



## Original article

## Cooperative miners and the politics of abandonment in Bolivia



Kirsten Francescone\*

*Anthropology and Political Economy at Carleton University, Ottawa, Canada*

## ARTICLE INFO

## Article history:

Received 24 June 2015

Received in revised form 11 October 2015

Available online 6 November 2015

## Keywords:

Small-scale mining

Cooperatives

Bolivia

Private partnerships

Extractivism

## ABSTRACT

In Bolivia, cooperative activities wield significant influence over national mining politics. They have become a powerful representational voice for the mining sector, generally supporting, rather than opposing, foreign investment. I use examples from cooperative partnerships with the transnational mining company, Coeur Mines, and draw on newly-released census data and findings from several visits to Bolivian underground mines to demonstrate how cooperative mining realities are intricately linked to those of the private and State-owned sectors. I argue that the historical development of cooperative miners, coupled with their experiences of poverty and exploitation, has shaped their experiences with, and thus reactions to, foreign investors following neoliberal restructuring. I conclude the article by drawing attention to the recent general strikes in Potosi as a way of challenging how much the situation has really changed for Bolivian mining cooperatives since the election of Evo Morales.

Crown Copyright © 2015 Published by Elsevier Ltd. All rights reserved.

## 1. Introduction

On the morning of March 31, 2014, Bolivian cooperative miners took to the streets and set up major highway blockades, paralyzing the country in just a few hours. The decision to protest came after the Deputies Chamber approved the Proyecto de Ley Minera (March 29, 2014), which had been modified by the Deputies to prevent cooperatives from signing contracts of association with private companies (Article 151). The National Federation of Mining Cooperatives of Bolivia (FENCOMIN) demanded that Article 151 be restored to its original state, which permitted cooperative miners to associate with companies.

On the day of the nation-wide blockades, in the community of Sayari, close to Cochabamba, several miners had come from the nearby cooperative center, Kami, to participate in blockades on the principal highway connecting Cochabamba to Oruro. As police officials attempted to forcibly remove the blockade, conflict broke out, resulting in the deaths of two young cooperative miners from Kami, along with injuries to 60 others (Paredes, 2014; Toro, April 1 2014). That evening, the President of the National Federation of Cooperative Miners of Bolivia (FENCOMIN), Alejandro Santos, criticized the government for refusing to attend to their demands. He said:

As easily as the FENCOMIN and all cooperatives in the country brought Evo to the Presidency we can take him out of there . . . with this in mind, we encourage and will extend the mobilization to all cooperatives in the country and dammit we will not permit, that rank-and-file brothers are manipulated. [Erbol, March 31 2014]

For several days, the cooperatives continued to control the blockades, reinforcing the important ones, and extending into new points of interest. When an agreement was finally reached between the government and cooperatives, the two sides agreed that it was unconstitutional for cooperatives to form contracts with companies, and that they would only be able to do so if they changed their legal status.

On May 28, nearly two months following the initial conflict, the revised Mining and Metallurgy Law #535 was signed. Article 151, Incision I, reads: "Mining cooperatives cannot sign contracts of association with private companies, neither national nor foreign". It goes on to say (Incision II) that, in accordance with the Political State Constitution, cooperatives " . . . can form mixed companies with the State via Comibol, which would alter their 'social condition' and subject them to legislation for mixed companies".

With Santos publically threatening Morales legitimacy as a leader, and the cooperatives being "caught" supporting what became described as the potential "foreign-company penetration" cooperatives fell under the public microscope as those responsible for what was wrong with Bolivia's mining industry.

Cooperative miners were perceived as "mini-capitalists" or "traitors" looking to associate themselves with private-capital and

\* Correspondence to: Present address: 68 Lebreton st. N, Ottawa, ON K1R 7H4, Canada.

E-mail addresses: [kirsten.francescone@carleton.ca](mailto:kirsten.francescone@carleton.ca), [kirsten.francescone@gmail.com](mailto:kirsten.francescone@gmail.com) (K. Francescone).

get rich at the expense of the common good. The newspaper coverage which emerged following the initial days of blockades framed the issue as such. The popular newspaper and radio station *Erbol* published several articles on the issue as well as running lists of the contracts that had been signed between cooperatives and the private sector. Non-governmental Organizations such as CEDIB and CEDLA were also important for framing the discussion, referring to the cooperative sector as a “privileged caste” and the “new bourgeoisie” (*Erbol*, May 25, 2014; Mamani, April 4, 2014).

Even Minister of Mining Cesar Navarro contributed to the villainization of the sector, releasing data which strengthened the State’s position. He said:

we have 1642 mining cooperatives registered in the country which represents that these contracts that they signed, million-dollar contracts, go as far back as 1992 . . . there are more of less 100 cooperatives who signed with different private companies . . . this is about a privileged elite who signed these contracts . . . [*Erbol*, April 9, 2014]

As Minister Navarro notes, these contracts are not new. And indeed, Bolivian mining cooperatives have maintained a particular relationship to private companies over time, but that relationship has continuously been one of necessity and not one of choice, as the dominant critique suggests. What this critique also assumes is that the only basis for such widespread mobilization is manipulation of the rank-and-file partner/peon membership by the leadership. The “ignorant” bases are portrayed as dangerous and violent miners who just follow their leadership, without contestation, to support interests that are against the betterment of the Nation.

