

ON DEVELOPMENT, POVERTY, AND AUTONOMY: A CASE STUDY OF A
WORLD BANK PUBLIC-PRIVATE PARTNERSHIP IN LATIN AMERICA

by

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ABSTRACT OF THE DISSERTATION

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Partnership in Latin America

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Using a qualitative, exploratory single-case study approach, this study examines the theoretical and practical discontinuities between the World Bank’s current development model of public-private partnerships (PPPs) and development and poverty trends “on the ground” in localities where Bank-supported projects operate. There exists a disconnect between the Bank’s development rhetoric – framed in terms of Bank projects as “pro-poor” – and how “locals,” especially the poor, perceive what is happening to their livelihoods and community as a result of these development projects. Data was collected through semi-structured interview, participant observation, and primary source documents. This study is grounded in the constructivism paradigm, which, alongside conventional content analysis, guided the data analysis process. This study’s results show that two critical factors, *basic needs* and *autonomy*, are integral to study participants’ conceptualizations of poverty and development; in other words, they attribute their own and others’ impoverished livelihoods to a shared inability to meet basic needs and a lack of autonomy.

Keywords: development, poverty, public-private partnerships, autonomy, Latin America

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CHAPTER 1

THE WORLD BANK, PUBLIC-PRIVATE PARTNERSHIPS, DEVELOPMENT, AND POVERTY

1.1 Introduction

On December 24, 2017, ten years into his 25-year prison sentence, 79-year-old Alberto Fujimori was granted a humanitarian pardon, based on a previous appeal, because of his quickly deteriorating health. The pardon sparked protests and incited widespread criticism both within Peru and internationally. Alberto Fujimori, former president of Peru from July 28, 1990 to November 22, 2000, had been tried and convicted of human rights abuses, embezzlement, and bribery and was thus sentenced to more than two decades in prison. Fujimori is a controversial figure in Peruvian history. At the time of Fujimori's appointment as president, Peru, in the grip of severe economic crisis, was experiencing hyperinflation, a negative national currency reserve (in millions of USD), political and social unrest, and was disconnected from the global financial market. Once in office and in response, Fujimori implemented aggressive macroeconomic changes which collectively became known as "Fujishock." Fujimori's economic reforms were rooted in neoliberal free market ideology and were backed by the United States International Monetary Fund (IMF) and the World Bank. The reforms resulted in macroeconomic stability (albeit temporary) and catapulted Peru, now more economically attractive, into the international arena for foreign investment and trade. A key factor which made Peru attractive for foreign investment during the early months of Fujimori's first term was the Yanacocha gold mine, a World Bank-supported public-private partnership (PPP) (the Bank had a 5% ownership share). Fabiana Li (2015) states,

[T]he symbolic and economic importance of the Yanacocha mine cannot be overlooked: the mine...had the avowal and financial backing of the World Bank. For the Fujimori government, this project was an opportunity to showcase the country's new stability and attractiveness to foreign investors. (p. 18)

According to Jeffrey Bury (2004), "The Yanacocha project was the first large foreign investment in Peruvian mining since 1976" (p. 80). As a result of "Fujishock" and the Yanacocha gold mine, Peru experienced overall macroeconomic rehabilitation, spikes in gross domestic product (GDP; see Figure 1.1), and aggregate-level poverty reduction. Most of the gains from Fujimori's reforms were macro-level and as the years progressed a disproportionately small fraction of the generated revenues and benefits, if any at all, reached the poorest Peruvians. It is useful to note that since 1990, Peru's GDP has experienced significant fluctuations because it is largely driven by changes in the global demand for minerals such as gold, silver, copper, and zinc.

Figure 1.1: Peru's GDP growth (annual %)¹



¹ The World Bank. (2018, February 25). Retrieved from <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2016&locations=PE&start=1990&view=chart>

1.2 Statement of the Problem and Study Research Questions

This study investigates the theoretical and practical discontinuities between a World Bank public-private partnership (PPP) – the Yanacocha gold mine in Cajamarca, Peru – and what people in the mining town of Cajamarca, especially the “poor,” say is important to them and their quality of life. In the broadest sense, a public-private partnership is a contractual agreement between a private company and a public entity (or semi-public entity in the case of the World Bank), for example a country government, to deliver a social service. Since the mine’s inception in August 1993 to December 2017, the Bank “engaged with Minera Yanacocha...as a lender and equity investor.”² Newmont Mining Corporation – a United States extractives company, and *Compañía de Minas Buenaventura* – a Peruvian extractives company, comprise Yanacocha’s two other shareholders. Yanacocha, having the support of the World Bank, is a prime example of extraction-led development (see Chapter 2, Section 2.3 for a discussion about neo-extractivism).

The Yanacocha case study is important and relevant because since the early 1990s the focus in international development in practice has been increasingly geared towards partnering with the private sector to leverage resources for global development – hence public-private partnerships. The Yanacocha case is critical because it is exemplar of the quandaries and contradictions of development in the world today. The International Finance Corporation’s (IFC) (the private sector lending arm of the Bank) justification for Yanacocha as a development and poverty alleviation project tends to be rather optimistic and forward-looking, however official reports by the Bank’s Independent Evaluation

² The International Finance Corporation (IFC). “IFC Completes Engagement with Peru’s Yanacocha Gold Mine.” Retrieved from <https://www.ifc.org/>

Group (IEG), the *Extractive Industries Review (EIR)*, and the testimonies of individuals where Bank-supported PPPs operate paint another picture, one of an uneven distribution of benefits, deepening social stratification, exclusivity, shrinking life choices, and unchanged or worsening poverty. Thus, this study is an in-depth investigation of two main research questions (from a theoretical and practical perspective, respectively):

- 1) What are the dilemmas facing international development agencies that try to leverage private sector investment together with government money for development assistance?
- 2) How are poor people impacted by the Yanacocha gold mine – a Bank-supported public-private partnership?

This study's data analysis revealed that two critical factors, *basic needs* and *autonomy*, are integral to study participants' conceptualizations of poverty and development. In other words, participants attribute their own and others' impoverished livelihoods to a shared inability to meet basic needs and a lack of agency and autonomy. Based on this study's findings, gleaned from a single-case study approach and qualitative interviews, I argue throughout this dissertation that the Human Capability Approach³ (the theoretical framework which informs this research) pioneered by Amartya Sen and Martha C. Nussbaum, is a useful and legitimate pro-poor approach for designing, implementing, and assessing "development" projects. The human capability approach focuses on human flourishing, expanding choices and life possibilities, agency, and autonomy. I assert that if one is truly sincere about poverty alleviation then the capability approach, embodied in the United Nations Development Programme's (UNDP) *Human*

³ Hereafter sometimes referred to as the human capability approach or the capability approach.

Development Reports (HDRs), is an appropriate and effective counterpoint to the Bank's economic development model.

1.3 Definition of Terms

Throughout this dissertation, I frequently employ three terms: economic growth, development, and poverty alleviation. The World Bank's rhetoric is saturated with these three terms and oftentimes they overlap thus becoming somewhat definitionally intertwined. It is useful to provide a brief discussion of each term for clarification purposes and for advancing this study's main research objectives.

1.3.1 Economic Growth

A country's economic growth is the measure of the change of gross domestic product (GDP) from one time to another. GDP – a macroeconomic indicator – is the (monetary value of) total production of goods and services within a country during a specific time period. The World Bank has historically vigorously promoted the importance of economic growth for meeting global development and poverty alleviation goals.

1.3.2 Development

Develop, according to Merriam-Webster, means “to become gradually manifest” or “to come into being gradually.” Among the various types of development that exist, two in particular are taken up in this dissertation: economic development and human development. Economic development is the advancement, expansion, or increased sophistication of economies or markets. Ron Clarke (2003) asserts that “[g]rowth-centered development is a broadly macro approach which focuses on increases in national wealth represented by broad indicators such as GDP” (p. 2). Human development is

concerned with the advancement, expansion, or increased sophistication of individuals and their life choices. Clarke (2003) continues, “[p]eople-centered development is a less macro approach and more concerned with human development in communities. The focus is on improving the quality of life through economic and social betterment, with a range of indicators beyond economic ones” (p. 4).

The World Bank tends to conflate economic growth and development in its rhetoric. In practice, operationally, Bank lending is closely aligned with the goals of economic development and the continuous growth of national and regional economies. Throughout this dissertation I refer to the Bank’s development model as an economic development model and the Bank’s development strategy is understood as one which prioritizes the growth of markets.

1.3.3 Poverty Alleviation

Poverty alleviation is largely assumed within the World Bank’s economic development model. The Bank does not currently have a specific independent poverty alleviation model. The Bank advances its belief, evident in Bank publications, in “shared prosperity,” the idea that the benefits of economic growth will reach all citizens of a country including the poor. In this vein, the Bank tends to also conflate poverty alleviation and economic growth. This study argues, based on a well-established pro-poor literature and the human capability approach (see Chapter 2), that growth-centered development does not automatically result in poverty alleviation that is distinct from macroeconomic factors such as GDP and income and consumption figures. This study posits that poverty alleviation efforts should be guided by how poor people define the poverties which characterize their everyday lived experiences.

1.3.4 The “Poverty vs. Development” False Dichotomy

A false dichotomy exists in the World Bank’s development discourse and is also present in this study’s case study region of Cajamarca, Peru – the false dichotomy is poverty vs. development. What this false dichotomy implies is that if a country does not prioritize “development” – understood as economic growth – the country’s poorest populations will remain trapped in “poverty.” While a focus on economic growth (the basis of the Bank’s development model) has produced favorable macroeconomic and aggregate-level poverty alleviation results for some countries, there are many cases in which poverty and the quality of life of the poorest individuals remain unchanged and, in some instances, have become worse (see Chapter 2).

1.4 The World Bank’s Long-Standing Focus on Economic Growth

According to the World Bank’s Articles of Agreement (amended February 16, 1989), the Bank has five main purposes: 1) to “facilitat[e] the investment of capital for productive purposes,” 2) to “promote private foreign investment,” 3) to “promote the long-range balanced growth of international trade” and achieve macroeconomic goals such as “balance of payments,” 4) to prioritize “useful and urgent projects” through loan arrangement, and 5) to use “international investment” to shape “business conditions in the territories of members.” A point about which the Bank is emphatic is that through “the development of productive facilities and resources,” the above-stated five aims are the means to “raising productivity,” “the standard of living,” and “conditions of labor” in member countries (World Bank Articles of Agreement).

The Bank’s primary focus on increasing global investment (specifically foreign direct investment) and economic growth is apparent in its *World Development Reports*

(*WDRs*). The Bank's *WDRs* cover a range of topics and their respective relationships to economic growth in countries across the globe. The first *WDR*, published in August 1978 during Robert S. McNamara's tenure as president of the Bank, established the premise of the *WDRs* as "annual reports providing a comprehensive assessment of the global development issues" (p. iii). In the report's foreword, McNamara highlighted the "800 million individuals" living in "absolute poverty" at the time, which he described as "a condition of life so characterized by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality, and low life expectancy as to be beneath any reasonable definition of human decency" (*WDR*, 1978, p. iii). To begin to address the issue of absolute poverty, McNamara was clear: "substantially accelerat[e]" economic growth (*WDR*, 1978, p. iii). He continued, "The twin objectives of development, then, are to accelerate economic growth and to reduce poverty" (*WDR*, 1978, p. iii).

In the 2000/2001 *WDR*, "Attacking Poverty," the Bank made efforts to address the growing criticisms directed at its lending practices, its primary focus on economic growth, and its largely quantitative and rather narrow method of assessing poverty. The criticisms hailed from pro-poor scholars and practitioners such as Amartya Sen and Martha C. Nussbaum, and the United Nations Development Programme (UNDP). In response to the criticisms, in its 2000/2001 *WDR*, the Bank stated,

The report accepts the now established view of poverty as encompassing not only low income and consumption but also low achievement in education, health, nutrition, and other areas of human development. And based on what people say poverty means to them, it expands this definition to include powerlessness and voicelessness, and vulnerability and fear.

The Bank references the human capabilities work of Sen and Nussbaum – a counterpoint to the Bank's economic development model, however despite its expanded poverty

rhetoric, the Bank continues to focus its lending efforts on increasing the rate of economic growth in countries across the globe. To illustrate, the 2005 *WDR* begins with an urgent message to the international community to “creat[e] opportunities for poor people to escape from poverty and improve their living standards” (p. vii). The ideological crux of the 2005 *WDR*, however, is on the necessity of “[i]mproving the climate for investment in developing countries” (p. vii) as further evidenced by the report’s title, “A Better Investment Climate for Everyone.” In summary, the report calls on developing country governments to reduce barriers to trade and investment, which according to the Bank, “dul[1] incentives for firms to innovate and increase productivity” (*WDR*, 2005, p. vii). The 2006 *WDR*, “Equity and Development,” explores “the role of equity in the process of development” (p. xi). The report states the “intrinsic importance” of equity on its own terms, and its value for “economic reasons,” more specifically, economic growth (*WDR*, 2006, p. xi). Further, the report asserts the need to “enhance individual freedoms, as well as the role of markets in allocating resources” (*WDR*, 2006, p. xi). “That equity and economic efficiency are complementary” is the key finding of the 2006 *WDR*.

Similar to the 2006 *WDR*, the most current *WDR*, published in 2019, frames the work of poverty alleviation and individual human advancement in terms of economic growth. The report begins with a call for countries to “invest in their people...especially in health and education” and “challenges governments to take better care of their citizens” (*WDR*, 2019, p. vii-viii). Such endeavors are possible, according to the report, with the “right reforms” – eliminating “unhelpful subsidies; improving labor market regulations; and, globally, overhauling taxation policies” (*WDR*, 2019, p. viii). Since the

time of McNamara's tenure at the Bank, the *WDRs* have promoted a pro-growth and pro-poor development strategy which the Bank promotes in terms of "shared prosperity" and "equitable growth" (see Chapter 2, Section 2.1.3 for a more in-depth discussion). In addition, the "IFC'ization" of the Bank is further evidence of the direction in which the Bank is headed. The International Finance Corporation (IFC) is the private sector lending arm of the World Bank Group; its purpose is to attract the private sector into investing its capital resources to meet global development goals. According to Rich (2013), the IFC has become the ideological leader of development within the Bank and together with the Multilateral Investment Guarantee Agency (MIGA), it has grown more rapidly than the other sectors of the Bank.

1.5 What About Poor People?

The 2017 *WDR* states that alongside macro-level achievements in global poverty reduction, there has also been an increase in inequality "both within and across borders" (p. 2). The report continues that "although the global spread of capital, technology, ideas, and people has helped many countries and people move forward, other regions and populations appear to have been left behind" (*WDR*, 2017, p. 2). The people "left behind" by the World Bank's economic development efforts are some of the globe's poorest; they lack ties to the formal market economy and almost all aspects of their individual and collective lives are characterized by high degrees of insecurity and uncertainty. Poor people, especially those effectively excluded from capturing any benefits from the Bank's economic development model, are the focal point of pro-poor scholars and practitioners such as Amartya Sen, Martha C. Nussbaum, and the United Nations Development Programme (UNDP). Sen, Nussbaum, and the UNDP, in addition to many others

concerned with the wellbeing of poor people, highlight that although the Bank perceives poverty as multidimensional – a combination of various factors such as literacy, educational achievement, health, nutrition, income, access to clean water, proper sanitation, health facilities, and networks, the majority of the Bank’s lending is directed towards increasing the rate of growth of GDP. There is a well-established literature in which pro-poor scholars have demonstrated that many Bank projects pursued in the name of development and poverty alleviation have made small select groups of people wealthy while the majority is faced with decreasing standards of living and quality of life.

Peru in the early 1990s is a prime example of the above-stated trend. According to John Sheahan (1999), the Fujimori administration implemented social policies in education and health services to benefit the poor, however the administration did not make structural changes to the country’s development strategy which greatly favored the elite class and disfavored those in chronic poverty (p. 154). The result was a downward trend in aggregate poverty figures, however “one-fourth of the country’s people remain[ed] caught in chronic poverty, related more to structural and personal constraints than to lack of employment” (Sheahan, 1999, p. 130). To this point, John Friedmann (1992) asserts, “[f]rom the vantage point of the excluded, modern economic growth is not an intrinsic good” (p. 9). Similarly, *Redistribution With Growth*, a seminal work published by the Bank in 1974, importantly concluded that “[t]he poor must be sufficiently connected to the modern sector if the benefits of growth are likely to ‘trickle down’” (p. 81).

There are several main reasons why many of the poorest populations in the world are often excluded from the benefits of economic development such as the Bank

practices. First, as mentioned earlier, poor people often lack access to the formal market economy due to limited resources (monetary and otherwise) and ties to people within the formal market economy. Poor people typically operate primarily within informal local markets buying and selling goods. Thus, thriving national or international market economies characterized by high growth rates bypass the people who need the greatest amount of assistance and relief. Second, benefits from GDP growth are often captured by non-target groups, for example corrupt government officials, contractors, and businesspeople (the non-poor), and a small select group of poor people who have just enough in terms of income, skills, and access to capture some of the benefits generated by economic development. Third, there is the issue of the environment and environmental concerns within market-led development. The issue of the environment is especially problematic in extraction-led development – a form of development which the Bank supports. In many developing regions, some of the poorest people tend to be subsistence agriculturalists, they depend on the lands and waterways for survival. When development projects require significant land (i.e. timber export) and water (i.e. mining) usage, poor people are placed at an enormous disadvantage in terms of what they need to survive on a daily basis.

1.5.1 Cajamarca, Peru: Poverty and the Yanacocha Gold Mine

Jeffrey Bury (2004) provides a brief historical overview of Cajamarca, Peru before the arrival of the Yanacocha gold mine, which is useful for investigating how the mine has impacted the region in terms of development and poverty alleviation among other dimensions. According to Bury (2004), the “extreme rural poverty” which characterizes Cajamarca “is inextricably linked to a succession of historical

transformations in the region” (p. 81). A well-known and well-documented story of Cajamarca is the capture and murder of the Inca emperor, Atahualpa, by Francisco Pizarro in November of 1532 to July of 1533, during the time of the Spanish conquest. While still alive and in captivity, Atahualpa offered Pizarro a room filled with gold and silver in exchange for his freedom. Pizarro and his men took the gold, silver, and other precious metals – of which Cajamarca is abundantly endowed – and then executed Atahualpa.

Following the overthrow of Atahualpa and his soldiers, Cajamarca was divided into large haciendas, specifically “textile factories and silver mining operations” (Bury, 2004, p. 81). Bury states that the “physical and human geography of the region” lasted for “several centuries” (2004, p. 81). Bury cites Carmen Diana Deere’s (1990) finding that by the early 1900s “the Department of Cajamarca had one of the highest concentrations of populations living on haciendas in the country” (2004, p. 81). The early 1900s also saw the rise of large haciendas for “cattle and dairy production” (Bury, 2004, p. 81). Poor “peasants” were “expelled” from the lands and “forced...onto more marginal lands or to migrate to the coast for work,” a significant change which resulted in “a dramatic de-populating of productive land” in Cajamarca (Bury, 2004, p. 81). Bury continues, in the 1960s, “Peru's military government implemented a radical land reform program” (Bury, 2004, p. 81). Large hacienda owners, “[a]nticipating radical land reform measures and the loss of their lands...preemptively redistributed their most productive lands...thus denying local peasants claims to the lands. By mid-1981, and the end of the land reform process, only 10% of rural households in Cajamarca had received new land holdings (Deere 1990)” (Bury, 2004, p. 81).

Since the 1980s, *cajamarquinos*' survival and livelihoods have overwhelmingly been centered on "natural capital resources such as land and water resources" for "agricultural production, agroforestry and animal husbandry" (Bury, 2004, p. 81). To buffer their meager resources, some *cajamarquinos*' "rely on seasonal and semi-permanent migration to the coast, Lima or other regions of the country for access to financial capital such as wages" (Bury, 2004, p. 82). Bury cites one study's finding that "in 1993, more than 96% of the 1.3 million people in the Department of Cajamarca...were rural dwellers (Indacochea et al. 1998)" (2004, p. 81). The dominant rural population of Cajamarca is "only marginally integrated into local and regional markets and have limited access to produced capital resources" (Bury, 2004, p. 82).

Since the time of the Spanish conquest and the overthrow of emperor Atahualpa, *cajamarquinos* have found themselves in a cycle of foreigners exploiting the region's mineral wealth and transporting that wealth, in the form of gold, silver, and copper abroad with little to no compensation for Cajamarca's native residents – a trend that arguably continued with the arrival of the Yanacocha gold mine in 1992.

According to the 2005 PBS FRONTLINE WORLD documentary film, *Peru: The Curse of Inca Gold*, many *cajamarquinos*, including campesinos, initially had hope that revenues generated from extractive activities at Yanacocha would circulate back to them and improve their quality of life. The leaders and proponents of Yanacocha – the Peruvian government, the World Bank, Newmont Mining Co., and *Compañía de Minas Buenaventura* – stated that Yanacocha would create much-needed jobs for *cajamarquinos* thereby reducing poverty in the region. Although the mine did create some jobs, they were relatively few in number and the capital-intensive nature of those jobs meant that

only a small fraction of *cajamarquinos* were able to secure them (see Section 5.3.1.3 for an in-depth discussion).

According to the Newmont Mining Co. website⁴, under the “Community” heading, the company has made significant contributions to Cajamarca in terms of social expenditures. Newmont cites *Asociación Los Andes de Cajamarca (ALAC)*, an organization which “promotes sustainable development,” “water systems, latrines and infrastructure” initiatives, “malnutrition” and “food production” programs, “installation of improved pastures, livestock care education and construction of infrastructure for community gardens,” “an array of initiatives and programs aimed at promoting local and regional development of agriculture, forestry, artisanal crafts,” and a “Livestock Development Program.” Further, the Yanacocha website⁵ lists a host of environmental and social projects the mine has launched or supported in the region of Cajamarca; these range from biodiversity to education and health initiatives.

Despite what is listed on the Newmont and Yanacocha websites, one of this study’s main findings is the presence of a disconnect between what the leaders of Yanacocha say the mine has contributed to Cajamarca and what local *cajamarquinos* believe the mine has contributed to their community and individual and collective wellbeing. As this study will demonstrate, many *cajamarquinos* across a range of socio-economic levels are quite dissatisfied with Yanacocha’s contributions to the mining town. From their perspective, Yanacocha’s public works initiatives, at least during the first decade of its existence, did not seem to come from a place of social responsibility, but

⁴ Newmont Mining Corporation. Yanacocha – Peru. Community. Retrieved from <https://www.newmont.com/operations-and-projects/south-america/yanacocha-peru/community/default.aspx>

⁵ Yanacocha, Cajamarca, Peru. Retrieved from <http://www.yanacocha.com/>

from the desire for a positive image and self-preservation. This is in part evidenced by Roque Benavides', President and CEO of Buenaventura from February 2001 to January 2017, assertion during a 2005 PBS FRONTLINE WORLD documentary film interview, "I hate the term social license. I do not understand what social license means."⁶ Further, a contractor for Yanacocha, which the PI of this study met during fieldwork in Cajamarca, expressed his confusion as to why Yanacocha does not put more effort into widely publicizing its social initiatives and expenditures. This study's findings, based on data collected through qualitative interviews, highlight how participants seek basic needs fulfillment in addition to agency and autonomy, factors which they believe are made possible through quality education and a diversity of employment opportunities. Study participants also expressed a shared belief that most of the mining revenues from Yanacocha are captured by corrupt Peruvian government officials and foreigners (primarily contractors, businesspeople, and investors). This significant disconnect deserves continuous investigation as it opens a space for discerning how *cajamarquinos*, including campesinos, understand the relationship between the Peruvian government and Yanacocha, and between themselves, their government, and the mine.

Today, the region of Cajamarca fluctuates between the first and third poorest in Peru according to PERÚ *Instituto Nacional de Estadística e Informática (INEI)*. An April 2017 report by the IFC and MIGA (the World Bank's two private sector arms) ranks Cajamarca as "the second largest region in terms of population in poverty (0.7 million)" (p. 5). This report also states that in 2015, 70 percent of Cajamarca's rural population was poor, compared to 20 percent of its urban population (IFC and MIGA Report, April 2017,

⁶ PBS Frontline World. (October 2005). Peru – The Curse of Inca Gold. Retrieved from <http://www.pbs.org/frontlineworld/stories/peru404/>

p. 6). Based on this study's findings, it appears that because of the ways in which Yanacocha engages with the local *cajamarquino* population, various problematic issues – such as a concentration of wealth, social stratification, and poor people's uneven links to the government – persist, are deepened, or are created, which in turn prevent poor *cajamarquinos* from experiencing meaningful poverty alleviation, if any poverty alleviation at all.

1.6 Research Plan

This study is largely concerned with the everyday lived experiences of poor people and how they interpret and understand their impoverished livelihoods. This study seeks to examine the dominant and mainstream concepts of development, poverty, and poverty alleviation as generated by the World Bank and how the Bank's development discourse shapes and enhances or constricts the quality of life of poor people. These issues are studied within the context of agency, autonomy, social equity, and human rights. As such, it is useful to critically understand four distinct yet related issue areas: 1) the evolution of the World Bank's orthopraxy and orthodoxy surrounding development and poverty (including poverty alleviation), 2) the emergence and exponential growth of public-private partnerships (PPPs), specifically World Bank-supported PPPs, 3) neo-extractivism ideology, more specifically, the extractives industry and its viability for making meaningful contributions to development and poverty alleviation, and 4) the Human Capability Approach, pioneered by Amartya Sen and Martha C. Nussbaum.

The development quandaries and contradictions with which this study is concerned raise several inherent theoretical and practical questions: what factors contribute to the creation and endurance of impoverished livelihoods according to poor

people? What is development? What is the significance of the differences between the World Bank and poor people's respective conceptualizations of development? How do poor people understand public-private partnerships? What is the nature of the relationships between the main actors – World Bank officials, private corporations, governments, and poor and non-poor “locals” – involved in and impacted by a Bank public-private partnership? Why focus on poverties (multidimensional) rather than poverty (singular)? Can a World Bank-supported development project such as Yanacocha be pro-poor? How might the World Bank alter its lending praxis to reflect a more pro-poor agenda?

A key observation of this study is that there exists a disconnect between how the World Bank markets or brands its lending practices (evidenced in the Bank's development rhetoric, *World Development Reports*, and official documents) and poor people's perceptions of what is happening “on the ground” in localities where they co-exist with Bank development projects. Thus, through a qualitative case study of the Yanacocha gold mine in Cajamarca, Peru, this study seeks to generate theoretical and practical inferences about the above-stated discrepancy. This effort is aided and informed by the human capability framework, specifically its tenets of expanding versus contracting life choices/possibilities, agency, and autonomy. Finally, a central theme of this dissertation is to highlight a diversity of voices, particularly those voices which are often excluded from the dominant development and poverty discourses.

1.6.1 Methodological Approaches and Data

This study employed an exploratory qualitative single-case study approach. For the purposes of meeting this study's main research objectives, a qualitative single-case

study was useful for opening up a space for “critical variables and relations” to emerge (Eckstein, 1975, p. 106). A qualitative single-case study was the logical choice for uncovering and highlighting how different people in Cajamarca, Peru (the case study region) conceptualize poverty and their impoverished livelihoods vis-à-vis the Yanacocha gold mine. Further, qualitative single-case study was useful for drawing out distinctions between the World Bank’s lending orthopraxy and orthodoxy and analyzing those distinctions alongside the thoughts, beliefs, and feelings of people “on the ground” in a locality where a Bank development project operates. This study is methodologically grounded in constructivism (Denzin and Lincoln, 2008); it is concerned with “the value-laden nature of inquiry,” prioritizes “*how* social experience is created and given meaning,” and seeks “rich descriptions” (Denzin and Lincoln, 2008, p. 14-16).

The PI used three data collection methods: semi-structured qualitative interviews, participant observation, and primary document analysis to build contextualization, contribute to the triangulation of this study’s data, and enhance the study’s overall credibility and trustworthiness. The primary data collected for this research gleans from a total of forty-two (42) qualitative interviews (based on an interview protocol of 27 questions): twenty-two (22) in-person qualitative interviews and twenty (20) qualitative surveys, both based on the same interview protocol and conducted between February 2015 and June 2015 in Cajamarca, Peru. The PI employed mixed purposive sampling to recruit potential study participants. Mixed purposive sampling was beneficial for interviewing a wide range of actors, for example, campesinos, mining employees, government officials, businesspeople, public employees, university professors, university students, members of civil society organizations, and individuals active in the anti-mining

movement. The World Bank's development and poverty alleviation rhetoric is rather strong in influence and reach. A main objective of this research, however, was to highlight a diversity of voices, especially those which are often excluded from the mainstream development and poverty discourses. Qualitative interviews and mixed purposive sampling made this possible.

Participant observation was the PI's second method of data collection. The PI resided in Cajamarca, Peru for six consecutive months. During this time, the PI volunteered time at *Rayos de Luz*, a school which supports and serves some of the poorest children in Cajamarca. Through participant observation, the PI was able to "observ[e] behaviors and meanings as they emerge in their natural setting" (Berg and Lune, 2012, p. 175); this proved highly useful for understanding social dynamics vis-à-vis poverty in the region.

Primary source documents comprised this study's third method of data collection. This study's findings are informed by publicly available information in the form of commercial media accounts and actuarial records. Collectively, these accounts provided rich insights from a variety of perspectives into poverty, development, public-private partnerships, and the Yanacocha gold mine.

The PI employed discourse analysis as the primary method of analysis and applied this method to interview transcriptions, field notes, and primary source documents. Discourse analysis enable the PI to uncover and compare differing accounts surrounding the World Bank's development rhetoric and local *cajamarquinos'* conceptualizations of development and poverty. To "analyz[e] text data," the PI adopted the method of conventional content analysis (Hsieh and Shannon, 2005, p. 1277).

Grounded in naturalistic inquiry, conventional content analysis afforded the PI the opportunity to “examin[e] language intensely” (Hsieh and Shannon, 2005, p. 1278) in order to “describe a phenomenon” (Hsieh and Shannon, 2005, p. 1279).

The data was coded and categorized based on responses to several series of closely related questions from this study’s interview protocol. Interview and survey data transcriptions were completed in NVivo solely by the PI. The handwritten survey responses were typed into Microsoft Word documents and uploaded to NVivo. The PI became immersed in the data through repeatedly listening to the audio recordings, documenting patterns and themes, and constructing mind maps in NVivo. The data was closely analyzed and then organized by subject matter based on codes which emerged from the data.

Finally, the selected study design and methodology allowed the PI to apply this study’s theoretical framework – the human capability approach – throughout each stage of the research process, from the research proposal to fieldwork, data collection, data analysis, and the final write-up of this dissertation.

1.6.2 Goals of This Study

The scope of this study is intended to uncover new conceptualizations of development, poverty, and poverty alleviation which center poor people’s interpretations of their livelihoods, and which are distinct from the World Bank’s rather narrow definitions of these terms. This study focuses on highlighting a plurality of voices and through these voices, assessing the contours and fundamental building blocks of the current mainstream (economic) development orthodoxy and orthodoxy as generated by the Bank and other international development agencies. This study argues that while a

universal economic development model such as public-private partnerships (PPPs), which can be applied to all poor people across space and time, may be attractive for its presumed efficiency and practicality, this should not supersede the legitimate needs and wishes of poor people, nor should it undercut their valid concerns regarding the nature and effects of said development model. Using the Yanacocha gold mine case study, this study relates the *cajamarquino* experience in Cajamarca, Peru and the Bank's misguided efforts to help the mining village's poorest residents. This dissertation is not, however, merely a collection of the grievances of poor people in Cajamarca, nor is it solely a description of the World Bank's uneven engagement with poor (and non-poor) *cajamarquinos* – it aims for more.

The purpose of this research is to open a space for the possibility of decentering the importance attributed to economic growth in the dominant development discourse and to shift the focus to the needs, thoughts, and beliefs of poor people. As such, the goal of this dissertation is not simply to point out why the staunch focus on economic growth is problematic currently and historically, but to genuinely engage the human capability framework with the theoretical and practical concerns of development in the world today. This calls for supporting and engaging poor people in ways that matter to them, and ultimately, it calls for the effective use of finite international funds for development assistance. Thus, this dissertation creates a space for not only examining the concerns of poor people, but for thinking about ways to operationalize solutions to those concerns based on the main tenets of the human capability approach – expanding life possibilities, agency, and autonomy. Above all, this dissertation calls for a genuine recommitment to the basic humanity of poor people and to their individual and collective needs and

wishes. In doing so, we can advance a form of development grounded in and informed by the principles of social justice, equity, and human rights.

1.7 Summary of Chapters

Following the introduction chapter, Chapter 2 provides important contextual information and establishes a platform from which to understand and investigate this study's main research questions and key objectives. Chapter 2 begins with a historical overview the evolution of the World Bank's orthopraxy and orthodoxy surrounding development and poverty (including poverty alleviation), and implications for many of the globe's poorest people. I draw from the works of several prominent World Bank and international development scholars including, but not limited to, Edward S. Mason, Robert E. Asher, Devesh Kapur, John P. Lewis, Richard Webb, Robert L. Ayres, Gerald M. Meier, Hollis Chenery, Richard Jolly, and Bruce Rich. Chapter 2 also critically examines the rapid growth of public-private partnerships (PPPs) – within the Bank and in the larger international development arena – as the latest development strategy, which raises the question, what is the Bank's rationale for PPPs, and by extension, the Yanacocha gold mine? I highlight the dearth of critical analyses within the Bank pertaining to PPPs' ability to improve the quality of life of poor people. I draw from World Bank publications, reports produced by the Independent Evaluation Group (IEG), and the *Extractive Industries Review* (2003). Further, Chapter 2 draws attention to the neo-extractivism literature (in which Yanacocha is situated) and examines the extractives industry's viability for achieving the development goals of poverty alleviation. Lastly, since this study is largely concerned with the wellbeing of poor people, Chapter 2 introduces this dissertation's theoretical framework – the Human Capability Approach,

which is predicated on the notion of human development. Chapter 2 includes a critical review of the well-established capability approach literature – drawn from the UNDP’s *Human Development Reports*, and the works of Amartya Sen, Martha C. Nussbaum, and Sabina Alkire among other pro-poor scholars.

Chapter 3 is a detailed account of the study design and methodology which guides this research. I introduce this study’s two main research questions and provide a profile of the case under investigation – the Yanacocha gold mine in Cajamarca, Peru. I provide a rationale for employing a qualitative single-case study approach which is epistemologically informed by the principles of constructivism. I justify my choices for data collection, more specifically the use of qualitative interviews (and how I recruited study participants – 42 in total), participant observation, and primary source documents. Chapter 3 concludes with a discussion of researcher reflexivity in the field, the credibility, transferability, dependability, and confirmability of the research, and lastly, this study’s delimitations and limitations.

Chapters 4 and 5 comprise the analytical core of this dissertation, gleaned from data collected from a total of 42 qualitative interview and survey responses. Throughout both chapters, I include numerous direct quotes from participant narratives and critically discuss them within the context of this study’s theoretical framework – the capability approach. Specifically, Chapter 4 is a discussion of participants’ conceptualizations of poverty based on a series of closely related questions, for example, “what does poverty mean?” “What does it mean to not be poor?” “Do you believe that you are poor?” In Chapter 5, I present and discuss participants’ conceptualizations of development and their beliefs and opinions about the Yanacocha gold mine – also based on a series of questions,

for example, “what is your vision of development?” “Is Yanacocha an example of a development project?” The results presented in Chapters 4 and 5 demonstrate that two critical factors, *basic needs* and *autonomy*, are integral to study participants’ conceptualizations of poverty and development; in other words, they attribute their own and others’ impoverished livelihoods to a shared inability to meet basic needs and a lack of autonomy.

In Chapter 6, I continue to analyze the significance of the results gleaned from qualitative interviews and the implications for international development agencies, current and potential development projects, and most importantly, poor people. Further, I attempt to provide answers to the questions that have guided this research project. I assert the importance of international development agencies, such as the World Bank, contributing to and facilitating more expansive and rigorous development and poverty alleviation discourses which specifically integrate the voices of poor people. It is critical to the welfare of the globe’s poorest people that terms such as development and poverty be constructed and reconstructed in a bottom-up fashion, that is, primarily informed by local realities. It is also imperative that pro-poor scholars and practitioners and agencies such as the Bank are diligent in their efforts to research, design, and operationalize development projects which expand poor people’s life possibilities and overall quality of life. How can we utilize finite international funds for development assistance more productively and thoughtfully so that the development goals of poverty alleviation are met in ways that are beneficial to the poorest people who are often excluded from the current mainstream development model? Chapter 6 concludes with a discussion which

expands on this study's research objectives and drives further into answering the question posed above.

CHAPTER 2

LITERATURE REVIEW

This study investigates, first, dilemmas facing international development agencies such as the World Bank that, together with developing country governments, engage in public-private partnerships (PPPs) for development assistance, and second, asks how a Bank-supported PPP project (the Yanacocha gold mine) impacts the quality of life of the local population, especially the poor. While this study generates inferences, theoretical and practical, and draws conclusions primarily from data collected through case study and qualitative semi-structured interviews, a critical review of several literatures grounds the study both theoretically and methodologically, and in addition provides important contextual information.

This literature review critically examines four distinct yet related areas. Section 2.1 (Part I) traces the evolution of the World Bank's orthodoxy and orthopraxy surrounding development and poverty (including poverty alleviation). This brief historical overview highlights some significant shifts which occurred internal and external to the Bank and which greatly shaped the Bank's lending practices alongside its evolving lending rhetoric. As a result, Part I situates the current growth and popularity of public-private partnerships (PPPs) within the Bank for development and poverty alleviation purposes. Section 2.2 (Part II) is a critical discussion of public-private partnerships, specifically World Bank-International Finance Corporation (IFC) PPPs. Since the 1990s, the focus in international development, in practice, has been increasingly about partnering with the private sector to leverage resources for development assistance. Further, the IFC has become the leader of development ideology

within the Bank and has grown more rapidly compared to other parts of the World Bank Group⁷. Thus, Section 2.2 critically examines the IFC's rationale for PPPs, which tends to be forward-looking and optimistic, by comparing it to more critical reports produced by the Independent Evaluation Group (IEG) and such as the *Extractive Industries Review (EIR; 2003)*.

Section 2.3 (Part III) takes a closer look at the extractives industry and its viability for making contributions to development assistance and poverty alleviation. An especially problematic industry, the IFC along with extractives organizations such as the World Gold Council continue to promote the industry's potential for meeting global development goals, however, as the literature shows, the extractives industry is rife with challenges that range from environmental to socio-political conflicts. Finally, this study is concerned with generating inferences about effective and meaningful development and poverty alleviation for the world's poorest populations, therefore Section 2.4 (Part IV) examines the human capability approach, pioneered by Amartya Sen and Martha C. Nussbaum and embodied in the UNDP's *Human Development Reports* as a counterpoint to the Bank's development approach. The capability approach has a well-established literature and has gained traction among pro-poor scholars and practitioners as an appropriate and useful framework for assessing poverty and poverty alleviation efforts. Key advantages of the capability approach are its understanding of poverty as multidimensional, its focus on the development of the individual, and its commitment to fostering human flourishing and autonomy.

⁷ Hereafter sometimes referred to as the World Bank or the Bank.

2.1 The World Bank's Conceptualizations of Development, Poverty, and Poverty Alleviation

Since the early 1950s, the International Bank for Reconstruction and Development (IBRD) has greatly expanded. The World Bank Group (WBG), as it is known today, has 189-member countries and includes five separate but affiliated organizations: the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes (ICSID). The IBRD provides “loans, guarantees, risk management products, and advisory services to middle-income and creditworthy low-income countries, as well as...coordinat[es] responses to regional and global challenges.”⁸ The IDA is tasked with helping the world's poorest countries by “providing loans (called ‘credits’) and grants for programs that boost economic growth, reduce inequalities, and improve people's living conditions.”⁹ The IFC has expanded to “apply...[its] financial resources, technical expertise, global experience, and innovative thinking to help...[its] partners overcome financial, operational, and political challenges.”¹⁰ The IFC focuses exclusively on the private sector.¹¹ MIGA works closely with the IFC “to promote cross-border investment in developing countries by providing

⁸ World Bank – International Bank for Reconstruction and Development (IBRD). Who We Are. Retrieved from <http://www.worldbank.org/en/who-we-are/ibrd>

⁹ World Bank – International Development Association (IDA). What is IDA? Retrieved from <http://ida.worldbank.org/about/what-ida>

¹⁰ World Bank – International Finance Corporation (IFC). About IFC. Retrieved from http://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/about+ifc_new

¹¹ World Bank – International Finance Corporation (IFC). About IFC. Retrieved from http://www.ifc.org/wps/wcm/connect/corp_ext_content/ifc_external_corporate_site/about+ifc_new

guarantees (political risk insurance and credit enhancement) to investors and lenders.”¹² Lastly, the ICSID is “a forum for investor-State dispute settlement in most international investment treaties and in numerous investment laws and contracts”¹³ and “provides for settlement of disputes by conciliation, arbitration or fact-finding.”¹⁴

Collectively, the World Bank Group has positioned itself as a global leader in development and poverty alleviation. The Bank engages in and supports several types of development, primarily financial development, economic development, and infrastructure (hard and soft) development. The Bank grants development aid money to some of the poorest countries across the globe, however it is important to note that these grants are relatively small compared to the Bank’s lending portfolio, which is estimated to be around USD 50 billion per year (Rich, 2013).

2.1.1 The World Bank’s Evolving Conceptualization of Development: A Brief Overview

In July 1944, against the backdrop of World War II (WWII), the Bretton Woods conference convened in New Hampshire, United States and was attended by more than 700 delegates from the Allied nations; representatives from the Soviet Union were also present. The Conference sought to restore global financial stability following the end of WWII. Two international financial institutions were created as a result of the Conference: the International Bank for Reconstruction and Development (IBRD) and the International

¹² World Bank – Multilateral Investment Guarantee Agency (MIGA). About Us. Retrieved from <https://www.miga.org/about-us>

¹³ World Bank – International Centre for Settlement of Investment Disputes (ICSID). About ICSID. Retrieved from <https://icsid.worldbank.org/en/Pages/about/default.aspx>

¹⁴ World Bank – International Centre for Settlement of Investment Disputes (ICSID). About ICSID. Retrieved from <https://icsid.worldbank.org/en/Pages/about/default.aspx>

Monetary Fund (IMF). According to Article 1 of its statute¹⁵, the IBRD had five main purposes, all of which centered on the reconstruction and development of war torn Europe through financial capital loans from private investors and the IBRD itself. During the first few years of the IBRD's existence, the organization concentrated its efforts on the reconstruction of infrastructure that had been damaged during WWII. By mid-1952, the Bank had given USD 497 million in loans for reconstruction to France, the Netherlands, Denmark, and Luxembourg (Mason and Asher, 1973, p. 178-179).

