

Three workers killed in Peru mining protests

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On March 15, three workers were shot dead after thousands took to the streets of Puerto Maldonado, the capital of the jungle province of Madre de Dios in the far southeast of Peru.

The protest was directed against four decrees issued in February by the government of President Ollanta Humala penalizing those involved in “informal mining”—that is, the extraction and trading of mining resources without securing tax and environmental permits. The new laws would impose penalties of up to 12 years in prison for anyone who finances or engages in such activities.

The protests, which involved approximately 15,000 workers, were organized by the Mining Federation of Madre de Dios (Federación Minera de Madre de Dios—FEDEMIN) after negotiations with the government broke down.

Informal miners from other, distant regions of the country—Piura and La Libertad in the north and Puno in the far south—have joined the struggle against the decrees, marching through the streets and blocking major roads.

But the March 15 protests in Madre de Dios proved far more confrontational. By 2 a.m., the protesters were already blocking a market and a bridge and throwing Molotov bombs at policemen, who responded with tear gas bombs and shots in the air. Hours later, more workers were trying to block the Continental Bridge, the airport and the Modelo Market.

Then, when workers were blocking Fitzcarrald Avenue, policemen shot three people dead: Carlos Lanci Yumbato, 40, an informal miner; Julio Ticona Medina, 38, a worker who was not taking part in the protests; and Francisco Areque Jipa, 35, an indigenous Peruvian who lived in the Amarakaeri José de Karene community. Areque’s wife claimed that he was killed by police in a patrol car who were “shooting to kill.”

By the end of the day, there were 62 protesters detained and 36 injured, including a nine-year-old child.

Protests were also staged by mining federations in the regions of Arequipa and Apurímac. Virtually every day since March 15, there have been reports of informal miners blocking roads and clashing with police. President Humala’s government is confronting more than 200 social conflicts in all corners of the country, the majority of which have to do with mining and the environment.

Given Peru’s substantial mining resources—the country is the world’s fourth largest exporter of minerals—the extraction and trading of minerals has become a major means of survival for thousands of impoverished workers and their families. It is reported that more than 50,000 workers are involved in these activities and more than 60,000 family members.

The average income for an informal miner is US\$200 a month, more than the minimum wage paid to workers in the capital of

Lima (US\$117). In Madre de Dios, one of the less densely populated regions in Peru, the discovery of gold generated a massive migration by workers from the most impoverished areas of the country.

“[Informal] mining gives work to many people, sellers and traders on both big and small scales.... Small mining and handicraft mining represent almost 80 percent of the economy in Madre de Dios,” said Miguel Herrera, one of the protesters, who also claimed that the new decrees are going to leave thousands of families without income.

Small miners are very aware as well that the decrees benefit mining multinationals—which have taken such a major part in the exploitation of Peru’s resources for decades—as they will easily buy up the underdeveloped lands that once were exploited by the small miners.

The claim made by the politicians and the media that the decrees are going to stop ecological disasters and increase government revenues by taxing the small miners’ production is a lie.

One only needs to look at the city of La Oroya, just 176 km from Lima, to see how multinationals enjoy complete impunity in relation to the same offenses with which small miners are charged.

Bought in 1996 by the Doe Run Corporation, the smelter at the city of La Oroya has so polluted the air that a 2008 CNN documentary revealed that 99 percent of the city’s children were suffering from lead poisoning.

Large operations run by foreigners, like a Russian-owned gold refinery near the city of Nazca, rely upon the informal miners as their major suppliers.

Operations like the Russian refinery are common in Peru. Doe Run’s La Oroya smelter likewise depended upon minerals extracted by hundreds of informal miners. At one point in the past decade, Doe Run stopped operations while owing US\$300 million to these miners.

Then there is the notorious Yanacocha gold mine in Cajamarca. Run by the Peruvian-owned Buenaventura and the US giant Newmont, the mine is infamous for its pollution of rivers and lakes and the bullying of local residents. The population is so aware of its lies and evasion of obligations that it rejected the US\$5 billion Conga investment project, despite promises that it would be executed in accord with environmental studies (see “Thousands march in Peru against US-backed mining project” [<http://www.wsws.org/articles/2012/feb2012/peru-f22.shtml>]).

Following the bloody crackdown in Madre de Dios, Luis Otsuka, the president of FEDEMIN, announced “a truce” during which there will be another round of negotiations. “If we enter into a real formalization (of the miners) and a real understanding, we will

ultimately suspend the strike,” he said.

