mining sector surged after the World Bank founded Energy and Mining Technical Assistance Loan (EMTAL), a program aimed to privatize Peru’s mining sector, generate tax breaks for multinational corporations, and augment the flow of FDIs (Vélez-Torres and Ruiz-Torres, 2018, p.6). Canadian mining companies emerged within the confines of Peru’s mining sector soon after they were issued mining lines of credit by the World Bank (6). Unfortunately, many companies were criticized for their will to remove people from their lands and worsen the current climate change crisis. Todd Gordon and Jeffrey Webber examine the consequences of Canadian mining developments in Peru in the following manner:

The type of development that this kind of mining predictably produces, [is] a type of development incapable of improving the lives of Peruvians or protecting the environment, in which the presence of multinational mining and oil companies involves their simultaneous and connected activities of expatriating profits and externalizing the social and environmental costs of mining production (Gordon and Webber, 2016, p.185).

Embryonic communities in Peru face a significant threat from the accumulation by the dispossession process. This complex reality is best exemplified through the case study of Tambogrande, a small mining community located in the northwestern region of Peru that struggled against the forces of Canadian mining imperialism between the 1990s and early 2000s.

Case Study: Tambogrande

In 1999, Manhattan Minerals Corp., a Vancouver-based mining company, was issued an exploration concession to survey the grounds of Tambogrande as part of Fujimori’s economic

restructuring plan. The Canadian mining giant estimated the value of mineral deposits to be approximately US\$1.6 billion. However, to reap this economic benefit, Manhattan Minerals Corp. necessitated the displacement of 8,000 residents from their land and their relocation into new areas of development, which the company pledged to construct (Haarstad and Fløysand, 2007, p.296). The purpose of this maneuver was to develop an opencast mine three kilometres in diameter inside the hub of the town, regardless of the socio-ecological risks it posed on a region soon to be abandoned by the state (296). The concerns over water contamination and scarcity significantly augmented, along with other forms of mining-related pollution, as Tambogrande relied on 226,000 hectares of fruit trees to employ over 26,000 individuals and bring US\$105 million to the local economy each year (Gordon and Webber, 2016, p.194). To make matters worse, the San Lorenzo Valley that ran through the town of Tambogrande, had historically suffered from extreme water scarcity. Hence, the exploitation of hydro sources for mining purposes would have introduced irreparable damages to the local economy and, above all, damaged the development of Tambogrande. Anti-mining sentiments rapidly intensified after it was revealed that Manhattan Minerals Corp. planned to divert the Piura River to extract ore bodies beneath the water surface. However, as Gordon and Weber explain, based on the historical nature of foreign mining activities in the Andean highlands, the main concern was that “the vast profits expected to come from the concession would, by and large, fall into the pockets of foreign capital, while only the devastation wrought on the community and the environment would be left in its wake” (Gordon and Webber, 2016, p. 194).

The Rise of Resistance Movements

The shocking collapse of the Fujimori regime on November 19, 2000, facilitated the Peruvian state to embark on a path toward democratization. The unexpected events allowed for greater mobilization of protests at Tambogrande. By this point, local residents not only relied on domestic support, but international support as well. From Canada, MiningWatch kept a vigilant eye on mining developments overseas to protect indigenous communities’ right to self-determination and guarantee mineworkers a safe work environment, as well as apply pressure on Manhattan Minerals Corp.

to abandon their operations in the Andean highlands (MiningWatch Canada, 2003). Domestically, Frente de Defensa was founded by an assembly of miners, farmers, professors, traders, and the Catholic Church, to expel Manhattan Minerals Corp. from their territory through the use of strikes, referendums, and occupations (Gordon and Webber, 2016, 195). Prior to that, the only mechanism responsible for such activities was the National Federation of Mining Metallurgical, Iron and Steel Workers of Peru (FNTMMSP), which operated under anti-imperialist and labour empowerment principles (194). Hence, the new wave of mining injustices that rocked Peru in the 1990s suggests that “the principal axis of contention in mining zones shifted from miners struggling for their rights in existing mines, to peasant, indigenous, and community resistance to new mining expansion” (Gordon and Webber, 2016, 194).