In addition to the reconstruction of war torn Europe, the IBRD had a second goal: establishing its own creditworthiness (AAA credit rating) in the New York financial market (Kapur, Lewis, and Webb, 1997, p. 9). At the time, the IBRD was considered “the first ‘Multilateral Development Bank’” (Kapur, Lewis, and Webb, 1997, p. 2) and “the world’s premier economic multilateral” (Kapur, Lewis, and Webb, 1997, p. 2). As Kapur, Lewis, and Webb (1997) importantly note, “economics would become the Bank’s hallmark scholarly discipline” (p. 4). Furthermore, the IBRD was to be a “*public sector institution*” (Kapur, Lewis, and Webb, 1997, p. 2). Kapur, Lewis, and Webb (1997) characterize the institutional structure of the IBRD as an “intergovernmental cooperative” such that the organization is owned by country governments and is expected to act as their “agent.” The authors also assert that wealthy developed countries, specifically the United States, had greater control and influence within the IBRD (Kapur, Lewis, and Webb, 1997).

In 1948, the Cold War ongoing, the United States-led Marshall Plan (1948-1952), formerly the European Recovery Program, took over the economic recovery of European

¹⁵ Articles of Agreement of the International Bank for Reconstruction and Development, July 22, 1944. Retrieved from http://avalon.law.yale.edu/20th_century/decad047.asp

countries, mainly to prevent Soviet influence and the spread of communism. The U.S. invested billions of dollars of economic support to modernize industrial sectors, reduce barriers to trade, and boost production. According to Mason and Asher (1973), the U.S. extended the Marshall Plan to the Communist countries however Joseph Stalin rejected the offer as a U.S. ploy to interfere in the Soviet Union's domestic affairs. The Soviet Union also believed that the IBRD and IMF were "'branches of Wall Street' and that the Bank was 'subordinated to political purposes which make it the instrument of one great power'" (Mason and Asher, 1973, p. 29, footnote 46). The significance of the Marshall Plan for the IBRD, however, is that it allowed the IBRD to focus solely on development. By mid-1952, the Bank had dispersed USD 885 million in loans for development, specifically for electric power (USD 391 million), transportation (USD 179 million; railroads, shipping, airlines, roads, ports), communications (USD 25 million), agriculture and forestry (USD 128 million; mechanization, irrigation and flood control, land improvement, grain storage, timber production), industry (USD 70 million; manufacturing machinery, mining equipment), and general development (USD 92 million; development banks, general development plans) (Mason and Asher, 1973, p. 178-179).

Throughout the 1950s and 1960s, the Bank pushed ahead with its economic development strategy of infrastructure investment, which it believed would lead to "modernity." The Bank heavily invested in infrastructure development, specifically power plants and transportation and communications systems, and promoted the sustained growth of international trade (Rich, 1994, p. 57). According to Rich (1994), World Bank economist Paul Rosenstein-Rodan dubbed the Bank's development strategy

“The Big Push,” which characterized the Bank’s “critical mass of [capital] investment, national economic planning, and programming” (p. 73). “The Big Push” of the 1950s and 1960s was about project lending. Rich (1994) asserts that the Bank aimed to “invest in carefully planned and prepared projects in critical areas ‘relatively less attractive to private capital’ and this would catalyze the flow of additional capital into other sectors of the economy” (p. 72). In addition, the Bank stated that one of its primary roles would be guarantor of private investment, meaning that the Bank would shoulder financial responsibility if a borrower defaulted on a loan – the goal being to attract investors to development projects (Rich, 1994, p. 67). The Bank enacted important measures to protect investors, measures which have benefitted the Bank’s reputation and investment portfolio and continue to spur private investment in “development.”

Perhaps one of the most pivotal changes to the World Bank and “development” during the 1970s was Robert S. McNamara, who served as president of the Bank from 1968 to 1981 (for a more in-depth discussion, see Section 2.1.2). As a former Bank president, McNamara is most notable for two major occurrences within the Bank. First, McNamara introduced the concepts of poverty and poverty alleviation into the Bank’s development rhetoric, thereby “redefin[ing] it as a ‘development agency’” (Kapur, Lewis, and Webb, 1997, p. 215). McNamara’s “poverty mission” was relatively “explicit and aggressive” (Kapur, Lewis, and Webb, 1997, p. 216-219). Although McNamara “endorsed the Bank’s insistence on the overriding need for economic growth,” he expressed that “economic growth and poverty reduction” were not and should not be perceived as synonymous (Kapur, Lewis, and Webb, 1997, p. 216-217). McNamara

implemented “poverty-oriented lending”¹⁶ (Kapur, Lewis, and Webb, 1997, p. 222) and between 1969 and 1973 “loan commitments jumped by 131 percent” (Kapur, Lewis, and Webb, 1997, p. 216). Second, McNamara seemingly committed much energy to, as Rich (1994) characterizes it, “a vision of global central planning” (p. 85). This “development vision” was rooted in eradicating global poverty and improving the quality of life for the world’s poorest people, however Rich (1994) argues that “the means were infused with a disquieting lack of accountability, a structure of top-down control, and a thrust toward domination” (p. 86). In summary, although McNamara’s poverty alleviation rhetoric was powerful, “[he] was in fact slow to translate those intentions into operational specifics,” (Kapur, Lewis, and Webb, 1997, p. 222) in particular, how “to make economic growth work more favorably for the poor” (Kapur, Lewis, and Webb, 1997, p. 269), therefore “[w]ork on policy design...was debated through the decade” (Kapur, Lewis, and Webb, 1997, p. 224).

In the 1980s, the World Bank adopted structural adjustment lending or structural adjustment programmes (SAPs). The goal of SAPs was to stabilize and improve macroeconomic conditions in countries struggling under “the debt crisis and international recession” (Jolly, 1991, p. 1807). More specifically, “structural adjustment” meant “the combination of supply- and demand-side policies...directed toward the *transformation of the structure of an economy*...aiming both to restore macroeconomic equilibrium and to improve microeconomic efficiency [emphasis added]” (Kapur, Lewis, and Webb, 1997, p. 540). This shift was significant as Bank lending was no longer focused on specific development projects; instead, loans were allocated for general governance operations.

¹⁶ Poverty-oriented lending was “loans for agriculture in general, for small farmers in particular, and for water supply and education” (Kapur, Lewis, and Webb, 1997, p. 233).

According to Joseph E. Stiglitz (2003), the World Bank and International Monetary Fund (IMF) “worked closely together” in SAPs (p. 122). Further, neither institution meaningfully considered the social and environmental effects of SAPs (Stiglitz, 2003, p. 122). Structural adjustment lending was controversial and received much criticism for two main reasons. On one hand, as Tony Killick explains:

[T]here is little evidence of strong program [SAP] results in low-income countries. [T]his is in part because conditionality has a modest capability for achieving improved economic policies, and international financial institutions have similar constraints of their own, such as limited knowledge of a country and mismatch of time horizons between the adjusting countries and the institutions. He [Killick] concludes that imposed policy change rarely works and emphasizes the importance of policy ownership of developing countries. (Kapur, Lewis, and Webb, 1997, p. 310)

On the other hand, SAPs paid “little attention...to the effects on the poor” (Jolly, 1991, p. 1807). Perhaps most notably, in 1987 UNICEF published *Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth*, a 344-page document which detailed the poverties faced by vulnerable populations across the globe and emphasized the critical importance of incorporating pro-poor policies (in health, education, and child nutrition among other areas) in national development planning to reduce human suffering.

Bruce Rich (2013) also summarizes the issues surrounding SAPs, or development policy loans (as they later became known). First, as Rich (2013) asserts, non-project lending did not fall under the Bank’s environmental and social safeguard policies, which meant that borrowing governments received large sums of money with minimal, if any, requirements for protecting people and the environment. Second, and as mentioned above, development policy lending did not explicate a clear poverty alleviation model. And, third, large portions of loan money were captured by corrupt government officials

and contractors. Rich (2013) concludes that, although increasingly aware of these issues, the Bank did not implement effective measures to control for or reduce the misappropriation of (public) development funds.

An important point raised by Rich (2013), and relevant to this study's investigation, is the "IFC'ization" of the Bank (Rich, 2013). The International Finance Corporation (IFC) is the private sector lending arm of the World Bank Group. Rich (2013) argues that the IFC has become the ideological leader of development within the Bank, and along with MIGA (its counterpart) has grown more rapidly than the other sectors of the Bank. The growth of the IFC has largely shaped the Bank's development framework around the inclusion of the private sector as a prominent actor in global development and poverty alleviation efforts (Rich, 2013, p. 110-111, 115). Further, Rich (2013) highlights the Bank's eroding system of monitoring and evaluation (M&E). The Bank periodically carries out in-house evaluations of its global operations and development projects because of the enormous criticism it has received over the years. These evaluations aim to identify and fix project failures, for example, and other problems such as exacerbated poverty, environmental destruction, and corruption in locations where the Bank has secured investment. As Rich (2013) argues, Bank officials continuously identify M&E as a critical area for improvement, but this issue remains largely unaddressed (p. 119-120). He states,

[T]he 1991 Wapenhans Report found systematic weaknesses in M&E, and recommended specific actions to remedy these. Then, in 1995, yet another review found that more than half of the Bank's infrastructure projects still did not have effective M&E measures. Despite the endless reports, throughout the 1990s the problem grew worse, not better. A decade later, the Bank vowed once again to make M&E a priority. (Rich, 2013, p. 119-120)

To clarify the above-stated issues occurring within the Bank, specifically the logic behind the turn to the private sector, it is useful to understand what was taking place external to the Bank, namely, the rise of neoliberalism and the Washington Consensus. In the late 1980s into the 1990s, the rise of neoliberalism (ideology) influenced the Bank's development strategy to a large extent and the Bank (again, along with the IMF) adopted the Washington Consensus (1989) – ten (macro)economic policy prescriptions which, among other things, called for the significant involvement of the private sector and foreign direct investment (FDI) in country development, for example, privatization of state enterprises, the elimination of subsidies, and largescale capital, financial, and trade liberalization. What this meant for country governments seeking development assistance from the Bank is they were required to structure their respective economies around Washington Consensus prescriptions to receive and/or maintain a flow of financial assistance from the Bank.

Neoliberalism, according to David Harvey (2007), is “a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade” (p. 2). Central to neoliberal thought is “[t]he assumption that individual freedoms are guaranteed by freedom of the market” (Harvey, 2007, p. 7). Further, a neoliberal state is “a state apparatus whose fundamental mission [is]...to facilitate conditions for profitable capital accumulation on the part of both domestic and foreign capital” (Harvey, 2007, p. 7). In the 1990s, the Washington Consensus became the “new orthodoxy” of neoliberalism (Harvey, 2007, p. 13). Stiglitz (2012) asserts that prior to the Great

Recession of 2008, “it was...conventional wisdom that everyone would benefit from free capital movements” (p. 60). Harvey (2007) argues that “the Wall Street–IMF–Treasury complex” during the Clinton administration (1993-2001) in the U.S. “persuade[d]” and “coerce[d] many developing countries to take the neoliberal road” (p. 92).

The Washington Consensus policies that the World Bank promoted as appropriate for development were rather detrimental to the poor, especially in developing countries. In his book, *The Price of Inequality: How Today's Divided Society Endangers Our Future* (2012), Joseph E. Stiglitz provides a detailed account of the costs of unregulated capital, financial, and trade liberalization, specifically, how they contribute to growing inequality. To summarize, Stiglitz (2012) argues that since the 1980s, “U.S. financial institutions” have prioritized the “rights of capital – over the rights of workers or even political rights,” and the owners of capital have “argued *against* laws that might make them more accountable for human rights abuses in other countries” (p. 59). In what he characterizes as “a broader ‘race to the bottom,’” Stiglitz (2012) explains that the “threat of capital outflow” and the “competition across countries for investment” encourages country governments to deregulate their financial system, which has resulted in weaker business regulations, low taxes, “lower[ed] wages and weaken[ed] worker protections” (p. 60). Regarding trade liberalization, Stiglitz (2012) asserts that with the combination of unregulated capital flow and low taxes, “firms can simply tell workers that if they don’t accept lower wages and worse working conditions, the company will move elsewhere” (p. 61). Lastly, an overwhelming focus on and support for the development of the (global) market economy and private sector inclusion and has meant less attention and fewer resources being directed to already vulnerable populations, who are most often not

connected to the formal market economy. Stiglitz (2012) cites China as an example of a country that “took measures” to redirect some of the garnered revenues from export-led growth to the poor, for public education, and to create more job opportunities (p. 64).

Today, the World Bank’s esteemed status as a development institution among investors is evidenced by its joint operations in more than one hundred countries across the globe. Rich (1994) posits that the current monetary value of the Bank’s lending portfolio is evenly matched and perhaps even surpassed by the Bank’s ability to channel capital investment flows to “risky” regions and sectors based on its reputation. The Bank’s strong “shared prosperity” and “sustainable development” rhetoric, present in Bank reports and other publications, raises the question of whether this rhetoric is, to some extent, how the Bank continues to push its economic development model despite global criticism regarding adverse project outcomes and insufficient accountability on the part of the Bank for such outcomes.

2.1.2 The World Bank’s Evolving Conceptualization of Poverty and Poverty

Alleviation: A Brief Overview

In 1968, Robert S. McNamara began his thirteen-year tenure as president of the World Bank. McNamara is credited with transforming the Bank, first, by introducing the notion of poverty alleviation into the Bank’s rhetoric and development aims, and second, by declaring (absolute) poverty counterproductive to development. Under McNamara’s leadership, the Bank published a seminal report, *Redistribution with Growth (RWG)* (1974). *RWG* (1974) was a joint study by the World Bank’s Development Research Center and the Institute of Development Studies at the University of Sussex; it was a progress report of development strategies and other poverty alleviation efforts. *RWG*

(1974) stated that underdevelopment and poverty could be resolved through careful implementation of a specifically tailored anti-poverty model of development. As a result, the Bank began allocating funds to small farmers in rural areas for agricultural development. For urban development, funds went towards improving health, education, water accessibility, and electricity (Rich, 1994, p. 84). Although the Bank acknowledged that poverty was multidimensional – a combination of various factors such as literacy, educational achievement, health, nutrition, income, access to clean water, proper sanitation, health facilities, and networks, there was still considerable emphasis placed on increasing gross national product (GNP) growth rates (*RWG*, p. xiii). *RWG* argued that a “pro-growth and pro-poor” approach was essential for the continuous generation of production and new income which could then be distributed to the poor (1974, p. xiii, xviii). The report importantly highlighted that high per capita income figures alone had failed to significantly decrease poverty levels for those in absolute poverty due to “skewed distribution patterns” and a concentration of assets (*RWG*, 1974, p. 11).

In addition, the economic ambitions of the elite class, often misaligned with a pro-poor agenda, posed another problem for a specifically-tailored poverty alleviation model. For example, speaking on the benefits of rural land reform for the “poverty problem,” *RWG* (1974) stated that “a redistributive land reform can go a long way towards a solution in a relatively short period” (p. 102). Further, “without such a reform...it is difficult to see much prospect of major advances in reducing poverty in rural areas” (*RWG*, 1974, p. 116). Despite these findings, *RWG* (1974) claimed that such a reform policy would not be feasible because of strong resistance from the elite class and thus moved away from land reform as a viable means to poverty alleviation. Robert Ayres

(1983), John Friedmann (1992), and John Sheahan (1999) argue that although the Bank's shift in orthodoxy to include global poverty alleviation was significant, it was not fundamentally transformative in terms of what changes the Bank actually made. The Bank's primary objective continued to be "modernizing the international economy in its capitalist variant for the sake of its long-term preservation" (Ayres, 1983, p. 11). The Bank remained committed to an economic development model despite findings that economic growth had not translated into significant poverty alleviation for the world's poorest people and social stratification worsened (Gootenberg and Reygadas, 2010).

While the World Bank's economic development model, couched in claims of "shared prosperity" and "sustainable development" sounds promising, reports and other findings from localities where Bank projects operate paint a picture of a development model that has not worked well for poor people. Pro-poor practitioners and scholars have argued that many Bank projects pursued in the name of development and poverty alleviation have made small select groups of people wealthy while the majority is faced with decreasing standards of living and quality of life. Peru in the early 1990s is an example. According to Sheahan (1999), the Fujimori administration implemented social policies in education and health services to benefit the poor, however the administration did not make structural changes to the country's development strategy which greatly favored the elite class and disfavored those in chronic poverty (p. 154). The result was a downward trend in *aggregate* poverty figures, however "one-fourth of the country's people remain[ed] caught in chronic poverty, related more to structural and personal constraints than to lack of employment" (Sheahan, 1999, p. 130). To this point,

Friedmann (1992) importantly asserts, “[f]rom the vantage point of the excluded, modern economic growth is not an intrinsic good” (p. 9).

In its 2000/2001 *World Development Report*, the Bank reasserted its belief that poverty is multidimensional – a product of more than “low income and consumption.” Included in the Bank’s current conceptualization of poverty is the concept of human development. The human development approach, pioneered by economist Mahbub ul Haq, was intended as a counterapproach to the Bank’s historical economic development model. The primary focus of the human development approach is “people and their opportunities and choices” (UNDP *Human Development Reports* website). According to the UNDP, human development is a pro-poor people-centered approach concerned with “advancing human flourishing”¹⁷ and “human well-being”¹⁸ (see Section 2.4).

2.1.3 The “Pro-Growth and Pro-Poor” Development Model

Although there have been some important aggregate-level achievements in poverty reduction resulting from the World Bank’s economic development model, several issues persist. The first crucial issue traces back to the McNamara years (1968-81) and the Bank’s decision to continue largescale lending for infrastructure in addition to lending for poverty alleviation. According to *RWG* (1974), taking from the rich to give to the poor, for example through “tax-financed transfers,” would reduce the investible savings and capital of the rich, thus reducing GNP growth and eventually the incomes of the poor (p. 43, 46). Further, *RWG* (1974) stated that any attempts aimed at significant redistributive policies of existing assets would be unsuccessful because of political

¹⁷ United Nations Development Programme (UNDP). “What is Human Development?” Retrieved from <http://hdr.undp.org/en/content/what-human-development>

¹⁸ United Nations Development Programme (UNDP). “About Human Development.” Retrieved from <http://hdr.undp.org/en/humandev>

resistance from elites in developing countries (p. 49). The report thus advocated “the need to direct public investment to support incomes of poorer groups by building up their ownership of and access to [new] physical and human resources” to boost their productivity, output, and income (*RWG*, 1974, p. 47).

One of *RWG*'s (1974) findings, derived from quantitative analysis, specifically multiple regression using cross-country income data, was the following: “the rate of growth of GDP...was positively related to the share of the lowest 40 percent, suggesting that the objectives of growth and equity may not be in conflict” (p. 17). Using the lowest 40 percent of a population as a basis for poverty analysis can produce skewed findings, however. First, the lowest 40 percent is not a homogenous population. If we assume homogeneity of the lowest 40 percent of a population, it becomes difficult to determine who is benefitting from development projects and who is experiencing unchanged or perhaps worsened poverty. Important and necessary distinctions among poor people may be overlooked. There are vast disparities between the lowest 40% and the lowest 5% or 1% of a population, as the Bank's income distribution data show. Regarding the lowest 5% of a population or for those who are poorer, there may not be a clear positive relationship, and perhaps even a negative relationship, between higher GDP growth rates and reduced poverty or human wellbeing. Further, it is possible that the upper tier of the lowest 40% of a population may be in an advantageous enough position regarding personal skills, resources, and networks, to capture some of the benefits of higher GDP growth. To gain more accurate insight into how the gains from GDP growth are distributed throughout the lowest 40%, and therefore the relationship between this percentage of the population and higher GDP growth, it is more useful to look at the

lowest 30%, 20%, 10%, 5%, and 1% of the population. Despite the body of literature which shows that many of the poorest people across the globe have not benefitted from higher GDP or GNP growth rates, the Bank continues to embrace a “pro-growth and pro-poor” development model.

One of the main reasons why the poor have not largely benefitted, if at all, from higher GNP growth rates is that they lack access to the *formal market economy* due to limited funds and ties to people within the formal market economy. Poor people typically operate primarily within informal local markets buying and selling goods. Thus, thriving national or international market economies characterized by high growth rates bypass the people who need the greatest amount of assistance and relief. *RWG* (1974) includes a discussion on “leakages” – benefits which are captured by non-target groups (the non-poor), and how contractors and large and medium-size farm owners have benefitted enormously from development projects (to the exclusion of poor people) because of their advantageous predisposition in terms of income, access, and skills (p. 113). *RWG* (1974) importantly concludes, “[t]he poor must be sufficiently connected to the modern sector if the benefits of growth are likely to ‘trickle down’” (p. 81). In this study’s case of the Yanacocha gold mine, respondents reported similar beliefs about the majority of mining revenues being captured by contractors and municipal and regional government officials (non-target groups). It is crucial to note that in the extractives sector in particular there can be a huge disconnect between high GDP growth rates and socio-environmental aims.

A second issue surrounding the Bank’s “pro-growth and pro-poor” development model pertains to problems of top-down versus bottom-up development. William Easterly (2006) discusses the specific challenges of top-down development planning

versus bottom-up development initiatives. One area of concern in top-down development is that the World Bank, positioned as a global leader of development, has, historically, neglected developing countries' respective social, political, and cultural histories and instead promoted a development strategy which can be universally and technocratically applied to any country at any time. Bank officials, many of whom are (Western-trained) economists, position themselves as possessing more knowledge about what a developing country needs to "develop" than the developing country itself.

The third issue with the Bank's "pro-growth and pro-poor" development model is that poverty alleviation is *assumed* within the economic development model; the Bank does not have a specific poverty alleviation model. Typically, Bank officials set out the economic justification for its development projects through appraisal reports which are approved by a board of directors. A rationale is created for each development project regarding how the project will spur the rate of growth of GNP and the creation of job opportunities (which can then be captured by the poor). Proponents of the Bank's economic development strategy state that its development projects create jobs, generate tax revenues for the host (developing) country, and facilitate the transfer of advanced technologies and specialized skills from the developed to the developing country. Within this development model, the private sector is viewed as essential because of its abundant capital and other resources. According to Rich, the Bank has paid a disproportionately high amount of attention to creating an investor-friendly climate and not enough attention to bolstering developing country governments to ensure economic gains translate into social expenditures that reach the poorest populations.

It is difficult to clearly distinguish a World Bank “development loan” from a “poverty alleviation loan.” This raises the question, is a loan automatically deemed appropriate and effective for poverty alleviation if it has the Bank’s stamp of approval? What the literature on the Bank’s “pro-growth and pro-pro” development strategy demonstrates is that many Bank-supported development projects can be viewed as successful by narrow economic criteria (GNP/GDP growth and income and consumption levels) but as insufficient or unsuccessful in terms of delivering tangible benefits to poor people and improving their overall quality of life.

2.1.4 Conclusion

Section 2.1 is a brief overview of the evolution of the World Bank’s conceptualizations of development and poverty from the organization’s inception in 1944 to present day. The three most salient points are the following: a) the significance of the Bank’s adoption of structural adjustment programmes (SAPs) in the 1980s which redirected lending to general governance operations rather than specific development projects. This shift was problematic because SAPs were not subject to the Bank’s environmental safeguards and did not include an explicit poverty alleviation component; b) by the late 1980s and into the early 1990s, the rise of neoliberalism and the Washington Consensus came to greatly influence the Bank’s development lending practices. As scholars such as Joseph E. Stiglitz point out, unregulated capital, financial, and trade liberalization – characteristics of the Washington Consensus – contributed to growing inequality in developing countries; c) the “IFC’ization” of the Bank acted as a catalyst within the Bank to move as much funds as possible. The Bank’s primary goal, in practice, became to create an investor-friendly climate and this has overshadowed its

poverty alleviation and sustainable development efforts. Collectively, these three factors provide the context for understanding the popularity and exponential growth of public private-partnerships (PPPs) within the Bank. Presently, the Bank accepts the conceptualization of poverty as multidimensional, as stated in its 2000/2001 *World Development Report*, however, as previously mentioned, the Bank's focus is centered on attracting and securing private investment thus there is a disconnect between the Bank's poverty alleviation rhetoric and what Bank loans actually do and accomplish.

2.2 The World Bank, International Finance Corporation (IFC), and Public-Private Partnerships (PPPs)

The global rise of public-private partnerships (PPPs) is a result of the neoliberal shift of the 1990s, embodied in the Washington Consensus, which impacted the World Bank's lending practices such that the Bank began to focus its lending on general governance purposes rather than specific development projects. PPPs are the Bank's latest iteration of a "pro-growth and pro-poor" development model and the number of Bank-supported PPPs has grown exponentially since the 1990s, largely based on the Bank's belief that country governments are inefficient and corrupt and that the private sector can control for or mitigate these issues. The International Finance Corporation (IFC) is the main organization within the World Bank Group which deals with the private sector and its role is to catalyze private investment to serve the development goals of poverty alleviation and shared prosperity. Section 2.2 of this literature review critically examines the IFC's rationale for PPPs, present in official Bank reports, which tends to be forward-looking and optimistic. On the other hand, official reports produced by the Independent Evaluation Group (IEG) of the Bank convey mixed reliability regarding

PPPs and thus contradict the previously mentioned findings. Also included in this section is a discussion of the *Extractive Industries Review* of 2003. PPPs in the extractives sector are promoted by the IFC, but they have been especially problematic in the realm of socio-environmental concerns. The *Extractive Industries Review* (2003), commissioned by the Bank, proposed recommendations to mitigate some of the damages caused by PPPs and ensure poverty alleviation, but the IFC did not accept these recommendations out of concern they would hinder private investment deals. As mentioned earlier, the IFC leans heavily on creating a favorable environment for private sector investment, and this has, to an important extent, overshadowed poverty alleviation efforts.

Aid agencies around the world are pushing PPPs. According to Rich, PPPs are viewed as important and attractive because aid agencies can use borrowed money from the private sector together with public money – thereby essentially doubling the investment – to generate maximum profit to be distributed to the investing private company and country governments for funding development. Rich continues that PPPs are politically attractive to wealthy countries because they support the productive investments of companies in the United States, Europe, and other countries. Rich concludes that there is however, a significant disconnect between the business of global development aid and Millennium Development Goals (MDGs) and sustainability.

There is no universally-accepted definition of a public-private partnership. In broadest terms, PPPs are long-term contracts between government agencies (public sector) and private sector entities for delivery of public assets and services, the risks and responsibilities shared between the public and private entities. The IFC funds and supports PPPs in “frontier areas and sectors such as infrastructure, agribusiness, health

and education, and financial markets” (IEG report, 2011) with a focus on “roads, ports, buildings, power generation, and water and healthcare services”¹⁹ (IFC Annual Report, 2015, p. 86). The IFC advises developing country governments on how to create the “necessary environment” for PPPs to flourish. Thus, the IFC supports the growth of PPPs by directly investing its own funds (joint equity investment) in the PPP, providing economic advice to country governments on how to restructure their respective economies to support PPPs, and/or providing investment guarantees and safeguards to private companies through MIGA. PPPs, according to the Bank, have the potential to deliver public services that governments have historically provided and free up government funds for social expenditures.

PPP contracts vary greatly, however most are for “between 20 and 30 years” and “a few last longer than 30 years” (PPP Knowledge Lab)²⁰. According to the PPP Knowledge Lab, there can be “confusion when comparing international experience” due to differing terminology in PPP contractual agreements (PPP Knowledge Lab)²¹. Infrastructure (for example, energy/power, transport, agribusiness, mining, water, waste, education, and health) is the cornerstone and mainstay of IFC-supported PPPs because of its perceived contributions to GDP growth. Laurence Carter, World Bank Senior Director for the Infrastructure, PPPs and Guarantees Group, asserts, “the World Bank Group will continue to prioritize supporting infrastructure investments in order to boost more inclusive growth.” Clive Harris, World Bank Practice Manager for the Infrastructure,

¹⁹ International Finance Corporation (IFC). Public-Private Partnerships: Overview. Retrieved from http://www.ifc.org/wps/wcm/connect/Industry_EXT_Content/IFC_External_Corporate_Site/PPP

²⁰ PPP Knowledge Lab. PPP Contract Types and Terminology. Retrieved from <https://pppknowledgelab.org/guide/sections/6-ppp-contract-types-and-terminology>

²¹ PPP Knowledge Lab. PPP Contract Types and Terminology. Retrieved from <https://pppknowledgelab.org/guide/sections/6-ppp-contract-types-and-terminology>

PPPs and Guarantees Group, explains, “[s]trengthening private investment in infrastructure in the world’s poorest countries is a priority for the World Bank Group.”

The Bank’s financial support for PPPs extends to the billions of dollars. A 2014 Independent Evaluation Group report states, “[d]uring the last 10 years, World Bank Group support to PPPs has increased threefold. Lending, investments, and guarantees have risen from 2002 to 2012 both in absolute and relative terms” (p. 10). According to the 2016 *Private Participation in Infrastructure (PPI) Annual Update*²², the Bank secured investments – through direct investment of Bank funds and/or guaranteeing and safeguarding private investment – totaling USD 71.5 billion in 242 infrastructure projects²³ in 2016 alone (p. 1). From 2011 to 2015, the average annual investment was USD 121.4 billion (in 421 projects) (*PPI Annual Update*, 2016, p. 1). Latin America and the Caribbean (LAC) and East Asia and the Pacific (EAP) “accounted for over 80 percent of global investment in infrastructure with private participation in 2016” (*PPI Annual Update*, 2016, p. 7). Peru specifically received a “five-year average of US\$4.33 billion” in investments from 2011 to 2015 (*PPI Annual Update*, 2016, p. 8). The energy sector alone received a total investment of USD 43.9 billion (*PPI Annual Update*, 2016, p. 10).

World Bank publications in support of the IFC and PPPs tend to be forward-looking and optimistic with a focus on the benefits of economic growth and include a “shared prosperity and sustainable development” rhetoric. A January 2013 Bank

²² Private Participation in Infrastructure (PPI) Annual Update (2016) “presents the latest data from 2016, and analyzes trends in investment primarily over the past six years, breaking down the data by region, country, infrastructure sector, and sources of financing,” and is part of the PPI Database which provides “information on more than 8,700 infrastructure projects with private participation, dating from 1984 to 2016” (p. 2).

²³ Specifically, “energy, transport, and water and sanitation projects serving the public in low- and middle-income countries, including natural gas transmission and distribution, but excluding oil and gas extraction” (*PPI Annual Update*, 2016, p. 1).

publication, *Emerging Partnerships: Top 40 Public-Private Partnerships in Emerging Markets*, by James Kenny and Rene Lavanchy is a prime example. The publication states that “well-structured public-private partnerships” result in “higher growth and poverty reduction” and reasserts the IFC’s commitment “to providing transaction advice and...financing for PPPs” (Kenny and Lavanchy, 2013, p. 3). Alongside the “long-term economic growth” rhetoric, Kenny and Lavanchy (2013) discuss the importance of “partnership” and a “shared vision” as a way to garner the international support the IFC needs to advance its agenda which is centered on “a commercial standard framework,” a neoliberal development model, that can be replicated in other countries and regions (p. 5). The publication highlights forty IFC-supported infrastructure PPPs which were, according to the Bank, intended to achieve poverty alleviation, yet which have been assessed, by a “group of PPP industry experts,” (Kenny and Lavanchy, 2013, p. 9) based on the following criteria: financial innovation, technological innovation, developmental vision, replicability, and impact. For example, the authors summarize the “success” of the 24/7 Water Supply in Nagpur, India which provides clean drinking water to the city’s residents, including those living in slums. There is a cost to access the water supply however Kenny and Lavanchy (2013) cite the city’s local chamber of commerce that “poor people are willing to pay” (p. 27). Not mentioned are the poorest residents who are unable to afford the cost of this potable water project.

Here, it is critical to mention the work of Robin Broad on “knowledge management” and “paradigm maintenance” within the Bank. Based on qualitative interviews with Bank officials and analysis of Bank publications, Broad asserts that the Bank’s claim about the rigor and objectivity of the research it produces is largely untrue.

Instead, Broad argues, research proposals by Bank staff are “‘selectively’ reviewed” (2007, p. 703) and “has tended to reinforce the dominant neo-liberal globalisation policy agenda” (2007, p. 700). From “incentives in hiring, promotion, and publishing” to “discouragement of dissonant views” to “manipulation of data,” (Broad, 2007, p. 700) Broad uncovers the mechanisms by which the Bank suppresses open debate within the organization and advances a singular development model – the “neo-liberal ‘free-trade’ paradigm” (2007, p. 702). The Bank’s “presentation of subjective and conditional conclusions as objective and scientific discourse – as knowledge” has far-reaching consequences (Broad, 2007, p. 704). According to Broad, the Bank narrowing the scope of the development debate impacts “policy makers across the globe” in addition to “other bilateral aid agencies and other multilateral development banks, which often follow the course laid out by the Bank” (2007, p. 701). Broad (2006) asserts that the Development Economics Vice Presidency (DEC) “is the preeminent place for economic research within the Bank” (p. 393) and it is, according to one of her interviewees, “‘totally unscrutinized’ by the outside” (p. 388).

To further its development aims, the World Bank has enlisted organizations such as the World Gold Council in international development assistance. In October 2011, the Bank and the World Gold Council hosted “Gold for Development,” an event to discuss the role of gold production in boosting “foreign direct investment (FDI) and currency reserves, government revenues, national income contribution, [and] job creation and poverty alleviation” at the national level, and “opportunities for jobs and transfer of skills, improved infrastructure, [and] clinics and schools” at the local level. The World Gold Council is comprised of 23-member companies including Newmont Mining

Corporation and Buenaventura (the shareholders of Yanacocha) and collectively “represent[s] over 60% of global corporate production.” The World Gold Council claims that it is committed to “meeting the social and environmental needs of society.” “Lack of governmental capacity,” according to the World Gold Council, is the cause of unmet development aims from mining revenues (World Gold Council report, 2012, p. 1). This assertion creates a space for private sector intervention in the delivery of public services traditionally provided by country governments. A 2012 World Gold Council report cites the now defunct Peru’s Mining Programme of Solidarity with the People (PMSP), established in 2007 under Alan García’s second presidency (2006-2011), as an example of how the private extractives sector can effectively achieve poverty reduction.

According to the 2012 Gold for Development Workshop²⁴ Summary, “the stock of accumulated PMSP funds, some \$140 million declared by the four participating companies alone, [was] spent on projects relating to social development including education, nutrition, and local government capacity building” (p. 10). The Gold for Development Workshop Summary (2012) points to the Peruvian government’s mismanagement of mining revenues as the reason for unrealized development outcomes and highlights the efficient use of funds associated with the PMSP (p. 14).

In terms of success based on higher economic growth rates, IFC-supported PPPs have produced mixed results. In terms of poverty alleviation and environmental safeguards, PPPs, specifically those in the extractives sector – which have been promoted by the IFC and of which the Yanacocha gold mine is a case in point – have proven to be significantly lacking when one considers the socio-environmental costs (see Section 2.3).

²⁴ Hosted by the World Gold Council and the World Bank.

This raises two important questions. First, what are the issues? Second, under what circumstances do (IFC-supported) PPPs work in terms of furthering equity and poverty alleviation? According to Bruce Rich, in theory, and in certain examples of practice, PPPs can work, but much depends on the individual case and on several conditions, for example balance of power, government regulations, and how benefits are set, among other factors.

What are the issues? The inability thus far of IFC-supported PPPs to achieve significant and meaningful poverty alleviation, and the reasons behind this, are well-documented in reports by the Independent Evaluation Group (IEG) of the World Bank, the 2003 *Extractive Industries Review*, and in the scholarly work of pro-poor academics and practitioners. A 2011 IEG report, *Assessing IFC's Poverty Focus and Results*, provides a concise overview of the IFC and associated poverty reduction issues. The report asserts that although “[m]ost IFC investment projects generate satisfactory economic returns...[they] do not provide evidence of identifiable opportunities for the poor” (IEG report, 2011, p. xi). The reasons are summarized as follows. First, it is unclear “what poverty means within the IFC context” (IEG report, 2011, p. xiii). Second, according to the report’s findings, many IFC-supported projects have neglected to consider “poverty and distributional aspects in project objectives, targeting of interventions, characteristics of intended beneficiaries, or tracking of impacts” (IEG report, 2011, p. xiv). A 2014 IEG report, *World Bank Group Support to Public-Private Partnerships: Lessons from Experience in Client Countries, FY02-12*, explains, “[t]o shed more light on important aspects of public service delivery – for instance, access,

pro-poor aspects, and quality of service delivery – PPPs need to be measured in a more multifaceted manner. But such data are rare” (p. ix). The report continues,

The fewest data are available on pro-poor and fiscal effects; access has the most data available. In view of the Bank Group’s central goal of fighting poverty—reaffirmed by the 2013 strategy’s dual goal of ending extreme poverty and promoting shared prosperity—and in light of the intent to increasingly pursue PPPs, there is an urgent need to introduce a more systematic way of monitoring PPPs. (IEG report, 2014, p. ix).

Third, the IFC has not “clarif[ied] the causal links and assumptions through which growth induced by improvements in the investment climate is translated into poverty impacts” (IEG report, 2011, p. xvi).

The above-referenced 2014 IEG report provides explanations for why the data on IFC-supported PPPs’ effects on poor people is minimal. First, data collected on monitoring and evaluation of development projects tend to focus on aggregate figures for example “the number of people that obtained access to infrastructure” (IEG Report, 2014, p. ix). Important dimensions, according to the report, such as “quality of service,” “affordability issues” and “efficiency” are absent from monitoring and evaluations (IEG Report, 2014, p. 64). Further, within the existing data collected, “confirmation that access did improve for the poor was recorded in only about 10 percent of cases” (IEG Report, 2014, p. x). Second, monitoring and evaluation of PPPs cease relatively early in the development project’s lifespan, either after the contract is approved or a few months into the project’s existence (IEG Report, 2014, p. xii) which leaves an enormous space for project shortcomings and/or failures to go unrecorded. What is more, the report states that “for the World Bank, no systems exist at all that would track performance of PPPs post project closure” (IEG Report, 2014, p. 65). The third issue, which is of greatest relevance to this study’s objectives, is that PPP project plans do not specifically detail in what way

and how projects will help the poor. According to Rich (2013), “a 2011 internal study of 486 IFC projects approved between 2000 and 2010 showed that only 13 percent even included any objectives that explicitly targeted the poor” (p. 198-199). Lastly, regarding the Bank’s claims of the “efficiency” of PPPs in development assistance, the report states that the efficiency results of IFC-supported PPPs are inconclusive (IEG Report, 2014, p. 72). To illustrate, a January/February 2016 *Mother Jones* article states, “[t]he IFC’s efforts in the health care sector have been particularly controversial.” Regarding the privatization of the healthcare system, the article continues,

Oxfam...revealed last year that one IFC-facilitated partnership in Lesotho—a project the IFC claimed would “transform health care” in the country—was in fact consuming 51 percent of the nation’s health care budget, while the private company involved in the deal was reaping 25 percent returns. The project, the IFC said, actually ate up just 35 percent of the country’s health budget. (*Mother Jones*, January/February 2016)

According to the article, in April 2015 the IEG once again raised caution about the “‘long-term, steady downward trend’ of the development performance of the IFC’s investments” (*Mother Jones*, January/February 2016).

Each of the above-stated issues alone can severely limit a development project’s ability to contribute to meaningful poverty reduction – taken together, there is legitimate reason for concern. The report concludes with seven recommendations for the IFC to incorporate into its lending and advisory practices if it truly wishes to “provide opportunities for the poor” (IEG, 2011, p. xiv). The report’s recommendations – at the “strategic level,” “project level,” and “with respect to its result measurement” – are summarized as follows: 1) develop and operationalize a “sharpe[r]” and “more nuanced” understanding of poverty which includes “non-income dimensions of poverty,” 2) create a “consultative framework” to measure and document “poverty impacts” in order to

“better address poverty and distributional issues,” 3) “[r]e-examine” a project’s stakeholders to “address distributional and poverty issues in project design,” 4) “[m]ake explicit the causal pathways, transmission channels, and underlying assumptions about how projects can contribute to growth and patterns of growth that provide opportunities for the poor,” 5) clearly distinguish between “projects with poverty reduction objectives” and “projects that focus primarily on growth with anticipated poverty reduction outcomes,” then, “[d]efine, monitor, and report poverty outcomes,” 6) conduct “select in-depth evaluations” to identify “what works, what does not work, why, and in what contexts,” and 7) support clients in “develop[ing] the capacity...to track, assess, and report the impacts of their interventions on identified beneficiary groups” (IEG report, 2011, p. xx).

In the context of the extractives sector, the *Extractives Industry Review (EIR; 2003)* is perhaps the most compelling and critical investigation of IFC-supported PPPs to date. Commissioned by the Bank and led by Emil Salim, the investigation, which included “testimonies by civil society,” “six research projects,” visits to “four project sites,” “international conferences,” and “informal consultations with stakeholders worldwide,” was guided by the following question: “[c]an extractive industries projects be compatible with the WBG’s goals of sustainable development and poverty reduction?” (*Extractive Industries Review, 2003, p. vii*). The report concluded, yes, “when the right conditions are in place” (*Extractive Industries Review, 2003, p. vii*). The *EIR (2003)* called attention to a range of (resource curse) problems resulting from the IFC’s investments in the extractives sector. For example, research findings on Peru, Tanzania, and Indonesia revealed that revenues often did not reach “affected communities” and

there was “increased social antagonism and conflict” and “exacerbated macroeconomic imbalances” (*Extractive Industries Review*, 2003, p. 14). Regarding macroeconomic imbalances and economic growth patterns more broadly, the *EIR* explained,

The historical record of extractive industries in contributing to economic growth has been mixed, however. While some resource-rich countries have outstanding records of growth and poverty alleviation, others have shown little economic growth or have even experienced negative growth. Most academic studies of what is known as the resource curse suggest that between 1970 and 2000, the number of states with disappointing outcomes was larger than the number with successful outcomes. (2003, p. 2)

Based on qualitative research, the *EIR* (2003) stated that certain infrastructure investments such as “electrification of a region or potable water systems...do not benefit the poorest because tariffs are out of reach or distribution systems are not egalitarian” (p. 18). In addition to this, the *EIR* highlighted the issue of “poor environmental performance,” noting that between 1983 and 2002 “[s]ome 150 mining environmental accidents occurred” and “[i]n many of these cases, companies, response bodies, and communities were not fully prepared or sufficiently informed to deal with the incidents” (2003, p. 26-27).

