



The Determinants of Social Conflict in the Latin American Mining Sector: New Evidence with Quantitative Data

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Summary. — This paper builds on the case study work into conflict between mining firms and nearby communities through a statistical analysis of the determinants of social conflict at the local level in the mining sector in Latin America. The analysis is based on an original dataset of 640 geo-located mining properties at the advanced exploration stage and above, which includes GIS information on environment and land-use patterns around the property, sub-national socio-economic characteristics of the population, firm and mining property characteristics, as well as information about known social conflicts.

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1. INTRODUCTION

As social conflict between mining companies and communities located near proposed or operating mines has proliferated during the last decade, researchers have sought to understand the causes and consequences of these contentious episodes at the local level. Contrasting work on the national resource curse, which has relied heavily on quantitative analysis to test hypotheses and establish causal inference, the new literature on the “local resource curse” (Arellano-Yanguas, 2012), principally emerged out of case studies on individual conflicts, particularly emblematic cases of corporate malfeasance that grabbed headlines and inspired advocates of social justice in both home and host countries (Bebbington *et al.*, 2008; Bury, 2002; Canel, Idemudia, & North, 2010; Szablowski, 2007). The case study literature has contributed to theory development by generating a rich and varied set of hypotheses about the process of political contention, and the causes of social conflict in mining-affected communities. However, many of these hypotheses have not been subject to rigorous testing to establish their validity or generalizability beyond particular contexts, and with reference to control (non-conflict) cases (George & Bennett, 2005, p. 33; King, Keohane, & Verba, 1994, p. 71, 129).

Our objective in this paper is to quantitatively evaluate the principal causal claims made by the case study literature regarding the determinants of social conflict in mining-affected communities. We categorize the principal determinants of social conflicts into three central hypotheses. Within each hypothesis we analyze important variables identified by the qualitative literature as drivers of social conflicts at mining properties: (1) firm and property characteristics (which affect firm behavior); (2) socio-economic characteristics of the nearby population (which affect distributional concerns); and (3) socio-environmental characteristics (which affect concern over livelihoods). Our principal interest is not to test the hypotheses against each other, as they are not, strictly speaking, exclusive, but rather examine how the causal variables associated with each hypothesis stand up to statistical analysis, and how they inter-relate with each other and the probability of mine-community conflict. We apply the contentious politics framework more holistically than much of the case study literature by including firm characteristics—which have not been

considered systematically—as an important component of the political opportunity structure faced by activists. Our approach is complementary to the qualitative literature, as we are able to confirm the generalized validity of some variables, discount some others as statistically non-significant, and identify previously unknown interaction effects between variables.

We proceed by conducting a micro-level statistical analysis of the relationship between individual mining firms at the *property level* and nearby communities. In this regard, ours is the first quantitative analysis (to our knowledge) to consider the local resource curse at the property level, which is, importantly, the same level of analysis used by the case study literature to generate hypotheses. We use an original database developed in 2011–13 on 640 geo-located mining properties in five countries of Latin America (Argentina, Brazil, Chile, Mexico, and Peru) at the advanced exploration stage and above. A combination of localized information on firms (properties), their socio-economic and socio-environmental neighborhoods, and the occurrence of known conflicts, permits a sub-national and locally grounded statistical analysis of the determinants of social conflict that hitherto has not been possible. More generally, our analysis charts an innovative and highly localized methodology for the quantitative analysis of firm-community social conflicts.

Our findings support the case studies’ preoccupation with both livelihood and distributional concerns. More importantly, we identify patterns (correlations) of generalizable validity that point the way toward a more general theory of firm-community conflicts. Notwithstanding the different objectives of social struggle identified in the literature (all-or-nothing; distributive), it is generally true that as economic opportunities for people become more scarce, the likelihood of social mobilization increases. This is true with regard to

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agricultural livelihoods, and more broadly, with regard to levels poverty and the reach of state services. It is not just competition between existing activities and mining that is important, but the *acuity of this competition*. Other things being equal, a community with fewer agriculture opportunities, lower incomes, and worse state services is more prone to conflict. We also find that firm characteristics constitute an important element of the political opportunity structure that affects the likelihood of social mobilization. We prove that the failure to systematically include firm characteristics in the assessment of contentious politics at the local level is an important omitted variable problem. Finally, the generalizable validity of our findings, irrespective of the diversity of countries included in the study, their institutional frameworks or regulatory capacity at the national level, poses a challenge to the recent institutional turn in resource politics, which has put much of the blame for mine-community conflict on institutional weakness. The logic of social conflict between mining companies and communities is overwhelmingly local, but appears surprisingly consistent across localities.