In this article, I take issue with the two ways in which the cooperative conflict was understood and developed. I argue that the cooperative mobilization against the New Mining Law can be understood if we look backward in time, and forward into the future. Looking back to the past, I argue that the association between companies and cooperatives has to be understood as a result of the re-privatization period. It was not a natural occurrence; they were created under particular historical circumstances. I then move towards describing the expansion of the cooperative sector, and the context within which I believe cooperative-private contracts become envisioned as possible. I use the example of the process of getting contracts signed between the transnational company Coeur Mines, and seven cooperatives formed during the privatization period to demonstrate how socio-economic conditions of abandonment by the state helped to solidify those relationships.

I conclude by turning to the “future”. Here, I argue that the future for cooperative mining is inevitable abandonment for many of the traditional tin–silver concentrate producers in Potosi. Their deposits will deplete: cooperative miners are constantly facing, what appears to them, this inevitability. All so-called “victories” in the sector, in particular the ex-Comibol mines, must be grounded in the socio-economic realities of mining centers, as well as the undeniably bleak future outlook, specifically the immanent price crisis in mineral markets.

This paper is the product of over three years of research in Bolivia. Although I refer to the “cooperative sector” throughout the paper, I do wish to emphasize the centrality of the tin/silver concentrate producers to my analysis. The conditions and stakes of these, in some case, hundreds of years old mines, are distinctive from the “newer” phenomenon of alluvial cooperative mining in the Northern La Paz, Beni and Pando frontier regions. Although comparative studies have shown that in terms of the structure of cooperatives, both use and exploit day-labourers, and production is individualized, with some partners profiting from others, there are clear differences in the ways the minerals are produced.

It is also important to note that although I use the term “cooperative” to describe these major artisanal producers, I do so only because this is the way they are classified as legal. In Bolivia, according to the recently approved Law of Cooperative Association (2013), a cooperative is “An association, without lucrative ends, of people who voluntarily form cooperatives, which are based in cooperation and solidarity in order to satisfy productive and service needs, with democratic and autonomous structure and functioning”. And yet, investigators, intellectuals, government officials, and cooperative miners themselves acknowledge that the name “cooperative” is merely a label, which does not accurately reflect the reality of cooperative mining in Bolivia. They use it though because it affords them certain benefits that make their production possible (Francescone and Diaz, 2013). There are several constraints that restrict cooperative miners’ abilities to adhere to, in practice, the idyllic conception of the cooperative association, some of which I hope to point out in this paper.

## 2. The rise of cooperative mining

The Bolivian cooperative mining sector has co-existed with other mining actors for some time. In order dampen worker disobedience, the major mine owners of the early twentieth century turned a blind eye to organized worker evening bandit groups (*jukus*) who used “theft” to supplement their meagre incomes at private mines. After production became less profitable for these same companies, operators contracted out areas to cooperatives but monopolized their commercialization, with the earliest cooperatives forming in the Cerro Rico de Potosi, but also throughout Potosi, Oruro and the Teoponte region in Northern La Paz (Anavi, 1976; Nash, 1979; Widerkehr, 1980). Following the 1952 Revolution and the nationalization of the traditional concentrate mines, this practice continued in some of the state-owned Corporación Minera de Bolivia (COMIBOL). Between 1953 and 1956, employment at Comibol mines grew from 29,000 to 36,000 miners (Godoy, 1985), enhancing the power of the union in popular politics, but also swelling the production costs for mines whose reserves were dwindling. At this time, mines (or areas within a COMIBOL mine area) were contracted out on Lease Agreements to displaced workers who formed cooperatives in an attempt to quell the economic and social impacts of depleting reserves and market decline. These displaced workers began organizing cooperatives to subsist (Aurralde, 1976; Moller, 1986). The US-backed Plan Triangular of the 1960s emphasized the importance of “rationalizing” the workforce of Comibol, putting pressures on its mines to cut their costs, and to rid themselves, conveniently, of the radical mining unions (Young, 2011). According to the National Federation of Mining Cooperatives (FENCOMIN), by 1970 there were 20,000 cooperative miners operating in Bolivia (as cited in Widerkehr, 1980, p.154) alongside 25,000 salaried ones.

Several accounts of the relationships between cooperative miners who worked alongside salaried workers during Comibol’s golden age are that of inter-class solidarity and support. In fact, the FSTMB represented cooperatives until their separation in 1968, when the Federación Nacional de Cooperativas Mineras de Bolivia (FENCOMIN) was formed. One ex-miner from Siglo XX-Catavi told me that the relationship was not as it is now: namely, antagonistic. Instead, he remembers that cooperative miners were simply poor people struggling to feed their families. Unionized miners recognized cooperative miners as fellow comrades in the struggle against poverty and exploitation, and often collaborated with them as *jukus* or supported them through union activities (Leon Ayma, 2008; Nash, 1979).

This number of cooperative miners continued to climb and reached significant heights following implementation of the famous neoliberal Supreme Decree 21060 in 1986. As a result of

Download English Version:

<https://daneshyari.com/en/article/1047552>

Download Persian Version:

<https://daneshyari.com/article/1047552>

[Daneshyari.com](https://daneshyari.com)