The *EIR* (2003) called upon the Bank to make a number of changes – some fundamental with regard to the organization’s internal structuring and practices – as a result of the above-stated issues. The following brief overview of some of the *EIR*’s recommendations (see also Rich, 2013, p. 95-100) is useful for understanding issues raised during this study’s investigation of the Yanacocha case and notions of development, poverty, and autonomy. First, the *EIR* recommended that the Bank support the role of civil society by ensuring a balance of power in the “partnership between governments, business, and civil society” (*Extractives Industry Review*, 2003, p. v). In

this vein, there was a call for greater respect for human rights, to which, according to the report, the Bank was “obligat[ed] under international law” (*Extractives Industry Review*, 2003, p. xi). More specifically, the *EIR* (2003) emphasized the importance of respecting the beliefs, customs, and voices of indigenous peoples (p. 4). A key way to accomplish this goal, which was imperative according to the *EIR*, was to implement a process of free prior informed consent (2003, p. 18). According to the *EIR* (2003), “[c]urrent World Bank policy does not require that projects involve communities in terms of influencing or sharing control over development initiatives, decisions, and resources” (p. 18). This has resulted in an array of issues pertaining to the displacement of local populations, terminated access to “traditional forests to gather products...for cash income and consumption,” (p. 18) desecration of “sacred sites and burial grounds,” pollution of water supplies, “internal conflict within communities,” and local government corruption (p. 19).

The *EIR* also called on the Bank to conduct “holistic, multidimensional” environmental and social impact assessments in order to make genuine contributions to poverty alleviation and sustainable development (2003, p. ix). Doing so, however, would first require the Bank to make some institutional changes, for according to the report, “the WBG is not set up to effectively facilitate and promote poverty alleviation through sustainable development in extractive industries in the countries it assists” (*Extractives Industry Review*, 2003, p. xii). Further, the *EIR* (2003) suggested that the Bank increase its credibility as a leading global development entity by adopting transparency measures with regard to the Bank’s movement of funds (p. 13) and important documents about individual Bank projects (p. 21). Perhaps most importantly, the *EIR* clearly stated the need for the Bank to “address governance squarely” (2003, p. 16). In other words, the

EIR found that the governmental capacity of “poorly performing, resource-abundant countries” was lacking and that the Bank had not “devoted enough attention” to this area (2003, p. 16). It is the responsibility of the Bank, according to the report, to “ensure that extractive industry revenues are effectively used to support development priorities” (*Extractives Industry Review*, 2003, p. 16).

Reception of the *EIR*’s (2003) findings and recommendations was mixed. The report came under criticism from several mining companies, developing country governments, and private international banks (Rich, 2013, p. 98). On the other hand, it received widespread support from a number of actors including “[s]ix Nobel Peace Prize Laureates,” “U.S. ethical-investment funds,” and “legislators from 15 different nations” (Rich, 2013, p. 98-99). According to Rich (2013), while the Bank agreed to “increase renewable energy lending by 20 percent a year and recogniz[e] the principle of no-go zones of critical biodiversity,” it also rejected implementing a process of free prior informed consent, was “vague” and “evasive” about “putting governance first,” and decidedly would not implement a “human rights unit nor Bank-wide human rights policy” (p. 99). Rich (2013) concludes that overall the Bank held onto its ““loan approval culture”” (p. 98).

Under what circumstances do (IFC-supported) PPPs work in terms of furthering equity and poverty alleviation? Returning to the second question mentioned earlier, as several scholars argue, there are certain examples where PPPs have worked in terms of equity and poverty alleviation. This study posits that much depends on the individual case (hence this study’s in-depth investigation of a single case). However, it is useful to briefly review a few examples of projects to determine how, why, and in what ways they were or

are successful. A brief overview also allows for the comparison of individual cases to findings and recommendations presented within the *EIR* (2003).

Fiorella Triscritti (2013) provides insight into these questions through her comparison of extractive activities at Lagunas Norte (owned by Barrick Gold Corporation) and Yanacocha vis-à-vis “corporate-community relations.” According to Triscritti (2013), Lagunas Norte, although not part of a PPP, was granted a “social license” to operate by the local community because of the “community-driven approaches” Barrick adopted to manage its mining footprint. At Lagunas Norte, “[a]ll of the mine’s unskilled workforce is locally recruited, and a 3-month work rotation system is adhered to. Training is also provided to increase the numbers of locally recruited skilled workers” (Triscritti, 2013, p. 443). A “communication team” and a “community-relation team” based near the mine and staffed with Peruvian nationals trained in the humanities and conflict management work closely with the local population to discuss needs and grievances and “jointly manage development programmes” (Triscritti, 2013, p. 444). Grievances can be submitted, free of charge, to the Community Grievance Management Resolution Procedures by individuals and groups at any time (Triscritti, 2013, p. 444). Within the Lagunas Norte premises, Barrick has cleaned up an abandoned coal mine and allowed local communities to visit a sacred edifice. Other initiatives include an “on-site radio station” which broadcasts community programs and employment opportunities, investment advice for funding development programs, training local community leaders how to test the region’s water quality, and a commitment to soil restoration and cleaning the water supply for 30+ years following the mine’s eventual closure (Triscritti, 2013, p. 444-445).

Although Barrick faces accusations of environmental destruction, through the above-stated measures and a commitment to “ongoing face-to-face dialogue” at the community level, Barrick has shown a willingness to adhere to some principles of a more pro-poor development model. Through providing job training for unskilled workers, creating a space for a diversity of voices, and honoring sacred structures, Barrick has attempted to reconcile the realities of the mining sector with pro-poor goals (embodied in the Millennium Development Goals, the UNDP’s *Human Development Reports*, and the human capability approach).

Fabiana Li (2015) supports Triscritti’s (2013) findings that some mining companies have attempted to improve relationships with local mining communities by allocating millions of dollars to increasing accountability measures, environmental safeguards, open dialogue, and community development programs. According to Li (2015), in the case of Yanacocha, however, the mine’s efforts did little to effect positive change, perhaps because they came too late. Li (2015) references the 2002 mercury spill to which Yanacocha’s response was delayed and vague. The unfortunate event resulted in the poisoning of hundreds of local residents – many poor campesinos – and sparked international criticism. Yanacocha’s reconciliatory efforts were perceived as insufficient by local community members because they began years after on-going protest by local communities regarding the erosion of their basic human rights and destruction of the environment, and seemingly came about only as a result of international pressure. Li (2015) further states that in 2003, a decade after the first bar of gold was produced at Yanacocha, Peru finally “adopted mine closure requirements” (p. 12).

2.2.1 Conclusion

Since the 1990s, public-private partnerships (PPPs) have received considerable support from global aid agencies such as the World Bank and are growing exponentially in number. The Bank's financial support for PPPs extends into the billions of dollars. PPPs are the latest "pro-growth and pro-poor" development model which, according to the Bank, can mitigate the corruption and inefficiencies of developing country governments. World Bank publications in support of the IFC and PPPs are rather forward-looking and optimistic; the authors advocate that PPPs can achieve economic development goals and the development goals of poverty alleviation. The Bank continues to aggressively seek out and enlist the private sector, for example World Gold Council member companies, into global development assistance. Reports produced by the Independent Evaluation Group (IEG) document the myriad issues resulting from and facing IFC-supported PPPs and why they have been largely unsuccessful in "provid[ing] evidence of identifiable opportunities for the poor" (IEG report, 2011, p. xi). The issues range from the definitional – what is poverty? – to distributional aspects, to monitoring and evaluation. Among these issues is one that has particular significance: how does a thriving investment climate and growth translate into poverty alleviation? The 2003 *Extractive Industries Review (EIR)* highlights issues unique to the extractives sector and in which IFC-supported PPPs have a rather poor record with regard to poverty alleviation and environmental sustainability. The IEG reports and the *EIR* (2003) propose changes regarding balance of power, government regulations, and how benefits are set to name a few, that the Bank can and should adopt in order to ensure PPPs benefit poor people, however the Bank has opted to not heed many of the important recommendations because it believes those changes can hinder its investor-friendly climate – the IFC's main

priority. Section 2.2 raises the following important question: are IFC-supported PPPs an optimal use of scarce international public funds for achieving global poverty alleviation goals?

2.3 (Neo-)Extractivism, Development, and Poverty

This study is an investigation of the Yanacocha gold mine in Cajamarca, Peru, a World Bank-supported public-private partnership (until December of 2017 the Bank maintained a 5% ownership share of Yanacocha). The Bank, among other development agencies, promotes resource extraction as a high-potential development strategy which benefits developing countries such as Peru in two main ways: macroeconomically (increasing gross domestic product per capita, gross domestic product growth, and income and consumption levels), and by generating revenues for poverty alleviation. A critical discussion about neo-extractivism is both appropriate and useful as it provides a scholarly explanation for the World Bank and Peruvian government's unwavering support (financial and otherwise) for the Yanacocha gold mine. "Neo-extractivist tendencies" (Burchardt and Dietz, 2014, p. 469) can be observed in the Bank and Peruvian government's more general development rhetoric. According to Burchardt and Dietz (2014), the benefits of neo-extractivism are also articulated in United Nations Economic Commission for Latin America and the Caribbean (ECLAC) publications and "a number of influential think-tanks with close links to business and finance" (p. 469). Neo-extractivism has achieved an important place in the development discourse, especially as pertains to Latin America. As Burchardt and Dietz (2014) suggest, "[t]he Latin American debate on (neo-)extractivism is still relatively new; however, it has visibly developed in the past few years" (p. 469).

Extractivism denotes the practice of extracting natural resources from the earth for exportation and economic gain and has long characterized many Latin American countries (Gudynas, 2009, p. 187). Hans-Jürgen Burchardt and Kristina Dietz (2014) assert that “[f]or Latin America extraction-based paths of development are nothing new” (p. 469). Alberto Acosta (2013) explains further, “[e]xtractivism is a mode of accumulation that started to be established on a massive scale 500 years ago. The world economy – the capitalist system – began to be structured with the conquest and colonisation of the Americas, Africa and Asia” (p. 62). *Neo-extractivism*, coined by social scientist Eduardo Gudynas in his essay, “Diez tesis urgentes sobre el nuevo extractivismo: Contextos y demandas bajo el progresismo sudamericano actual” (“Ten urgent theses on the new extractivism: Contexts and demands under current South American progressivism”; 2009), is a relatively recent iteration of the traditional extractivism and is also concerned with economic gain. Neo-extractivism, however, diverges from traditional extractivism in that the concept resembles a “consolidated development project” (Burchardt and Dietz, 2014, p. 468) or model whereby natural resources are extracted for exportation and the resource extraction revenues are, in theory, used to finance social programs and pro-poor initiatives within respective countries. Lorenzo Pellegrini (2018) characterizes this “developmentalist idea” as “an extractivist state that can use the revenues generated by natural resources and their industrialization to power economic development and finance social policies” (p. 131). Eduardo Gudynas (2009) further emphasizes that “neo-extractivism is accepted as one of the fundamental engines of economic growth and a key contribution to combating poverty at the national scale” (p. 214). In its capacity as a development model, neo-

extractivism both includes and signals social and political dimensions in addition to the pursuit of economic gain within a capitalist economic system.

This section (Section 2.3) both draws from and provides a brief overview of six main sub-topics in the nascent neo-extractivism literature, which collectively offer useful contextual information for investigating this study's research questions. The six sub-topics are the following: impact on (macro)economic development, environmental costs, association with socio-political conflicts, impact on poverty, role of the state, and the "resource curse." Although these sub-topics are discussed individually, they are complex and, in many ways, closely intertwined.

Impact on (macro)economic development. Perhaps the biggest and most discussed promise of neo-extractivism is its contributions to (macro)economic development, primarily gross domestic product (GDP) per capita and GDP growth. For advocates of neo-extractivism such as the World Bank-IFC, neo-extractivism's contributions to (macro)economic development are often discussed in terms of the model's ability to also promote social programs and pro-poor initiatives. In a February 2016 policy brief titled "Mining and development: Improving the socioenvironmental implications of mineral extraction," the authors state that "[t]he development of mining as a strategic industry is often justified by states along developmental goals" (Andreucci, de los Reyes, and Velegakis, p. 3). According to the literature on neo-extractivism, the model's positive impact on national economic development in developing countries is largely overexaggerated, and even more so at the local level (Sánchez-Ancochea, 2015, p. 523). Gilles Carbonnier (2011) argues that while "industrialized countries" such as "Australia, Canada, Norway, or the United States" have successfully achieved economic growth and

development through resource extraction, “low-income countries suffer from resource curse symptoms” (p. 139). In Diego Sánchez-Ancochea’s (2015) book review of *Social Conflict, Economic Development and Extractive Industry*, edited by Anthony Bebbington, he presents one of the book’s main arguments which is, national-level gains could have result from “employment creation and forward and backward local linkages,” “the corporate social responsibility channel (CSR),” and “the tax channel” (p. 523). Regarding the mining tax revenues paid by extractive companies to developing country governments, the increased “tax income has generally not led to long-term positive effects – as clearly demonstrated by the failures of the *canon minero* in Peru” (Sánchez-Ancochea, 2015, p. 523). One reason is that extractive companies are typically given incentives in the form of substantial tax breaks to operate and continue operating within the developing country (Andreucci, de los Reyes, and Velegrakis, February 2016, p. 3). As for the local economy’s development, Sánchez-Ancochea’s (2015) argues that the “limited effects on the local economy” is because of the capital-intensive nature of the extractive industry.

Since “boom-and-bust” cycles characterize the extractive industry, mining’s contribution to GDP growth fluctuates widely. When the international market price of natural resources is high, exporting countries experience favorable returns. When prices fall, government revenues from mining sink, especially if the developing country government is reliant on exportation of a single or couple commodities. Andreucci, de los Reyes, and Velegrakis (February 2016) explain, “the cyclical nature of mining makes its economic gains uneven and highly disruptive” (p. 3) which “makes its [mining’s]

economic contributions uncertain in the long-term” (p. 3). Acosta (2013) critically assesses the issue as the following:

The volatility that characterises the prices of raw materials on the world market means that an economy based on the export of primary commodities will suffer recurrent balance of payments and fiscal deficit problems. This creates a dependence on the financial markets and exposes national economic and sociopolitical activities to erratic fluctuations. All this is aggravated when world prices suddenly fall and the consequent balance of payments crisis is made worse by the flight en masse of the speculative capital that flowed into these economies during the fleeting boom. (p. 66)

Carbonnier (2011) also discusses “commodity price volatility” and “boom-and-bust cycles” within the context of the resource curse, more specifically, possible ways to ameliorate the issue.

Environmental costs. The environmental cost of extractive activities is well-documented in the neo-extractivism literature (Gudynas, 2009; Bebbington, 2011; Carbonnier, 2011; Acosta, 2013; Burchardt and Dietz, 2014; Sánchez-Ancochea, 2015; Andreucci, de los Reyes, and Velegrakis, 2016; and Pellegrini, 2018). As Acosta (2013) argues, “[s]tudies of mining or the oil industry around the world have found evidence of the innumerable ways in which Nature is damaged and irreversibly destroyed” (p. 69). The high impact of extractive activities on the environment is especially acute for mega-mining projects such as the Yanacocha gold mine in Cajamarca, Peru. Yanacocha is situated on 535 square miles²⁵ of land (approximately 140,000 hectares) and redirects water from four lakes high in the mountains to fuel its operations. Yanacocha is a massive mining project which has come under numerous accusations of environmental destruction from local villagers, NGOs operating within the region, and even former employees of Newmont Mining Co., the U.S. company which holds the largest share of

²⁵ Earthworks. (2018, March 3). Yanacocha. Retrieved from <https://earthworksaction.org/stories/yanacocha/>

Yanacocha. Larry Kurlander, former senior executive at Newmont, stated that his audit of Yanacocha's environmental impact revealed many environmental issues, some of which were grievous enough for Newmont to be legally criminally implicated and sustain fines and/or possible imprisonment (Peru: The Curse of Inca Gold, 2005). Gudynas (2009) argues that these "extractivist enclaves" have suffered "severe...environmental impacts" such as "cases of pollution or biodiversity loss" (p. 204). The most pressing issue is that the environmental costs are externalized (Gudynas, 2009, p. 204).

Despite the charges of environmental degradation and destruction, what the neo-extractivism literature shows is that negative environmental impact "is accepted as the inevitable cost of achieving development" (Acosta, 2013, p. 62). Pellegrini (2018) references this concept of "an 'extractive imperative' (Arsel et al., 2016)" whereby "the exploitation of natural resources is nested in development ideology and is understood as functional to purposes of higher teleological order" (p. 139). Since the "mining boom" of the early 1990s, evidence points to the continued vigorous exploration of the "developmental potential of extraction" (Pellegrini, 2018, p. 139).

The associated environmental problems withstanding, Raimund Bleischwitz (2014) suggests strengthening the Extractive Industries Transparency Initiative (EITI) to foster increased transparency in the extractives industry. Bleischwitz (2014) characterizes transparency as "enabling access to information that was previously confidential...thus expos[ing] multinational companies to reputational losses" (p. 3). While scholars such as Bleischwitz (2014) explore the promise of transparency and the EITI for establishing "green economies in resource-rich developing countries" (p. 7), scholars such as Andreucci, de los Reyes, and Velegrakis (2016) emphasize the fundamental role of the

state; the authors assert that negative environmental impact can be mitigated by “stringent and comprehensive legislation,” “trained and informed personnel...and a regular monitoring system,” “[r]educ[e] financial dependency on mining activities,” and “meaningful participation of representatives of affected communities” (p. 5).

Association with socio-political conflicts. According to the literature on neo-extractivism, extractive activities are typically rife with socio-political conflicts (Sánchez-Ancochea, 2015, p. 523) primarily because of negative environmental impact, a lack of transparency (financial and otherwise), and “the modification of social relations” which present “new forms of social exclusion” (Burchardt and Dietz, 2014, p. 478). Carbonnier (2011) adds that “radical regional inequality” may also contribute to local-level socio-political conflicts as “local governments in resource-rich provinces or municipalities are sometimes overwhelmed by massive extractive revenue flows that they cannot absorb locally,” whereas surrounding areas receive no such benefit (p. 140). Within the “extractivist enclaves” (Gudynas, 2009, p. 204), those who benefit from extractive activities, and those who have decision-making power within the extractive industry or with regard to a particular mining project, seemingly form an exclusive cohort. The decision-makers and benefactors of extractive activities become separate from everyone else, especially the local populations that “bear the brunt of social and environmental disruption caused by mining, and often receive very little benefit from it” (Andreucci, de los Reyes, and Velegrakis, 2016, p. 6). Burchardt and Dietz (2014) draw on political ecology’s concept of “a politicized environment” such that the who, what, and how of decision-making have led to conflicts because “[n]ature is an object of social conflict and of processes of deliberation within society” (p. 480-481).

Social conflicts resulting from extractive activities have turned violent in some instances. On December 5, 2011, then president of Peru, Ollanta Humala, declared a 60-day state of emergency in Cajamarca following eleven days of public protest against the anticipated USD 4.8 billion Conga mining project. Some 10,000 residents of Cajamarca had marched through the city during which time police and protestors clashed. Less than one year later on July 3, 2012, several people were killed during another round of police-protestor clashes. In general, socio-political conflicts are exacerbated because developing country governments are largely unsupportive of the causes which motivate social protests (Gudynas, 2009, p. 206). Gudynas (2009) argues that governments approach the social protests rather antagonistically, and “accuse indigenous and peasant groups of ‘preventing’ development and generating damage for the entire country” (p. 206). The above-mentioned issues are continuously compounded by one another producing ongoing socio-political conflicts.

Impact on poverty. A key point of neo-extractivism is its “associat[ion] with an imagined national interest” which renders it a “politically legitimised new development project,” according to Burchardt and Dietz (2014, p. 470). In other words, “[i]n this framework the exploitation of nature serves to...reduce poverty” (Burchardt and Dietz, 2014, p. 470). Along with developing country governments, the World Bank, Inter-American Development Bank (IDB), International Monetary Fund (IMF), and other influential development entities, have demonstrated their subscription to neo-extractivism and support of transnational corporations through their development rhetoric, respective lending policies, and the projects which they choose to support financially (Acosta, 2013, p. 68). As Acosta (2013) argues however, “[t]he region’s [Latin America’s] history tells

us that this extractivist process has led to widespread poverty” (p. 63-64). Gudynas (2009) elaborates, “[i]n parallel to the great weight of the extractive sectors in exports and the national economy, a good part of those same countries face low levels of human development, high incidence of poverty and limitations in access to food” (p. 192). Carbonnier (2011) attributes the poverty situation in developing countries to “the resource curse” and insufficient, perhaps weak, “global governance mechanisms [of extractive resources]” (p. 137). He notes, for example, the World Bank’s failure “to establish a pro-poor allocation scheme for the extractive revenues in Chad between 1994 and 2008” stating that the Bank’s intervention could not “transform Chad’s weak governance and unaccountable state institutions” (Carbonnier, 2011, p. 143). Acosta (2013) cites, among other factors, the extractive industry’s “weak capacity to create employment” due to the capital-intensive nature of mining, and “the unequal distribution of income and wealth” (p. 68). Bleischwitz (2014) proposes “[e]stablishing green sovereign wealth funds from resource revenues that potentially leverage investments in clean energy and resource efficiency” which “would create a difference for regional development” (p. 5). What becomes clear from surveying the neo-extractivism literature is that currently there is a deficit of explanations of how extractive activities can produce direct benefits for poor people. Thus, more in-depth research is needed to generate possibilities of how, if at all, extractive activities can translate into pro-poor benefits for the world’s most disadvantaged peoples.

Role of the state. In Alberto Acosta’s (2013) essay, “Extractivism and neoextractivism: two sides of the same curse,” Acosta draws a distinction between the role of the state in both extractivism and neo-extractivism. In traditional extractivism,

Acosta (2013) asserts that the state becomes “relatively hands-off...to the oil or mining enclaves” and “the responsibility for addressing social demands” falls in the “hands of the companies” (p. 68). Acosta (2013) refers to this as “the ‘deterritorialisation’ of the state” (p. 68). The state’s role differs in neo-extractivism such that the state takes ““a more active role, with both direct and indirect actions”” (p. 72). The state’s oversight of the extractive industry and its desire to capture the largest share of mining revenues is for purposes of financing ““massive social programmes” which in turn establishes “new sources of social legitimacy”” for the developing country government (Acosta, 2013, p. 72). Despite the state’s active role in neo-extractivism, Acosta (2013) concludes that developing country governments, “beyond the official discourses and plans” (p. 72), show no real indication that they will move past extraction-based development in the future. For neo-extractivism, the empirical record shows a grim picture for reasons of weak governance, unbalanced power between companies and local populations, and how these things are enforced among other factors.

It is worthwhile to note that in some cases, such as with Peru, the Peruvian government, independent of the IFC, has been promoting extraction for a long time. Nonetheless, the state is faced with several challenges it must overcome to reap benefits from extraction and channel those benefits to the poor. First, developing country governments must navigate the initial conflict of interests between extractive companies and local communities who may wish to preserve nature. Second, when conflict arises (as is often the case in resource-rich countries or regions), especially violent conflict, the state is responsible for mediating said conflict while trying to maintain the communities’ trust and continued mining operations. Ensuring fairness, equity, and transparency

between extractive companies and communities, particularly poor and/or indigenous populations, falls to the state. For example, Pellegrini (2018) mentions the strained relationship “between the government and (at least some) indigenous organizations that see their territories encroached and their autonomy undermined (e.g. Fontana, 2013, 2014; Kohl and Farthing, 2012; Pellegrini and Arismendi, 2012; Pellegrini, 2016; Schilling-Vacaflor and Eichler, forthcoming)” (p. 131). Thus, the state must manage many responsibilities, from those listed above to enacting “[r]ules on resource access and property rights...as well as laws governing foreign direct investments, royalties and taxation,” (Andreucci, de los Reyes, and Velegrakis, 2016, p. 1) to ensuring that extractive revenues reach the most disadvantaged populations, to “macroeconomic management...[and] the promotion of diversification at the local, regional and national levels” (Sánchez-Ancochea, 2015, p. 523). Acosta (2013) cites Fernando Coronil’s (2002) concept of a “‘magical state’ with the ability to deploy the ‘culture of the miracle,’” a state which aggressively pursues “longed-for modernity” (p. 73).

The “resource curse”. The resource curse, also referred to as the *resource trap* and the *paradox of plenty*, is when a country or region abundant in natural resources does worse economically, developmentally, and democratically compared to a country or region with fewer natural resources (Humphreys, Sachs, and Stiglitz, 2007, p. 1). According to Macartan Humphreys, Jeffrey D. Sachs, and Joseph E. Stiglitz (2007) in their book, *Escaping the Resource Curse*, “Even when resource-rich countries have done fairly well, they have often been plagued by rising inequality – they become rich countries with poor people” (p. 3). The term *resource curse* was coined by economist Richard M. Auty in 1993 and according to a *New York Times* opinion piece by Eliza

Griswold, “[s]ince the 1990s, political scientists and development experts have used the resource curse to explain why countries richest in fossil fuels [and other natural resources] tend to remain poor” (June 9, 2018). While the resource curse is discussed within neo-extractivism, it is not exclusive to this body of literature; thus, to provide a fuller discussion, this critical overview of the resource curse includes scholars’ insights both internal and external to the neo-extractivism literature.

Carbonnier (2011) states that “[s]cholars disagree over the root causes of the resource curse” (p. 139). He continues, “[t]here is no deterministic trajectory from extraction to development and no consensus on the recipes to avert the resource trap” (Carbonnier, 2011, p. 139). Economically, the resource curse is characterized by the volatility of a “boom-bust cycle” and the (developing) country government’s struggle to manage this issue. Dependence on a single commodity or a few commodities, for example gold, copper, oil, or natural gas, tethers the exporting country to a fluctuating global market. When the global price of gold, for example, experiences a downturn, the export country faces significantly lower national revenues from the sale of gold. If the same country has neglected to invest in other industries to diversify its source of national revenues (commonly referred to as the Dutch disease), the country’s macroeconomic situation is exacerbated.

Developmentally, countries or regions which exhibit symptoms of the resource curse experience uneven distribution of mining revenues and other benefits, unchanged or exacerbated poverty, and social unrest (especially near extractive project sites). Typically, “rich countries” capture “the lion’s share of the benefits” of extractive activities (Acosta, 2013, p. 74), while the exporting country is saddled with the

environmental and social costs of extraction. Within the extraction localities, government officials and employees of extractive projects capture the largest share of mining revenues and benefits, while the poor, lacking the necessary resources, access, and networks, receive comparably little. Acosta (2013) cites a “greed effect” whereby “the most disparate powerful groups” engage in “a desperate pursuit – and even abusive appropriation – of a significant proportion of the surplus generated in the primary export sector” (p. 75). Under these circumstances, poor people, many subsistence agriculturalists, remain poor and sometimes become poorer as their lands are sold to extractive companies and they are unable to obtain employment in the capital-intensive extractive sector. As a result, “resource-based conflicts” are borne. Sánchez-Ancochea (2015) cites Javier Arellano-Yanguas’ (2011) identification of types of resource-based conflicts: “local communities challenge the existence of mining operations (type 1),” “local communities struggle over the benefits they receive from mining projects (type 2),” and “conflicts over the distribution and use of the mining taxes between different groups within and outside the government (type 3)” (p. 523-524). Thus, while developing countries dependent on their respective extractive sectors may experience favorable gross domestic product, income, and consumption figures, taking into account the environmental and social costs of extraction reveal a significantly lower level of development.

Developing countries rich in natural resources struggle democratically for two main reasons, as evidenced in the neo-extractivism literature. First, developing countries dependent on primary commodity export tend to have governments plagued by corruption and lack “solid democratic institutions” (Acosta, 2013, p. 75). According to

Ivar Kolstad and Arne Wiig's (2013) findings, these are attractive conditions for extractive industry companies (p. 381). Kolstad and Wiig (2013) assert, "[o]ur results are consistent with this rather cynical and sobering view...extractive industry multinationals tend to increase their presence in countries that experience an increase in corruption" (p. 381). They continue, "[t]here is no shortage of anecdotal evidence that multinational companies in the extractive industries have used bribery to get access to resources" (Kolstad and Wiig, 2013, p. 381). Kolstad and Wiig (2013) conclude that, since extractive companies benefit enormously monetarily from mining projects in resource-rich developing countries, they have little incentive to support or engage in corruption-reduction (p. 381). Second, Acosta (2013) argues that, in countries struggling under the resource curse, "violence...seems to go hand in hand with a model that damages democracy" (p. 76). Developing country governments committed to the neo-extractivist model discourage, suppress, or may even "criminalise popular protest against extractivist activities with the sole purpose of keeping them going" (Acosta, 2013, p. 76). Citizens' freedom of expression and meaningful participation in the decision-making processes that govern development initiatives become implicated, sometimes severely.

Scholars of the resource curse have yet to pinpoint its root cause(s)²⁶, therefore solutions to effectively reverse or prevent the resource curse vary, for example, from calls for "quality institutions" to "sound economic policy" to "effective checks and balances that restrain the power of the political-economic elite" to improved "global governance of

²⁶ There is a body of literature which documents two main causes of the resource curse. One cause, according to the literature, argues that the resource curse undermines governance, essentially making weak governments weaker, and the point is made for such governments to be made more accountable to its people. Another cause which is well-documented is the Dutch disease (a macroeconomic issue). In the Dutch disease, a country's currency appreciates, and this undermines export in other industries.

extractive resources” (Carbonnier, 2011, p. 137-139). Acosta (2013) argues that “[t]he resource curse is not a fatal destiny but a choice” (p. 80). Michael L. Ross (2007) suggests several strategies governments of mineral-rich countries can adopt to alleviate the effects of the resource curse. Ross (2007) argues that governments can mitigate “vertical inequality (between rich and poor)” by “promoting productivity and export growth” to “offset the hardships in the agricultural and manufacturing sectors,” “provid[ing] new government jobs to displaced workers in these sectors,” and “adopt[ing] targeted pro-poor policies” (p. 241-243). “Horizontal inequality (across regions of a country),” according to Ross (2007), can be alleviated through “[g]iving mineral companies incentives to hire local workers and to purchase local products,” “[r]estricting the migration of workers into the extractive region,” “[e]ncouraging mineral firms to invest in local development,” “[e]ncouraging nongovernmental organizations (NGOs) to mediate between local peoples and mineral firms,” and, finally, “[p]romoting full transparency for all mining revenues” (p. 246-247). Ross (2007) illustrates the benefits of pro-poor strategies in his comparison of Indonesia and Nigeria in the 1960s and 1970s to 2000. Indonesia during this time²⁷, enacted “universal primary education, price controls on food and kerosene, and rural public works projects” whereas “the Nigerian government did nothing comparable” (Ross, 2007, p. 241-242). As a result, Indonesia’s

²⁷ Indonesia has one of the biggest copper and gold mines in the world – the Grasberg mine owned by Freeport-McMoRan (approx. 90%) and Indonesia (approx. 10%) – and the mine is one of the country’s biggest taxpayers. The mining revenues go to Jakarta, to the central government, and according to studies, much of the revenues have disappeared, but some funds have been allocated to education and other social expenditures. The resource curse is present in West Papua, where Grasberg is located and operates. See “The \$100bn gold mine and the West Papuans who say they are counting the cost.” *The Guardian*. Retrieved from <https://www.theguardian.com/global-development/2016/nov/02/100-bn-dollar-gold-mine-west-papuans-say-they-are-counting-the-cost-indonesia>

Gini coefficient remained low while Nigeria's Gini coefficient "jumped by about one-third" (Ross, 2007, p. 242).

2.3.1 Conclusion

Section 2.3 highlights the unique issues which characterize neo-extractivism. PPPs in the extractives sector have been promoted by the IFC, but its track record leaves much to be desired. This study's investigation of the Yanacocha gold mine, a Bank-supported PPP, is a case in point. The IFC, however, continues to advocate that incorporation of the private sector into global development assistance can mitigate or eliminate government inefficiencies and corruption, perceived as a major contributing factor to the resource curse (Stiglitz, 2007, p. 27). What this body of literature shows is that the Bank has been largely unable to control for many of the challenges of the extractives sector and the negative effects have mostly fallen on the poorest most vulnerable peoples where projects exist and operate. This discussion of the challenges of neo-extractivism is organized into roughly six categories: impact on (macro)economic development, environmental costs, socio-political conflicts, impact on poverty, role of the state, and the "resource curse." The 2003 *Extractive Industries Review*, discussed in the previous section (Section 2.2), details what can be done on the Bank's part moving forward to ensure revenues generated in the extractives sector translate into poverty alleviation for poor people.

2.4 The Human Capability Approach (HCA): Human Flourishing and the Role of Basic Needs and Autonomy

The Peruvian government and the World Bank have all signed onto the Millennium Development Goals. According to a shared rhetoric, all efforts are done in

the name of helping poor people. Even the IFC, the Bank's private sector lending arm, asserts its commitment, at least in rhetoric, to poverty alleviation, environmental safeguards, and sustainable development. The literatures surveyed thus far highlight the World Bank's rationale for its economic development framework and its support for public-private partnerships (PPPs). Also discussed are issues related to the apparent disconnect between the Bank's assessments of "successful development projects" and the unchanged or worsened poverties in localities where Bank-supported development projects exist and operate. Finally, the unique challenges resulting from neo-extractivism and PPPs in the extractives sector is critically reviewed. Given the documented challenges of PPPs – especially as pertains to PPPs in the extractives sector – vis-à-vis the development goals of poverty alleviation, this study proposes the human capability approach, pioneered by Amartya Sen and Martha C. Nussbaum and embodied in the UNDP's *Human Development Reports*, as the logical counterapproach to the Bank's development model. The capability approach has a well-established literature – comprised of pro-poor scholars and practitioners such as Nobel laureate Amartya Sen, Martha C. Nussbaum, Mahbub ul Haq, Sabina Alkire, and the United Nations Development Programme (UNDP) among others – and has gained traction among pro-poor scholars and practitioners as a legitimate framework for assessing poverty and poverty alleviation efforts. The main strengths of the capability approach are its understanding of poverties (poverty as multidimensional), its focus on the development of the individual, and its primary commitment to fostering human flourishing and autonomy. Section 2.4 of this literature review provides a more in-depth discussion of the

human capability framework, human development, and the role of basic needs and agency and autonomy within this alternative pro-poor development framework.

2.4.1 Human Development and its Significance to Poverty Alleviation

The *human development approach*, or more simply, *human development*, was developed by economist Mahbub ul Haq, and according to the United Nations Development Programme (UNDP), is concerned with “advancing human flourishing”²⁸ and “human well-being.”²⁹ According to the World Bank, “Human development is at the core of the World Bank’s strategy to improve people’s lives and support sustainable development” (June 13, 2018).³⁰ Human development, and its various dimensions, have been articulated in the UNDP’s *Human Development Reports (HDRs)* since the first publication in 1990. The *HDRs* serve as an intellectual space for scholarly insight on pro-poor people-centered development. The human development approach challenges the authority of (macro)economic-centered development by shifting primary focus to “people and their opportunities and choices” (UNDP *Human Development Reports* website; see Figure 2.1).³¹ The following three characterizations of human development are borrowed from the 1990, 2010, and 2014 *HDRs* and, together, provide useful context for understanding this section and the proceeding chapters of this study. The 1990 *HDR* states that “[h]uman development is a process of *enlarging* people’s *choices* [emphasis added].” The most critical ones are to lead a long and healthy life, to be educated and to

²⁸ United Nations Development Programme (UNDP). “What is Human Development?” Retrieved from <http://hdr.undp.org/en/content/what-human-development>

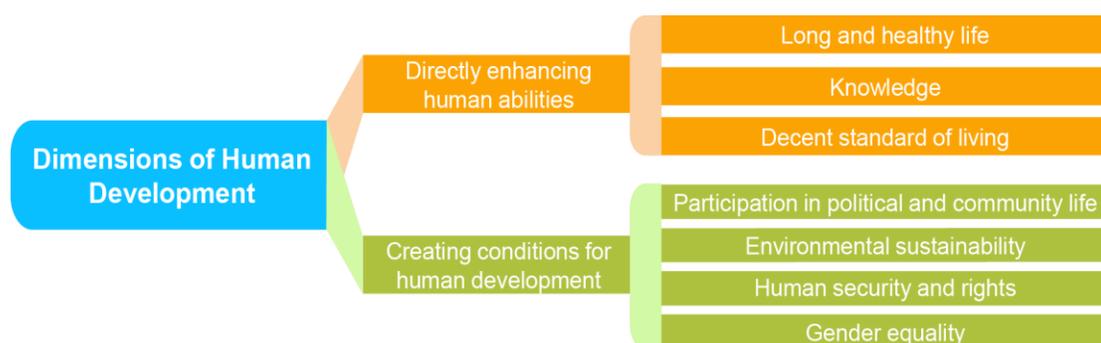
²⁹ United Nations Development Programme (UNDP). “About Human Development.” Retrieved from <http://hdr.undp.org/en/humandev>

³⁰ World Bank. (2018, June 13). “Human Development.” Retrieved from <http://www.worldbank.org/en/research/brief/human-development>

³¹ United Nations Development Programme (UNDP). “About Human Development.” Retrieved from <http://hdr.undp.org/en/humandev>

enjoy a decent standard of living.” The 2010 *HDR* further asserts, “[i]ncome is of course critical: without resources, any progress is difficult. Yet we must also gauge whether people can lead long and healthy lives, whether they have the opportunity to be educated and whether they are *free to use their knowledge and talents to shape their own destinies* [emphasis added].” Finally, the 2014 *HDR* importantly claims, “[i]f human development is about widening choices, *human vulnerability* stems quintessentially from a *restriction of the choices* critical to human development – choices for health, education, command over material resources and personal security [emphasis added].” Human development and the *HDRs* are rooted in the human capabilities work pioneered by Amartya Sen and Martha C. Nussbaum, the topic of the next section.

Figure 2.1 Dimensions of Human Development. UNDP.³²



2.4.2 Human Capability Approach: An Alternative Framework for Development

The UNDP website states that post-1950, “there were increasingly loud calls to ‘dethrone’ GDP” as “both a leading objective” and a “measure of wellbeing.”³³ Against this backdrop, Nobel laureate and development economist Amartya Sen’s work on social

³² United Nations Development Programme (UNDP). “What is Human Development?” Retrieved from <http://hdr.undp.org/en/content/what-human-development>

³³ United Nations Development Programme (UNDP). “What is Human Development?” Retrieved from <http://hdr.undp.org/en/content/what-human-development>

inequalities, human functionings and freedoms, and the capability approach gained significant traction by the 1980s and 1990s. Sabina Alkire's (2002) book, *Valuing Freedoms: Sen's Capability Approach and Poverty Reduction*, is essential to any discussion of Sen's work, and has as its primary goal "to 'operationalize' the capability approach...in microeconomic poverty reduction initiatives" (p. 3); more specifically, Alkire's (2002) work is "an explicit attempt to explore the operational strengths and limits of the capability approach" (p. 3). Alkire (2002) argues that, withstanding some operational issues, the "fundamental insight of this [capability] approach is remarkably simple" (p. 2). By the 1990s, Sen centered his work on the claim that "social arrangements" and measures of wellbeing "should be evaluated according to the extent of freedom people have to promote or achieve objectives they value" (Alkire, 2002, p. 4). Sen's capability approach is comprised of four "core concepts: functionings, freedom, pluralism, and incompleteness" (Alkire, 2002, p. 4) of which a brief overview is useful to grasp the fundamentals and understand later application of the human capability framework in this study.

Functionings, according to Sen, are "the various things a person may value doing or being" (Alkire, 2002, p. 5). In other words, "[f]unctionings are 'beings and doings', such as being nourished, being confident, or taking part in group decisions" and are "constitutive of a person's being" (Alkire, 2002, p. 5). Throughout his work, Sen postulates that material resources or "command over commodities" (Alkire, 2002, p. 6) such as adequate food and shelter are necessary for human flourishing however these markers alone are insufficient for assessing well-being, quality of life, and poverty reduction. Sen (2006) furthers his position in the following words: "income is one means

of good living, but what is the quality of life people are able to lead? And do they have the freedom to live the way they would like?" (p. 34). *Freedom or agency*, of a person or a group, according to Sen, expands or contracts with the expansion or contraction of that person or group's capability. Here, "[c]apability is...a set of vectors of functionings, reflecting the person's freedom to lead one type of life or another...to choose from possible livings" (Alkire, 2002, p. 6). According to Sen's position, "freedom has intrinsic as well as instrumental value" and represents "a person's ability to get systematically what he *would choose* no matter who actually controls the levers of operation" (Alkire, 2002, p. 7); thus, "direct control is not the *only* expression of freedom" (Alkire, 2002, p. 7).

The *pluralism* of the human capability approach, although perhaps "seem[ingly] unwieldy" as it appears "to cover a generous terrain," (Alkire, 2002, p. 8) is perceived as largely positive by Sen and other scholars of the poverty and human development field. Sen is specifically critical of the "paucity of information" (Alkire, 2002, p. 8) that informs economic indicators of wellbeing as "clearly too narrow" (Alkire, 2002, p. 9). A "widening [of] the informational basis" of wellbeing, quality of life, and poverty reduction analyses is thus anchored in "the view that valid well-being and valid social welfare come in diverse forms" (Alkire, 2002, p. 10). Finally, Sen is emphatic in his decision not to articulate a list of human capabilities (central or otherwise). The *incompleteness* of the capability approach is deliberate for "fundamental and pragmatic" reasons (Alkire, 2002, p. 10). "[W]ell-being and inequality," according to Sen, are ambiguous and complex, thus "to look for a complete ordering of either" risks its diminishment on a substantive level (Alkire, 2002, p. 10). The pragmatic route, as Sen

suggests, is to work from what has been ““sort[ed] out unambiguously”” (Alkire, 2002, p. 10) and to begin to address the struggles of poor and disadvantaged people in a more holistic manner. As Sen has asserted on several occasions, it is up to individual societies, based on their own conceptions of wellbeing and quality of life, to determine a list of ““valued freedoms”” (Alkire, 2002, p. 8).