2. LITERATURE REVIEW

The growth of foreign investment in mining, and the concomitant growth of social conflict at potential and current mine sites over the last decade has been astounding. Latin America has long been recognized as a region with a strong comparative advantage in natural resources. Although some countries of the region, such as Chile, Mexico, and Peru have a history as mining economies, the relative neglect of this industry in other countries sharing the same geology, together with the development of new technologies to exploit low-grade deposits, rising commodity prices, and the creation of investment-friendly legal regimes in the early 1990s, meant that investors flocked to exploit the untapped resources of this region, as well as to other countries of the developing world (Bebbington, 2012a; Hilson, 2002; Reed, 2009). These massive inflows in exploration and exploitation increased the likelihood of interaction between remote communities and large multinational mining companies – and with that interaction, the potential for social conflict at all stages of the mine development process (Bebbington & Humphreys Bebbington, 2011; Bury, 2005).

Firm-community social conflicts are widely classified as cases of contentious politics. Although most (but not all) of the literature has been drawn to emblematic cases of social struggle, characterized by frequent mass demonstrations; blockades; and violence, these are best described as cases of severe or acute conflict (see Walter & Martinez-Alier, 2010). The broader category of contentious politics includes severe cases, but is not limited to them (see Ospina Peralta, Bebbington, Hollenstein, Nussbaum, & Ramire, 2015). Contentious politics, instead, considers a wide range of social actions characterized by observable participation of individuals in collective action, claims upon authority that threaten powerful interests, and publicness (Kriesi, Koopmans, Duyvendak, & Giugni, 1995, p. 263; McAdam, Tarrow, & Tilly, 2001, p. 5; Tarrow, 2008, pp. 2–4; Tilly, 2008, p. 5).¹

In general, researchers have been most interested in examining activist strategies in emblematic cases of successful or large-scale mobilization, particularly framing and resource mobilization efforts (Bebbington, Humphreys Bebbington, Hinojosa, Burneo, & Bury, 2013, pp. 242–243; De Echave, 2010; Hinojosa & Bebbington, 2008; North, Clark, & Patroni, 2006; O’Faircheallaigh, 2008; Rodrigues, 2011;

Sawyer & Gomez, 2012; Urkidi, 2010; Urkidi & Walter, 2011; Walter & Martinez-Alier, 2010; Weitzner, 2010). Much of this work has been engaged scholarship that has sought to shed light on the injustices associated with neoliberal frames of development (Bebbington *et al.*, 2013, pp. 242–243; Campbell, 2010; Canel *et al.*, 2010; Gudynas, 2012).

However, some other aspects of the contentious politics framework have received less attention until very recently, such as the impact of a broader set of contextual factors that influence mobilization, and particularly how activists interact with political opportunities and institutions at varying scales of analysis (Arce, 2014; Arellano-Yanguas, 2011; Bebbington, 2012a; Jaskoski, 2014; Orihuela, 2013; Ponce & McClintock, 2014). The emergence of contentious politics is thought, in part, to be a response to changing opportunities and constraints in the institutional or political opportunity structure (POS) faced by activists (Tarrow, 2008, p. 71; Tilly, 2008, p. 91; Zald, 1992, p. 339). In this regard, the institutional turn is a welcome departure from past work in the contentious politics tradition, which has taken the POS as “given” (Kriesi *et al.*, 1995, p. 168). However, it is also notable that the mining literature has neglected the role of firms, which are important sources of private authority in rural contexts, and consequently should be considered part of the political opportunity structure.

As is appropriate for first-mover studies on a new topic, most academic work on firm-community social conflicts has advanced through single-case studies, using a process-tracing methodology (Eisenhardt, 1989, p. 548). Cases are usually selected on the dependent variable for the prior existence of a conflict, and researchers are often drawn to emblematic conflicts, which are good laboratories for understanding the interactions between multiple actors, but which also exhibit extreme values, in comparison to less acute cases. In some collaborative projects with multiple cases, structured, focused comparison has been possible (Bebbington, 2012a; Bebbington *et al.*, 2013, p. 241; George & Bennett, 2005, pp. 67). The result has been a rich understanding of the process of conflict development, the role and strategies of social movements, and the identification of a wide range of possible causal variables.

It is in this context that we situate this paper. While recognizing that individual case studies offer unmatched thick description, process-tracing and theory development regarding high-profile conflicts, we also assert the need to test the validity and generalizability of their hypotheses across a large number of cases.² This challenge is not as straight-forward as it might seem. Case studies have often not been explicitly concerned with explaining the causes of conflict, which are often assumed to be endogenous (i.e., directly caused by mining-related grievances).³ In this regard, many cases that provide descriptive richness have not always clearly articulated testable hypotheses, despite providing us with a large number of possible causal variables. Consequently, the literature on firm-community conflict is in need of basic testing of these causal claims. One of the challenges we have faced, is to organize these causal variables in a way that allows us to test both the effect of individual variables and their inter-relationships, as well as the broader hypotheses associated with them.

The qualitative literature has focused on livelihood (Bebbington *et al.*, 2008; Bury, 2002) and distributional (Arellano-Yanguas, 2011) issues related to mining. We can also identify a set of causal claims related to firm characteristics and behavior, although these claims are highly anecdotal, and have attracted little serious attention from researchers. For this reason, we have organized the literature review and

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