In 2001, Frente de Defensa organized a general strike which saw the offices and machineries of Manhattan Minerals be severely destroyed (Haarstad and Fløysand, 2007, p.296). The mining company hired 700 police officers to close off the protestors and spread false claims that Frente de Defensa orchestrated terrorist attacks (Clark, North, and Patroni, 2006, p.62). Halfway through the strike, Godofredo García Baca, leader of the resistance who served as the voice for those from the margins, was assassinated (Wilson, 2002). The motives remain unknown to this day. Nonetheless, Francisco Ojeda Rifrío, former mayor of Tambogrande and president of Frente de Defensa, insists that activists were constantly monitored and often offered money in exchange for their silence (Clark, North, and Patroni, 2006, p.61).

During the next four years, violence at Tambogrande continued to aggravate. In fact, in the first self-organized mining referendum in Latin America, 94% of eligible voters had voiced their opinion against the permanency of Manhattan Minerals in the Peruvian territory (Clark, North, and Patroni, 2006, p.62). Needless to say, under immense pressure from non-governmental organizations (NGOs), the Catholic Church, and finally, the Peruvian government, Manhattan Minerals abandoned its exploitation of Tambogrande in February 2005 (Clark, North, and Patroni, 2006, p.62). For many Peruvians, it was viewed as a triumph

over the interests of capital, in a state where the former is traditionally dominated by the latter.

Canadian Responsibility

Foreign Affairs in Ottawa (now Global Affairs Canada) and Canada's embassy in Peru monitored the challenges Canadian investments faced in Peru, often working to find strategies that facilitated the penetration of markets in favour of Canadian companies and the extraction of wealth from the Peruvian highlands, regardless of its socio-environmental costs (Gordon and Webber, 2016, p.204). Following the events at Tambogrande, neither the Canadian embassy in Peru, nor Manhattan Minerals, ever addressed the issue at hand (Krishnan, 2014). Canada's failure to develop a plan built on the pillars of human rights worsened the severity of mining activities in Peru. Though the Canada-Peru Free Trade Agreement did adopt protocols that helped meet these concerns, the legal structure to guarantee its implementation simply failed to exist (Canada, 2017). This became abundantly clear once Canadian Prime Minister Justin Trudeau withdrew from his pledge to establish a watchdog with the power to investigate the activities of Canadian mining companies abroad due to a high volume of mining industry lobbying (Pazzano, 2021). Under Canada's democratic government, the role it once enjoyed as a bastion of human rights due to its contributions to the establishment of the United Nations in 1945 was subject to scrutiny. Needless to say, a strong part of the population continued to reflect the emblematic values Canada once prided itself on in the 1940s, 50s, and 60s. For instance, MiningWatch Canada, an Ottawa-based NGO worked internationally in unity with indigenous and non-indigenous communities whose lives and territories were negatively affected by the activities of Canadian mining corporations abroad (MiningWatch Canada). Moreover, the Mining Injustice Solidarity Network (MISN), a Toronto-based activist group, has helped bring public awareness to international mining

injustices (Mining Injustice Solidarity Network). The activist group aims to educate the public on the neo-colonial system responsible for the dispossession of land of rural communities overseas in the interests of transnational corporations. These efforts have served as a platform for those whose voices were often unheard and served to prevent Canadians from being kept in the dark. It goes without saying that Canada's democratic government may have turned a blind eye to Canadian mining activities abroad for the interests of capital and deprioritized the will of its population for the same reason.

Conclusion

Canadian mining imperialism poses an imminent threat to the development of poor communities in the Andean highlands, as this paper demonstrated through the use of Harvey's accumulation by dispossession theory. The rise of neoliberalism in the 1980s and 1990s ignited the foreign penetration of capital, including Canada's, into the Peruvian mining economy. The flow of FDIs into new areas of accumulation was seen as a way for advanced capitalist states to avoid the non-profitable scenario of over-accumulation at home. In the case of Tambogrande, open-pit mining involved the dispossession of land from indigenous communities, the deterioration of the environment, and the destruction of the local economy. Manhattan Minerals failed to involve local residents in the decision-making of the mining project and only showed interest once violent resistance threatened the livelihood of the project. Canada's failure to investigate allegations made against Canadian mining activities in Peru left Canadian activists with the responsibility to educate the public on Canadian mining imperialism. Government actions failed to reflect the will of the people and thus, exposed Canada's weak decision-making power as it came up against the interests of capital.

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