Martha C. Nussbaum, distinguished professor of law and ethics and one of the pioneers of the capability approach, extends Sen’s work by offering a list of ten central capabilities (see Appendix 1), on the basis of the list’s “importance in international debates about welfare and quality of life” (1997, p. 275). For Nussbaum (1997), a “most illuminating” conception of “the capabilities approach is that it is an account of the space within which we make comparisons between individuals and across nations as to how well they are doing” (p. 279). Nussbaum agrees with Sen that the capability approach has “certain advantages” compared to economic approaches which focus, for example, “on opulence-GNP per capita,” “welfare construed in terms of utility or desire-satisfaction, or even the distribution of basic resources,” in addition, that “a focus on rights” is essential to human capabilities (1997, p. 276). The creation of a list of central capabilities to guide human development and pro-poor efforts is where Nussbaum’s work on the capability approach diverges from Sen’s, and has come under scrutiny because of its “strong emphasis on the ‘separateness’ of human individuals” and for appearing “overly ‘Western’ in orientation” (Brison, 2000, p. 283). Nussbaum is emphatic, however, that the list is an informed reference point and should be subject to evolution. She explains, The list is an attempt to summarize the empirical findings of a broad and ongoing cross-cultural inquiry. As such, it is open-ended and humble; it can always be contested and remade. It does not claim to read facts of “human nature” off of biological observation, although it does of course take account of biology as a relatively constant element in

human experience. Nor does it deny that the items on the list are to some extent differently constructed by different societies. Indeed, part of the idea of the list is that its members can be more concretely specified in accordance with local beliefs and circumstances. In that sense, the consensus it hopes to evoke has many of the features of the “overlapping consensus” described by Rawls. (Nussbaum, 1997, p. 286)

The following subsections, the role of basic needs (Section 2.4.2.1) and the role of autonomy (2.4.2.2) provide necessary contextual information and a framework for concepts and themes which emerge from this study’s data analysis. Scholars of human capabilities address the role of basic needs and autonomy within the capability approach, considering their purposefulness for expanding individual and collective freedoms (see discussions below).

2.4.2.1 The Role of Basic Needs

The concept of basic needs was introduced into the World Bank in the 1970s. *Basic needs* replaced the “Big Push” and the sole focus on infrastructure development. As the following discussion illustrates, the basic needs concept feeds into the capability approach. Collectively, *basic needs* refers to food, potable water, shelter, and clothing, as well as sanitation, education, and healthcare (the more modern definition) for human survival and physical wellbeing. A basic needs perspective on poverty is characterized as the following:

Poverty is deprivation of material requirements for minimally acceptable fulfillment of human needs, including food. This concept[...]includes the need for basic health and education and essential services that have to be provided by the community to prevent people from falling into poverty. It also recognizes the need for employment and participation. (Fukuda-Parr & Kumar, 2004, p. 39)

Basic needs hold a fundamental role in the capability approach. Amartya Sen (1997), one of the pioneers of the capability approach, argued the “need” to dismantle the perception of the basic needs approach as a “narrow” standalone model and instead, “[t]o see it as

just one part of the capabilities approach – to which it is motivationally linked” (Sen, 1997, p. 515). Indeed, Former President of the OECD Development Centre (Paris), Louis Emmerij, explains that a focus on basic needs “returned on the world scene in the 1990s in the guise of the Human Development reports and approach” (2010). Emmerij’s words are evidenced in the *Human Development Report* (2016), which states, “[f]ulfilling basic needs is an essential part of expanding capabilities” (p. 74). Sen (1997) further asserted, citing Paul Streeten (1981), that “the basic needs concept is a reminder that the objective of the development effort is to provide all human beings with the *opportunity* for a full life” (p. 513).

Although fulfillment of basic needs is integral to the capability approach and human flourishing, it “is insufficient to enable people to reach their full potential” (*Human Development Report*, 2016, p. 74). “Human development,” with which the capability approach is concerned, “encompasses voice and autonomy” and “is about agency, self-determination and the freedom to *make choices* and *shape outcomes* [emphasis added]” (*Human Development Report*, 2016). For example, giving a poor person food is the ethical thing to do, and the food surely results in tangible benefits for the poor person such as staving off hunger and nutritional benefits. However, the *intangible* aspect(s) of providing a poor person with food, which is the primary focus of the capability approach, is about how that food contributes to the expansion of the poor person’s capabilities, in other words, how the provision of food widens the poor person’s choices and enhances that individual’s ability to “shape outcomes” and lead a life that the individual deems valuable. As Sen (1997) explains, “‘needs’ is a more passive concept than ‘capability’, and it is arguable that the perspective of positive freedom links

naturally with capabilities (what can the person *do*?) rather than with the fulfillment of their needs (what can be *done for* the person?)” (p. 514). In *Valuing Freedoms*, Alkire (2002) devotes Chapter 5, “Basic Needs and Basic Capabilities,” to laying out the continuities between the capability approach and basic needs approach. Alkire (2002) suggests that Sen “might argue” that the “capability approach...brings together considerations of the basic needs approach...into one coherent philosophical framework” (p. 167). A focus on basic needs emerged from this study’s data analysis, thus the discussion of the links between fulfilling basic needs and the capability approach are important to this study’s investigation.

2.4.2.2 The Role of Autonomy

Merriam-Webster dictionary defines *autonomy* as “the quality or state of being self-governing; especially the right of self-government,” and *personal autonomy* as “self-directing freedom.” The liberal feminist literature on autonomy is well-established in breadth and depth, and includes critical discussions about personal autonomy, political autonomy, moral autonomy, and relational autonomy. This study focuses primarily on the concepts of personal and political autonomy, and to a lesser extent, moral autonomy. As Marilyn Friedman (1997) explains, “[a]t the most general level” personal autonomy, political autonomy, and moral autonomy “converge around the idea of self-determination, of choosing, acting, and living according to what is, in some important sense, of one’s self” (p. 41), therefore in this section, as well as throughout this entire study, *autonomy* is used as an umbrella term for simplification purposes unless otherwise indicated. Furthermore, in some cases, autonomy and agency are employed interchangeably. Some definitions of terms are useful before moving forward. *Personal autonomy*, according to

Friedman (1997) is defined as, “individual self-determination over those aspects of our lives in which we are not bound by moral requirements and may choose among a variety of morally permissible alternatives” (p. 41). *Political autonomy* is, “government by the people, usually embodied in such political rights as voting; and also civil rights, which secure a domain of individual freedom against undue government action” (Friedman, 1997, p. 41). Lastly, *moral autonomy* “is that of an individual acting according to moral principles, values, and rules that are, in some significant sense, her own” (Friedman, 1997, p. 41). The notion of *relational autonomy* emerged in feminist philosophy in the 1980s to signify “social relationships and human community as central to the realization of autonomy” and was an effort to mitigate the perception of autonomy as “overly individualistic” which “presupposes that selves are asocial atoms” (Friedman, 1997, p. 40; Oshana, 2005, p. 196). This study utilizes a relational account of autonomy (unless otherwise specifically indicated), for as Marina A. L. Oshana (2005) argues in her essay, “Autonomy and Free Agency,” “[i]nsofar as the freedom to make oneself is definitive of agent autonomy, it is a freedom that transpires within the social milieu” (p. 198).

The human capability approach and liberal feminism share a conviction in the importance of “living a life of one’s own choosing” (personal autonomy) and “being co-author of the conditions under which one lives” (political autonomy).³⁴ In the liberal feminism literature, personal and political autonomy signify freedom.³⁵ Martha C. Nussbaum, drawing from liberal feminist ideology, discusses personal and political autonomy vis-à-vis the human capability approach. According to the Stanford

³⁴ *The Stanford Encyclopedia of Philosophy*. (Winter 2013). “Liberal Feminism.” Retrieved from <https://plato.stanford.edu/entries/feminism-liberal/>

³⁵ *The Stanford Encyclopedia of Philosophy*. (Winter 2013). “Liberal Feminism.” Retrieved from <https://plato.stanford.edu/entries/feminism-liberal/>

Encyclopedia of Philosophy, for Nussbaum “personal autonomy, or in Nussbaum’s words ‘practical reason,’ is a good that ‘suffuses all the other functions,’” however Nussbaum’s writings suggest that “personal autonomy is merely one of the ‘major human functionings’ which define ‘a good human life.’”³⁶ Regarding the capability approach *and* personal autonomy, Nussbaum argues that one may choose to neglect a particular functioning, for example “an ascetic may choose to compromise bodily health,” but what is of utmost importance is that “one must *be able* to function in each of these ways” and “[s]ocial arrangements are to be criticized” if and when they fail to foster people’s capabilities.³⁷ The Stanford Encyclopedia of Philosophy asserts that “Nussbaum’s list of human functionings” is similar to “[t]he list of enabling conditions for personal autonomy.”³⁸ Susan J. Brison (2000) also brings together the capability approach and autonomy through her capability account of relational autonomy. Borrowing from Sen’s conceptualization of capability, that is, “the various combinations of functionings (beings and doings) that the person can achieve,” Brison (2000) agrees with Sen on the importance of an “incomplete...specification of a capability set...for autonomy” as it would run the risk of being “too culturally specific” (p. 283). Brison (2000) does note, however, that such a list may not be impossible (p. 283). She continues,

A capability set adequate for autonomy includes not only “such elementary things as being adequately nourished, being in good health...etc.,” as Sen suggests, but also avoiding such autonomy-hindering, brain-disordering psychological and physiological states as extreme fear or anger, debilitating depression, and shattering pain. (Brison, 2000, p. 283)

³⁶ *The Stanford Encyclopedia of Philosophy*. (Winter 2013). “Liberal Feminism.” Retrieved from <https://plato.stanford.edu/entries/feminism-liberal/>

³⁷ *The Stanford Encyclopedia of Philosophy*. (Winter 2013). “Liberal Feminism.” Retrieved from <https://plato.stanford.edu/entries/feminism-liberal/>

³⁸ *The Stanford Encyclopedia of Philosophy*. (Winter 2013). “Liberal Feminism.” Retrieved from <https://plato.stanford.edu/entries/feminism-liberal/>

The role of autonomy, then, is closely linked with, if not embedded within the capability approach. This study's investigation borrows from Catriona Mackenzie and Natalie Stoljar's (2000) theorizing that autonomy results from "the exercise of autonomy competency," in other words, "a repertoire of skills and capacities" which facilitate "self-realization...for each particular individual" (p. 17).

2.4.3 Conclusion

Mahbub ul Haq, Amartya Sen, and Martha C. Nussbaum, among other scholars, have argued the theoretical and practical limitations of an economic development model, such as espoused by the World Bank, for promoting equity and improving the quality of life of poor people. The human capability approach, pioneered by Sen and Nussbaum, is a counterpoint to the Bank's development model, one that has a well-established literature and has gained traction as a more appropriate and effective means of assessing poverty and poverty alleviation efforts. Section 2.4 is a detailed critical discussion of the human capability approach. According to the literature, the capability approach has some limitations however as its advocates argue, the benefits of this pro-poor framework far outweigh its limitations. Further, scholars assert that the capability approach should be subject to continuous evolution. This study posits that if development actors are sincere about poverty alleviation and helping the poor, then the capability approach, embodied in the UNDP's *Human Development Reports*, is the way to go. The main strengths of the capability approach are twofold. First, the capability approach allows for the evaluation of poor people's quality of life at the most fundamental levels. Second, the capability approach offers pro-poor scholars and practitioners a means for uncovering the nuances and complexities of overlapping poverties which are often overlooked in the Bank's

development model, but which are of great significance to poor people's everyday lived experiences. The capability approach embraces notions of self-empowerment and autonomy, which this study's data analysis reveals is what people desire and how they envision successful development and poverty alleviation. The goal of the capability approach is for poor people to have the freedom to make the personally meaningful choices which govern their lives (Sen, 2006, p. 34).

CHAPTER 3

STUDY DESIGN AND METHODOLOGY

This study is largely concerned with the theoretical and practical discontinuities between the World Bank's current development model of public-private partnership (PPP) lending and development and poverty trends "on the ground" in localities where Bank-supported projects operate. There seemingly exists a disconnect and growing tension between the Bank's development rhetoric – framed in terms of Bank projects as "pro-poor" – and how "locals," especially the poor, perceive what is happening operationally on the ground where these projects exist. This study's purpose is to investigate the above-stated disconnect and tension associated with World Bank public-private partnership lending vis-à-vis a case study of the Yanacocha gold mine in Cajamarca, Peru. This study also examines the changing relationships between the main actors – World Bank officials, the private sector, governments, and poor and non-poor "locals" – involved in and impacted by a Bank public-private partnership, and as a key objective, aims to highlight a diversity of voices, particularly voices which are often excluded from the mainstream development and poverty discourses. The rapid growth of public-private partnership lending within the World Bank makes it crucial to assess the impact of PPPs from a multitude of angles, but especially from bottom-up perspectives. This work is necessary for pursuing development and poverty alleviation projects which are relevant and meaningful to poor marginalized people. The above-stated issues are studied within the context of lending of international development agencies, global development orthodoxy and orthopraxy, poverties and global poverty alleviation efforts,

human rights, and social justice. This study is guided by two main research questions.

First, from a theoretical perspective,

1. What are the dilemmas facing international development agencies that try to leverage private sector investment together with government money for development assistance?

Second, from a practical perspective,

2. How are poor people impacted by the Yanacocha gold mine – a Bank-supported public-private partnership?

Together, Research Question 1 and Research Question 2 aim to generate inferences (theoretical and practical) about development, poverty alleviation, and the implications of the joint international development agency-private sector role in development assistance.

This study is grounded in the constructivism paradigm and subscribes to a “relativist ontology (there are multiple realities), a subjectivist epistemology (knower and respondent cocreate understandings), and a naturalistic (in the natural world) set of methodological procedures” (Denzin and Lincoln, 2008, p. 32). An exploratory single-case study approach was deemed most appropriate for logically investigating this study’s two main research questions. This study is largely qualitative therefore it embraces “the value-laden nature of inquiry,” places great importance on “*how* social experience is created and given meaning” (Denzin and Lincoln, 2008, p. 14), and seeks “rich descriptions” (Denzin and Lincoln, 2008, p. 16). In addition, this study highlights a plurality of voices and examines real-life situations on the ground. Quantitative data such as World Bank economic figures (GDP, GNP, income, and poverty) from the Bank’s

online database, and national-level statistics produced by PERÚ *Instituto Nacional de Estadística e Informática (INEI)* have informed this study in important ways.

This chapter is a detailed account of the study design and methodology which guide this research. The following sections explain the qualitative nature of the study, provide a thorough description of fieldwork including the data-collection process (in-person semi-structured interviews, participant observation, and primary documents), explain the data analysis process, and review measures used to secure participant confidentiality. This chapter concludes with a discussion of the Principal Investigator's (PI) experiences during fieldwork, ethical considerations, and the delimitations and limitations of the study.

3.1 Rationale for Qualitative Study Design

A qualitative study design was deemed most appropriate for logically investigating this study's main research questions. As Michael Quinn Patton (2002) states, “[t]he classic qualitative–quantitative debate has been largely resolved with recognition that a variety of methodological approaches are needed and credible,” thus “appropriately matching methods to questions rather than adhering to some narrow methodological orthodoxy” was an important consideration (p. 264). Furthermore, the World Bank (the international development agency under investigation in this study), asserts the need for more qualitative studies of the poverties people experience and the impact of World Bank development projects across the globe. A 2000 World Bank report, *Integrating Quantitative and Qualitative Research in Development Projects*, explains,

Researchers have recognized over the past few years that quantitative analysis of the incidence and trends in poverty, while essential for national economic development

planning, must be complemented by qualitative methods that help planners and managers understand the cultural, social, political, and institutional context within which projects are designed and implemented. This is reflected in the recent report, *Poverty Reduction and the World Bank: Progress in Fiscal 1998* (World Bank 1999), which devotes a chapter to the discussion of the integration of *contextual* and *noncontextual* methods in data collection and analysis and the increasing use of participatory poverty assessments. (preface)

As the literature shows (see Chapter 2), poverty is multidimensional, however the Bank's current poverty assessments tend to focus on aggregate quantifiable poverty figures such as GNP and income and consumption levels at the expense of critical further insight into the lived experiences of poor marginalized peoples and the poverties which they face. A key objective of this qualitative study is to highlight a diversity of voices and experiences, in particular those of "marginalized and oppressed peoples" (Smith and Hodkinson, 2008, p. 427), thus emphasis is placed on "attempt[ing] to make sense of, or interpret, phenomena in terms of the meanings people bring to them" (Denzin and Lincoln, 2008, p. 4).

Egon G. Guba and Yvonna S. Lincoln (1994) assert that qualitative research provides "grounding," necessary for obtaining "adequate accounts of nonmainstream lives ('the other')," and argue that "generalizations, although perhaps statistically meaningful, have no applicability in the individual case" (p. 106). The authors' claim is of great relevance to the World Bank's evaluations and assessments of its own development and poverty alleviation efforts. A qualitative study design enabled the PI of this study to: uncover crucial information about how the Yanacocha gold mine, a Bank-supported public-private partnership, impacts *cajamarquinos* from the perspective of the local population, and situate these findings within a larger discussion of the development dilemmas facing international development agencies that engage in PPP lending. Finally,

the adopted qualitative study design makes this study particularly informative and perhaps useful for pro-poor practitioners and scholars of pro-poor efforts who aim to move in the direction of poverty alleviation which is meaningful and beneficial for and according to marginalized poor peoples.

3.2 Single-Case Study Methodology

Case study has been defined in various ways however the definitions all tend to fall within a distinct set of parameters. According to Robert E. Stake, “A case study is both a process of inquiry about the case and the product of that inquiry” (2008, p. 121). Robert K. Yin argues, “As a research strategy, *the distinguishing characteristic of the case study is that it attempts to examine: (a) a contemporary phenomenon in its real-life context, especially when (b) the boundaries between phenomenon and context are not clearly evident*” (1981, p. 59). A case is a “bounded system” however complex or multifaceted, with “working parts and purposes” (Stake, 2008, p. 120). In order to generate sound inferences about the root(s) and nature of the development and poverty phenomena under investigation, a single-case study approach was deemed most appropriate for exploring the quandaries and contradictions of development in the world today with regard to international development agencies and public-private partnerships, and differing conceptualizations of development and poverty. The PI chose the Yanacocha gold mine case because it is instrumental (Stake, 2008, p. 123). Stake explains that an instrumental case is “examined mainly to provide insight into an issue or to redraw a generalization” (2008, p. 123). Furthermore, “[t]he case is...looked at in depth” in order to advance understanding of an external interest (Stake, 2008, p. 123). To this end, a quantitative approach which lacks “thick description” (Geertz, 1973) was

deemed incompatible with the goals of this study in that “[e]xperiments [with the intent to produce quantitative findings] ...deliberately divorce a phenomenon from its context” (Yin, 1981, p. 59). A quantitative approach, important in its own right, “omit[s] all contextual factors except those codified in the variables selected for measurement” (George and Bennett, 2004, p. 21). In-depth analysis of “contextual factors” (predetermined and those which have been allowed to emerge from the data) is necessary for discerning the fullness and complexities of development, poverty, and the Yanacocha gold mine because although the mine is locally situated, the effects of its extractive activities extend from the local to the international, and include a range of factors from profit generation for foreign investors to the individual poor person’s lived experiences.

A single-case study approach enabled the PI to use several data collection methods, specifically, semi-structured interviews, participant observation, and primary document analysis to build contextualization. The data collection methods allowed for triangulation of the data, producing “descriptions and interpretations not just in a single step but continuously throughout the period of study” (Stake, 2008, p. 120). The PI resided in the case study region (Cajamarca, Peru) for six months and thus became immersed in the study. Taking up residence in Cajamarca for an extended time provided the PI with the opportunity to build trusting relationships, become sensitive to local cultural norms and traditions, and have access to a diversity of voices with regard to this study’s main research questions. A single-case study was most beneficial because it did not “commit the researcher to a highly limited set of variables” and therefore “increase[ed] the probability that critical variables and relations w[ould] be found” (Eckstein, 1975, p. 106). The mining village of Cajamarca is similar to an ecosystem with

many complex relationships and processes. The Yanacocha gold mine (a Bank-supported PPP) was a new and foreign variable introduced into the Cajamarca ecosystem. As a result, there was an array of changes, some overt and others nuanced, which took place because of the presence of the new element in an already functioning system. As Alexander L. George and Andrew Bennett (2004) highlight, “within a single case, we can look at a large number of intervening variables and inductively observe any unexpected aspects of the operation of a particular causal mechanism or help identify what conditions present in a case activate the causal mechanism” (p. 21). Ultimately, the case study approach is most valuable because it aims “precisely to capture the particular and unique” (Eckstein, 1975, p. 82) and “achieve high levels of conceptual validity” (George and Bennett, 2004, p. 19).

Lastly, single-case study allowed the PI to apply this study’s theoretical framework – the human capability approach – throughout each stage of the study, from the proposal to fieldwork, data collection, and data analysis. Each stage of the study’s investigation was informed by concepts drawn from the capability approach. For example, the PI was able to focus on issues and questions such as: how, if at all, is *cajamarquinos*’ emotional state being impinged by anxiety or fear? To what extent are *cajamarquinos* able “to engage in critical reflection about the planning of [their] life?” Are *cajamarquinos* treated as “dignified being[s] whose worth is equal to that of others?” Do they have “property rights on an equal basis with others?” A range of issues such as personal agency, dignity, freedom of speech, choices for occupation, and effective political participation among others were closely observed and analyzed. Martha C. Nussbaum (1997), one of the pioneers of the capability approach, argues that the above-

stated factors form “a complex property of society’s relation to persons” therefore “pure resources” such as “income and wealth” alone are insufficient to determine human wellbeing and quality of life (p. 284). Nussbaum (1997) continues, “an approach focusing on resources does not go deep enough to diagnose obstacles that can be present even when resources seem to be adequately spread around” (p. 284). Therefore, single-case study was most appropriate for logically investigating this study’s main research questions. Yin (2013) asserts that case study’s “ability to address the complexity and contextual conditions” renders this approach highly effective for “evaluat[ing] highly broad and complex initiatives; for example...community and economic development projects, and international development (e.g. Yin and Davis, 2007)” (p. 322).

The main criticism of single-case study concerns the issue of generalizability (also referred to as external validity). Scholars argue that the findings of single-case study are unlikely to be explicative of the phenomenon under investigation. Yin (2013) explains that case study is “as an effort to generalize from a small number of cases to a larger population of cases (e.g. Byrne, 2013; Ragin, 2009; Seawright and Gerring, 2008; and Woolcock, 2013)” (p. 325). “[I]n international development,” more specifically, case study is “the basis for transferring lessons from one country to another as well as for ‘scaling-up’ a desirable intervention within the same country” (Yin, 2013, p. 325).

Yvonna S. Lincoln (2008) argues that generalizability and other similar criteria are “inappropriate for phenomenological inquiry (Guba & Lincoln, 1994; Lincoln & Guba, 2000; Lincoln & Guba, 1985)” (p. 229). Stake (2008) further supports this idea when he states, “generalization should not be emphasized in all research (Feagin et al., 1991; Simons, 1980)” (p. 125). The main value of single-case study, according to Stake

(2008), is found in “refining theory, suggesting complexities for further investigation, as well as helping to establish the limits of generalizability” and embracing “features important for understanding the case itself” (p. 141; 125). The PI of this study applied what Yin refers to as *analytic generalization*, which he asserts is “an appropriate logic for generalizing the findings from a case study (e.g. Bromley, 1986: 290–1; Burawoy, 1991: 271–87; Donmoyer, 1990; Gomm et al., 2000; Mitchell, 1983; and Small, 2009)” (2013, p. 325). Yin defines *analytic generalization* as the following: “the extraction of a more abstract level of ideas from a set of case study findings – ideas that nevertheless can pertain to newer situations other than the case(s) in the original case study” (2013, p. 325). Through immersion in single-case study, the PI was able to “compensate for loss of range by gains in depth” (Eckstein, 2009, p. 122).

3.2.1 Single-Case Study Profile: Yanacocha Gold Mine, Cajamarca, Peru

The Yanacocha gold mine spans an area of 535 square miles³⁹ and is situated approximately 30 miles north of the City of Cajamarca at an altitude of 11,500 to 13,500 feet above sea level. Yanacocha, a Bank-supported public-private partnership, is the most productive gold mine in Latin America and indeed one of the largest in the world,⁴⁰ generating over USD 7 billion worth of gold since its inception in 1992.⁴¹ The mine produced its first bar of gold on August 7, 1993.⁴² Yanacocha is owned by Newmont Mining Corporation (51%) – a U.S. mining company, *Compañía de Minas Buenaventura*

³⁹ Holmes, F. (2016, June 3). “Here are the world's top 10 gold producing mines.” Retrieved from <http://www.mining.com/web/here-are-the-worlds-top-10-gold-producing-mines/>

⁴⁰ Holmes, F. (2016, June 3). “Here are the world's top 10 gold producing mines.” Retrieved from <http://www.mining.com/web/here-are-the-worlds-top-10-gold-producing-mines/>

⁴¹ Perlez, J. and Bergman, L. (2010, June 14). “Tangled strands in fight over Peru gold mine.” Retrieved from http://www.nytimes.com/2005/10/25/world/americas/tangled-strands-in-fight-over-peru-gold-mine.html?_r=0

⁴² Yanacocha. *Quiénes Somos*. Retrieved from <http://www.yanacocha.com/quienes-somos/>

(44%) – a Peruvian mining company, and until December 2017, the International Finance Corporation (IFC) of the World Bank Group (5%). For 24 years, the Bank “engaged with Minera Yanacocha...as a lender and equity investor,”⁴³ making Yanacocha “one of IFC’s longest-held investments.”⁴⁴ The Yanacocha case study is critical and relevant in 2018 because over the past years, the focus in international development in practice operationally has been more and more on partnering with the private sector to leverage resources for development assistance. Yanacocha is a lead example of a World Bank public-private partnership^{45, 46} and is promoted as a large-scale development project by the Bank, the Peruvian government, and to a lesser degree, Newmont Mining Corporation. Newmont, a transnational extractive company and one of the largest gold producers in the world, manages Yanacocha’s daily operations. As of December 2016, Yanacocha has approximately 5,000 employees and contractors.⁴⁷

Almost since its inception, Yanacocha has been subject to several criticisms and accusations primarily having to do with the impact of its mining operations on the environment and its (perceived) negligence of basic human rights with regard to the local population. However, the Bank and the Peruvian government continue to promote Yanacocha’s ability to achieve important development goals. Due to the complexities and

⁴³ The International Finance Corporation (IFC). “IFC Completes Engagement with Peru’s Yanacocha Gold Mine.” Retrieved from <https://www.ifc.org/>

⁴⁴ The International Finance Corporation (IFC). “IFC Completes Engagement with Peru’s Yanacocha Gold Mine.” Retrieved from <https://www.ifc.org/>

⁴⁵ There is no universal definition of a PPP, however the Independent Evaluation Group (IEG) of the World Bank states that PPPs are “long-term contracts between a private party and a government agency, for providing a public asset or service, in which the private party bears significant risk and management responsibility.”

⁴⁶ Independent Evaluation Group (IEG) of the World Bank Group. (2012). “World Bank Group Support to Public-Private Partnerships: Lessons From Experience in Client Countries, FY02-12.”

⁴⁷ Newmont Mining Corporation. Operation Facts. Retrieved from <http://www.newmont.com/operations-and-projects/south-america/yanacocha-peru/operation-facts/default.aspx>

intricacies of Yanacocha's presence in Cajamarca, this "singular" case allowed for a deeper analysis of its "subsections" (Stake, 2008, p. 127), including issues such as the disconnect between wealth generated from the mine and poverties experienced by many local *cajamarquinos*, and the nature of the relationships between different main actors. Thus, Yanacocha is an instrumental case because it is an example of "a well-defined aspect of a historical episode" (George and Bennett, 2004, p. 18) and in-depth study of this single case has the ability to generate important inferences pertaining to this study's research questions.

3.3 Data Collection Methods

This section provides a detailed account of the data collection process. The first step in the process was to complete the Rutgers, The State University of New Jersey Institutional Review Board (IRB) application for research involving human participants. The IRB deemed this study suitable for expedited review because it posed "no greater than minimal risk to subjects" and approval was granted January 15, 2015 (Protocol #15-371M) for data collection and data analysis. This study's renewal of approval was obtained February 8, 2017 (Protocol #17-383Mx) and, then, February 6, 2019 (Protocol #17-383Mx) for data analysis. Two additional IRB requirements were the Human Subjects Protection Certification Program and the Collaborative Institutional Training Initiative (CITI) Training Program, both of which the PI successfully completed on September 22, 2012 and December 30, 2016, respectively. The protection of participant privacy was ensured through strict confidentiality, explanation of the purpose of the study and participant rights (*prior* to participation and during or afterward as requested), the secure storage of data collected, and an ethical code of respect and integrity. This study is

informed by data collected through qualitative semi-structured interviews, participant observation, and primary source documents; these methods facilitated triangulation of the data.

3.3.1 Interviews

The primary method of data collection was semi-structured qualitative interviews, of an exploratory nature, based on an interview protocol of 27 questions. By using a semi-structured interview protocol, the PI was able to “[cover] substantially the same topics” (Remler and Van Ryzin, 2011, p. 64) during each interview while allowing for “flexibility within the discussions” (Remler and Van Ryzin, 2011, p. 63). Fontana and Frey (2008) assert that “both qualitative and quantitative researchers tend to rely on the interview as the basic method of data gathering” (p. 120). Berg and Lune (2012) state, “[o]ne of the most effective ways to learn about the circumstances of people’s lives is to ask them,” hence the usefulness of interviews in qualitative research (p. 331). Anssi Perakyla (2008) importantly suggests that the main usefulness of the interview method is the ability to reach previously unknown or inaccessible areas of reality (p. 351).

This study’s interview questions were organized into the following nine categories: 1) background information (*antecedentes personales*), 2) living expenses (*gastos de manutención*), 3) health (*salud*), 4) occupation (*ocupación*), 5) personal experiences with the Yanacocha gold mine (*experiencias personales con la mina de oro Yanacocha*), 6) conceptualizing poverty (*conceptualizando la pobreza*), 7) conceptualizing development (*conceptualizando el desarrollo*), 8) perceptions of the Yanacocha gold mine (*percepciones de la mina de oro Yanacocha*), and 9) implications of the Yanacocha gold mine (*implicaciones de la mina de oro Yanacocha*). The interview

method was valuable in meeting this study's main objectives in several ways. First, interviews allowed the PI to obtain, first-hand, perspectives of Yanacocha, and the degree to which the mine is a viable development project, according to *cajamarquinos*. Second, the PI was able to incorporate concepts from the capability approach (the theoretical framework which guides this study) into the interview questions. Third, the flexibility of the semi-structured interview afforded the PI "freedom to digress" and "probe far beyond the answers to...prepared standardized questions" to delve into the more nuanced or intricate issues (Berg and Lune, 2012, p. 112). Fourth, and perhaps most importantly, the interview method allowed for the inclusion of a diversity of *cajamarquino* voices, especially the voices of poor marginalized *cajamarquinos*; these voices are often absent from the discussions that inform World Bank public-private partnership development projects in localities across the globe. Interviews were critical to raising awareness about *cajamarquinos*' present-day challenges vis-à-vis Yanacocha and to uncovering their perceptions and beliefs about development, poverty, and poverty alleviation.

3.3.1.1 Purposive Sampling

The PI of this study used mixed (also referred to as combination) purposive sampling to recruit potential interview participants during fieldwork in Cajamarca, Peru. The PI resided in the case study region for six months, from December 2014 to June 2015, and volunteered at *Rayos de Luz* for four months, from February 2015 to June 2015. *Rayos de Luz* is a non-government organization which serves some of the poorest children, and by extension their families, in Cajamarca. The PI initiated participant recruitment at *Rayos de Luz* and shortly thereafter met Óscar, a native *cajamarquino* who became essential in identifying potential study participants. This study's mixed purposive

sampling included a wide range of actors including but not limited to campesinos, mining employees, government officials, businesspeople, public employees, university professors, university students, members of civil society organizations, and individuals active in the anti-mining movement. The mixed purposive sampling method increased the credibility of this study's data because the PI was able to select individuals or "*information-rich* cases for study in depth" (Patton, 2002, p. 273). These selected individuals "have a unique perspective or occupy important roles" (Remler and Van Ryzin, 2011, p. 156) and were able to provide rich insight from a variety of perspectives into this study's research questions, specifically, the impact of the Yanacocha gold mine on local residents and the mine's credibility/viability as a poverty-alleviation project). Through mixed purposive sampling, the PI was able to "meet [the] multiple interests and needs" of this study and achieve triangulation of the data collected (Patton, September 2003, p. 5).

3.3.1.2 Interview and Survey Process

Twenty-two (22) in-person qualitative interviews and twenty (20) qualitative surveys, both based on the same semi-structured interview protocol, were conducted between February 2015 and June 2015 with eligible and willing participants. The PI obtained responses from forty-two (42) participants in total. The duration of the in-person interviews (oral responses) ranges from 15 minutes to 77 minutes (the average duration is 44 minutes). Study participants completed the surveys (written responses) within a timeframe of 60 minutes. The location of in-person interviews varied depending on each participant's preference, the location's accessibility for the PI, and the comfort levels of both participants and PI. The surveys were administered in a university classroom during

a class period (after having received permission from the director of the university and the professor of the class). Survey participants, who are returning to university, attend this class one evening per week. Together, this study's interview and survey participants reflect a diversity of experiences and knowledge vis-à-vis the Yanacocha case (see Table 3.1). All study participants reside primarily in Cajamarca, Peru.

Table 3.1: Conducted In-Person Interviews and Surveys (February 2015 to June 2015)

Participant (Main) Profession/Occupation	Number (#) of Participants
Police Officer	5
Undisclosed	4
Campesino/a	3
Unemployed	2
University Professor	2
University Student	2
Mechanic	1
Social Assistant	1
Public Accountant	1
Lawyer	1
Cook	1
Obstetrician	1
Education	1
Principal Member of <i>Rondas Urbanas</i>	1
Chemical Pharmacist	1
Clothing Manufacturer	1
Marketing Supervisor of Major Phone and Internet Provider	1
Commercial Coordinator of Major Phone and Internet Provider	1
Specialist at the Comprehensive Care Center for the Elderly	1
Veterinarian	1
Logistical Assistant in Education	1
Mining Supervisor for Safety and Environment	1
Senior Hydrologist at the Yanacocha gold mine	1
Principal Member of <i>Conga No Va</i> Movement	1

Member of <i>Conga No Va</i> Movement	1
Government Official in the Ministry of Culture	1
Government Official of Development Projects for the Municipality of Cajamarca	1
Government Official of Social Development for the Municipality of Cajamarca	1
Government Official for the Municipality of Cajamarca	1
Government Official of Social Development for the Regional Government of Cajamarca	1
Total	42

Soon after arriving in the case study region, the PI met a native *cajamarquino*, Óscar, who became essential in establishing initial contact with potential study participants and scheduling interviews. Óscar is well-connected and well-liked in Cajamarca. His assistance was vital to the development of this study's objectives, in addition, he vouched for the PI's integrity and trustworthiness, especially when on one occasion, a potential participant expressed hesitancy about speaking to the PI who is from the United States. Although the PI conversed in Spanish, the main language spoken in Cajamarca, the PI's accent revealed her foreigner status. Prior to contacting potential participants, the PI explained to Óscar the main objectives of the study and the strict ethical considerations to be followed throughout the duration of the interview part of fieldwork. For each interview Óscar arranged, he traveled with the PI to the interview location and after the initial introductions were made, he either waited outside the interview room or left until the interview was finished. Sometimes, Óscar returned at the end of interviews to escort the PI back to a more familiar location.

Prior to the start of interviews, the PI provided potential study participants with a language-appropriate (Spanish or English) copy of the official Consent Form and Addendum for audio recording (see Appendices 2.2 and 2.3). After having read the Consent Form and Addendum together or separately, the PI answered all questions from potential participants. The only question posed by potential participants to the PI was whether they could receive a copy of the Consent Form and Addendum complete with the PI's signature. The PI responded, "Yes," and, in addition, explained that should they misplace their copy of the Consent Form and/or Addendum, the PI was willing and able to provide another copy. After signing and dating the Consent Forms and Addendums and making copies, the PI explained to participants that if at any time during the interview they wish to discontinue the interview, they should say so, or simply, "Stop." Furthermore, the PI informed participants that they have the right to omit any and all questions they prefer not to answer. Finally, the PI asked participants, "Are you ready?" and with the gesture or word of approval, pushed "Start" on the audio recording device at which time the interviews commenced. For security purposes and to ensure confidentiality, the audio recorded interviews on the PI's audio recording device were assigned numerical codes. All study participants agreed to the audio recording of their interviews, interviews which were guided by an interview protocol (see Appendix 3). None of the study participants have rescinded their participation to date.

For the survey process, the PI followed the exact steps detailed above. The survey process did not include audio recording however. The following additional steps were taken to ensure confidentiality and comfort: spaces (for interviews/surveys) which afforded privacy but were not completely isolated, language appropriate consent forms

complete with the PI and participants' signatures, and explicit mention of the address, phone number, and e-mail address for the Institutional Review Board at Rutgers, The State University of New Jersey. On several occasions study participants were reminded of their right to rescind their participation in the study at any time, including post-interview/post-survey. They were also informed that the data collected from their interviews/surveys would be stored in a secure location accessible only to the PI, and then destroyed after a period of three years as per the Institutional Review Board at Rutgers, The State University of New Jersey mandate. To reiterate, none of this study's participants have rescinded their participation to date.

At the conclusion of each interview, the password-protected audio recording device was stored in a secure location in the PI's private apartment. Handwritten notes (which documented participants' body language, affectation, and also ideas or themes for further exploration) taken during in-person interviews were transferred to a Microsoft Word document and saved on the PI's personal password-protected laptop, and then uploaded to the PI's personal password-protected Google Drive account. Forty-one (41) qualitative interviews/surveys were conducted in Spanish and one (1) qualitative interview was conducted in English (as per the preferences of the participants).

Interview and survey data transcriptions were done solely by the PI in NVivo. The PI uploaded the audio recoded interviews to NVivo and listened them multiple times while transcribing in order to identify patterns and themes in the data which speak to this study's research questions. The handwritten survey responses were typed into Microsoft Word documents and uploaded to NVivo. The PI became immersed in the data through repeatedly listening to the audio recordings, documenting patterns and themes, and

constructing mind maps in NVivo. The data was closely analyzed and then organized by subject matter based on codes which emerged from the data. All transcribed data is numerically coded and stored in the PI's personal NVivo account on the PI's personal password-protected laptop.

3.3.2 Participant Observation

Bruce L. Berg and Howard Lune (2012) describe the usefulness of participant observation as a research method tool for “observing behaviors and meanings as they emerge in their natural setting” (p. 175). A major strength of participant observation according to James P. Spradley (2016), is that this method allows the PI to “experience activities directly, to get the feel of what events are like, and to record [their] own perceptions” (p. 51). The PI of this study arrived in the case study region in December of 2014 and spent six consecutive months observing and documenting various aspects of everyday life in the City of Cajamarca, from interactions in the local marketplace to happenings at anti-mining demonstrations. The PI paid particular attention to “organizations and organizational structures, social roles among group members, [and] normative values among subcultures” (Spradley, 2016, p. 176) which related to this study's main research questions. In addition to residing in the case study region, the PI volunteered at *Rayos de Luz*, a school (non-government organization) which serves some of the poorest children in Cajamarca. The PI observed the school's director and minimal staff work tirelessly to assist the enrolled children and their families, all of whom are poor *cajamarquinos* and *campesinos*. The PI was transparent about her researcher status and purpose for being in Cajamarca from the beginning and was warmly welcomed by the director and staff to volunteer and attend various events at and for the school. The PI

volunteered at *Rayos de Luz* five days per week, Monday through Friday, from 9AM to 4PM for four months, from February 2015 to June 2015. This allowed the PI to observe and sometimes participate in “settings that fall somewhere along a continuum” ranging “from the simplest social situation to...complex clusters and networks of social situations” (Spradley, 2016, p. 46). Such experience was important and relevant for uncovering aspects of social life and interactions including perceptions and beliefs which further this study’s main objectives.

The following is a short list of examples of the knowledge and experience obtained by the PI through participant observation (these examples are discussed in more detail in Chapters 4 and 5):

- During an informal conversation with a hotel staff member (where the PI stayed immediately after arriving in Cajamarca), the PI learned that the term *indigenous* (*indígena*) is considered offensive by many subsistence agriculturalists. The respectful term is *the people of the community* (*las personas de la comunidad*) or more simply, *campesino*.
- The PI relied almost exclusively on public transport, specifically *mini-taxis*, for the duration of fieldwork. During one trip, the PI asked the mini-taxi driver about his opinion of development in Cajamarca. He pointed to the nearby buildings and streets (visibly worn down and in need of repair) and remarked, *¿Que desarrollo? ¿Donde esta desarrollo? Conga no va* (“What development? Where is there development? No to Conga”). During another trip, a second mini-taxi driver expressed his opinion that Yanacocha’s mining operations have contaminated the local water supply.

- During the taxi ride from the airport to the hotel, the PI immediately observed various buildings spray-painted with messages which read *Agua Si, Minas No* (“Water Yes, Mines No”) and *Conga No Va* (“Conga No Go”). Several of the spray-painted messages were altered so that the more recent messages read *Si Minas* (“Yes Mines”) and *Conga Va* (“Conga Go”). The PI was instantly exposed to the conflict in Cajamarca regarding the Yanacocha gold mine and its proposed expansion, Conga.

Thus, through residing in the case study region for six months and participant observation the PI became familiar with “the cultural rules for behavior” (Spradley, 2016, p. 50).

Participant observation fostered the “establishment of considerable rapport between the researcher and the host community” (Michael V. Angrosino, 2008, p. 165).

3.3.3 Primary Source Documents

Primary source documents comprised this study’s third method of data collection. This study relied a great deal on publicly available information, specifically *commercial media accounts* and *actuarial records*. Berg and Lune (2012) define commercial media accounts as “any written, drawn, or recorded (video or audio) materials produced for general or mass consumption” (p. 283). Commercial media accounts have informed the development and trajectory of this study since its earliest stages. The PI closely read/watched and analyzed a vast array of commercial media accounts which discuss the social, economic, and political impact of the Yanacocha gold mine (and other Bank-supported public-private partnerships) on various development actors including poor *cajamarquinos*. These accounts provided rich insight for uncovering a fuller picture of development in Cajamarca and other regions across the globe where Bank PPPs exist and

operate. The following is a brief description of the commercial media accounts reviewed and analyzed for this study's main objectives:

- World Bank Group Reports: a) International Finance Corporation (IFC) reports which provide explanations and justifications (mainly economic) for increasing public-private partnerships; b) Independent Evaluation Group (IEG) reports which discuss, among other things, the pitfalls of Bank development projects and areas for improvements; c) Various development and poverty reports which cover a range of issues from the economic to environmental impact of Bank projects, to the social and cultural implications of these projects.
- United Nations Development Programme (UNDP) Human Development Reports (HDRs), which have been published annually by the UNDP since 1990. The HDRs embody the concept of human development and Amartya Sen and Martha C. Nussbaum's human capability approach. The HDRs are a counterpoint to the Bank's economic growth approach and discuss issues of quality of life and human flourishing especially as pertains to disadvantaged poor people around the world.
- Official documents produced by Newmont Mining Corporation such as the private company's official responses to complaints and grievances expressed by local residents and various NGOs in areas such as Cajamarca where Newmont has extractive projects.
- Official letters written to the World Bank and Newmont Mining Corporation by NGOs acting as advocates for the welfare of poor *cajamarquinos*.