While government negotiators are trying to separate “informal” from “illegal” mining—operations located inside nature preserves—and are looking to cut a deal by offering informal miners one year to regulate their situation, the problem of informality has deep historical roots.

The central government never paid much attention to remote places like the Andean and Amazon regions. Since independence from Spain in 1821 to the mid-twentieth century, it was the big landowners who laid down the law in these areas.

Child labor is common in informal mining as many of the families involved in it are of peasant background in which communal work is the norm. As generations pass, the average land holding of a peasant family has been reduced to less than 5 hectares, which for decades has forced migration to the cities and now to the illegal mining operations in the jungle.

Today’s brutal conditions of exploitation in Madre de Dios, including child labor and child prostitution, resemble those of the rubber “bonanza” in the early twentieth century, which attracted thousands of foreigners into the northeast region of Peru, centered in the city of Iquitos on the shores of the Amazon River.

The merciless rubber barons established “slave camps” to ensure that the laborers, who were brutally beaten to increase production, would not escape.

The situation in Madre de Dios is in many ways even worse. Under the previous presidency of Alan Garcia, most of the jungle was divided into concessions allowing foreign companies to explore for oil and exploit timber resources and gold reserves.

Humala, who previously postured as a left nationalist, has made it clear that he will stand with the mining corporations in their attempts to overcome popular resistance to their activities.

Mining profits in Peru in 2011 rose to nearly US\$4 billion, 70 percent of which belonged to five transnational companies. With informal mining amounting to an estimated 15 percent of gold mining, it is clear that behind the drive to regulate the mines in Madre de Dios and elsewhere in Peru is the insatiable greed of international capitalism.

Simply put, once “formalized,” the informal miners won’t have the resources to compete with international capital, like the Colorado-based Newmont Mining Corporation (majority shareholder of Yanacocha, the second largest gold mine in the world) or Doe Run Company, the largest integrated lead producer in the US (owners of La Oroya smelter) or Mexican-owned Southern Copper Corporation (running the huge mining complex of Cuajone and Toquepala).

Adding to the problem is the influence of corrupt politicians connected to the government who benefit from informal mining. Basing itself on audio and video recordings, *El Comercio* reported that the congressman from the president’s party Gana Peru, Eulogio Amado Romero, controls 6,700 hectares and receives payments of US\$300,000 from illegal mining operations in Madre de Dios.

The family of Cecilio Baca, which arrived in Madre de Dios in the 1970s, owns 7,500 hectares and has 17 concessions for gold extraction. The family spends huge amounts on transportation and heavy machinery, maintaining business relations with wide sectors

of the “legal” economy. It has diversified into several businesses, like hotels, gas stations, mineral purchasing and transportation. The government is investigating the family business for money-laundering activities.

As the Humala presidency continues moving to the right, it is using the media to publicize plans to invest more than US\$10 billion in the economy over the next two years. Of course, the bulk of this money will flow to foreign investors and the Peruvian bourgeoisie. The implementation of these plans depends upon Humala’s ability to quell the mounting social unrest.

Peru’s impressive annual growth in recent years has made it a pole of attraction for foreign investment. The country is seen as a producer of raw materials feeding the enormous growth of Asia, in particular China.

The construction and banking sectors are experiencing a boom. Bank profits have been reported on the order of 14 percent, and every week a new mega-project in construction is announced—shopping malls, cinema and restaurant chains, industrial parks, etc.

But this growth, which has helped increase the average Peruvian worker’s wage (often through profit-sharing plans), has also created a chaotic and unsustainable situation.

Most workers have no medical insurance and are employed by contractors, meaning they have no job protection or benefits. These contractors also employ youth with university degrees and pay less than US\$300 a month.

With China’s growth slowing down and fears of political instability in the Asian giant, sooner or later the whole scheme will collapse. The problem of informality, the prevalence of uneconomic mini-plots of land among the peasantry and the expanding consumer debt among the urban population will lead to growing social unrest.

There is no real opposition to Humala’s government. None of the protest leaders, from the mining federation, regional governments or the petty bourgeoisie left that supported Humala, have anything to offer. They all appeal to Humala go back to his original—fraudulent—program of “social inclusion.”

The Peruvian economy is an integral part of the world capitalist crisis. Its chaotic and uneven growth will lead to a social explosion, a confrontation between the working class and the Peruvian bourgeoisie and their foreign partners. To solve this problem, the Peruvian working class needs to take its destiny into its own hands, adopt a socialist program and build its own revolutionary party as a section of the International Committee of the Fourth International.



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