- News coverage and articles from the BBC, The New York Times, The Huffington Post, and *El Comercio* and *La Republica*, two of the most influential and widely distributed newspapers in Peru.
- Documentary films about Yanacocha's extractive operations in Cajamarca and other regions of Peru.

Actuarial records, according to Berg and Lune (2012), are “produced for special or limited audiences but are typically available to the public under certain circumstances” (p. 285). During fieldwork in Cajamarca, the PI made two visits to the local office of PERÚ *Instituto Nacional de Estadística e Informática (INEI)* (National Institute of Statistics and Information) and was able to obtain large sets of compiled national and district level statistical data which included information relating to: population count, demographics, housing, education, literacy, health, employment/unemployment, income, the environment, poverty, and social programs among other dimensions. Some other actuarial records analyzed for this study included *Ley General de Minería del Peru* (General Mining Law of Peru) and directives from *Policía Nacional del Perú* (National Police of Peru).

3.4 Data Analysis

Constructivism is the philosophical underpinning of this study's methodology hence data analysis of interview transcriptions and field notes was conducted based on the constructivist theoretical framework. Constructivist inquiry aims to “understand” and “reconstruct” (Guba and Lincoln, 1994, p. 112) already existing constructions of reality. Reality, to the constructivist researcher, is defined “relativistically,” that is “relative to its observer/definer” (Lincoln and Guba, 2013, p. 38). A defining feature of constructivism

is its conception of knowledge – “‘findings’” and “‘what can be known’” – as “‘created’” and continuously recreated “‘in interaction[s],’” for example between “[t]he investigator and the object of investigation” or the investigator and respondent (Guba and Lincoln, 1994, p. 111). Constructivism is not concerned with explaining society or phenomena, but rather highlighting “‘multiple, apprehendable, and sometimes conflicting social realities that are the products of human intellects’” (Guba and Lincoln, 1994, p. 111). The purpose of constructivism is to bring into focus “‘patterns and connections rather than linear reasoning’ (Charmaz, 2006:126)” (Stordy, 2012, p. 99) which “‘can be applied to the world’” (Stordy, 2012, p. 91).

Constructivism was valuable for logically investigating this study’s research questions – specifically, the dilemmas facing international development agencies that engage in public-private partnerships for development purposes, and for exploring *cajamarquinos*’ conceptualizations of development and poverty. For Lincoln and Guba (2013), development, poverty, and other similar “‘variables’” (e.g. “‘democracy’, ‘gender,’ ‘race’”) studied in the social sciences exist exclusively in the “‘non-concrete, intangible form’” and are thus only definable relativistically (p. 38).

In the case study region of Cajamarca, there is disagreement and confusion about the viability of Yanacocha for achieving development goals, therefore analysis of these “‘multiple, often conflicting, constructions...all [of which] (at least potentially) are meaningful’” (Schwandt, 1998, p. 243) was important to efforts to discern “‘the full picture.’” Further, a diversity of voices, especially the voices of poor marginalized people in Cajamarca is missing from the mainstream development and poverty discourses thus a “‘constructivist persuasion’” worked to “‘restore to human inquiry a principal focus on the

everyday world of lived experience” (Schwandt, 1998, p. 245). The constructivist framework made it possible to “challenge” the following “held construction[s]” with “new information” (Schwandt, 1998, p. 244): that of the World Bank and pro-mining individuals about the benefits of Yanacocha, and that of many *cajamarquinos* (especially the poor) as they weigh in on Yanacocha’s ability to realize development and poverty alleviation goals.

Discourse analysis was the primary method of analysis used to draw out and interpret existing constructions in interview transcriptions, field notes, and primary source documents. Discourse analysis was a logical choice for this qualitative study which aims to unearth, understand, and compare nuanced patterns of meanings embodied in the World Bank’s development rhetoric and local *cajamarquinos*’ conceptualizations of development and poverty. A Foucauldian approach to discourse analysis was deemed most appropriate because of this study’s implicit investigation of an existing power disparity between the World Bank (and the proliferation of its development rhetoric) and poor marginalized peoples in localities where Bank projects operate, and how this disparity impacts which development proposals are actualized.

For Foucault (2010), discourse is not “a mere intersection of things and words,” but rather “a group of rules proper to discursive practice” (p. 48-49). Discourses are “practices that systematically form the objects of which they speak” (Foucault, 2010, p. 49). Language, important for every day communicative purposes, also functions as a tool for enacting and maintaining dominant ideologies. Discourse analysis in the Foucauldian vein poses two important sets of questions. First, who is speaking? Who, among the totality of speaking individuals, is accorded the right to use this sort of language (*langage*)? Who is qualified to do so? What is the status of the

individuals who – alone – have the right, sanctioned by law or tradition, juridically defined or spontaneously accepted, to proffer such a discourse? (Foucault, 2010, p. 50)

Second, what are “the institutional *sites* from which the...[speaker] makes his discourse, and from which this discourse derives its legitimate source and point of application (its specific objects and instruments of verification)” (Foucault, 2010, p. 51). The purpose of this research was not simply to unpack existing constructions but to generate new constructions about development and poverty. This study aimed to highlight patterns, themes, and connections within and across the data and to analyze findings within the larger development and poverty discourses. The data analysis method described in this section enabled the PI to generate answers to the “what is going on?” question.

3.4.1 Conventional Content Analysis

Conventional content analysis was deemed most useful and appropriate as “a flexible method for analyzing text data (Cavanagh, 1997)” to fulfill this study’s main objectives (Hsieh and Shannon, 2005, p. 1277). Hsieh and Shannon (2005) define conventional content analysis as “a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns” (p. 1278). Rooted in naturalistic inquiry, and because of the exploratory nature of this study, conventional content analysis was compatible with the “theoretical and substantive interests of the researcher” (Hsieh and Shannon, 2005, p. 1277). The purpose of conventional content analysis is to “examin[e] language intensely” (Hsieh and Shannon, 2005, p. 1278) in order to “describe a phenomenon” (Hsieh and Shannon, 2005, p. 1279). A key characteristic of conventional content analysis is to “avoid using preconceived categories (Kondracki & Wellman, 2002)” (Hsieh and Shannon, 2005, p. 1279). Data analysis was content-driven, meaning “the categories and

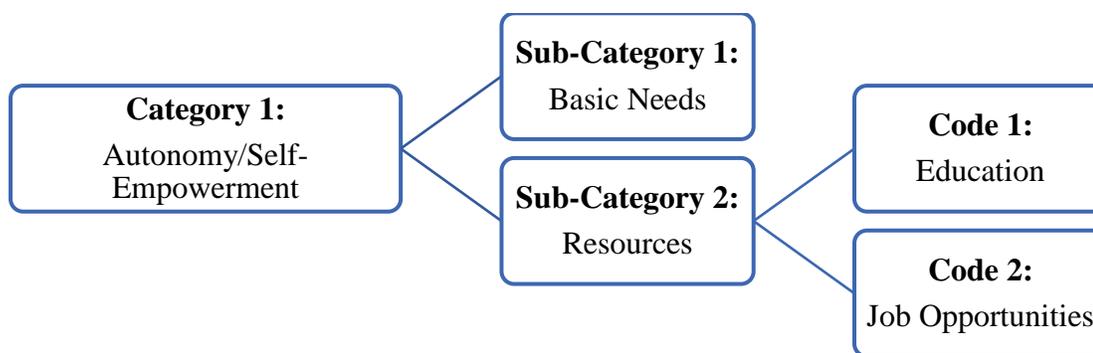
names for categories...flow from the data” (Hsieh and Shannon, 2005, p. 1279). The PI “immersed” herself in the data “to allow new insights to emerge (Kondracki & Wellman, 2002)” (Hsieh and Shannon, 2005, p. 1279). The “procedure” which guided this study’s analysis of text data (interview transcriptions and survey responses) is summarized in Arthur B. Powell’s handout on conventional content analysis and is largely drawn from Hsieh and Shannon (2005):

1. Construct a guiding research question.
2. Read all data repeatedly to achieve immersion and a sense of the whole.
3. Read data word by word to derive codes by highlighting exact ‘string of words’ (*key words*) from text that appear to capture key thoughts, ideas, or concepts.
4. Write an analytic memorandum: notes of first impressions, thoughts, and initial analysis.
5. Create labels for codes that are reflective of more than one key word. These codes often come directly from the text and form the initial coding scheme.
6. Define preliminarily each code.
7. Sort codes into categories based on how different codes are related and linked to each other.
8. Review and refine codes (and their definitions) and categories (and their definitions). Consider whether to identify relationships among categories based on their concurrence, antecedents, or consequences.
9. Write narrative of findings.
10. Dialogue your findings with existing literature.

The data was coded and categorized based on responses to several series of closely related questions from this study’s interview protocol. The PI began by choosing a single series of related questions, for example, as pertains to conceptualizing poverty (1. What does poverty mean? 2. What does it mean to be poor? 3. What does it mean to not be poor? 4. Are you poor?) and highlighted direct quotations or “strings of words” from participant narratives. This allowed the PI to “capture key thoughts [and] ideas,” for example, the importance participants place on *basic needs* and *resources* such as *education* and *job opportunities* in their personal characterizations of poverty. In this example, *basic needs*, *resources*, *education*, and *job opportunities*, terms “directly from

the text,” became preliminary codes and formed the “initial coding scheme.” During this stage, the PI made notes of her thoughts and “initial analysis.” The derived codes were arranged into categories based on certain linkages, for example, codes *education* and *job opportunities* were grouped into sub-category *resources*, and along with *basic needs* was grouped into category *self-empowerment/autonomy* since this is what emerged from participants’ narratives as desirable (see Figure 3.1).

Figure 3.1: Example of Coding Scheme



Further, participants spoke of achieving self-empowerment/autonomy through quality education and a diversity of job opportunities. Codes and categories were reviewed and refined a couple times. Finally, the PI wrote the “narrative of findings” for this particular series of questions – specifically, the *how* and *why* of participants’ conceptualization(s) of poverty, and “dialogue[d]” the findings with this study’s theoretical framework – the human capability approach. The PI repeated this process for the other series of related questions.

3.5 Participant Privacy

The names of all people and organizations affiliated with this study are represented by pseudonyms. Other revealing identification markers such as participants’ ages, genders, and professions/occupations are represented, however in broad terms to

ensure confidentiality. For example, the PI used the following descriptors, “University Professor,” “University Student,” “Government Official of the Municipality of Cajamarca,” “Business Owner,” “Principal Member of the *Conga No Va* Movement,” “Campesino/a,” “Campesina Mother,” and so on. The PI adopted this protective measure to ensure that potentially sensitive information disclosed by participants to the PI cannot, in any way, be linked back to individual participants. In Cajamarca, some community residents shared their belief that if one openly speaks negatively about Yanacocha or Conga, the person is regarded negatively as anti-development and anti-progress by those who support the mine. As part of this study’s interview/survey protocol, participants were asked about their perceptions and beliefs regarding Yanacocha and their visions for the development of Cajamarca including poverty alleviation. Thus, obscuring participants’ identities allowed participants to speak freely about Yanacocha and reassured them that they would not experience any form of backlash or unpleasant feelings such as anxiety for sharing their perceptions and beliefs.

As a second measure to ensure confidentiality and participant privacy, audio recorded qualitative interviews and hand-written notes were coded and are stored on the PI’s personal password-protected laptop in the PI’s private residence. The data will be securely stored for a minimum of three years prior to disposal in compliance with the Institutional Review Board (IRB) at Rutgers, The State University of New Jersey regulation. As Stake (2008) asserts, “[q]ualitative researchers are guests in the private spaces of the world,” (p. 140) thus the PI adopted the above-stated confidentiality measures to respect and protect such “private spaces.”

3.6 Reflexivity: Implications During Fieldwork

Kimberley Peters (2017), speaking about “the politics of knowledge production” and the difficulty of “translating [that] awareness into practice,” asserts that “[y]our positionality as a researcher is always made in relation to those you are researching” (p. 100-102). Reflexivity is important to all forms of research and requires adaptability on the part of the researcher to foster unbiased knowledge construction. Michael Lynch (2000) argues that awareness of reflexivity is beneficial as “an ordinary, unremarkable and unavoidable feature of action” (Abstract).

During fieldwork, the PI openly maintained her researcher status, however considering the issue of reflexivity and a desire to engage in unbiased knowledge production, the PI somewhat shifted her identities, for example highlighting one identity and downplaying others in particular instances, depending on who study participants were most comfortable interacting with. The PI observed that some participants, specifically poor campesinas, adopted a passive role during the interviews, perhaps based on feelings of inferiority due to a lack of formal education compared to the PI. To illustrate this point, during one interview, the participant repeatedly asked the PI whether she was answering the interview questions “correctly” and appeared to be concerned that her responses were not relevant to the topic of discussion. Shahnaz Khan (2005) cites Daphne Patai’s (1991) warning about the danger of interactions in which “‘the researcher is interviewing ‘down,’ that is, among those less powerful (economically, politically, socially) than the researcher’ (1991, 137)” (p. 2027). To alleviate the above-mentioned participant’s concerns, the PI assured her several times during the interview that there are no right or wrong responses and that the PI was solely interested in the participant’s thoughts, beliefs, and perceptions. During these interviews, the PI opted for very casual

clothing and assumed an open and casual demeanor during the interviews. During several other interviews, the PI observed that participants adopted a position equal (for example, a university professor) or superior (a business owner, for example) to that of the PI. For these interviews, the PI donned professional clothing to signal respect.

Prior and continuous assessment of each interview process, and anticipation of potential necessary adjustments to be made on the PI's part, proved highly beneficial. The PI was granted access to a wide range of study participants and their perceptions and beliefs thus increasing the credibility of the data collected and furthering this study's main objectives.

3.7 Credibility, Transferability, Dependability, and Confirmability

Yin (2011), Sharan B. Merriam (2015), and Lincoln and Guba (1985) discuss the importance of trustworthiness when evaluating the rigor of qualitative research. Yin (2011) asserts that to build trustworthiness, qualitative research should be “done in a publicly accessible manner” or transparently, adhere to “some orderly set of research procedures,” and “be based on an explicit set of evidence” (p. 19-20). Merriam (2015) provides that trustworthiness is contingent on whether “the researcher himself or herself is trustworthy in carrying out the study in as ethical a manner as possible” (p. 265). The traditional standards of *reliability* and *validity* used to assess the rigor of quantitative research are less relevant to qualitative research, thus this study is informed by and draws from Lincoln and Guba's (1985) criteria for interrogating the rigor of naturalistic research work: *credibility*, *transferability*, *dependability*, and *confirmability*.

3.7.1 Credibility

Credibility, as suggested by Lincoln and Guba (1985), can be characterized as “confidence in the ‘truth’ of the [research] findings”⁴⁸. Patton (2002) asserts that “judgments of quality constitute the foundation for perceptions of credibility” (p. 265). The PI enacted several measures throughout the research process to build this study’s credibility. Prior to beginning fieldwork in Cajamarca, Peru, the PI prepared by learning to read and speak the Spanish language (the main spoken language of Peru) and achieving an intermediate level of proficiency. Second, the PI read extensively about the case study region and the phenomenon under investigation which included two phone conversations with an international human rights and corporate accountability lawyer who is currently based in the United States, and who spent three years in Peru “providing litigation support to communities from the Andean-Amazonian region [including Cajamarca] resisting the harmful consequences of resource extraction and mega-development projects.”⁴⁹ Third, the PI lived in the case study region of Cajamarca for six months, from December 2014 to June 2015, during which time she learned about local cultural norms and sensitivities and interacted with a diversity of *cajamarquinos*. Fourth, volunteering for four months at *Rayos de Luz*, a non-government organization which serves some of the poorest children in Cajamarca, furthered the PI’s immersion in the study and her ability to build a rapport and trust with local community members.

The PI adopted multiple data collection methods – semi-structured qualitative interview, participant observation, and primary source document analysis – to investigate and uncover various dimensions of the phenomenon under study thus adding depth and

⁴⁸ Lincoln and Guba’s Evaluative Criteria. Qualitative Research Guidelines Project, Robert Wood Johnson Foundation. Retrieved from <http://www.qualres.org/HomeLinc-3684.html>

⁴⁹ Benjamin Hoffman, Acting Director, Human Rights Clinic. Columbia University. Retrieved from <http://www.law.columbia.edu/human-rights-institute/initiatives/about/who-we-are/benjamin-hoffman>

authenticity to the study's inquiry and findings. As Denzin and Lincoln (2008) cite, data triangulation "reflects an attempt to secure an in-depth understanding of the phenomenon in question" (p. 7). According to Joseph A. Maxwell (2013), triangulation of the data "reduces the risk that your conclusions will reflect only the biases of a specific method, and allows you to gain a more secure understanding of the issues... [under investigation]" (p. 102). Multiple data collection methods were also beneficial for uncovering "different *aspects* of the phenomena [of interest]" (Maxwell, 2013, p. 102). Finally, the PI used mixed purposive sampling to recruit study participants and as a result was able to obtain information from participants who share similar, neutral, complementary, and contrasting views; this was beneficial for investigating the phenomenon of interest from a range of perspectives and beliefs. Mixed purposive sampling enabled the PI to capture a diversity of voices and experiences, including those voices which are often excluded from the mainstream development and poverty discourses, thus controlling for biased evidence.

The PI presented preliminary research findings at two academic forums, in June 2015 at *Universidad Privada Antonio Guillermo Urrelo (UPAGU)* in Cajamarca, Peru as part of *UPAGU's* conference, *Posgrado Internacional en Derecho Civil, Procesal Civil y Arbitraje*, and in October 2015 at a PhD roundtable hosted by the Global Affairs department at Rutgers, The State University of New Jersey. Andrew K. Shenton (2004) suggests that presenting one's research to peers, colleagues, and other academics builds study credibility due to increased awareness and control of researcher bias. Shenton (2004) continues, the "fresh perspective" functions to "challenge assumptions" made by the PI (p. 67). Furthermore, "Questions and observations may well enable the researcher

to refine his or her methods, develop a greater explanation of the research design and strengthen his or her arguments in the light of the comments made” (Shenton, 2004, p. 67).

3.7.2 Transferability

Transferability refers to “showing that the [research] findings have applicability in other contexts.”⁵⁰ Dorothy Horsburgh (2003) suggests that transferability is “the extent to which *theory* developed within one study may be *exported*...to provide explanatory theory for the experiences of other individuals who are in comparable *situations*” (p. 311). Yin (2013) defends a similar concept, *analytic generalization*, which surpasses the “sample-to-population logic” and postulates that important ideas and relationships uncovered in a case study can be relevant to other similar situations (p. 325). To achieve transferability, the PI of this study adopted Geertz’s (1973) “thick description.” A main objective of the study design and methodology was to include accurate and thorough descriptions of all aspects of the research process, from a detailed account of the phenomenon under investigation, to the actors involved, setting, patterns of relationships, cultural norms, perceptions, values, and beliefs, demographic information, data collection and data analysis methods, and more personal experiences during fieldwork. This study’s adherence to transparency helped to ensure that study findings, and the steps taken to generate those findings, are transferable.

3.7.3 Dependability

⁵⁰ Lincoln and Guba’s Evaluative Criteria. Qualitative Research Guidelines Project, Robert Wood Johnson Foundation. Retrieved from <http://www.qualres.org/HomeLinc-3684.html>

Dependability is defined as “showing that the [research] findings are consistent and could be repeated.”⁵¹ According to Shenton (2004), “Lincoln and Guba stress the close ties between credibility and dependability, arguing that, in practice, a demonstration of the former goes some distance in ensuring the latter” (p. 71). Shenton (2004) further explains that the qualitative research design may serve as a ““prototype model”” (p. 71) for researchers who wish to repeat the work. The PI built the dependability of this study’s findings by providing a detailed account of “*the research design and its implementation,*” “*the operational detail of data gathering,*” and “*reflective appraisal of the project*” (Shenton, 2004, p. 71-72). The PI’s explanations and justifications for this study’s selected design and methodology and choices made during fieldwork, and a critical assessment of the strengths and limitations of the study are provided in the current chapter (Chapter 3). Lastly, the PI solicited an “external audit” of the research and preliminary findings, which builds dependability according to Lincoln and Guba, during the presentation of this work at two university forums (see Section 3.7.1) and through regular feedback from the PI’s Dissertation Supervisor and other Committee members.

3.7.4 Confirmability

Confirmability is “a degree of neutrality or the extent to which the findings of a study are shaped by the respondents and not researcher bias, motivation, or interest.”⁵² Lincoln and Guba (1985) provide three criteria for achieving confirmability: an audit trail, triangulation of the data, and reflexivity. An audit trail is “a transparent description of the research steps taken from the start of a research project to the development and

⁵¹ Lincoln and Guba’s Evaluative Criteria. Qualitative Research Guidelines Project, Robert Wood Johnson Foundation. Retrieved from <http://www.qualres.org/HomeLinc-3684.html>

⁵² Lincoln and Guba’s Evaluative Criteria. Qualitative Research Guidelines Project, Robert Wood Johnson Foundation. Retrieved from <http://www.qualres.org/HomeLinc-3684.html>

reporting of findings.”⁵³ The PI’s rationale for this study’s selected design and methodology including and all aspects of the data collection, data analysis, and data reporting processes, and strengths and limitations of this study, are documented in the current chapter (Chapter 3). Furthermore, this study’s interview protocol, consent form and addendum for audio recording (in English and Spanish), and samples of interview transcriptions and fieldnotes have all been made available for external review.

Triangulation of the data (achieved through semi-structured qualitative interviews, participant observation, and primary document analysis) ensures the robustness and richness of this study’s findings. Lincoln and Guba assert that “[u]sing multiple methods can help facilitate deeper understanding” of the different dimensions of the phenomenon of interest and thus controls for potential single-method bias. The PI approached the reflexivity issue prior to fieldwork through reading relevant scholarly articles and conversations with her Dissertation Supervisor and fellow PhD candidates who had already completed fieldwork. These experiences allowed the PI to become aware of how her own identities may potentially influence aspects of the data collection and data analysis processes. The PI also adopted certain measures during fieldwork to foster open and genuine interactions between herself and potential study participants (see Section 3.6). Kirsti Malterud (2001) states, “Preconceptions are not the same as bias, unless the researcher fails to mention them” (p. 484). The PI expressed potential “preconceptions” with her Dissertation Supervisor prior to fieldwork, and then documented them in her fieldnotes. The PI incorporated the above-stated confirmability measures to ensure the overall transparency and trustworthiness of this study.

⁵³ Audit Trail. Qualitative Research Guidelines Project, Robert Wood Johnson Foundation. Retrieved from <http://www.qualres.org/HomeAudi-3700.html>

3.8 Delimitations and Limitations

“[G]eneralizations are assertions of *enduring* value that are *context-free*,” states Lincoln and Guba (1985, p. 110). Single-case study, beneficial for in-depth analysis of phenomena, makes generalization of findings nearly impossible due to a limited respondent pool and its context-laden nature. This study’s findings are largely derived from 42 respondents, therefore broad conclusions cannot be drawn about the dilemmas facing international development agencies which engage in public-private partnerships for development assistance, nor how the Yanacocha gold mine, a World Bank-supported PPP, impacts the local *cajamarquino* population. Naturalistic inquiry, however, is significantly less concerned, if at all, with “explanation and prediction” (Lincoln and Guba, 1985, p. 111) and instead, places primary focus on the rich and nuanced analysis of phenomena in a specific place and during a specific time. To this end, qualitative case study was the appropriate methodological choice. This study’s data analysis, based on single-case study, revealed important variables such as *autonomy* and *self-empowerment* for further investigation in the realm of international development assistance and poverty alleviation.

Self-reported data is another limitation of this study; it raises the question of how truthful or reliable participant responses are since they cannot be independently verified. To minimize this issue, the PI assured participants that their responses were strictly confidential and would be stored in a secure location to make them feel comfortable sharing information pertinent to this study’s objectives. During in-person interviews, the PI asked participants several series of closely related questions, and was able to “probe,” to ensure honest and accurate responses.

Finally, as the PI was the sole “coder” of the data, researcher bias/subjectivity was another limitation of this study. Lincoln and Guba refer to this as the confirmability issue, that is, “a degree of neutrality or the extent to which the findings of a study are shaped by the respondents and not researcher bias, motivation, or interest.”⁵⁴ To control for this issue, the PI maintained an audit trail – “a transparent description of research steps [taken]”⁵⁵ – of the entire research process. Also, this study’s interview protocol, consent form and addendum for audio recording (in English and Spanish), and samples of interview transcriptions and fieldnotes have all been made available for external review. Second, the PI collected and analyzed data from multiple sources – semi-structured qualitative interviews, participant observation, and primary documents. Lincoln and Guba assert that “[u]sing multiple methods can help facilitate deeper understanding” of the dimensions of the phenomenon of interest. Third, the PI had multiple debriefing sessions with her Dissertation Supervisor, fellow doctoral students, and *cajamarquinos* in the field for feedback on (preliminary) research findings.

Despite the above-stated delimitations and limitations, this study allowed the PI to gain significant insight into a specific population’s nuanced conceptualizations about development and poverty, and to analyze them alongside the Bank’s global orthopraxy and orthodoxy in order to generate inferences (both theoretical and practical) pertaining to this study’s research questions.

⁵⁴ Lincoln and Guba’s Evaluative Criteria. Qualitative Research Guidelines Project, Robert Wood Johnson Foundation. Retrieved from <http://www.qualres.org/HomeLinc-3684.html>

⁵⁵ Audit Trail. Qualitative Research Guidelines Project, Robert Wood Johnson Foundation. Retrieved from <http://www.qualres.org/HomeAudi-3700.html>

CHAPTER 4

CONCEPTUALIZING *POVERTY*:

A CLOSER LOOK AT THE YANACocha GOLD MINE

Poverty is a complex concept. “Concerns with identifying people affected by poverty and the desire to measure it have at times obscured the fact that poverty is too complex to be reduced to a single dimension of human life,” states *Readings in Human Development* (2004, p. 38). Poverty is both a phenomenon and a range of socio-politico-economic conceptual theorizing. There is poverty “on the ground” in regions and localities around the world, and ideas about poverty generated from global institutions such as the World Bank and the United Nations Development Programme (UNDP). The term *poverty* is frequently employed by the World Bank and often connected to developing countries and regions. Cajamarca, a district which fluctuates between the first and third poorest in Peru according to PERÚ *Instituto Nacional de Estadística e Informática (INEI)*, is a prime example. This chapter on poverty is both informed by and draws from Amartya Sen and Martha C. Nussbaum’s theoretical conceptualizing – articulated in the human capability approach (HCA) – of wellbeing and quality of life as expanding (versus contracting) choices and self-empowerment; in addition, the current chapter draws from feminist perspectives on autonomy.

In the poverty discourse, the most basic question often posed is, *what is poverty?* The World Bank and other development agencies, government leaders, NGOs, policymakers, scholars, and academics frequently approach this question from various angles. As this study investigates World Bank public-private partnership (PPP) lending and its connection to poverty alleviation, it is important to highlight that for the Bank,

poverty alleviation and *economic development*, or more specifically *economic growth*, are two concepts that are inextricably linked. The result of this fundamental linkage of poverty alleviation with a top-down economic development model, PPP lending, is the reduction of attention to the everyday lived experiences of poor people and the array of poverties they face. This study posits that it is crucial for pro-poor professionals to separate out the poverty/poverty alleviation discussion from the economic growth discussion, and to move towards new ways of thinking about global poverty alleviation strategies in which poverty alleviation is not automatically assumed to be addressed by the Bank's current economic development model. Among other factors, it is challenging to have a focused and accurate discussion of poverty and poverty alleviation when these terms are enmeshed with discussions of economic growth, a point which the Bank itself has asserted. Robert Chambers of the Institute of Development Studies, Sussex, UK, asserts in the UNDP's December 2006 *Poverty in Focus*, "What is Poverty? Concepts and Measures," that a meaningful first step in pro-poor efforts is to discard the reductionist *what is poverty?* question. Instead, Chambers (2006) suggests replacing the question with ones that are more flexible and open-ended such as, how can pro-poor actors reduce "poor" people's "bad experiences of life and living, and...enable...[them] to achieve more of the good things in life to which...[they] aspire?" (p. 4). Chambers (2006) is emphatic that pro-poor efforts "to reduce illbeing and enhance wellbeing" must be guided by the responses of the "poor" (p. 4). This study similarly proposes a flexible definition of poverty that takes into account the perspectives of poor and marginalized peoples.

The following discussions of poverty and poverty alleviation are both informed by and gleaned from data collected through semi-structured qualitative interviews, participant observation, and a critical analysis of poverty reports produced primarily by the World Bank and the United Nations Development Programme, and aims to focus the poverty/poverty alleviation discussions on their own terms, as separate from the Bank's orthodoxy in which poverty alleviation is inextricably linked to economic development.

4.1 The Numbers: Overview of Poverty in Cajamarca, Peru

As mentioned earlier, the region of Cajamarca fluctuates between the first and third poorest in Peru according to PERÚ *Instituto Nacional de Estadística e Informática* (INEI). An April 2017 report by the IFC and MIGA (the World Bank's two private sector arms) ranks Cajamarca as "the second largest region in terms of population in poverty (0.7 million)" (p. 5). This report also states that in 2015, 70 percent of Cajamarca's rural population was poor, compared to 20 percent of its urban population (IFC and MIGA Report, April 2017, p. 6). According to a May 2017 article posted on *Andina.pe*, a new agency owned by the Peruvian government, by the end of 2016 Cajamarca had the highest rate of extreme poverty in the country, "five times greater than the national average of 3.8%."⁵⁶ The article continues, "a 3.8% extreme poverty rate means 1.197 million Peruvians are still unable to afford a basic food basket."⁵⁷ In 2015, 25 percent of the population had *at least* one unmet basic need, compared to 9.2 percent in the capital of Lima (PERÚ INEI, 2016). One-third of *cajamarquino* children under the age of 5 are undernourished (32.3 percent to be exact, more than double the national figure of 14.6)

⁵⁶ *Andina: Agencia Peruana de Noticias*. (2017, May 10). "Peru: Extreme Poverty Down to 3.8% in 2016." Retrieved from <http://andina.pe/ingles/noticia-peru-extreme-poverty-down-to-38-in-2016-666344.aspx>

⁵⁷ *Andina: Agencia Peruana de Noticias*. (2017, May 10). "Peru: Extreme Poverty Down to 3.8% in 2016." Retrieved from <http://andina.pe/ingles/noticia-peru-extreme-poverty-down-to-38-in-2016-666344.aspx>

and nearly one-quarter of these children are chronically malnourished according to a PERÚ *INEI* report (2016, p. 31).

The Peruvian government, World Bank, local and international NGOs and relief agencies, and national and global newspapers all highlight the poverty situation in Cajamarca (especially in terms of numbers), however further investigation into *cajamarquinos'* beliefs and opinions about poverty and their lived experiences is important for two main reasons. First, recognition of a diversity of voices is critical to designing and implementing a poverty alleviation strategy that is sustainable, beneficial, and meaningful to *cajamarquinos*. The work to alleviate poverty does not end here, however. Second, such inquiry and examination, as this study attempts to undertake, is a step towards highlighting the importance of “poor” people becoming integral participants in the decision-making processes that determine the evolution of their respective societies with regard to poverty alleviation projects and initiatives.

4.2 Poverty as Multidimensional

“[P]eople perceive deprivation in different ways – and each person and community defines the deprivation and disadvantages that affect their lives. Poverty of lives and opportunities – or human poverty – is multidimensional in character and diverse rather than uniform in content,” asserts *Readings in Human Development* (2004, p. 39). The proceeding sections of this chapter offer a deeper analysis of this study’s participants’ and *cajamarquinos'* conceptions of poverty. Included are discussions about the different things participants believe they and others lack or do not have access to, including the things they believe they can and cannot be and do, and the significance of these factors to *cajamarquinos*. This part of the study is intended to add contrast to the

World Bank's top-down conceptualization of poverty in which the Bank labels specific cohorts of people as "poor" based on quantified parameters which lack sufficient exploration of how these "poor people" understand their lived experiences. It is important to reiterate that the Bank itself has publicly stated its in-house need for more in-depth study into the lived experiences of poor people around the world because, as the Bank acknowledges, poverty is multidimensional; it is socially, culturally, politically, and economically shaped. This study thus attempts to shift away from a singularly-defined poverty by, first, reporting *cajamarquinos*' rich and nuanced beliefs and opinions about poverty and the poverties which they experience, and secondly, by highlighting the larger significance and implications according to, and for, *cajamarquinos*.

During the 1990s to 2000, the Bank conducted a massive, mostly qualitative research project to collect and document the voices and experiences of more than 40,000 poor people from 50 countries. The data collected from the ambitious fieldwork culminated in the publication of three volumes, the first of which, *Voices of the Poor: Can Anyone Hear Us?* (2000), includes numerous narratives, gathered from the participatory poverty assessment (PPA), of poor people.⁵⁸ The findings greatly influenced the 2000/2001 *World Development Report* on poverty and development. A major strength of *Voices of the Poor* (2000), and that which has greatest relevance to this study's

⁵⁸ "A Participatory Poverty Assessment, or PPA, is an iterative, participatory research process that seeks to understand poverty in its local, social, institutional, and political contexts, incorporating the perspectives of a range of stakeholders and involving them directly in planning follow-up action. While the most important stakeholders involved in the research process are poor men and women, PPAs can also include decision makers from all levels of government, civil society, and the local elite in order to take into account different interests and perspectives and increase local capacity and commitment to follow-up action. Because PPAs address national policy, micro-level data are collected from a large number of communities in order to discern patterns across social groups and geographic areas." The World Bank. "Participatory Poverty Diagnostics." Retrieved from <http://siteresources.worldbank.org/INTEMPowerment/Resources/486312-1098123240580/tool20.pdf>

investigation of poverty, is that the project sought to “describe and explain poverty through the voices of the poor” (p. 17) and was “interested in discovering what the patterns of relationships might reveal, especially in terms of changing relations...between individuals and institutions” (p. 18). The research which informs the following section, Section 4.3, and this entire study, somewhat mirrors the research undertaken for *Voices of the Poor* (2000) as it takes a closer look at how *cajamarquinos* conceptualize poverty.

4.3 How Do *Cajamarquinos* Define Poverty?

As Sudhir Anand and Amartya Sen (2004) assert, “[p]overty is, in many ways, the worst form of human deprivation. It can involve not only the lack of necessities of material well-being, but also the denial of opportunities of living a tolerable life” (p. 230). Poverty, according to this study’s participants, is “to lack,” “to not have,” “to not have access to,” and “to not be able to.” Here, from the outset, one can identify elements of human capability language in participants’ narratives, most specifically, the fundamental question which Sen raises, *what are people able to be and do?* One participant, a police officer, explains, “In the broad sense of the word, poverty is a person who lacks something.”⁵⁹ Another interviewee states, “Lack. Lack of something. This is the living in Cajamarca.”⁶⁰ In the proceeding subsections, participant responses are organized into two main categories: basic needs/necessities (shelter/housing, potable water, food, clothing, sanitation, education, and healthcare), and resources (education, and jobs/work).

4.3.1 Basic Needs/Necessities

⁵⁹ Interview with Police Officer, Cajamarca, June 2015.

⁶⁰ Interview with Specialist at the Comprehensive Care Center for the Elderly, Cajamarca, May 2015.

Poverty understood in terms of *basic needs* or *necessities* is discernable in the data gathered from qualitative interviews and participant observation. The basic needs model asserts that every human being requires food, potable water, shelter, and clothing for survival and physical wellbeing. The more modern definition of basic needs also includes sanitation, education, and healthcare. The basic needs model has been criticized by Sen for “confin[ing] attention to minima” among other factors, however he asserts that a basic needs approach “is useful mainly for poor countries [or regions]” (Alkire, 2002, p. 166). A strength of the basic needs model is its focus on the development of the whole human being, hence Sen’s proposal for its incorporation into the capability approach. Sabina Alkire (2002) cites Paul Streeten’s similar notion of the basic needs approach “as an important stage in the evolution of the currently popular goal of human development” (p. 167). Louis Emmerij (2010), Former President of the OECD Development Centre (Paris), explains that the basic needs agenda is part and parcel of the capability approach and “returned on the world scene in the 1990s in the disguise of the Human Development reports and approach.” The following participant narratives encapsulate a shared belief among *cajamarquinos*, both “poor” and “non-poor,” about the relationship between poverty and basic needs/necessities.

When asked about their understanding of poverty, several participants provided the following: “Person or group of people that do not satisfy basic needs/necessities (*necesidades básicas*),”⁶¹ “In the economics, to not be able to settle/resolve the basic needs/necessities,”⁶² “To not cover the basic needs/necessities of survival,”⁶³ “A person

⁶¹ Interview with Lawyer, Cajamarca, June 2015.

⁶² Interview with Police Officer, Cajamarca, June 2015.

⁶³ Interview with Unemployed Participant, Cajamarca, June 2015.

that does not have the sufficient means to satisfy basic needs/necessities,”⁶⁴ and “To not have access to health, food, education, nor to have your own roof.”⁶⁵ The social assistant at *Rayos de Luz*, an NGO school which serves some of the poorest children in Cajamarca, explained,

Poverty, I think, is when a person does not have the means to satisfy their primary needs, for example, dress, eat, a doctor to see when he is sick. That is poverty, when you do not have the primary needs of a person, a house to stay for example, sometimes a house, for example, of plastic, that is poverty. For me, a person who does not have a home, does not have proper food, sometimes you can eat once a day or sometimes you cannot eat.⁶⁶

Another participant, a mechanic, stated,

Poverty for us is not having the basic resources or suddenly not having water, not having light, not having a bathroom, these things. Not having access to health. Limited in education. Not having the necessary resources so you can get ahead.⁶⁷

Furthermore, several participants are explicit in their assertions that they are not “poor” because they are able to satisfy their basic needs/necessities. Some of the respondents provided, “No, [I am not poor] because they are satisfied, my principal needs/necessities,”⁶⁸ “No, since I am able to cover my basic needs/necessities,”⁶⁹ “No, because I cover my basic needs/necessities,”⁷⁰ “No, I have the basic needs/necessities satisfied,”⁷¹ “I am not poor, satisfied in basic needs/necessities,”⁷² and “No, thanks to the support of my parents I am able to cover needs/necessities.”⁷³ The participants’ responses

⁶⁴ Interview with Police Officer, Cajamarca, June 2015.

⁶⁵ Interview with Public Accountant, Cajamarca, June 2015.

⁶⁶ Interview with Social Assistant at *Rayos de Luz*, Cajamarca, April 2015.

⁶⁷ Interview with Mechanic, Cajamarca, May 2015.

⁶⁸ Interview with Participant (undisclosed occupation/profession), Cajamarca, June 2015.

⁶⁹ Interview with Unemployed Participant, Cajamarca, June 2015.

⁷⁰ Interview with Lawyer, Cajamarca, June 2015.

⁷¹ Interview with Police Officer, Cajamarca, June 2015.

⁷² Interview with Public Accountant, Cajamarca, June 2015.

⁷³ Interview with Unemployed Participant, Cajamarca, June 2015.

collectively emphasize that fulfillment of their basic needs/necessities is integral to their wellbeing. As mentioned earlier in this chapter, one quarter of the Cajamarca population has *at least* one unmet basic need. During fieldwork, the PI of this study met and interacted with many individuals and families who have *several* unmet basic needs/necessities. A brief overview of the state of basic needs/necessities in Cajamarca is useful for contextualization.

Shelter/Housing. The most visible representation of lack in Cajamarca is in the shelter/housing occupied by the poorest members of the mining town. Shacks, constructed from pieces of discarded wooden boards, plastic, duct tape, and other materials characterize many campesino residences. The shacks are overcrowded as several adults and children occupy one or two sparsely furnished or non-furnished small rooms. Dotted along the sloping hills, these homes lack a sturdy foundation, and during the robust rainy season they have washed away in mudslides. When this happens, the unfortunate families must rebuild from scratch. The derelict units lack indoor plumbing and running water; on one occasion, a campesina mother indicated that her children sometimes wash up in the public pool afterhours when no one is around. The homes lack electricity, therefore there is no indoor lighting and no heat for protection and comfort during the evenings when the sun has set and temperatures drop significantly. As the homes are made from flimsy materials, they are not safeguarded against intrusion and robbery. What is more, the occupants of these shantytown dwellings do not have formal property rights to the land on which they have built their homes, and experience constant worry about how and to where they will relocate should they be evicted.

Potable water. Many *cajamarquinos* consider the tap water in Cajamarca to be unsafe for human consumption. The PI of this study was advised to not drink the water and instead, to buy bottled water for drinking and cooking. Those *cajamarquinos* living high in the mountains (most of whom are campesinos) closest to the Yanacocha gold mine rely on the water from the lakes and rivers. Due to accusations of a contaminated water supply because of extractive activities at Yanacocha, the mine has provided clean water to the residents nearest its operations – although many of these residents claim that the water supply is insufficient and contains high levels of chlorine, one of the chemicals used by the mine to treat leftover traces of lixivants in the mining water prior to disposal. Two campesinas who live closer to the city center receive potable water for a cost of six⁷⁴ to twelve⁷⁵ *soles* monthly (2 to 4 USD). This is a steep cost for most poor *cajamarquinos*. Paying for potable water does not mean that the water is located within one’s home; there are a handful of outdoor spigots from which a slow and inconsistent stream of water flows. The water from spigots must be collected in pales or basins and carried to one’s home. A poor *cajamarquina* mother stated that she does not have access to potable water nor a bathroom, instead she collects rainwater for washing, cleaning, and cooking.⁷⁶ Plastic pales and basins for collecting rainwater can be found in front of many dwellings.

Food. Food insecurity is an unfortunate reality for the poorest *cajamarquinos*. One participant explains, “There are families in Cajamarca that for days they have one meal and nothing more.”⁷⁷ At *Rayos de Luz*, a NGO school which serves some of the poorest children in Cajamarca, the children are provided with two homemade meals per

⁷⁴ Interview with Unemployed campesina, Cajamarca, May 2015.

⁷⁵ Interview with campesina who works as a Cleaner, Cajamarca, April 2015.

⁷⁶ Interview with Cook at *Rayos de Luz*, Cajamarca, April 2015.

⁷⁷ Interview with Participant (undisclosed occupation/profession), Cajamarca, May 2015.

day, a breakfast drink (typically, *avena*) accompanied by a small roll (similar to the size of the circumference of a drinking glass) smeared with either cheese or avocado, and a lunch consisting of a range of legumes, vegetables, and carbs from the *mercado* (open-air market). The school has a monthly food budget and the school's only cook stretches the funds as far as possible so that the children have a balanced and nutritious diet. Meat is a rarity; the PI recalls one time when lunch was in preparation and the cook cut one medium-sized raw chicken into forty-five pieces so that each child could have a piece for lunch. The director of *Rayos de Luz* explained that the meals provided by the school are sometimes all the children have to eat and thus weekends are toughest for them. The director stated that the children return on Mondays quite hungry. *Rayos de Luz* does not receive government funding, instead the organization relies primarily on small donations from international donors. This circumstance prevents the school from serving more than approximately 45 children at any time. The remainder of poor children in Cajamarca go without sufficient food. According to "Food and Nutritional Security in Peru," a 2017-2018 publication which is part of an on-going food and nutrition security project in the Americas led by the Inter-American Network of Academies of Sciences (IANAS), "a very high rate of chronic child malnutrition due to inadequate food intake and disease can be observed, mainly in the highland regions (Huancavelica, Apurimac and Cajamarca)" (p. 474). The chapter also points out that due to contaminated foods in Cajamarca, "[I]iver fluke infections are common... (Rinaldi et al., 2012; Cabada et al., 2014)" (IANAS, 2017-2018, p. 491).

Clothing. "Poor" *cajamarquinos* make do with the limited clothing they have. Most poor children have one to two outfits at most and a single pair of shoes such as

sneakers. There are some children whose parents can only afford to buy the required school shoes, which explains why these shoes become quickly worn out. Siblings will share articles of clothing until they have outgrown them or the clothing becomes unwearable. It is not uncommon to see poor children wearing ill-fitting clothing that has holes and tears. Non-traditional western clothing is common in Cajamarca, especially among the younger generations, however many *cajamarquinos*, especially campesinos, wear traditional clothing. The majority of poor women are skilled in knitting; they spin their own yarn and knit sweaters, hats, socks, and scarves for the cold temperatures. Inadequate clothing is an especially difficult issue for the children as they are made fun of for wearing clothing that has holes and has not been laundered in some time. For adults, the situation is also challenging because they lack the “appropriate” clothing for job interviews and employment in the very small service industry in Cajamarca.

Sanitation. There are multiple layers to the inadequacy of sanitation in Cajamarca. Near the city center, there are perpetual large piles of garbage awaiting disposal; the surprisingly high numbers of stray dogs (at any given time one can observe packs of dogs roaming the streets) means that many garbage bags are torn apart, the remnants strewn about the streets and sidewalks. When the heavy rains come, the garbage floats far and wide. Cajamarca lacks the infrastructure and sewage system which can match the torrential downpour during the long rainy season. Furthermore, the poorest households lack indoor plumbing or even outhouses, thus many must relieve themselves in secluded areas outdoors. To compound the issue, public bathrooms with soap and clean water are nonexistent except for in *El Quinde* Shopping Plaza. A sewage system which can handle the rains efficiently and effectively along with the free and regular distribution of soap

and clean water can go a long way towards improving sanitation in Cajamarca for the poorest people who bear the largest burden of inadequate sanitation.

Education. The largest barrier to formal education in Cajamarca is a financial one. Although there is no tuition for public elementary, middle, and high school, the associated costs for attending school can be steep, especially for the poorest *cajamarquinos*. Public schooling in the mining town requires a school uniform, shoes, books, notebooks, pens, pencils, and a backpack among other supplies. It is the responsibility of the student or the student's parent(s) to cover the cost of these supplies. During an interview, the cook at *Rayos de Luz*, a mother of two children (ages 11 and 15 at the time), explained that each month she falls short of about 1,000 *soles* – the monthly costs associated with schooling is approximately 600 *soles* per child⁷⁸. It is worth noting that the cook makes a salary of 600 *soles* per month (approximately USD 200) rendering her far better off financially compared to other poor people in Cajamarca. Several study participants identified “good education” with “private schools,” however the cost of attending private schools is unaffordable for poor *cajamarquinos*. One participant explains, “many times we have to save a lot to sustain us until the end of the month salary, mainly for the high cost of studies.”⁷⁹ It is often the situation that children are taken out of school either temporarily or permanently because the family needs the added income the child(ren) can earn from working. The perspective of some parents is that a child in school is a missed opportunity for more income for survival. During the PI's term at *Rayos de Luz*, one of the students, an 8-year-old boy, needed a new pair of school shoes as he had worn a hole through his own pair. His mother, a poor campesina,

⁷⁸ Interview with Cook at *Rayos de Luz*, Cajamarca, April 2015.

⁷⁹ Interview with Obstetrician, Cajamarca, June 2015.

considered temporarily removing him from school and sending him to work in a *panadería* (bakery) to earn the 30 *soles* to purchase a new pair of shoes. In the city center, it is common to observe children, approximately ages 9 to 15, seated on a chair or upside-down bucket manning their parents' confection stand while doing schoolwork. This can be observed throughout the day and as late as ten o'clock at night. When poor people are faced with the harsh realities of survival, education is considered an unaffordable and, sometimes, nonsensical privilege. Meeting immediate needs overshadows a long-term investment such as education.

Healthcare. Access to adequate healthcare in Cajamarca is reserved for those who are better off financially. There is the main hospital in Cajamarca, *Hospital Regional de Cajamarca*, a second state-owned hospital, *EsSalud Hospital II*, and several private and public clinics. During participant observation, several *cajamarquinos* stated that they do not trust the state-owned hospital citing a lack of staff competence and unsanitary conditions. The PI of this study did not visit *EsSalud Hospital II* and is therefore unable to confirm or deny the participants' claims. The cost for a consultation at *Hospital Regional* and the private clinics is 50 *soles*, effectively preventing poor *cajamarquinos* from seeking medical assistance there. Two "poor" campesina mothers stated that neither they nor their children visit the doctor because they cannot afford to do so.⁸⁰ Another two "poor" mothers (a campesina and non-campesina) stated that they and their children visit a doctor only when it is necessary (*cuando es necesario*),⁸¹ which means after they have exhausted all other options and the health issue persists.

⁸⁰ Interview with Cook at *Rayos de Luz*, Cajamarca, April 2015; Interview with campesina who is a Seller of Condiments, Cajamarca, May 2015.

⁸¹ Interview with campesina who works as a Cleaner, Cajamarca, April 2015; Interview with Unemployed campesina, Cajamarca, May 2015.

The PI visited both a private and public clinic in Cajamarca near the city center. The differences between the two are indeed stark. The private clinic was well-lit and well-ventilated with furnished help desks and waiting areas. The doctor's office was also well-equipped with medical supplies, furnishings, and reading material. The PI visited a public clinic when one of the students at *Rayos de Luz*, a 13-year-old boy, hurt his thumb finger. The child was in a lot of pain so a volunteer at the school, who has medical knowledge, stabilized his thumb with a wooden popsicle stick and masking tape before heading to the public clinic. Upon entering the public clinic, it was overcrowded with ailing children and adults, poorly ventilated, relying on air from a single open door, and contained none of the supplies at the private clinic. People occupied rows upon rows of chairs, and were called to see the doctor one by one based on the severity of the ailment. Flies buzzed around the waiting area. The doctor's office was composed of four bare walls with a single desk and three chairs. The office had no cabinets or cupboards and no visible medical supplies. The doctor unwrapped the boy's thumb and examined it. He then rewrapped the thumb using the same wooden popsicle stick and masking tape and suggested to the boy's father that he wait a day or two to see if the swelling and pain subside, if not, he should be taken to the hospital for an x-ray (an unrealistic option because of cost). The doctor and his assistants worked diligently but their frustration due to a lack of funding and medical supplies was palpable. The nearest *farmacia* (pharmacy) is where many "poor" *cajamarquinos* go to for treatment for a variety of ailments. Many medications, such as for cardiovascular issues, can be obtained without prescription. The poorest *cajamarquinos* who cannot afford the medications at the pharmacy use a variety of home remedies. For example, a child at *Rayos de Luz* burned his arm and the cook

covered the affected area with slices of raw tomato. Lycopene, a nutrient found in raw tomatoes, reduces heat from minor burns.

4.3.1.1 Implications

The above data, gleaned from semi-structured qualitative interviews and participant observation, illustrates that the basic needs/necessities of the poor in Cajamarca are not being met. To further investigate the implications of this finding, this study utilizes Sen and Nussbaum's human capability approach, and the role of basic needs within it, as a useful framework for understanding the essentialism of basic needs fulfillment, and how the basic need focus is limited. For the poor in Cajamarca, theirs is a daily struggle for survival at the most basic levels by which almost all their time and energies are expended. As evidenced above, there is constant worry about how to secure adequate food, water, and shelter among other needs. Ensuring that the basic needs of poor people are fulfilled is critical. Gilbert Rist (2009) highlights that the concept of basic needs and its importance first appeared in 1972, "at the annual speech of the President of the World Bank to its Governors" during which Robert McNamara, "sketch[ed] a dramatic picture of the conditions of people in the South, who were unable to take their destiny into their own hands because they could not satisfy their 'most essential needs'" (p. 162). The capability approach also asserts the importance of basic needs and resources to human wellbeing. Ingrid Robeyns (2016) asserts,

[I]n their evaluation of development in India, Jean Drèze and Amartya Sen (2002: 3) have stressed that working within the capability approach in no way excludes the integration of an analysis of resources, such as food, or other resources. In sum, all the means of well-being, like the availability of commodities, legal entitlements to them, other social institutions, and so forth, *are* important, but the capability approach presses

the point that they are not the ends of well-being, only their means. (*The Stanford Encyclopedia of Philosophy*)⁸²

In a case such as Cajamarca, basic needs fulfillment for the poor is crucial because (besides being ethical) *cajamarquinos* have explicitly identified basic needs as an area of great importance to them. Interviewees across socio-economic levels were clear about the significance of basic needs fulfillment to their personal wellbeing and the wellbeing of others in the community so that they may one day, to echo Robert McNamara's words, "take their destiny into their own hands." Participants expressed great awareness about the physical, psychological, and emotional consequences of ongoing unfulfilled basic needs. During the course of fieldwork, various residents of Cajamarca expressed how ongoing food deprivation depletes energy levels (physical consequence) necessary to sustain oneself and to effectively meet one's familial and work responsibilities. Study participants articulated their frustrations arising from the inability to take care of their children and other family members (indicating psychological and emotional consequences). Campesina mothers commented on their inability to access potable water resulting in clothes and bodies that go long periods of time without washing, and how in Cajamarca, it is the case that many children and adults experiencing such circumstances are often scoffed at or teased (another example of psychological/emotional consequences). Other interviewees who are not poor nor marginalized shared their belief that a lack of access to quality education means that many poor people are excluded from receiving jobs (except, perhaps, the most menial) and participating in the decision-making that creates and recreates their realities. The

⁸² Robeyns, Ingrid. (Winter 2016). "The Capability Approach." *The Stanford Encyclopedia of Philosophy*. Retrieved from <https://plato.stanford.edu/entries/capability-approach/#FunCap>

poor in Cajamarca are seemingly trapped under layers of circumstance which, as they have observed and expressed, largely begin with unfulfilled basic needs.

A focus on basic needs is an essential step towards a credible and legitimate poverty alleviation strategy, however as an end goal it is inadequate because as Amartya Sen, Martha C. Nussbaum, and this study assert, the basic needs model does not foster expansion of choices and human capabilities, therefore, nor does it promote autonomy. The basic needs model alone is insufficient because within it poor people occupy a “passive” role. Sen (1997) argues that “‘needs’ [fulfillment] is a more passive concept” which asks, “what can be *done for* the person?” as opposed to the capability concept which asks, “what can the person *do*?” (p. 514). In the basic needs model, the poor are reduced to a set number of things they need for survival without drawing attention to, or fundamentally changing, systemic factors that have contributed to their poverties. Sen (1997) further suggests that “a concentration on just the minimum requirements may lead to a softening of the opposition to inequality in general” (p. 515). What is more, the basic needs concept does not consider many important dimensions of poverty which greatly impact a person’s quality of life, for example, sense of social and political exclusion or sense of vulnerability. Perhaps the most concerning limitation of the basic needs model as pertains to this study’s objectives, is that the basic needs focus does not inquire about poor marginalized people’s impressions and conceptualizations of the poverties and general illbeing they experience. In other words, a diversity of voices, especially that of poor people, is not accounted for in the basic needs model.

Fulfilling basic needs may be essential, but as this study posits, it is particularly important to understand how poor people *experience* the lack of those things, and why

they are important *according to* poor people. Nussbaum, in her list of central capabilities, presents one aspect of wellbeing as “being able to use the senses, to imagine, think, and reason.” In particular, Nussbaum calls attention to the importance of “practical reason” for human flourishing, that is, of “being able to form a conception of the good and to engage in critical reflection about the planning of one’s life.” Drawing on the work of Aristotle and John Rawls, she defends “the idea of the citizen as a free and dignified human being, a maker of choices. They are seen not as passive recipients of social patterning, but as dignified free beings who shape their own lives” (Nussbaum, 1997, p. 292). A capability approach to understanding poverty and basic needs shifts the focus to the marginalized individuals’ perspective, opens a space for them to use their senses, thought, and reason to contemplate the circumstances of their illbeing/wellbeing, and perceives their beliefs and opinions about what constitutes a healthy quality of life as valid and legitimate. Thus, this study posits that it is important to ensure that poor people have access to adequate food but that it is of particular importance what poor people believe are the reasons for their lack of access to adequate food, and how they understand being given food on a temporary or long-term basis. As Robert Chambers (2006) explains, “[p]olicies and actions need to be informed much less by top-down targets and much more by the diverse bottom-up realities of the powerless” (p. 4). Poverty alleviation efforts and policies meaningfully informed by poor people’s individual and collective understanding and analyses of the poverties which they experience can empower poor people and foster their autonomy. Self-empowerment and autonomy begin with having the freedom to make basic decisions regarding the fulfillment of one’s most primary

needs such as shelter/housing, potable water, food, clothing, sanitation, education, and healthcare.

The alarming poverty situation in Cajamarca begs the question, why is the Peruvian government along with the World Bank and other leaders who share an interest in poverty alleviation not doing more to help poor people on such a fundamental level? Another question which emerges from this study's data analysis is, how should a World Bank-supported development project such as the Yanacocha gold mine work to address basic needs and/or other capabilities, and, is it even possible to address human capabilities in this type of project? These questions are revisited and discussed in this study's concluding chapter (Chapter 6). The following section, Section 4.3.2, delves deeper into an examination of the specific importance study participants place on education and jobs/work and their perceived connection to self-empowerment and autonomy.

4.3.2 Resources

The previous section illustrates that *cajamarquinos* attribute much of their illbeing and poor quality of life to their unmet basic needs, specifically in shelter/housing, potable water, food, clothing, sanitation, education, and healthcare. Of these basic needs, the data collected from qualitative interviews reveals that the desire for education and jobs/work is particularly important to *cajamarquinos* because they are believed to enhance one's choices and foster autonomy. How study participants speak about these two resources, what their words and narratives reveal, is the subject of investigation in Section 4.3.2. In short, Section 4.3.2 provides evidence that poor people wish to be an integral part of the decision-making processes which govern their lives and the lives of their children. They

seemingly understand that a basic needs model is not fundamentally transformative of their poverties. What is more, interviewees indicated their individual and collective desire for self-empowerment, expanding choices, and autonomy. The proceeding sections, Sections 4.3.2.1 and 4.3.2.2, employ the following definitions of *autonomy*: “the quality or state of being self-governing; especially, the right of self-government” and “freedom from external control or influence.” See Chapter 2, Section 2.4.2.1 for a more in-depth discussion of the role of autonomy within the capability approach.

4.3.2.1 Education

Lorella Terzi and Pedro Flores-Crespo, in *Amartya Sen’s Capability Approach and Social Justice in Education* (2007), each provide critical discussions about education and its role within the human capability approach. Terzi (2007) characterizes the capability to be educated as “real opportunities...for informal learning and for formal schooling” (p. 25). She argues that education is a “basic capability”⁸³ for two main reasons: a) “the absence or lack of this opportunity would essentially harm and disadvantage the individual,” and b) “the capability to be educated plays a substantial role in the expansion of other capabilities, as well as future ones” (Terzi, 2007, p. 25). Terzi (2007) also asserts that education is a “complex good” which possesses both “instrumental and intrinsic values” (p. 31). Sen emphasizes the “contribution of education” to wellbeing and “expansion of human capabilities,” however his focus is limited to “levels of literacy” (Terzi, 2007, p. 25-26). Nussbaum (2003) similarly

⁸³ According to Terzi (2007), “Amartya Sen identifies basic capabilities as a subset of all capabilities. Basic capabilities, in his approach, are ‘a relatively small number’ of centrally important beings and doings that are crucial to well-being (Sen 1992, p. 44). The capabilities to be well-nourished and well-sheltered, to escape avoidable morbidity and premature mortality, to be educated and in good health, and to be able to participate in social interactions without shame, are all examples of basic capabilities” (p. 25).

promulgates the importance of education to human flourishing and her characterization is more elaborate. In *Senses, Imagination, and Thought*, one of the ten central human capabilities on her list, Nussbaum (2003) asserts the necessity of “an adequate education, including, but by no means limited to, literacy and basic mathematical and scientific training” to “[b]eing able to use the senses, to imagine, think, and reason – and to do these things in a ‘truly human’ way” (p. 41). Flores-Crespo (2007) extends Terzi’s (2007) discussion “to examine to what extent education contributes to the expansion of capabilities,” in other words, “to *situate* education in the human capabilities approach” (p. 45). To achieve this objective, he considers four dimensions, two of which are especially relevant to this study’s investigation. These dimensions are the following: “(1) philosophical (how education modifies human agency or ‘personal autonomy’)” and “(3) institutional (how schools in particular and education system in general function in order to enable the expansion of freedoms)” (Flores-Crespo, 2007, p. 45).

The authors’ combined theorizing is relevant for the current part of this study’s analysis because it lays the theoretical groundwork regarding the importance of education to wellbeing and human flourishing, characterized by self-empowerment and autonomy – which is what *cajamarquinos* expressed in their narratives is desirable. Furthermore, this framework provides a lens for a nuanced understanding of the cause(s) to which *cajamarquinos* attribute their illbeing.

First, it is necessary to make a distinction between informal and formal education in Cajamarca. Most, if not all, of the knowledge of the majority of poor *cajamarquinos* is informally obtained. The ways in which poor *cajamarquinos* come to learn and know ranks below education derived through formal channels and institutions in the perspective

of many Peruvian government officials and potential employers. This issue becomes especially apparent when poor *cajamarquinos* are unable to obtain gainful employment because they lack formal education – a common occurrence in Cajamarca. According to a 2014 report by PERÚ *Instituto Nacional de Estadística e Informática (INEI)*, illiteracy affects 13.1 percent of *cajamarquinos* aged 15 and older (p. 132). While this statistic is alarmingly high, it does not negate the fact that poor *cajamarquinos*, including those that are illiterate, have a vast wealth of knowledge about a range of topics, from the fertility of their lands, to the health of their livestock, to the changing quality of the water supply, to irrigation and agriculture, to the harvesting, packaging, and sales of vegetables and other products in the local markets, to the treatment of various ailments with herbs and plants from the nearby Amazon rainforest. The poorest *cajamarquinos*, who are subsistence agriculturalists, have historically been able to survive without formal education. A simple example is the dual functionality of the traditional campesino hat; it provides protection against the sun and wind and becomes a measurement tool for the buying and selling of grains of rice and raw beans in the marketplace. As the leaders of Peru aggressively pursue a form of development for Cajamarca that is aligned with the capitalist market economy and modern sector industries, subsistence agriculturalists' ways of knowing are no longer viewed as legitimate because they do not fall within what Michel Foucault terms the "power-knowledge."⁸⁴

⁸⁴ According to Foucault (1997), "No knowledge is formed without a system of communication, registration, accumulation, and displacement that is in itself a form of power, linked in its existence and its functioning to other forms of power. No power, on the other hand, is exercised without the extraction, appropriation, distribution, or restraint of a knowledge. At this level there is not knowledge [*connaissance*] on one side and society on the other, or science and the state, but the basic forms of "power-knowledge" [*"pouvoir-savoir"*]" (p. 17).

On one hand, *cajamarquinos* across a range of professions and occupations recognize that if they wish to obtain stable long-term employment, or even part-time employment to supplement their current income, they must obtain formal education to be able to participate in Cajamarca's and Peru's budding capitalist market economy. For example, a campesina stated that even to work part-time in a restaurant, one must know enough basic math to be able to count customers' change. As for acquiring employment at Yanacocha, one must have specialized knowledge and expertise acquired through formal schooling. Terzi (2007) speaks to this very issue when she states, "Consider, for instance, the case of learning mathematics. Formally learning mathematics not only expands the individual's various functionings related to mathematical reasoning and problem solving, but also widens the individual's sets of opportunities and capabilities with respect to...better prospects for opportunities in life" (p. 31). The type of economic development promulgated by the World Bank and operationalized in Cajamarca has created a situation where formal education is necessary if one hopes to advance socio-economically.

The desire for affordable and accessible formal education and "quality" institutions of learning is evident in participant narratives. During qualitative interviews and participant observation, many *cajamarquinos* expressed their hope that their children are afforded the capability to achieve a high level of formal schooling so that they may have access to employment opportunities in the formal market economy in the future. In Cajamarca, formal education remains elusive for many, however. *Cajamarquinos*, across socio-economic lines, associate poverty with a lack of quality education and institutions of learning, for example one participant, a mining supervisor for safety and environment,

suggested that poverty “is when you do not have money for eating and education.”⁸⁵

Another respondent, a mechanic, stated that poverty means “limited in education”⁸⁶

among other things. Poverty means “to lack the means that can be economic, social, educational, that prevent proper development of the human being,” another interviewee suggested.⁸⁷ Yet another participant explained,

Maybe to not be poor is when you can give food to your family, your kids, and give them education, like pay for private school, because any kid can go to a public school but the education is not that good, so the best school you can get is if you go to a private school. Also, you can send your kids to university or maybe an institute. For me that’s not to be poor.⁸⁸

Asked about their vision for a better Cajamarca, a university student stated, “Education is essential.”⁸⁹ Another participant asserted, “Definitely education, [it is] the only way we can be affected. There’s no other way.”⁹⁰ An official of social development for the municipality of Cajamarca provided, “Not only development of the mine. We need development of education. Education is privatized.”⁹¹ These words echo throughout other narratives, “My vision [for Cajamarca] is that there are no malnourished children in Cajamarca, that everyone has access to...education of high quality,”⁹² and “Education, with low levels of poverty and well-nourished population.”⁹³ A senior hydrologist at the Yanacocha gold mine provided the following:

Education, nutrition, good universities in Cajamarca. Teach people how to think for themselves, to problem-solve, not just repeat what the professor says or copy and paste. Education and nutrition are important. Education and food for children. This is the solution the whole world needs. Build good universities in Cajamarca. In Qatar and Saudi

⁸⁵ Interview with Mining Supervisor for Safety and Environment, Cajamarca, May 2015.

⁸⁶ Interview with Mechanic, Cajamarca, May 2015.

⁸⁷ Interview with Obstetrician, Cajamarca, June 2015.

⁸⁸ Interview with Mining Supervisor for Safety and Environment, Cajamarca, May 2015.

⁸⁹ Interview with University Student in Industrial Engineering, Cajamarca, May 2015.

⁹⁰ Interview with Mechanic, Cajamarca, May 2015.

⁹¹ Interview with Official of Social Development for the Municipality of Cajamarca, Cajamarca, May 2015.

⁹² Interview with Obstetrician, Cajamarca, June 2015.

⁹³ Interview with Chemical Pharmacist, Cajamarca, June 2015.

Arabia, they do not send the people to Harvard, they brought Harvard to them. Do this with mining money.⁹⁴

The respondent's words above give insight into what *cajamarquinos* imagine when they call for "quality" education – "teach people how to think for themselves" and "to problem-solve"; these are skills that facilitate one's autonomy, that empower a person, in addition to increasing one's chances for obtaining employment in the formal market economy. Self-empowerment and autonomy are indeed important to *cajamarquinos* as evidenced in the following participant's narrative:

Education. That is the fundamental basis for someone to develop very well because they are not going to lie to us anymore. We know what we believe and where we think we are going to get, and a function to that, we will work, but in the form of information, good teachers, right? Teachers of quality. Or in any case, I don't know, the mine launched projects, I think it has some projects, right? How good [it is] to send [people] to the developed countries, but with the decision that I return and implement everything they have already started. Everything returns, they inform us of everything, because you are developing the new technologies. You are leading this world level development and we believe that.⁹⁵

If poverty is a lack of self-empowerment and autonomy, education is deemed the way forward for fostering these crucial factors of wellbeing. Formal education, according to *cajamarquinos*, brings with it the ability to think independently and to reason, and to effectively articulate those thoughts to others in a way that is perceived as legitimate by the Peruvian government, the World Bank, and others who hold power. In the above interviewee's words, he speaks of fellow *cajamarquinos* who may travel abroad for further formal education, but who ultimately return ready and willing to "implement" their knowledge and expertise in Cajamarca so that the community may empower itself

⁹⁴ Interview with Senior Hydrologist at the Yanacocha gold mine, Cajamarca, May 2015.

⁹⁵ Interview with Commercial Coordinator of Major Phone and Internet Provider, Cajamarca, May 2015.

and become less reliant on and more scrutinizing of the promises of the “developed” countries, specifically the United States.

Flores-Crespo (2007), through a brief yet compelling historical account of philosophers’ notions of the merits of education and reason, concludes that “education and human freedom have been inextricably linked across the ages” (p. 48). He credits Sen and Nussbaum for “recaptur[ing] the humanistic view of education” (p. 48) and draws on their combined capability work, along with the work of Paulo Freire, to defend, in Freire’s words, “[e]ducation as the practice of freedom,” the idea that, “[a]uthentic reflection considers...people in their relations with the world” (Flores-Crespo, 2007, p. 48). Furthermore, Flores-Crespo asserts that “Freire, Nussbaum, and Sen conceive human beings as responsible agents who can alter their destiny” (2007, p. 49). Additionally, he cites the work of Madoka Saito (2003) who provides the following: “[T]he kind of education that best articulates the concept of Sen’s capability approach seems to be the one that makes people autonomous and, at the same time, develops people’s judgement about capabilities and their exercise” (Flores-Crespo, 2007, p. 53). Finally, Flores-Crespo (2007) importantly cites Elaine Unterhalter’s (2001) critique of Sen’s capability approach and states, “[w]e cannot assume that education promotes valued doings and beings automatically” (p. 50). There exist various institutional, social, and familial factors which significantly reduce one’s experience of autonomy and human flourishing through educational attainment (Flores-Crespo, 2007, p. 49). Nonetheless, the fundamental relationship between education and “human agency or ‘personal autonomy’” is well-established (Flores-Crespo, 2007, p. 45). Terzi (2007) illustrates this point through the words of Schuller et al. (2004):

The important function it [education] provides is enabling people to have a sense of a future for themselves, for their families and perhaps also for their communities, which they can to some extent control or influence. In other words, education provides a kind of choice in life... (and therefore some degrees of personal autonomy). (Terzi, 2007, p. 32)

According to *cajamarquinos*' narratives, for them, the capability to obtain formal education increases their chances for securing gainful employment in the formal market economy and enables them to be informed and to seek out new information to make the personally meaningful and valuable decisions which govern their lives.

4.3.2.2 Jobs/Work

Similar to education, *cajamarquinos* to a great extent attribute their poverty to lack of employment. As one participant, a clothing manufacturer, pointedly stated, "Poverty is the lack of work."⁹⁶ Another interviewee explained, "Poverty, for me, is to begin the day and not have a hope to say of tomorrow. [Not] understand[ing], I work or I do not work?"⁹⁷ Similarly, when asked whether they consider themselves to be "poor," two other respondents stated, "No, I do not believe I am poor because I have a job,"⁹⁸ and "No, since I have a stable job and minimum salary."⁹⁹ As for some participants' vision for a better Cajamarca, they stated, "Conscious investment and employment for *cajamarquinos*"¹⁰⁰ and "To generate work for the development of the region."¹⁰¹ While *cajamarquinos* across socio-economic lines agree that Cajamarca needs more employment opportunities, study participants expressed a crucial qualification; in addition to desiring stable employment for income, a singularly important issue to

⁹⁶ Interview with Clothing Manufacturer, Cajamarca, June 2015.

⁹⁷ Interview with Participant (undisclosed occupation/profession), Cajamarca, May 2015.

⁹⁸ Interview with Employed Participant, Cajamarca, June 2015.

⁹⁹ Interview with Police Officer, Cajamarca, June 2015.

¹⁰⁰ Interview with Unemployed Participant, Cajamarca, June 2015.

¹⁰¹ Interview with Police Officer, Cajamarca, June 2015.

cajamarquinos is employment which contributes to their self-empowerment and autonomy. The desire for a diversity of employment opportunities which fosters self-empowerment and autonomy is an important distinction to highlight, as employment which appears unable to achieve these twin goals are perceived as disingenuous and ineffective for (long-term) poverty alleviation. The following participant narratives about their visions for a better Cajamarca reveal the above-mentioned qualification that there be a diversity of employment opportunities which can foster self-empowerment and autonomy: “That all work and are *strengthened*,”¹⁰² “*Power to generate employment for ourselves*,”¹⁰³ “That there is work for all types of careers, more job opportunities,”¹⁰⁴ “A city in which *you are able to create positions of work and enterprises/companies*,”¹⁰⁵ and “Creation of industrial companies/enterprises.”¹⁰⁶ A campesina mother, speaking about Cajamarca, the mining village in which she lives, explained, “For the least there is a benefit, but for so many young people, so many young women, there is nothing, we have nothing. In other places in Peru, there is a factory, something that will benefit you, but with Yanacocha there is no benefit.”¹⁰⁷ Drawing from his own study on the human capability approach and development in Mexico, Flores-Crespo (2007) references one woman’s narrative stating that “find[ing] employment” and “earning a wage...could be used for improving her life as an independent person” (p. 52). He continues, “Otherwise, she said, ‘I would be a housewife only devoted to looking after many babies’” (Flores-Crespo, 2007, p. 52). Nussbaum (1997) extends Flores-Crespo’s (2007) finding by

¹⁰² Interview with Participant employed in the field of Education, Cajamarca, June 2015.

¹⁰³ Interview with Participant (undisclosed occupation/profession), Cajamarca, June 2015.

¹⁰⁴ Interview with Veterinarian, Cajamarca, June 2015.

¹⁰⁵ Interview with Clothing Manufacturer, Cajamarca, June 2015.

¹⁰⁶ Interview with Public Accountant, Cajamarca, June 2015.

¹⁰⁷ Interview with campesina who works as a Cleaner, Cajamarca, April 2015.

arguing, “Women who can seek employment outside the home have more resources in protecting their bodily integrity from assaults within it” (p. 288).

There are many benefits to a diversity of industries and thus a diversity of employment opportunities for *cajamarquinos*. First, a diversity of industries reduces the city’s, and employees’ (current and potential) dependency on the mining industry for income. Sole reliance on mining is especially problematic because of finite resources; Yanacocha, for example, is currently downsizing for this very reason. As a participant explained, “They are closing the mine because there are no more minerals. Conga was supposed to be the new project, but since it is not happening, there is no need for new mining employees.”¹⁰⁸ Another respondent said, “Mining activities at Yanacocha are not sustainable. It’s temporary.”¹⁰⁹ Second, a diversity of industries can more readily absorb Cajamarca’s abundant labor supply. Members of individual families can work in different industries, and if an industry is experiencing a downturn, there are other options for income for the family members, thus families can avoid plunging into poverty once more. Individuals and families can achieve some measure of protection against economic downturns and market volatility. Similarly, a diversity of industries provides macroeconomic security at the national level. For example, single-industry dependent countries tend to suffer macroeconomically (gross national product; balance of payments) when the global price of a commodity or handful of commodities from that industry falls. A diversity of industries safeguards a country such that when one industry experiences a

¹⁰⁸ Interview with Mining Supervisor for Safety and Environment, Cajamarca, May 2015.

¹⁰⁹ Interview with Official of Social Development for the Municipality of Cajamarca, Cajamarca, May 2015.

downturn, the country can maintain itself macroeconomically through revenues generated from the other industries.

Third, and integral to this study's main objectives, a diversity of industries expands people's options for what they can *be* and *do*, drawing from Sen's "beings" and "doings" and his work with Martha C. Nussbaum on the human capability approach. Nussbaum (2003) specifically emphasizes the importance of "having the right to seek employment on an equal basis with others" for "Control Over One's Environment," the tenth point on her list of central capabilities for human flourishing (p. 42). Nussbaum (2003) continues, "[i]n work, being able to work as a human being, exercising practical reason, and entering into meaningful relationships of mutual recognition with other workers" (p. 42) contributes to human wellbeing. Sen (1999) argues that "[t]he loss of freedom in the absence of employment choice...can itself be a major deprivation" (p. 113). He presents three main benefits of employment: "(i) the *income* aspect: employment gives an income to the employed; (ii) the *production* aspect: employment yields an output; [and] (iii) the *recognition* aspect: employment gives a person the recognition of being engaged in something worth while" (Sen, 1997, p. 242). Here, Sen (1997) points out that "[e]mployment can be a factor in self-esteem and indeed in esteem by others" (p. 243). ul Haq (1995), in his proposition for "a new concept of development" the "heart" of which is "equity," states the importance of "a conducive policy environment for job creation" (p. 117). In Chapter 2 of *Voices of the Poor* (2000), "The Definitions of Poverty" – the World Bank's publication of its study which collected and documented the voices and experiences of more than 40,000 poor people from 50 countries – "work" emerges as a main component of wellbeing according to poor people

(Alkire, 2002, p. 64). The participants of this study and the Bank's study have expressed a similar view surrounding employment articulated in *Voices of the Poor* (2000): "the poor tend to mention income only infrequently relative to assets such as...health, *labor power*, land, and other resources that make *self-provisioning* possible [italics added]" (p. 51).

Nearly all of this study's participants expressed a shared view that the leaders of Cajamarca and Peru in their support of the Yanacocha gold mine and the proposed Conga mining project, constrict rather than expand *cajamarquinos'* choices. For example, when asked about the future of Cajamarca when Yanacocha closes, one participant explained,

Well, it's happening now I think, a lot of people are moving to other cities. A lot of businesses are closing because there is no other source to make money, right? No other industry. Before the mine, the big industry here was cows and it is still until today, but this is a small industry, artisanal, so it hasn't grown. They should take care of it. If Cajamarca knows how to grow this industry, they should do it now. And maybe make clothes or something, right? If I were a politician here and I had the power to change things, I don't know, I think Cajamarca has a lot to offer besides the mine, for example making something for tourists, tourism, because I have lived in Cusco and I can tell there's a lot of different things, a lot of tourists there, and why not here? Because here we have the resources for tourism but it hasn't been developed because the government doesn't put the money, doesn't invest there. And for example, we have only one highway to get here, maybe we can have trains, we have the money to get trains here and make the trip shorter. The airport is really small. With the mining money we can have a huge airport. And I would improve schools. There's too much to do here. Make another industry because they [Yanacocha] are going to go anyway.¹¹⁰

The words of another respondent encapsulate *cajamarquinos'* wish for an expansion of choices in employment, "I think about agriculture, I think about tourism...organization within which the people exist by doing, tourism that exists by doing, agriculture, because Cajamarca is a milk area, an area of agriculture where there is always enough potatoes...."¹¹¹ The PI of this study consulted another interviewee about his opinion of

¹¹⁰ Interview with Mining Supervisor for Safety and Environment, Cajamarca, May 2015.

¹¹¹ Interview with Principal Member of *Rondas Urbanas*, Cajamarca, May 2015.

the future of Cajamarca when Yanacocha depletes all available minerals and his answer takes the form of a warning – “It will be a disaster.”¹¹² He continues, “tourism, agriculture, cattle, these will be areas for development, but no one cares about that. If the mine disappears today and we don’t do anything else, we will be back to the past. Political leaders wasted or stole the mining money.”¹¹³ The above interviewee’s words can be understood in the context of “*Jobless growth* – where the overall economy grows but does not [sufficiently] expand the opportunities for employment,” and “*Futureless growth* – where the present generation squanders resources needed by future generations” (*Readings in Human Development*, 2004, p. 304-307).

Critical analysis of *cajamarquinos*’ narratives about poverty reveals a shared belief that meeting basic needs/necessities, access to affordable quality education, and a diversity of employment opportunities are essential for meaningful poverty alleviation and human flourishing. This study’s data illustrates that within *cajamarquinos*’ conceptualizations of poverty and poverty alleviation, there also exists a strong desire for self-empowerment and autonomy, deemed possible through education and employment opportunities. Consistent with this study’s findings and the human capability approach, *Voices of the Poor* (2000) states, “[w]hat is striking...is the extent to which dependency, lack of power and voice emerge as core elements of poor people’s definitions of poverty” (p. 51).

The following section of this chapter somewhat shifts gears to an analytical overview of the World Bank’s conceptualization of poverty and implementation of “poverty alleviation projects” for comparative purposes, and raises the following

¹¹² Interview with Senior Hydrologist at the Yanacocha gold mine, Cajamarca, May 2015.

¹¹³ Interview with Senior Hydrologist at the Yanacocha gold mine, Cajamarca, May 2015.

question: how does the Bank's conceptualization of poverty and its poverty alleviation efforts align with what this study's participants identify as important to their wellbeing, that is, human development, self-empowerment, and autonomy?

4.4 The World Bank, Poverty, and Poverty Alleviation

The World Bank is a central member of the global poverty discussion as evidenced by its mission statement: *Our Dream is a World Free of Poverty*, and its significant financial commitments to global poverty alleviation. In this capacity, the Bank shapes much of how country leaders and other global institutions understand poverty and poverty alleviation. For the World Bank, poverty has historically been defined in economic terms. For example, the Bank currently uses consumption and income data, deemed indicators of wellbeing, to measure poverty. First, monetary values are assigned to different levels of consumption and income to compare the data. Then, the Bank employs statistical methods to define the poverty line which separates the poor from the non-poor.¹¹⁴ The Bank's primary method of measuring poverty has been subject to considerable criticism, for example by scholars such as Amartya Sen and Martha C. Nussbaum, and the United Nations Development Programme (UNDP), for being reductionist and thus ineffective at identifying and assessing the complexities of poverty. In response to this criticism, in its 2000/2001 *World Development Report*, the Bank stated,

The report accepts the now established view of poverty as encompassing not only low income and consumption but also low achievement in education, health, nutrition, and other areas of human development. And based on what people say poverty means to them, it expands this definition to include powerlessness and voicelessness, and vulnerability and fear.

¹¹⁴ The World Bank. (2013, September 9). "How is Poverty Measured?" Retrieved from <http://www.worldbank.org/en/news/video/2013/09/09/how-is-poverty-measured>

In its most recent conceptualization of poverty, the Bank references some of the basic needs/necessities language and “human development,” which includes non-tangible aspects of poverty and illbeing as articulated in Sen and Nussbaum’s human capability approach. While the Bank’s public recognition of “areas of human development” is important, much of the Bank’s focus remains on economic growth as the primary means to (long-term) poverty alleviation. This is evidenced by a June 8, 2016 interview with Ana Revenga, Senior Director of the Poverty and Equity Global Practice at the World Bank, in which she states that “the recent slowdown of growth globally could translate into a slowdown of poverty reduction.”¹¹⁵ When asked about the single most important factor for decreasing poverty by 2030, Revenga explains, “The biggest driver of the success is economic growth—but not *any* kind of economic growth. What’s needed is economic growth that improves the income-generating opportunities of the poor.”¹¹⁶ Here, Revenga gives the example of “raising the value of the agricultural products that the poor are producing” and cites Peru as a success story because the poor “grow vegetables that are exported”¹¹⁷ and are thus “able to move out of agriculture into service and manufacturing jobs or to move from subsistence farming to raising profitable products like asparagus.”¹¹⁸ Revenga goes on to mention the hardships of “economic shocks” and the pitfalls of single industry growth, for example “commodity extraction,”

¹¹⁵ The World Bank. (2016, June 8). Ending extreme poverty. Retrieved from <http://www.worldbank.org/en/news/feature/2016/06/08/ending-extreme-poverty>

¹¹⁶ The World Bank. (2016, June 8). Ending extreme poverty. Retrieved from <http://www.worldbank.org/en/news/feature/2016/06/08/ending-extreme-poverty>

¹¹⁷ The World Bank. (2016, June 8). Ending extreme poverty. Retrieved from <http://www.worldbank.org/en/news/feature/2016/06/08/ending-extreme-poverty>

¹¹⁸ The World Bank. (2016, June 8). Ending extreme poverty. Retrieved from <http://www.worldbank.org/en/news/feature/2016/06/08/ending-extreme-poverty>

and, therefore, the necessity of “education systems and effective social safety nets.”¹¹⁹ She concludes, however, on rather economic terms, “Keeping markets open to exports from poorer countries is fundamental—probably more fundamental than providing development money.”¹²⁰ In this regard, the Bank continues to push its belief that poverty alleviation is achievable within an economic development model and robust economic growth.

When the World Bank speaks about lifting the world’s poorest people out of poverty, poverty alleviation is often framed broadly in terms of “development,” more specifically, economic development. The Bank will say, for example, through Development Project X (a Bank-supported development project), gross domestic product will increase and some of the benefits will be distributed – the Bank does not specify by whom, presumably developing country governments – to the poorest and most vulnerable segments of the population. As the literature on the history of World Bank shows, since the time of McNamara’s presidency at the Bank, poverty alleviation and economic development have been intertwined. Many developing country governments around the world, of which Peru is a prime example, wishing to “develop” have adopted the Bank’s rhetoric that economic development achieves poverty alleviation for two main reasons: 1) developing country leaders are aware of the Bank’s global reach and influence, and 2) the Bank encourages that certain economic criteria¹²¹ be met to receive and maintain financial assistance and security.

¹¹⁹ The World Bank. (2016, June 8). Ending extreme poverty. Retrieved from <http://www.worldbank.org/en/news/feature/2016/06/08/ending-extreme-poverty>

¹²⁰ The World Bank. (2016, June 8). Ending extreme poverty. Retrieved from <http://www.worldbank.org/en/news/feature/2016/06/08/ending-extreme-poverty>

¹²¹ Washington Consensus prescriptions, rooted in neoliberal ideology.

What does the capability approach reveal about the Bank's poverty alleviation rhetoric and praxis? As previously mentioned, the Bank currently recognizes and incorporates some human capabilities language into its definition of poverty alleviation. But what about the Bank's *practice* of poverty alleviation? This issue is challenging to accurately identify and assess because the Bank has yet to articulate a poverty alleviation model that is independent of its economic growth model. The Bank's latest development model, public-private partnership (PPP) lending, is a top-down approach primarily concerned with economic growth, and the documented gains from PPP lending revolve around business indicators. Thus, there is a disconnect between the Bank's poverty alleviation rhetoric and what Bank loans actually do and accomplish. It is important to highlight that the Bank's top-down development model may contract rather than expand poor people's choices largely because the Bank and developing country leaders decide the type and location of development projects and poor people are typically expected to adapt. Some of the Bank's poverty alleviation rhetoric can be characterized as expansionist using the capability approach, but how the Bank measures poverty and its development projects for helping poor marginalized peoples can be characterized, and has been characterized by scholars, policymakers, NGOs, and poor people, as reductionist. This issue is explored more closely in the following chapter, Chapter 5, *Conceptualizing Development: A Closer Look at the Yanacocha Gold Mine*.

CHAPTER 5

CONCEPTUALIZING *DEVELOPMENT*:

A CLOSER LOOK AT THE YANACOCCHA GOLD MINE

Develop, from French *developeur*, Old French *desvelopeur* or *desvoluper*, means to unwrap, expose, unfurl, or unfold. Develop is an example of an intransitive verb, which means that there is an activity or action taking place, however that activity or action is not attached to a direct object. In other words, there is no direct object receiving the activity or action. The definition of *develop* is articulated in several ways: “to go through a process of natural growth, differentiation, or evolution by successive changes,” “to become gradually manifest,” “to come into being gradually,” and to “grow or cause to grow and become more mature, advanced, or elaborate.” *Develop*, or *development*, becomes a transitive verb when coupled with a direct object such as, for example, *economic* or *human*. While the definition of *develop* as an intransitive verb is abstract and nebular, the definition of *develop* as a transitive verb is more specific and concrete. The definition of *economic development* in simplest terms is the growth or evolution of the economy, which is distinct from the definition of *human development*, which is the growth or evolution of a human being, a person. The World Bank, a global development institution, uses *development* both in its intransitive and transitive forms. The Bank’s intransitive use of *development*, which lacks specificity, has generated important questions such as, what type of *development*? And for whom? This chapter investigates these questions further through a case study of the Yanacocha gold mine in Cajamarca, Peru. Yanacocha is a Bank-supported (until December 2017 the Bank held a 5% share in the gold mine) public-private partnership.

Based on the previous chapter's (Chapter 4) discussion of *cajamarquinos'* conceptualizations of poverty and what they deem important to their wellbeing, the current chapter's analysis is both informed by and drawn from Amartya Sen and Martha C. Nussbaum's human capability approach and feminist perspectives on autonomy. Ingrid Robeyns (2016) explains the usefulness of the capability approach in development studies:

The capability approach is a normative theory, rather than an explanatory theory: in other words, it is not a theory that will *explain* poverty, inequality, or well-being, but rather a theory that helps us to conceptualize these notions. Nevertheless, the notions of functionings and capabilities in themselves can be employed as elements in explanations of social phenomena, or one can use these notions in descriptions of poverty, inequality, quality of life, and social change.

This study posits that it is important, as a first step, the World Bank and other development organizations use the transitive *development* – to be clear about the type of development underway (and associated outcomes/consequences) if the Bank hopes to realize, through its development projects and public-private partnerships (PPPs), its overarching goal: *Our Dream is a World Free of Poverty*.

5.1 What is Happening in Cajamarca Regarding “Development”?

Confusion and disagreement about the type of development (and for whose benefit) happening in Cajamarca because of the Yanacocha gold mine has led to divisions within the local population, and to an extent, the larger Peruvian population. This confusion and disagreement is palpable. In and around Cajamarca's city center, spray-painted on the sides of buildings, are messages for and against Yanacocha and the Conga expansion, for example, “*Mina, Si*” (“Mine, Yes”), “*Agua, Si, Mina, No*” (“Water, Yes, Mine, No”), and “*Conga Va*” (“Conga Goes”), “*Conga No Va*” (“Conga Does Not Go”). Seared into the side of a campesino hill and clearly visible from the city center are the

words “*No A Conga*” (“No To Conga”). The city center has smoothly paved streets which are neatly lined with restaurants, cafes, bakeries, a *lavandería* (laundromat), and various other shops with colorful storefronts. There are luxurious hotels equipped with restaurants and spas, and short-term or longer-term *departamentos para alquiler* (apartments for rent; some cost approximately USD 300/month). The nucleus of the city center is a courtyard complete with manicured lawns, trees, benches, and a large fountain. Cajamarca’s city center and more affluent districts such as *Los Baños del Inca* were developed primarily for Yanacocha’s employees and their families from mining revenues from Yanacocha. These “developed” spaces are in stark contrast to the larger region. This kind of development, it appears, has missed most of Cajamarca and its inhabitants. One of the poorest regions in Peru according to PERÚ *Instituto Nacional de Estadística e Informática (INEI)*, a fifteen-minute walk outside of Cajamarca’s city center reveals shantytown dwellings, dirt roads, and no clean running water or electricity – in other words, abject poverty (see Chapter 4, Section 4.3.1).

5.2 What is the Primary Purpose of the Yanacocha Gold Mine?

There is a consensus among this study’s participants that the primary purpose of the Yanacocha gold mine is “mineral extraction,” specifically extraction of “minerals of value” such as “gold” and “copper.” Several participants, however, reported a more pessimistic viewpoint of Yanacocha’s operations. One respondent, a university student in industrial engineering, explained, “I think the first priority [of Yanacocha] is to get the maximum profit for themselves, the people of mining.”¹²² Another respondent, a principal member of *Rondas Urbanas*, added, “[Yanacocha] take[s] away money and

¹²² Interview with University Student in Industrial Engineering, Cajamarca, May 2015.

leave[s] us contaminated and nothing more. Money for them, not most, for them.”¹²³

There also exists the perception that Yanacocha “take[s] advantage of the resources of Cajamarca,”¹²⁴ stated a police officer, “[t]o get money at the cost of the health and life of the population.”¹²⁵ The Peruvian government, the Bank, and (to a lesser degree) Newmont’s long-standing rhetoric about Yanacocha as a sound investment – a semi-public investment – which has and will continue to bring tangible benefits to all *cajamarquinos*, especially the poor, faces mounting criticism as evidenced by this study’s participant responses. The skepticism surrounding Yanacocha is shared among *cajamarquinos* across a variety of occupations, professions, and income levels; this is an important finding. The commonly held belief is, for all intents and purposes, *only* campesinos or subsistence agriculturalists are opposed to extractive activities at Yanacocha, and for this they are perceived as backwards and anti-progress or anti-modernity. What the data shows is that non-campesinos, including some individuals who have secured employment in mining, also carry skepticism about Yanacocha and its proposed expansion (the Conga project). That both campesinos and non-campesinos have similar reservations about on-going extractive activities in Cajamarca highlights the perhaps uninformed and misguided labeling of one group as “anti-progress” and “anti-modern” – indeed, neither group deserves these descriptors. It is also indicative of the complexity of Yanacocha’s role in the region.

¹²³ Interview with Principal Member of *Rondas Urbanas*, Cajamarca, May 2015.

¹²⁴ Interview with Police Officer, Cajamarca, June 2015.

¹²⁵ Interview with Chemical Pharmacist, Cajamarca, June 2015.

Exploitation is a crux of this skepticism. “Cajamarca is exploited,”¹²⁶ particularly Cerro Quilish¹²⁷, stated one participant. “Yanacocha exploits everything but what has the greatest value for Yanacocha is gold extraction,”¹²⁸ another participant related. The exploitation of Peru’s rich natural resources has a long, difficult, and complex history. Since the Spanish conquest of the Inca empire, foreigners have exploited Peru’s natural reserves and shipped those minerals abroad for enormous profit. Little to none of the mining revenues have made their way into the hands of poor Peruvians. Instead, the poor have faced a host of problems related to environmental destruction and continued or exacerbated poverty. It is no surprise then that Yanacocha is part of a long and difficult legacy and its efforts to separate itself from this legacy – as foreigners taking away Peru’s wealth and leaving behind poverty – has largely wavered to the point of near failure. Apart from the larger (exploitative) mining legacy, that Yanacocha has become synonymous with extraction and exploitation rather than development and poverty alleviation raises the important question, why? Did the people of Cajamarca ever perceive Yanacocha as a means to their own development and poverty alleviation? If so, how and why did that change?

5.3 Is the Yanacocha Gold Mine an Example of a “Development Project”?

Is Yanacocha a “development project”? This question, asked and answered from various angles by a host of development and pro-poor actors, requires continuous investigation. On its own terms, and according to the World Bank, Yanacocha *is* a development project for several reasons. Before reviewing these reasons (which are

¹²⁶ Interview with Clothing Manufacturer, Cajamarca, June 2015.

¹²⁷ A mountain which supplies most of the water to the city of Cajamarca.

¹²⁸ Interview with Marketing Supervisor of Major Phone and Internet Provider, Cajamarca, May 2015.

relevant to this study's objectives), some contextual information is necessary, for Yanacocha is situated at the intersection of two ideologies – neoliberalism (and the Bank's role) and neo-extractivism – which, in large part, determined its origination and accounts for the mine's ongoing support from the Bank and Peruvian government.

In 1990, Alberto Fujimori was elected president of Peru. Peru, at the time, was experiencing “acute political and economic crisis” and Fujimori's administration set out to reverse these problems by implementing “a radical program of liberalization that focused on removing subsidies, privatizing state-owned companies, and reducing the role of the state in the economy” (Li, 2015, p. 15). Li (2015) speaks of “the neoliberal shift that took place in the Latin American region in the 1990s,” characterized by “policies of economic liberalization and deregulation” (p. 15). As Li (2015) importantly states, “[t]his restructuring program followed the neoliberal guidelines established by the International Monetary Fund and the World Bank as a precondition for receiving loans and technical assistance” (p. 15). Following in the trajectory of Peru's long mining history, and coupled with neo-extractivism, the Fujimori administration focused on “creating an investor-friendly climate” in the mining industry (Li, 2015, p. 15).

The concept of neo-extractivism, according to Burchardt and Dietz (2014), resembles a “consolidated development project” (p. 468) whereby natural resources are extracted for exportation and the resource extraction revenues are used to finance social programs and pro-poor initiatives within respective countries. Gudynas (2009) emphasizes that “neo-extractivism is accepted as one of the fundamental engines of economic growth and a key contribution to combating poverty at the national scale” (p. 214). Burchardt, Dietz, and Gudynas, among other scholars of neo-extractivism, argue

that neo-extractivism is largely motivated by the pursuit of economic gain within a capitalist economic system and is, therefore, not truly a development strategy (for a more in-depth discussion of neo-extractivism, see Chapter 2, Section 2.3). Li (2015) asserts that “[b]etween 1990 and 1997, investment in mining exploration grew by...400 percent in Latin America, and by 2,000 percent in Peru (World Bank 2005, cited in Bebbington 2007)” (p. 16).

A critical aspect of the role of the World Bank in development assistance, discussed by Bruce Rich in his book, *Foreclosing the Future: The World Bank and the Politics of Environmental Destruction* (2013), is the Bank’s “institutional culture...in which the relentless pressure to move money out the door, even in violation of the Bank’s own policies and rules, often overrides all other considerations” (p. ix). Rich (2013) continues, from 1995 to 2005, “[d]uring [James] Wolfensohn’s tenure, the Bank...increasingly subsidized private-sector investment through its private-sector lending arm, the International Finance Corporation (IFC)” (p. x). During this period, “large companies...became a growing constituency...and had a major interest in profiting from the World Bank Group’s financial support and quality stamp of approval with as few conditions as possible” (Rich, 2013, p. 111). For 24 years, from August 1993 to December 2017, the Bank “engaged with Minera Yanacocha...as a lender and equity investor [maintaining a 5% share],”¹²⁹ making Yanacocha “one of IFC’s longest-held investments.”¹³⁰ The Bank (in conjunction with the Peruvian government and Newmont Mining Co.) continues to defend the mine as a development project primarily on the

¹²⁹ The International Finance Corporation (IFC). “IFC Completes Engagement with Peru’s Yanacocha Gold Mine.” Retrieved from <https://www.ifc.org/>

¹³⁰ The International Finance Corporation (IFC). “IFC Completes Engagement with Peru’s Yanacocha Gold Mine.” Retrieved from <https://www.ifc.org/>

grounds that Yanacocha contributes to Peru's economic growth and has generated employment opportunities in Cajamarca. According to the International Finance Corporation (IFC) website,

Yanacocha has grown to be one of the largest gold mines in the world, generating on average more than \$200 million in annual revenues for the Government of Peru, employing nearly 6,000 full-time and contracted workers, and supporting thousands of indirect jobs in Cajamarca's agribusiness, forestry, and other sectors.¹³¹

A June 2018 article posted on the Newmont Mining Corporation website states,

Yanacocha has been in production since 1993, directly and indirectly supporting thousands of well-paying jobs and contributing nearly \$3 billion in taxes and royalties. In addition, Yanacocha has invested more than \$640 million in economic, social and infrastructure development in the Cajamarca region for water facilities, education, health care, agricultural support, and small business development and training.¹³²

Newmont, Yanacocha's majority shareholder, is one of the largest extractive companies in the world, and it is worth noting that despite global accusations of environmental destruction, Newmont has "won industry awards" (Li, 2015, p. 12).

On its own terms, Yanacocha is a development project, first, because of its national-level contributions to the Government of Peru. Yanacocha came into existence during a time of economic and political turmoil in Peru, when "it was very difficult for a mining company in Peru to secure long-term financing."¹³³ Yanacocha's existence signaled to the international community, specifically foreign investors, that investment in the country's mining sector was profitable and safeguarded by the Bank (by the IFC and

¹³¹ The International Finance Corporation (IFC). "IFC Completes Engagement with Peru's Yanacocha Gold Mine." Retrieved from <https://www.ifc.org/>

¹³² Newmont Mining Corporation. (2018, June 20). "Newmont Welcomes Sumitomo as Valued Partner at Yanacocha." Retrieved from <https://www.newmont.com/newsroom/newsroom-details/2018/Newmont-Welcomes-Sumitomo-as-Valued-Partner-at-Yanacocha/default.aspx>

¹³³ The International Finance Corporation (IFC). "IFC Completes Engagement with Peru's Yanacocha Gold Mine." Retrieved from <https://www.ifc.org/>

MIGA, the Bank's two private sector lending arms). In an article published in *ReVista: Harvard Review of Latin America*, Pablo de la Flor (2014) explains,

[i]n 2012, the inflow of FDI reached a total of US\$12.2 billion, with mining representing the main share (US\$8.5 billion). The pipeline of planned investments, including the expansion of existing operations, and the development of new mines, many of which have secured the approval of Environmental Impact Assessments (EIAs) and other authorizations, could top US\$53 billion by 2020.¹³⁴

De la Flor (2014) continues that mining in Peru “accounts for close to 14 percent of the country's GDP, and around 60 percent of exports.” Furthermore, extractive activities at Yanacocha have generated revenues for the Peruvian government, “on average more than \$200 million” annually, according to the IFC website.¹³⁵ One participant, an elderly care specialist, explained,

[w]ithout investment there is no development. The mine generates income at the local, national, and international levels. For example, we have projects that I mention because there is a support cell in the mine, for those projects there are millions of *soles*. For example, the mine gave two or three million, more or less, for a cattle project.¹³⁶

Second, Yanacocha has created employment opportunities in Cajamarca, “nearly 6,000 full-time and contracted workers, and [it has] support[ed] thousands of indirect jobs in Cajamarca's agribusiness, forestry, and other sectors.”¹³⁷ Included in this list are some infrastructure projects, for example, the construction of major roads leading to and from the mine. A police officer stated that Yanacocha is a development project “because of more work and greater economic benefit to the City of Cajamarca.”¹³⁸ Another

¹³⁴ De la Flor, Pablo. (2014). Mining and economic development in Peru: A time of resurgence. Retrieved from <https://revista.drclas.harvard.edu/book/mining-and-economic-development-peru>

¹³⁵ The International Finance Corporation (IFC). “IFC Completes Engagement with Peru's Yanacocha Gold Mine.” Retrieved from <https://www.ifc.org/>

¹³⁶ Interview with Specialist at the Comprehensive Care Center for the Elderly, Cajamarca, May 2015.

¹³⁷ The International Finance Corporation (IFC). “IFC Completes Engagement with Peru's Yanacocha Gold Mine.” Retrieved from <https://www.ifc.org/>

¹³⁸ Interview with Police Officer, Cajamarca, June 2015.

respondent, a university student in industrial engineering, shared a similar belief, “In a way yes, because of jobs.”¹³⁹ For those *cajamarquinos* who have been able to secure employment at Yanacocha, their income has risen well above the larger Cajamarca population, to levels that are comparable with income levels in Lima, Peru’s capital.

Third, the IFC cites the following of Yanacocha’s community-level contributions:

IFC’s work with Yanacocha went beyond providing financing: we worked with the company and its ALAC Foundation to improve its community investment programs and support agricultural, education, and health projects that improve livelihoods in the local area. IFC also pioneered a program to help local government authorities re-invest mining royalties to support public services in the region, an initiative that has been replicated in other regions of Peru as well as Colombia and Bolivia. Through this program, local governments have used tax proceeds from Yanacocha to provide 40,000 people with access to new or improved basic services, including rural electricity, roads, schools, water systems, and primary health care. IFC also developed a program for small- and medium-sized enterprises that has helped local companies become suppliers to Yanacocha and boost local employment and incomes.¹⁴⁰

Finally, from the perspective of neo-extractivism, Yanacocha is indeed a development project because it is part and parcel of “an extractivist state that can use the revenues generated by natural resources and their industrialization to power economic development and finance social policies” (Pellegrini, 2018, p. 131).

Shifting focus away from the Bank’s beliefs and findings about the Yanacocha gold mine, it is crucial to consider the perspectives of local *cajamarquinos*, for they are most directly affected by mining operations at Yanacocha; in addition, they comprise the target population of the Bank’s “development goals.” This study posits that the question of whether Yanacocha is a “development project” – based on the Bank’s methods for identifying and evaluating “development,” is not the same as whether Yanacocha is a

¹³⁹ Interview with University Student in Industrial Engineering, Cajamarca, May 2015.

¹⁴⁰ The International Finance Corporation (IFC). “IFC Completes Engagement with Peru’s Yanacocha Gold Mine.” Retrieved from <https://www.ifc.org/>

“successful development project” – a more nuanced assessment of Yanacocha rooted in local *cajamarquino* beliefs and the narratives of this study’s participants. Evaluations of the benefits of Yanacocha and other similar mining projects from the perspective of *cajamarquinos* is crucial for socially, environmentally, and economically responsible development.

5.4 The Yanacocha Gold Mine is Not an Example of a “Successful Development Project”

The overwhelming majority of participants reported that the Yanacocha gold mine is not an example of a *successful* development project. Section 5.3.1 takes a closer look at the reasons which underline this point of view and situates these reasons within a larger theoretical discussion which draws from Amartya Sen and Martha C. Nussbaum’s human capability approach and feminist perspectives on autonomy. The responses are organized into roughly five categories: (appearance of) exclusivity and self-interest, poor relationships with the local community, uneven distribution of mining benefits, environmental issues, and lack of ethical engagement with the local community.

5.4.1 (Appearance of) Exclusivity and Self-Interest

The appearance of exclusivity or self-interest which surrounds Yanacocha, be it real/intentional or not, is evident in participants’ responses. One participant, a police officer, explained, “they only watch out for themselves, they are not worried about the *cajamarquino* cities, they are only worried about themselves.”¹⁴¹ Another participant elaborated, “I think the first priority is to obtain maximum profit for themselves, the

¹⁴¹ Interview with Police Officer, Cajamarca, June 2015.

people of mining.”¹⁴² “Money for them, not most, for them,”¹⁴³ said a principal member of *Rondas Urbanas*. Yet another respondent, the cook at *Rayos de Luz*, stated, “it is a basin of gold, but it will be for them, for us, no. They made a lot of money, but we do not have a *sol*.”¹⁴⁴ That the benefits from extractive activities at Yanacocha have been restricted to a small group within the larger population has long been a criticism of the mine. When discussing the exclusivity issue, several *cajamarquinos* cited Davy College and *Los Baños del Inca* as primary examples.

Davy College is perhaps one of the most striking examples of Yanacocha’s (appearance of) exclusivity/self-interest. Davy College was founded in 1995 in Cajamarca to provide education to the children of Yanacocha’s employees. A major drive behind the *colegio* (school) is to “underlin[e] the importance of the mining industry to the economy of the city and region of Cajamarca.”¹⁴⁵ The monthly cost (*pensión*) of attending Davy College, according to Peru’s Ministry of Education website, is 1,580¹⁴⁶ *soles*. This is in addition to an entrance fee (*cuota de ingreso*) of 6,500 *soles*¹⁴⁷ and an enrollment or registration (*matrícula*) fee of 1,580¹⁴⁸ *soles*. The cost of tuition finances Davy College’s facilities (6 hectares)¹⁴⁹ which include “a coliseum and a brand new library, which has conference rooms, amphitheater, an impressive collection and 40

¹⁴² Interview with University Student in Industrial Engineering, Cajamarca, May 2015.

¹⁴³ Interview with Principal Member of *Rondas Urbanas*, Cajamarca, May 2015.

¹⁴⁴ Interview with Cook at *Rayos de Luz*, Cajamarca, April 2015.

¹⁴⁵ Davy College, Cajamarca, Peru. Retrieved March 5, 2018, from <http://www.davycollege.edu.pe/index.php/en/davy-en/welcome>

¹⁴⁶ PERÚ: *Ministerio de Educación*. Retrieved March 5, 2018, from <http://identicole.minedu.gob.pe/encuentraColegio/>

¹⁴⁷ PERÚ: *Ministerio de Educación*. Retrieved March 5, 2018, from <http://identicole.minedu.gob.pe/encuentraColegio/>

¹⁴⁸ PERÚ: *Ministerio de Educación*. Retrieved March 5, 2018, from <http://identicole.minedu.gob.pe/encuentraColegio/>

¹⁴⁹ International School to School Experience: Fostering Peace and Understanding. Retrieved March 5, 2018, from http://www.isseonline.com/wpbdp_listing/davy-college/

computers with connection to EBSCO for all research needs” in addition to “a recently inaugurated cafeteria including an outdoor patio area to enjoy sunny days and an excellent catering service.”¹⁵⁰ The high cost of attending Davy College excludes the vast majority of *cajamarquino* children, whose parents are unable to afford tuition, from reaping the school’s benefits. Mining revenues from Yanacocha have greatly benefitted the mine’s employees according to interviewees and others who observe pockets of developed spaces accessible only through financial means. A September 2009 IFC Report states, “In 2006 alone, the mine’s employees received an average monthly salary equivalent to US\$3,740, which is 24 times higher than the national average” (p. 43). Thus, the students of Davy College are dubbed mining children, whose privilege is rooted in their parents’ financial wealth as a result of extractive activities at Yanacocha. There is exclusivity in schooling and in residences. Gary McMahon (2001) explains that “[m]ost Yanacocha and subcontractor employees live in the city of Cajamarca or in the village of *Banos del Inca*” (p. 154). The district of *Los Baños del Inca* is a developed suburban neighborhood approximately four miles from the city of Cajamarca and is well-known for its thermal springs spa.

5.4.2 Poor Relationships with the Local Community

When asked about the primary purpose of the Yanacocha gold mine, one participant stated, “they [Yanacocha’s leadership and employees] are only responsible for/in charge of extracting minerals, there does not exist good relationships with the population.”¹⁵¹ This sentiment is rooted in several events that have occurred since the

¹⁵⁰ International School to School Experience: Fostering Peace and Understanding. Retrieved March 5, 2018, from http://www.isseonline.com/wpbdp_listing/davy-college/

¹⁵¹ Interview with Police Officer, Cajamarca, June 2015.

time of the mine's inception. First, there is the issue of a social license. As one participant explained, "the issue of a social license is not handled well. I think it's something very important. A social license exists but there is conflict several times a year. In Lima, a social license exists, but in Cajamarca, the people say, 'what happened? I did not give permission.'"¹⁵² A social license is equivalent to *informed consent*, given by local communities to mining companies wishing to operate in those communities. According to *MiningFacts.org*,

The Social Licence to Operate (SLO) refers to the acceptance within local communities of both mining companies and their projects. Social acceptance is granted by all stakeholders that are or can be affected by mining projects (e.g. local communities, indigenous people) and other groups of interests (e.g. local governments, NGOs).

The importance of informed consent for realizing autonomy, a marker of human flourishing, is discussed by Sabina Alkire (2002) and, briefly, in *Personal Autonomy: New Essays on Personal Autonomy and Its Role in Contemporary Moral Philosophy* (2005) edited by James Stacey Taylor. Drawing a comparison to "medical ethics" and appropriate patient treatment based on the patient's "physical condition and her values," Taylor (2005) argues, "[t]he doctrine of informed consent is thus often based (albeit implicitly) on the instrumental value of personal autonomy in securing...well-being" (p. 19). May (2005) further states, "[t]he autonomy right of 'informed consent and refusal' allows adult, competent...[people] to base their decisions on whatever values they choose to structure their lives" (p. 302). Alkire (2002) cites Sen's writings and the works of other authors which argue "the conceptually and practically validated importance of participation and informed choice" (p. 146) for autonomy and human wellbeing. In the

¹⁵² Interview with University Student in Industrial Engineering, Cajamarca, May 2015.

following quote, although lengthy, Alkire (2002) succinctly describes the “informed consent model” in development:

In the informed consent model the development agency refrains from acting unless the local community *chooses* the partnership and activities with full awareness of what it is choosing. In a best-case scenario, the development agency recognizes that it has (presuming it does) a certain kind of expertise or resource base *vis-à-vis* a problem that is mutually recognized by the development agency and the community. It identifies and communicates the range of alternatives, the likelihood of success of each, the different side-effects (short-term and long-term; related to the problem and to other dimensions of human and social life) and their associated probabilities. It raises further issues such as the costs of the alternatives, the time range until each might take effect, and whether they, as an agency, would be in a position to implement these jointly with the community or who to contact if they could not. Finally, and most crucially, the development agency (which may or may not be participatory) also recognizes that the problem at issue is just one component in the life of this community, that the community will need to deliberate its present ‘value’, and the value or disvalue of different side-effects, in view of their wider values and institutions. The development agency recognizes that whether or not it can understand the values which are at stake in the choice, it is the community which must assume responsibility for deciding prospectively which path to follow. (p. 148)

The Peruvian government and World Bank envisioned the Yanacocha gold mine as an appropriate and lucrative development project for Cajamarca and began plans for its construction and production. Neither Peruvian government officials nor Bank officials (the two groups of actors most invested in Yanacocha as a public investment) solicited the opinions of local *cajamarquinos* about whether Yanacocha was a desirable development project. Initially, the people of Cajamarca decided to be optimistic about the mine and hoped that generated revenues would *supplement* their long-established ways of life. One participant, for example, related the initial thoughts of many *cajamarquinos* about Yanacocha, “We say, yes, mining, yes, okay, with respect. The mine will improve the economy, income, the people, okay good, with respect and consideration.¹⁵³ One participant, an official of social development for the municipality of Cajamarca, offered

¹⁵³ Interview with Government Official for the Municipality of Cajamarca, Cajamarca, May 2015.

his opinion on what campesinos value most, he stated (from campesinos' perspective), "I want water, I want the land, I want the work of my ancestors."¹⁵⁴ Several events severely eroded campesinos' initial optimism however: the issue of land compensation, the mercury spill in 2000, and the deaths of several protestors. Despite these challenges, extractive activities at Yanacocha persisted as the local community's support for the gold mine rapidly diminished and a social license became untenable.

Contentions Surrounding the Buying and Selling of Land

In the early 1990s, Yanacocha began purchasing large swaths of land. Open-pit heap leach mining requires abundant land. Li (2015) asserts that "[b]etween 1992 and 1999, Minera Yanacocha purchased a total of 10,200 hectares of land from 126 families" (p. 81) and paid between "US \$80 and US \$100 per hectare (between 100 and 200 soles at the time)" (Pascó-Font et al., 2001, p. 151). Yanacocha insists that the company paid well above the market price for the land at the time. Two main points of contention arose for campesinos, however. First, the Western notion and associated legalities of buying and selling land clashed with campesinos'. Campesinos viewed their lands as communal grounds for agricultural endeavors and grazing sheep and cattle. It came as a surprise to them when they were evicted from those lands after selling them to Yanacocha. Campesinos believe that Yanacocha was not transparent about the fine-print stipulations of the land transaction processes and thus took advantage of them. Jeffrey Bury (2005) provides a detailed account of shifting "land-tenure patterns" associated with the arrival of Yanacocha, and how "[t]hese changes...transform[ed] household livelihoods as access

¹⁵⁴ Interview with Official of Social Development for the Municipality of Cajamarca, Cajamarca, May 2015.

to the resources upon which they are based...shift[ed] in complex, uneven, and diverse patterns” (p. 234). Bury (2005) states,

When MYSA began operations, many of the communities situated in the area of planned mineral extraction operations managed land resources collectively through communal or familial institutions. In order to commence operations, MYSA was required to negotiate the purchase of these lands. However, before the land could be legally acquired under Peru's new land laws, it had to be re-parceled into private holdings. (p. 231)

He continues,

When MYSA began its land-acquisition program, it was required to pay fair market value to landholders. In several of the case-study communities, MYSA encountered resistance from landholders and resorted to state-sanctioned expropriation procedures and forced land evictions, while compensating landholders at what it determined to be the estimated market value of the land. (Bury, 2005, p. 233)

Nussbaum’s core capability work, articulated in a list of central capabilities, provides insight into campesinos’ grievance surrounding the land sales. Nussbaum (2003) argues that “being able to be treated as a dignified being whose worth is equal to that of others,” “being able to participate effectively in...choices that govern one’s life,” and “having property rights on an equal basis with others” are essential to human flourishing. Campesinos believe that Yanacocha’s lack of transparency was indicative of a lack of respect for them and their lives, and ultimately diminished their ability to effectively participate in the important decision-making regarding their lands. Thus, campesinos and Yanacocha were not on a level field during land transactions. According to Flores-Crespo (2007), Sen identified the importance of “transparency guarantees” as an “instrumental freedom” or ““capability enhancer”” which “contribute[s] directly or indirectly to the overall freedom that people have to live the way they would like to live” (p. 50). Pascó-Font et al. (2001) have argued that the “limit[ed] ...possibilities for equal negotiation between campesinos and the mining company” were because of campesinos’ lack of

formal education (p. 150), a claim which is perhaps problematic because it relegates campesinos' informally-acquired knowledge and preferred ways of operating secondary to (Western) formal education. Furthermore, Pascó-Font et al. (2001) do not appear to consider the importance of transparency which is a separate issue from formal education, nor that transparency is not necessarily predicated on formal education. Although campesinos may have lacked formal education, it was still possible for Yanacocha to foster transparent land transactions. Lack of transparency combined with the hierarchical placement of Yanacocha's knowledge and experience regarding land sales above that of campesinos was one of the earliest contributing factors to campesinos' apprehension of Yanacocha.

The second point of contention regarding land sales revolves around employment promises made by Yanacocha to campesinos. Li (2015) explains that “[m]any of the campesinos who sold their properties simply resigned themselves to the short-lived profits of the land sales and the only privilege that comes with being an ex-proprietor: having priority in the company's hiring of temporary unskilled laborers” (p. 82). However, the capital-intensive nature of Yanacocha's mining activities has resulted in a very low demand for unskilled workers, thus the vast majority of *cajamarquinos* have been unable to obtain employment at the mine.

The Mercury Spill of June 2000

The mercury spill of June 2000 was a pivotal event in Cajamarca. It gained international attention and sparked criticism of extractive activities at Yanacocha and the mine's (lack of) regard for *cajamarquinos*. The toxic spill further strained the already struggling relationship between Yanacocha and the local community. On June 2, 2000, a

truck¹⁵⁵ traveling from Yanacocha to Lima, Peru's capital, accidentally leaked 151 kilograms (330 pounds) of liquid mercury along a 40 kilometer (25 miles) stretch of road passing through three villages, San Juan, Choropampa, and Magdalena (CAO Report, July 2000, p. 1). Believing that the solidified pellets of mercury strewn across the road had value (and were non-toxic), the local villagers, including children, handled and collected the mercury without protective gear and carried the mercury into their homes. A July 2000 CAO Report states that, in addition, "some people may have heated mercury in open containers, in poorly ventilated homes, believing it holds medicinal and religious properties, or in the mistaken expectation of recovering gold" (p. 1). As a result, several hundred villagers fell ill and shortly thereafter, between 100 and 200 people¹⁵⁶ were diagnosed with "symptoms of acute inorganic mercury poisoning" (CAO Report, July 2000, p. 1).

In the aftermath, Yanacocha was largely criticized for its slow response to the toxic spill. Some accounts stated that it took between several days and a full week before authorities notified villagers about the toxicity of mercury and sent in clean-up crews. Before the clean-up crews arrived, some claim that Yanacocha offered to pay poor villagers to recover the mercury in containers without provision of appropriate protective gear (Monning, NACLA, 2007). Furthermore, Yanacocha was accused of, at least initially, downplaying the spill to preserve its mining-is-environmentally-safe rhetoric. Members of the local community were dismayed to discover that extractive activities at Yanacocha, specifically open-pit heap leach mining, use toxic substances such as

¹⁵⁵ According to Fabiana Li (2015), the truck was "owned and operated by RANSA, a Peruvian contractor hired by Minera Yanacocha" (p. 91).

¹⁵⁶ Li (2015) estimates that "130 people were hospitalized with mercury poisoning" (p. 91).

mercury and cyanide, a fact which the mine had not really disclosed and which “generated public distrust of the company” (Li, 2015, p. 91). At the national level, the mining authority fined Yanacocha “almost US \$ 300 000” (Pascó-Font et al., 2001, p. 157) as a step in the remediation process. At the local level, Yanacocha took several steps it believed would restore some measure of a good relationship with the local community, one based on transparency and accountability.

A January 2013 Yanacocha Fact Sheet summarizes the mine’s efforts. First, to support the Ministry of Health, Yanacocha brought in a medical team of “mercury specialists” from four countries (Canada, United States, Brazil, and Spain) to test villagers’ health and provide treatment for mercury poisoning (p. 2). The mine financed the Monitoring and Follow-Up Program and health insurance for 1,173 victims for a five-year period (Yanacocha Fact Sheet, January 2013, p. 2). Second, Yanacocha “set out clean-up activities” whereby “92.8% [of the mercury] was recovered by clean-up teams,” “3.4% was temperature evaporated,” and “3.8% was not locatable” (Yanacocha Fact Sheet, January 2013, p. 2). Third, Yanacocha implemented a “water and sediment sampling program” and “indoor air quality monitoring” (Yanacocha Fact Sheet, January 2013, p. 3). Fourth, Yanacocha enlisted International Consulting Firm Shepherd Miller, a U.S. company, to carry out a two-year Risk Assessment Study (Yanacocha Fact Sheet, January 2013, p. 2). Fifth, Yanacocha established a “compensation program” for individuals and the community through which “750 people were compensated with an approximate total amount of S/. 5,350,000,” and various social and infrastructure projects were carried out in the three affected villages (Yanacocha Fact Sheet, January 2013, p. 3-4).

Despite these reconciliatory efforts, Yanacocha was largely unable to restore or improve its relationship with the local community, primarily because Yanacocha's efforts began years after on-going protests by local mining communities (regarding the erosion of their basic human rights and destruction of the environment), and seemingly only came about because of international pressure. As an isolated incident, the mercury spill was grievous because it brought significant harm to the "bodily health" (one of Nussbaum's central human capabilities) of *cajamarquinos*, including children. What is worse, following the incident, Yanacocha did not solicit or meaningfully engage *cajamarquinos'* thoughts and feelings about the mercury spill. *Cajamarquinos'* opinions, and to an important degree their experiences, were rather neglected or minimized, thus they believe they were not "treated as...dignified being[s]" (see Nussbaum's "The Central Human Capabilities"). Yanacocha claims to be a pro-poor development project, however in the opinion of many *cajamarquinos*, following the toxic spill the mine demonstrated that it was more concerned with continued mineral extraction rather than the welfare of the people of Cajamarca, especially the poor. The mercury spill compounded the ongoing lack of transparency issue, and according to *cajamarquinos*, Yanacocha's existence reduced rather than expanded their freedoms, for example their "freedom of expression" with regard to their feelings about the spill and the mine (see Nussbaum's "The Central Human Capabilities"). Together, lack of transparency and negligence would amount to social unrest and violence.

A State of Emergency, December 2011 and July 2012

During his presidential campaigning, Ollanta Humala openly sympathized with the struggles of the poor in Peru and expressed his concern about foreigners' unregulated

mining activities within the country. Humala publicly stated that “the lagoons of Cajamarca are not for sale, because you can’t drink gold, and you don’t eat gold.”¹⁵⁷ Soon after being sworn in as president however, Humala changed his stance and openly declared support for Yanacocha and Conga—the second gold and copper mining venture between Newmont, Buenaventura, and the World Bank—as he believed they generated much-needed revenues and jobs. On December 5, 2011, following eleven days of public protest against the USD 4.8 billion Conga project proposal, then president Ollanta Humala declared a 60-day state of emergency in four provinces in Cajamarca. The state of emergency “restrict[ed] civil liberties such as the right to assembly and allow[ed] arrests without warrants.”¹⁵⁸ Some 10,000 residents of Cajamarca had marched through the city during which time police and protestors clashed. The following report of the days preceding the December 2011 state of emergency is from Swarthmore College’s Global Nonviolent Action Database:

During the march, protesters clashed with riot police who tear-gassed and fired upon protesters, resulting in reportedly 17 injuries. Protesters also used boulders to blockade the main roads in the region. Some Cajamarca-area schools and businesses closed in protest. In the nearby region of Yanacocha, protesters also reportedly entered the Newmont-owned mine site there and destroyed a warehouse. On 30 November, Newmont announced its decision to suspend construction activities at the proposed Conga mine site, as several of its installations were destroyed over six days of protest.¹⁵⁹

Mass demonstrations against the Conga project persisted for the next six months. During that time, the Peruvian government hired a group of international environmental consultants to conduct an environmental impact study of the Conga project. The findings

¹⁵⁷ Global Nonviolent Action Database, Swarthmore College. Retrieved March 8, 2018, from <https://nvdatabase.swarthmore.edu/content/peruvians-cajamarca-stop-building-giant-gold-mine-2011-2012>

¹⁵⁸ Peru declares emergency over disputed mine: President Humala restricts civil liberties in Cajamarca after protests over mining and water issues paralyse the state. (2011, December 6). Retrieved from <http://www.aljazeera.com/news/americas/2011/12/2011125516895514.html>

¹⁵⁹ Global Nonviolent Action Database, Swarthmore College. Retrieved March 8, 2018, from <https://nvdatabase.swarthmore.edu/content/peruvians-cajamarca-stop-building-giant-gold-mine-2011-2012>

stated that, with some improvements, the Conga project would be environmentally safe. In late June of 2012, the Peruvian government gave Newmont and Buenaventura the green light to resume its operations for Conga. Anti-Conga protestors and those with reservations were dismayed by the government's decision and on July 3, 2012, several people were killed during police-protestor clashes. That evening, Humala once again declared a 30-day state of emergency in Cajamarca and the neighboring provinces of Celendin and Bambamarca.

The Peruvian government's initial decision to push forward with the Conga project conveyed to thousands of Peruvian citizens that the government was more committed to foreign corporate interests than to the needs and wishes of the most vulnerable segments of its own population. This sentiment deepened protestors' mistrust of and antagonistic feelings towards Yanacocha, Newmont, Buenaventura, Peruvian government officials, and the World Bank. On August 28, 2012 the Peruvian government decided to halt the Conga project as a result of the violence that had transpired, however the decision had little effect as protestors had already experienced the government's willingness to use the force of the Peruvian national police (public employees) to protect private interests.¹⁶⁰ In addition, Wilfredo Saavedra, the well-known leader of the *Conga No Va* movement, was labeled a terrorist. Relations between Yanacocha and the local population further deteriorated.

According to this study's participants, Yanacocha's poor relationship with the local community, a result of unclear land sales, the mercury spill, and police-protestor clashes, renders the mine *unsuccessful* as a development project. The human capability

¹⁶⁰ The Peruvian government passed a law which allows the Peruvian National Police to provide security services for the Yanacocha gold mine during the police officers' off-duty hours.

approach provides further useful insight into this belief. What the above-mentioned events have in common, according to *cajamarquinos*, is their contribution to an underlying and persistent lack of transparency, erosion of *cajamarquinos*' control over their lives and environment, and the placement of the mine's interests above *cajamarquinos*' lived experiences. Nussbaum's list of central capabilities, which she argues is essential for human flourishing, and the core question behind Sen's capability work, *what can people be and do?*, speak to *cajamarquinos*' shrinking sphere of political and social influence. From Sen's list of "instrumental freedoms" and based on the narratives of this study's participants, *cajamarquinos* recognize their lack of, among other things, "transparency guarantees," "political freedoms," and "protective security," and that their human development and autonomy are thus impeded.

5.4.3 Uneven Distribution of Mining Benefits

The Peruvian government and the World Bank promote Yanacocha's operations on the basis of two main pillars: the mine's creation of direct and indirect jobs, and tax revenues paid by the mine to the Peruvian government (at the national, municipal, and local levels) which can then fund social initiatives specially to aid poor people. Data collected via semi-structured qualitative interviews illustrate that many Cajamarca residents, across a range of professions and occupations, do not entirely share the Peruvian government and Bank's viewpoint. Asked whether Yanacocha is a primary example of a successful development project, or, in other words, a sound public investment, one participant responded, "No, it [Yanacocha] has created more new rich, not less poor."¹⁶¹ Regarding job creation specifically, another participant, a veterinarian,

¹⁶¹ Interview with Unemployed Participant, Cajamarca, June 2015.

asserted that Yanacocha does not contribute to development because “there is a tremendous problem in job opportunities. Your group of beneficiaries is only a certain group.”¹⁶²

Those who have obtained direct employment at Yanacocha are indeed few in number, a minority within the larger *cajamarquino* population. Pascó-Font et al. (2001) cite Yanacocha’s figures for direct employment during the 1990s: “in 1994 the company had 155 workers, 220 in 1995, 269 in 1997, 337 in 1998, and 466 workers through mid-1999” (p. 163). According to Li (2015), “[i]n 2006, Minera Yanacocha had 2,946 workers on its payroll” (p. 82).¹⁶³ The capital-intensive nature of large-scale mining means that only a small percentage of Cajamarca’s labor supply can secure employment in the mining sector. Poor people who lack the necessary education, training, and skills are largely unable to work at Yanacocha and therefore do not directly benefit from its existence. Speaking about Yanacocha, Pascó-Font et al. (2001) point out that “[a]lthough unskilled workers receive minimal training, the company does not have an official policy of training the local population in order to incorporate them into the company’s work force” (p. 164). Those who have secured direct employment at Yanacocha have benefitted from salaries that are on average “more than 200 percent more” (Pascó-Font et al., 2001, p. 165) than what other occupations in Cajamarca offer. All other *cajamarquinos*, including campesinos, are left wanting. Asked about their vision for the development of Cajamarca, one participant stated, “That there is...work for all types of

¹⁶² Interview with Veterinarian, Cajamarca, June 2015.

¹⁶³ A September 2009 report prepared by APOYO CONSULTORIA for the World Bank’s International Finance Corporation (IFC) cites the number of Yanacocha’s employees by year: 225 in 1995, 235 in 1996, 316 in 1997, 441 in 1998, 1,118 in 1999, 1,242 in 2000, 1,571 in 2001, 1,810 in 2002, 1,866 in 2003, 2,256 in 2004, 2,935 in 2005, and 2,946 in 2006 (p. 16).

careers...more job opportunities.”¹⁶⁴ Another interviewee added, “A city in which you are able to create positions of work and enterprises/companies/business.”¹⁶⁵ A third participant, a public accountant, provided, “The creation of industrial enterprises/companies.”¹⁶⁶

Conversations during interviews and participant observation revealed that Yanacocha employees have been able to use their disposable income to open businesses in Cajamarca. One former employee of the mine opened a restaurant. Another high-level employee owns a multi-apartment building in the city center which he and his family rent out on a temporary or semi-permanent basis. The Principal Investigator of this study took up residence in this building for the duration of fieldwork. At the time of my stay, the building was undergoing extensive renovations including the construction of a ground-floor café and a rooftop sitting area (which offers a spectacular view of Cajamarca) complete with a beautifully-tiled kitchen and bar. The owner intends to rent out what will be exclusive apartments to anyone who can afford the cost. This participant’s economic status is markedly different from that of the poor in Cajamarca, who are unable to achieve even a fraction of his financial success because they lack the formal education and skills required to work at Yanacocha. Reporting from within the World Bank in the 1970s, Chenery et al. (1974) stated that “[t]he poor must be sufficiently connected to the modern sector if the benefits of growth are likely to ‘trickle down’” (p. 81). In Cajamarca, there is little evidence that such trickle-down has occurred.

¹⁶⁴ Interview with Veterinarian, Cajamarca, June 2015.

¹⁶⁵ Interview with Clothing Manufacturer, Cajamarca, June 2015.

¹⁶⁶ Interview with Public Accountant, Cajamarca, June 2015.

As for the creation of indirect jobs in Cajamarca, in the early 1990s the Peruvian government and the World Bank claimed that Yanacocha would serve as a potential market for local supplies and products (Pascó-Font et al., 2001, p. 155). A mega mining project such as Yanacocha would need significant amounts of goods and services to facilitate its daily operations. In addition, the Peruvian government and the Bank projected that Yanacocha employees would frequent local restaurants and shops thus contributing to the city's economic development. Instead, what happened was that since Cajamarca did not have the supplies and products needed by the mine readily available, Yanacocha imported goods and services from companies outside the region, in Lima, Trujillo, and abroad. Pascó-Font et al. (2001) explain, "Many suppliers...have not even established offices in Cajamarca. Fuel, for example, is provided by Mobil. Most supplies come from Lima, which limits the possibility of generating added value that remains in the region" (p. 155).

Thus, Cajamarca can be characterized as having tiny pockets of developed spaces comprised of a minority (socio-economically) cohort, and not development across the region/population. There is Davy College, *Los Baños del Inca*, *El Quinde* Shopping Plaza (which houses a Starbucks), and a couple high-end hotels, however Yanacocha has been largely unable to generate job opportunities for the poorest Cajamarca residents, most of whom are subsistence agriculturalists. To clarify the poverty situation in Cajamarca, "in 2007, 65 percent of the population fell below the poverty line and 31 percent fell below the extreme poverty line" (APOYO CONSULTORIA Report, September 2009, p. 2).

From 2008 to 2016, on average, one-third of the total Cajamarca population has *at least* one unmet basic need (*INEI*).¹⁶⁷

Another reason why many Cajamarca residents do not perceive Yanacocha as a successful development project, gleaned from interviewees' responses and general conversations with locals, is because of the Peruvian government's uneven distribution, and misuse, of mining revenues at the national, municipal, and local levels. One participant stated, "[T]hey [Yanacocha] only contribute a certain amount of money to the central government and they [the Peruvian government] do not know how to distribute it."¹⁶⁸ Where exactly the mining revenues go to is unclear, however a respondent was emphatic in his assertion that "corruption in the Peruvian government is spectacular."¹⁶⁹ A local Cajamarca government official stated that higher-up government officials have pocketed mining revenues from Yanacocha and purchased residences as well as sent their children to schools in Europe and the U.S. instead of allocating the revenues to public works and social development programs. This viewpoint has gained traction among many Cajamarca residents over the years, however hard evidence to support it is lacking.

As a result of the lack of direct and indirect jobs created and the uneven distribution and misuse of mining revenues, many Cajamarca residents, especially campesinos, believe that Yanacocha has narrowed their choices in terms of work and lifestyle. A senior hydrologist employed at Yanacocha stated during the interview that the possibility of obtaining work at Yanacocha is, indeed, grossly exaggerated (interestingly,

¹⁶⁷ Instituto Nacional de Estadística e Informática (INEI) - Encuesta Nacional de Hogares: Percent of population with at least one unsatisfied basic need, Cajamarca: 37.4 in 2008, 37.5 in 2009, 31.2 in 2010, 30.7 in 2011, 29.4 in 2012, 25.7 in 2013, 23.6 in 2014, 25.0 in 2015, and 23.9 (estimation) in 2016. Retrieved March 11, 2018, from <http://www.inei.gob.pe/estadisticas/indice-tematico/sociales/>

¹⁶⁸ Interview with Police Officer, Cajamarca, June 2015.

¹⁶⁹ Interview with Mechanic, Cajamarca, May 2015.

the interviewee did not comment on whether he believed this is more or less the doing of Yanacocha, the Peruvian government, or the locals' skewed perceptions). He explained that currently, there are several hundred students studying mining at the two universities in Cajamarca, but Yanacocha is downsizing as the mine is reaching the end of its lifespan, which means that only a small handful of those university students studying mining will be able to gain employment at Yanacocha, at least on a temporary basis. The senior hydrologist continued that working at Yanacocha is extremely appealing because one can secure a decent standard of living and be close to home, that is, within Cajamarca. Unfortunately, as Yanacocha downsizes, the mining students once graduated will be forced to look for employment in another mine in another part of Peru, possibly far from home, and thus have to relocate. If they are unwilling or unable to leave home, their only other option is to change fields which may require returning to school, however this strategy does not guarantee employment either because Cajamarca's development is overwhelmingly structured around mining. The poorest individuals in Cajamarca are arguably at a far worse disadvantage in terms of securing employment at Yanacocha because they lack the necessary formal education and training, and in addition, the resources (financial and otherwise) to attend university to study. The senior hydrologist at Yanacocha and Li (2015) appear to agree that sole reliance on "[l]arge-scale mining cannot meet the demand for jobs in local communities" (p. 82).

The issue of the resource curse, discussed in the neo-extractivism literature, provides a context for understanding the uneven distribution of mining benefits in Cajamarca. As Li (2015) mentions, the Peruvian government embraces an "evolutionistic logic in which mining is portrayed as the inevitable road to progress" (p. 75). As a result,

the government allocates enormous resources to the development of the mining sector at the expense of other industries such as agriculture, manufacturing, and tourism, to name a few. Humphreys et al. (2007) explain that developing countries whose exports are dependent on mining neglect investment in the development of other economic sectors (p. 10). The authors continue, “[w]hen states start relying on natural resource wealth, they seem to forget the need for a diversified and skilled workforce that can support other economic sectors once resource wealth has dried up” (Humphreys et al., 2007, p. 10). Currently in Cajamarca, mining is the only sector in which one can hope to secure gainful employment and advance socio-economically (and this is rapidly changing as Yanacocha downsizes), however it is well-documented in the larger neo-extractivism literature and in this study’s participants’ narratives that mining is insufficient to absorb Cajamarca’s abundant labor supply.

Government corruption is another factor discussed in the neo-extractivism literature and which contributes to the uneven distribution of mining benefits. Acosta (2013) states that developing countries dependent on resource extraction tend to lack “solid democratic institutions” (p. 75). Furthermore, Kolstad and Wiig (2013) assert, “extractive industry multinationals tend to increase their presence in countries that experience an increase in corruption” (p. 381). They continue, “[t]here is no shortage of anecdotal evidence that multinational companies in the extractive industries have used bribery to get access to resources” (Kolstad and Wiig, 2013, p. 381). Within the local mining areas, government officials and employees of extractive projects capture the largest share of mining revenues and benefits, while the poor, lacking the necessary resources, access, and networks, receive comparatively little. Acosta (2013) cites a

“greed effect” whereby “the most disparate powerful groups” engage in “a desperate pursuit – and even abusive appropriation – of a significant proportion of the surplus generated in the primary export sector” (p. 75). The result is deepening social stratification in Cajamarca.

To better understand participants’ concerns and feelings surrounding the uneven distribution of mining benefits, it is useful to draw from Sen and Nussbaum’s capability work. Interviewees expressed a shared belief, which is also a main grievance, that their only option for survival and/or socio-economic advancement is to obtain employment at the Yanacocha gold mine. Participants feel as though they are faced with very narrow choices for employment, and since many are unable to get work in the mine, they feel they are left with no choices. One campesina mother explained that she would like for her daughter to pursue education in a field her daughter is passionate about, but in Cajamarca there is only mining, and so she fears her daughter will have to study mining to find work to support herself and help the family. According to Sen, “capabilities as freedoms refer to the *presence* of valuable options or alternatives, in the sense of opportunities that do not exist only formally or legally but are also effectively available to the agent.” Sen and Nussbaum argue that without choices from which to create a life a life one deems valuable and meaningful, one’s wellbeing, freedom, and human flourishing are severely constricted. Sen further argues that “[t]he distinction between functionings and capabilities is between the realized and the effectively possible, in other words, between achievements, on the one hand, and freedoms or valuable opportunities from which one can choose, on the other.” Returning to the example of the campesina mother and her daughter, even if the daughter obtains gainful employment in the mine, this is not

necessarily an indicator of her wellbeing or human flourishing according to the capability approach, because she had few or no other “valuable opportunities.” On another note, drawing from Nussbaum’s human capability theorizing, because of deepening social stratification poor *cajamarquinos* believe that they are being excluded from Peru’s prosperity and “progress” and therefore are not being “treated as...dignified being[s] whose worth is equal to that of others.”

5.4.4 Environmental Issues

The concern over land and water in Cajamarca is particularly grievous for many *cajamarquinos*, especially those living nearest to the mine. During an interview, one participant stated, “Yanacocha is an example of destruction, visit the mining site and see how the soils are.”¹⁷⁰ What this participant is referring to is Yanacocha’s mining grounds, which, once fertile and covered in grass, are now bare and barren, dotted with industrial trucks and cranes for lifting and transporting earth and other materials. One can easily observe how Yanacocha’s extractive activities have impacted the lands it mines. Open-pit heap leach mining, of which Yanacocha is an example, is a “breakthrough technology” according to an August 2015 article on *Mining.com*.¹⁷¹ Beginning in the early 1990s, Alberto Fujimori’s administration hailed this “new” mining (mega mining) as the future of Peru’s development and distinguished it from the “old” outdated mining methods of the past.

Open-pit heap leach mining requires abundant land and water. Yanacocha is situated on 535 square miles¹⁷² of land (approximately 140,000 hectares) and redirects

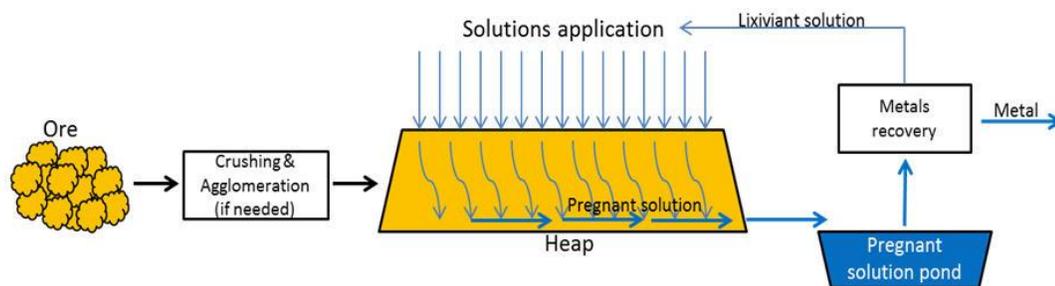
¹⁷⁰ Interview with Participant (undisclosed occupation/profession), Cajamarca, June 2015.

¹⁷¹ Basov, Vladimir. (2015, August 20). Heap leach: Mining’s breakthrough technology. Retrieved from <http://www.mining.com/heap-leach-minings-breakthrough-technology/>

¹⁷² Earthworks. Yanacocha. Retrieved March 3, 2018, from <https://earthworksaction.org/stories/yanacocha/>

water from four lakes high in the Andean mountains to fuel its operations. The general process of open-pit heap leach mining is rather straightforward. First, dynamite is used to blow up (mine) the earth. Then, the shattered earth is gathered (and sometimes further crushed) before being hauled to a leach (lined) pad and dumped in. In the leach pad, the crushed earth is sprayed with a lixiviant, a chemical mixture which includes cyanide, and lots of water. The chemical mixture separates out the gold from the larger pieces of earth. The solution containing the gold composites are then further processed in preparation for commodification and sales. The lixiviant is gathered in a separate basin and reapplied to the crushed earth in the leach pad for another round of gold extraction. See Figure 5.1.

Figure 5.1: Simplified version of the general heap leaching process¹⁷³



The size of Yanacocha, the sheer land space which its mining operations occupy, means that Yanacocha makes an indelible impact on the environment. Yanacocha has altered the Cajamarca landscape according to many *cajamarquinos*. A few years (late 1990s) after Yanacocha began mining operations in Cajamarca, environmental impact reports were generated by those who believed the mine did not negatively affect the environment, and those who were skeptical of the mine's environmental impact. The environmental impact reports covered several important issues, however *water*

¹⁷³ Basov, Vladimir. (2015, August 20). Heap leach: Mining's breakthrough technology. Retrieved from <http://www.mining.com/heap-leach-minings-breakthrough-technology/>

(diminishing water supplies and the pollution of existing water supplies) remains a main point of contention in the larger environmental impact debate. Clean, affordable, and accessible water is a pillar of the subsistence agricultural way of life. As campesinos have explained, water sustains their livestock and is used to grow vegetation for consumption. If the water is contaminated with traces of toxic chemicals, the livestock become ill and/or die and the vegetation yields smaller crop loads – all of which has already happened according to *cajamarquino* accounts. Cajamarca residents, campesino non-campesino alike, state that significantly smaller crop yields and ill and dying livestock have been problems in Cajamarca since the mid to late 1990s, when Yanacocha began mining operations. Yanacocha has built several water reservoirs to collect clean water and distribute to nearby communities, however these communities argue that the water supplies are insufficient for their needs, and that they contain traces of chemicals. Yanacocha is adamant that the chemicals in its mining operations are securely contained and that the used water is treated to eliminate toxicity before disposal. Yanacocha therefore argues that mining chemicals cannot and do not reach public water supplies. Many locals however assert that the mine cannot control for Cajamarca’s robust rainy season and accompanying winds which they claim transport the toxic chemicals from the mining site to the surrounding areas and into the atmosphere. To this point, one participant stated that Yanacocha is not an example of a successful development project “because the extraction of the mineral is not carried out in an adequate manner.”¹⁷⁴ Another participant, a logistical assistant in education, concluded, “it [Yanacocha] contaminates...and does not create development.”¹⁷⁵

¹⁷⁴ Interview with Participant (undisclosed occupation/profession), Cajamarca, June 2015.

¹⁷⁵ Interview with Logistical Assistant in Education, Cajamarca, June 2015.

The root(s) of *cajamarquinos*' discontent with Yanacocha's environmental impact can be more fully understood using Sen and Nussbaum's theoretical discussions of the capability approach. The capability approach is useful for shedding light on why the majority of Cajamarca residents, especially campesinos, perceive Yanacocha and the environmental changes happening around them negatively. The following discussions of participants' grievances with Yanacocha vis-à-vis the environment is organized into roughly three categories: 1) *cajamarquinos*' right to "multiplicity of nature" (Li, 2015, p. 23), 2) the hierarchical arrangement of knowledge based on how that knowledge is produced and by whom, and 3) the right of *cajamarquinos* to pursue and defend livelihoods which they deem valuable and meaningful. These discussions are informed by and drawn from three fundamental aspects of the capability approach, respectively: pluralism of values, practical reason and the ability to use one's mind, and narrowing versus expanding choices.

Commodified Nature

One of the main tenets of Sen's capability approach is *pluralism*. The crux of Sen's capability work is that current indicators of human wellbeing are "too narrow" (Alkire, 2002, p. 9), thus it is important to enlarge "the informational basis" of how pro-poor and development practitioners come to perceive wellbeing and quality of life to reflect "the view that valid well-being and valid social welfare come in diverse forms" (Alkire, 2002, p. 10). The importance Sen places on pluralism can be extended to *pluralism of values* in order to understand what is happening in Cajamarca regarding the environment, development, and *cajamarquinos*.

The “power relation”¹⁷⁶ between the Peruvian government, Newmont and Buenaventura, and the World Bank, under the aegis of economic development, has produced a largely commodifiable nature (environment), thereby eroding a pluralism of values with respect to nature. Li refers to the issue as a lack of “multiplicity of nature” (Li, 2015, p. 23), and this struggle to preserve nature has become increasingly problematic over the past 20 years as campesinos (and many non-campesinos alike) in Cajamarca advocate to protect their lands and water. The “power relation” has manifested a nature or environment that is for more than meeting the general principles of utilitarianism, it is nature determined for commodification, for trade, maximization of revenues, and profit. According to the World Bank’s development rhetoric, generated revenue (from a successfully commodified nature) can be utilized for social welfare programs and other pro-poor efforts, however various issues at the national and local levels have prevented this from happening in practice. *Cajamarquinos*, especially campesinos who are largely excluded from the Peruvian government-Newmont-Buenaventura-World Bank “power relation,” have participated in large-scale protests and demonstrations to defend their right to a multipurpose nature which holds important practical, spiritual, ancestral, and aesthetic value. For example, the 2015 documentary film, *Daughter of the Lake*, follows Nelida, a campesina who communicates with spirits inhabiting the lakes, mountains, and lands near her home in Cajamarca. Nelida is currently part of a larger movement fighting to protect the environment from destruction

¹⁷⁶ In Michel Foucault’s analysis of power relations, he asserts that power relations create or manufacture, and not only affect, circumstances. Foucault (1997) suggested that in order to achieve “a concrete analysis of power relations” it is necessary “to study power not on the basis of the primitive terms of the relation but starting from the relation itself, inasmuch as the relation is what determines the elements on which it bears” (p. 59).

due to mining operations at Yanacocha. In the documentary, Nelida is shown speaking gently to a lake high in the Andean mountains as she makes an offering of fresh flowers. Nussbaum's work on the capability approach, more specifically her list of ten central capabilities, makes explicit reference to the ability to be "able to live with concern for and in relation to animals, plants, and the world of nature" as fundamental to wellbeing and human flourishing.

Knowledge Production

Poor campesinos in Cajamarca, many of whom are illiterate, rely primarily on their senses to evaluate the changes to their environment. These campesinos have experienced, through their individual and collective bodily senses, the changing quality of the soils, water, crop yields, and the changing numbers of fish in the streams, healthy livestock and so on. However, as campesinos argue, their ways of knowing, which have been forged and fine-tuned over hundreds of years, do not constitute a legitimate body of knowledge for the Peruvian government, Newmont, Buenaventura, and the World Bank. One reason for this may be attributed to the prominence of the scientific method, which according to Foucault, "[i]n their historical formation [during the time of the Greek city-state], *measure*, *inquiry*, and *examination* were all means of exercising power and, at the same time, rules for establishing knowledge" (1997, p. 18). One can observe examples of Foucault's philosophizing in Cajamarca whereby *campesinos'* evaluations of their changing environment is often undermined, or subordinated to knowledge generated by scientists and researchers, especially the Western-trained. Nussbaum discusses the importance of the ability to use one's mind for human flourishing. Her list of central capabilities includes the following: "[b]eing able to use the senses, to imagine, think, and

reason,” “[b]eing able to form a conception of the good and to engage in critical reflection,” and “[b]eing able to use one’s mind in ways *protected by guarantees of freedom of expression* with respect to both political and artistic speech [italics added].”

Nussbaum continues, “[s]ocial arrangements are to be criticized” if and when they fail to foster the widening of people’s capabilities.¹⁷⁷ Campesinos’ actions, their protests and demonstrations against Yanacocha, are to an important extent a reflection of Nussbaum’s assertions about the factors which detract from human flourishing.

Legitimate Livelihoods

Perhaps the biggest grievance of *cajamarquinos* regarding the Yanacocha gold mine is that as Newmont and Buenaventura (under the auspices of the Peruvian government and the World Bank) rapidly and aggressively mine *cajamarquino* lands, they do so at the expense of a diversity of livelihoods. As Li (2015) importantly suggests, “resource conflicts...are also ontological conflicts over the making (or destruction) of worlds (Escobar 2008; de la Cadena 2010; Blaser 2009)” (p. 21). Local residents claim that when Yanacocha first began mining operations in the early 1990s, they were under the impression that the mining revenues would supplement their current way of life. Fast-forward 25 years, Yanacocha’s presence and on-going support for mining in the region by the Peruvian government and the World Bank has overshadowed the importance of creating a diversified economy which can sustain itself and a variety of livelihoods. Several study participants across a range of professions and occupations believe that a diversified economy (development of the agriculture, tourism, and textile sectors for example) is important for Cajamarca. One participant states, “We need development of

¹⁷⁷ *The Stanford Encyclopedia of Philosophy*. (Winter 2013). “Liberal Feminism.” Retrieved from <https://plato.stanford.edu/entries/feminism-liberal/>

tourism.”¹⁷⁸ Another respondent points to “trigo” (wheat) and “maca” as areas for investment for Cajamarca’s development.¹⁷⁹ “Agriculture” and “tourism” asserts another participant.¹⁸⁰ A campesina related her desire for a *fábrica* (factory) in Cajamarca, which she believes would be especially beneficial to young women’s employment.¹⁸¹ The right of individuals to pursue a range of livelihoods they deem meaningful and in which they see value, and their capabilities to do so, is a core component of the capability approach. The focus of the UNDP’s *Human Development Reports* is, for example, on “people and their opportunities and choices,”¹⁸² and more specifically, on the “process of enlarging people’s choices” (UNDP *HDR*, 1990). The 2014 UNDP *HDR* asserts, “[i]f human development is about widening choices, human vulnerability stems quintessentially from a restriction of the choices critical to human development.” Currently, the subsistence agricultural way of life in Cajamarca is threatened by Yanacocha’s extractive activities as both groups depend on the land and water supplies, albeit for different reasons. The data collected through qualitative interviews and participant observation indicate that many Cajamarca residents do not perceive Yanacocha as a successful development project because the mine has not contributed to the expansion of choices and opportunities for *cajamarquinos*, on the contrary, study participants and others believe that Peruvian government officials’ reliance on Yanacocha has constricted their opportunities for employment, ways of living, and their overall autonomy. In some cases, campesinos have been made to feel “backwards” and “outdated,” and responsible for the poverties which

¹⁷⁸ Interview with Government Official for the Municipality of Cajamarca, Cajamarca, May 2015.

¹⁷⁹ Interview with Principal Member of *Conga No Va* Movement, Cajamarca, May 2015.

¹⁸⁰ Interview with Principal Member of *Rondas Urbanas*, Cajamarca, May 2015.

¹⁸¹ Interview with campesina who works as a Cleaner, Cajamarca, April 2015.

¹⁸² United Nations Development Programme (UNDP). “About Human Development.” Retrieved from <http://hdr.undp.org/en/humandev>

they experience because they are skeptical of or against Yanacocha's mining operations; to many supporters of Yanacocha, the mine symbolizes "modernity" and "progress." Thus, poor campesinos are in a struggle to defend a way of life which they have been told is essentially "not...worth fighting for" and "something that will soon disappear (or that must be made to disappear)" (Li, 2015, p. 74-75).

5.4.5 Lack of Ethical Engagement with the Local Community

Speaking about Yanacocha, one study participant stated, "[F]rom the beginning they [Yanacocha's leaders] are deceiving (tricking/cheating)."¹⁸³ Another participant added, "I believe that yes, it is a good development project, but the politics/policies and *ethical training of our governmental leaders are not adequate.*"¹⁸⁴ A third respondent explained,

Mining is important for economic growth but should be carried out in the best way with respect, for the nation and other countries. Newmont comes in the position, 'I come from a country of power.' We say, yes, mining, yes, okay, with *respect*. The mine will improve the economy, income, the people, okay good, with *respect and consideration.*¹⁸⁵

The narrative of yet another interviewee summarizes a shared belief of many *cajamarquinos* that Yanacocha is not a successful development project because of a lack of respect from the mine's leaders and employees: "No, not to me. *Without any respect*, the mine contaminated the majority of the population. Therefore, it is not a good example for a public investment."¹⁸⁶ It is clear, based on the narratives of study participants, that ethical engagement with the local community characterized by respect, honesty, and transparency is fundamentally important to many *cajamarquinos*. According to Foucault,

¹⁸³ Interview with Clothing Manufacturer, Cajamarca, June 2015.

¹⁸⁴ Interview with Obstetrician, Cajamarca, June 2015.

¹⁸⁵ Interview with Government Official for the Municipality of Cajamarca, Cajamarca, May 2015.

¹⁸⁶ Interview with Principal Member of *Rondas Urbanas*, Cajamarca, May 2015.

“ethics” is “the practice of freedom” (1997, p. 284). Borrowing from the capability approach’s conceptualization of freedom, or freedoms, as a widening of people’s choices *and* their abilities to pursue livelihoods in which they see value, it is conceivable that many *cajamarquinos* feel that their freedom and ability to make the meaningful decisions which govern their lives have been constricted because they have been subject to ongoing deception and disrespect by Yanacocha’s supporters (including Peruvian government officials).

Some examples of (perceived) lack of ethical dealings with the local community according to *cajamarquinos* include the confusion which surrounds Yanacocha’s initial land purchases (see Section 5.3.1.2), how and to where mining revenues are allocated and spent (see Section 5.3.1.3), and the issue of conflicting reports about what exactly transpired in the immediate aftermath of the toxic mercury spill (see Section 5.3.1.2), including whether the seriousness of the spill was downplayed to preserve Yanacocha’s public image. Furthermore, in the 2005 documentary, *Peru: The Curse of Inca Gold*, Larry Kurlander, during his tenure as a senior executive at Newmont, stated that his audit of Yanacocha’s environmental impact revealed a host of environmental issues (*confirming* campesinos’ beliefs), some of which were grievous enough for Newmont to be legally criminally implicated and sustain fines and/or possible imprisonment. Newmont, however, has denied these allegations.

In an effort to address growing accusations about its perceived absence from issues surrounding Yanacocha, in 1999 the Bank established the Compliance Advisor/Ombudsman (CAO) as a recourse for addressing complaints against the IFC and MIGA (the Bank’s two private sector lending arms). The CAO seeks to achieve

transparency regarding Bank projects. In addition, the CAO recognizes a diversity of voices such as those of disadvantaged peoples, and the need for a course of action to hold corporations accountable. Currently, the CAO has reviewed and settled hundreds of cases around the globe including nine cases¹⁸⁷ related to Yanacocha, two of which are still open. From the perspective of the capability approach, the CAO, in theory, acts as a means for widening poor people's capabilities with regard to their livelihoods, however it is important to note that the process of filing complaints with the CAO is rooted in the Western legal system (perhaps perpetuating an uneven footing between poor *cajamarquinos* and Newmont, for example). Interestingly, study participants did not mention the CAO in their evaluations of Yanacocha as a development project, and it is therefore unclear to what extent the CAO has been successful in its mission of furthering transparency and accountability from the perspective of *cajamarquinos*. This point raises several larger questions about (perceptions of) the Bank's role in the realm of ethics in localities around the world where Bank projects impact people and their environments.

5.5 How, then, to Understand Development in Cajamarca?

This chapter makes a distinction between a "development project" and a "successful development project" and is contextualized by a close analysis of World Bank documents and the narratives/perceptions of *cajamarquinos* (obtained through qualitative interviews and participant observation) in Cajamarca, Peru where the Yanacocha gold mine (a Bank-supported public-private partnership) operates. According to World Bank documents, the Bank's support for Yanacocha as a development project is rooted in the mine's creation of some employment opportunities in Cajamarca in addition

¹⁸⁷ The World Bank. Compliance Advisor/Ombudsman (CAO). (2018, March 13). Retrieved from http://www.cao-ombudsman.org/cases/default.aspx?region_id=3

to its contributions to Peru's GDP. However, according to the narratives of *cajamarquinos* who participated in this study, Yanacocha is not an example of a successful development project for reasons that range from the uneven distribution of mining benefits, for example employment opportunities (tangible factors), to the mine's appearance of exclusivity/self-interest and lack of respect and consideration towards the local community (intangible factors). While the Bank's rhetoric surrounding Yanacocha tends to be forward-looking and optimistic, study participants conveyed that successful development is a combination of important "material" (such as basic needs) and "nonmaterial" elements (such as expanding human capabilities – articulated in Amartya Sen and Martha C. Nussbaum's capability approach), and that Yanacocha's performance in both areas leaves much to be desired. Similar to Sen and Nussbaum's capability approach, Paul Streeten's (1979) earlier work which focused on "the full development of the individual," characterizes "'nonmaterial' needs" as "the need for self-determination, self-reliance. political freedom and security, participation in decision making, national and cultural identity, and a sense of purpose in life and work" (p. 136). Finally, and perhaps of most significance, participant narratives reveal the importance ascribed to autonomy by both poor and non-poor *cajamarquinos*. *Cajamarquinos* across a range of professions, occupations, and socio-economic statuses expressed that for Yanacocha to become a successful development project, the mine's leaders including Peruvian government officials must provide that certain tangible and intangible factors are satisfied particularly in the realm of basic needs, expanding human capabilities, and autonomy.

CHAPTER 6

CONCLUSION

This study makes the observation that, in many cases, there is a significant disconnect between the World Bank's rhetoric surrounding its latest development model – public-private partnership (PPP) lending – and development and poverty trends “on the ground” in localities where Bank-supported PPP projects operate. Ultimately, this study investigates the disconnect by exploring the dilemmas facing international development agencies that try to leverage private sector investment together with government money for development assistance, and secondly, how poor people are impacted by the Yanacocha gold mine – a Bank-supported PPP. The Bank's development rhetoric indicates that the organization embraces a multidimensional understanding of poverty and the idea that local populations should be incorporated into development project planning. As this study's findings suggest, however, the Bank's rhetoric and lending practice have, to a great extent, not translated into meaningful development nor poverty alleviation for the poorest marginalized peoples, according to study participants.

Based on the results in Chapters 4 and 5, although drawn from only 42 respondents, I found that two critical factors, *basic needs* and *autonomy*, are integral to study participants' conceptualization of poverty; in other words, they attribute their own and others' impoverished livelihoods to a shared inability to meet basic needs and a lack of autonomy. Quality education and a diversity of employment opportunities (for example in agriculture, tourism, and textiles and which can absorb the region's abundant labor supply) were identified as particularly important for meeting basic needs and establishing autonomy according to study participants. Further, perceptions of the

effectiveness of development efforts and projects, or in other words, what constitutes successful development, is closely linked to the projects' ability to deliver on the twin goals of basic needs and autonomy. Of this study's 42 participants, 41 expressed the belief that the Yanacocha gold mine in Cajamarca, Peru is not an example of a successful development project nor a sound public investment; participants attributed this belief to the following factors: the mine's appearance of exclusivity and self-interest, poor relationships with the local community, uneven distribution of mining benefits, environmental issues, and lack of ethical engagement with the local community. The findings presented in chapters 4 and 5 also illustrate that study participants wish to effectively participate in the decision-making processes which govern their lives, and they believe this is possible primarily through expanded capabilities provided by quality education and a diversity of employment opportunities. Basic needs fulfillment and autonomy for poor people are two basic components of wellbeing and pillars of a legitimate pro-poor agenda according to study participants.

In this chapter (Chapter 6), I discuss the significance of these results and situate them within the theoretical framework that informs this dissertation. I also address other questions that have guided this study:

- Why focus on poverties (multidimensional) rather than poverty (singular)?
- What is development?
- What is the significance of the discontinuities between the World Bank and poor people's respective conceptualizations of development?
- Can a World Bank-supported development project such as Yanacocha be pro-poor?
- How might the World Bank alter its lending praxis to reflect a more pro-poor agenda?

6.1 Reductionism: The Consequences of a Singularly Defined Concept of Poverty

In *Voices of the Poor: Can Anyone Hear Us?* (2000) – a largely qualitative study commissioned by the World Bank – the authors state, “Poverty never results from the lack of one thing but from many interlocking factors that cluster in poor people’s experiences and definitions of poverty” (Narayan, Patel, Schafft, Rademacher, & Koch-Schulte, p. 27). In this study I have expressed a concern – based on the study findings presented in Chapters 4 and 5 – and incorporated the cautions of pro-poor scholars and practitioners, about the pitfalls of a singularly defined notion of poverty which then informs global development projects. While the World Bank deems its economic development model – in which development is operationalized on the basis of aggregate income and consumption levels – pragmatic and efficient for tackling global poverty, what this study shows is that there are multiple contributing factors to the creation and endurance of impoverished livelihoods, for example, unmet basic needs and a lack of autonomy and agency. Basic needs (food, potable water, shelter, and clothing, as well as sanitation, education, and healthcare) emerged from this study’s data analysis as a key component of poverty and illbeing. Historically and including in this study, an emphasis on basic needs continuously shows up in the narratives of the poor and non-poor alike as essential to human flourishing. A focus on basic needs alone however, keeps poor people in a “passive” role as Amartya Sen argues, thereby preventing the poor from reaching their full potential (1997, p. 514).

Beyond basic needs, autonomy and agency, factors which can easily go unidentified in the World Bank’s economic income/consumption-driven model, emerged from this study’s data analysis as critical to human flourishing. Sabina Alkire states, “Sen

argues that agency – a person’s ability to act on behalf of what he or she values and has reason to value – is intrinsically valuable, instrumentally effective in reducing poverty, and of central importance” (2008, p. 2). In the human capability framework, autonomy concerns people’s choices, in other words what sets of capabilities they have from which to choose to live a life that they find personally meaningful and valuable. One study participant, a campesina mother, expressed her wish for her daughter to be able to pursue a career of her own choosing. The daughter does not wish to work in the mining sector, however she is educated and, if Yanacocha were not rapidly downsizing, could potentially secure a job at the mine. In doing so she would experience a rise in her income level but would not have been afforded the freedom to pursue her career passions, therefore her autonomy is significantly reduced according to her mother and the capability approach. To have an income, the daughter will have sacrificed her desire for a career which she finds personally fulfilling and meaningful. According to Ingrid Robeyns (2016) in reference to the capability approach, “what is relevant is not only which opportunities are open to me each by themselves, hence in a piecemeal way, but rather which combinations or sets of potential functionings are open to me.”¹⁸⁸ In the daughter’s case, in Cajamarca she can obtain employment at Yanacocha and have an income and remain in close proximity to her family (which is important to her), or she can try to gather the necessary funds to relocate outside of Cajamarca, far from her family, and pursue a career of her own choosing, but both options (a personally meaningful career and being in close proximity to one’s family) are not available to her simultaneously.

¹⁸⁸ *The Stanford Encyclopedia of Philosophy*. (Winter 2016). “The Capability Approach.” Retrieved from <https://plato.stanford.edu/entries/capability-approach/>

Creating a singular definition of poverty that can be attributed to varied groups of poor people across space and time is problematic. A singularly defined concept of poverty runs the risk of reducing individual people and livelihoods to one or two (sometimes disparate) variables, to a narrow dimension of wellbeing, while a host of other important variables and consequences (both intended and unintended) connected to development efforts go unnoticed or unacknowledged by the leaders of development but are deeply felt by the poor.

6.2 The Importance of Conceptualizing and Reconceptualizing Development at the Local Level

Realizing that the practice and processes of development are complex and shaped by a variety of factors (i.e. the political and economic motivations of lending and borrowing countries) is a first step toward understanding the disconnect between the World Bank's envisioned PPP world and what is happening "on the ground" where Bank PPP projects operate. What this study and the work of pro-poor scholars and practitioners illustrate is that development does not take place within a vacuum, nor is there a single conceptualization of development which can be successfully applied to all countries across space and time. Moreover, the Bank's top-down strategy of "applying" development – as opposed to development being homegrown or emerging from the local level – is in itself problematic because it implies that the Bank holds the superior knowledge regarding development and poverty alleviation, which is what Michel Foucault terms the "power-knowledge." The Bank claims to *know* what developing countries need in terms of macroeconomic restructuring, to *know* what the best development practices are, and to *know* how to best achieve poverty alleviation. In her

work, Robin Broad (2007) highlights the mechanisms by which the Bank, through “incentives in hiring, promotion, and publishing” to “discouragement of dissonant views” to “manipulation of data,” suppresses open debate within the organization and advances a singular development model – the “neo-liberal ‘free-trade’ paradigm,” which hugely influences “policy makers” and other development agencies (p. 700-702). Despite a plethora of scholarly work which calls into question the assumptions that underline the Bank’s methods, the Bank continues to vigorously advance a development model geared towards increasing the rate of economic growth.

One of this study’s key objectives was to understand how development is conceptualized at the local level, specifically in the case study region of Cajamarca, Peru. This study’s data analysis (based on responses to closely related questions which, collectively, ask, *what is your vision of development for Cajamarca?*) revealed that *cajamarquinos* across socio-economic levels envision the successful development of their community in terms of basic needs fulfillment and autonomy (for individuals and the community). Study participants expressed a shared belief that basic needs fulfillment and autonomy can be made possible through quality education and a diversity of employment opportunities. Quality education, in the words of respondents, is education which enables individuals to have the agency and knowledge to think for themselves, to think critically. Regarding a diversity of employment opportunities, participants cited jobs in agriculture, tourism, and the textile industry as desirable. According to participants, these are areas ripe for development because they can support Cajamarca’s abundant labor supply and provide more choices from which to secure employment. What this study’s findings show, among other things, is that *cajamarquinos* have clear ideas about how their

everyday and long-term livelihoods can be improved in terms of “development.” Thus, local level conceptualizations of development are immensely useful, and if the Bank’s lending practices are genuinely informed by them, the result can be more effective and meaningful development for the local population in Cajamarca and other regions across the globe where the Bank operates. By incorporating the development and poverty alleviation ideas of local populations into its development praxis, the Bank can advance the agency of some of the globe’s poorest peoples.

6.3 Significance of the Discontinuities Between the World Bank and Poor People’s Characterizations of Development

Investigation of the disconnect between the World Bank and poor people’s characterizations of development vis-à-vis Cajamarca reveals two significant findings. First, several studies of mining and development in Cajamarca (see Li, 2015; Rich, 2013; Bury, 2002, 2004) show that poor *cajamarquinos* have experienced contracting life possibilities since the arrival of the Yanacocha gold mine, specifically with regard to their lands and waterways. Historically, *cajamarquinos* are all too familiar with the seizure of their lands and abundant mineral resources by foreigners, a practice which dates back to the time of the Spanish conquest. Beginning during the Spanish conquest and enduring for several centuries, the Cajamarca region was divided into large haciendas ruled by Spanish conquistadores, and so *cajamarquinos*’ claim over their lands rapidly diminished to the point of near non-existence. The arrival of Yanacocha and the mine’s purchase of vast swaths of lands, has, in fundamental ways, contributed to the on-going cycle of *cajamarquinos* losing their valuable lands to foreign interests. The 2014 *HDR* states, “[i]f human development is about widening choices, human vulnerability stems

quintessentially from a restriction of the choices critical to human development – choices for health, education, *command over material resources* and personal security [emphasis added].”

Extractive activities at Yanacocha also require huge amount of water, an issue which the mine “resolved” by redirecting water from four lakes high in the Andean mountains. The water that has been made available to *cajamarquinos* by the mine includes a monthly fee, which effectively excludes the poorest *cajamarquinos* from having access. The non-privatized water is contaminated with toxic chemical run-off from the mine according to *cajamarquino* testimonies and the work of NGOs in the region such as EarthRights International and scholars such as Benjamin Hoffman at Columbia University, among others. Collectively, the land and water issues are particularly egregious for poor *cajamarquinos* as many are subsistence agriculturalists and depend on these resources for daily survival. Moreover, the Bank and Peruvian government officials’ disproportionately high level of focus on allocating resources towards Yanacocha’s continued operations has resulted in a shrinking local economy according to study participants, which has, in turn, resulted in shrinking employment opportunities. For example, Cajamarca has some measure of a dairy and cattle industry and an agricultural industry, however both have been neglected in favor of extractive activities at Yanacocha and its proposed expansion, Conga. In the perspective of study participants, their own and others’ contracting choices with regard to their lands, waterways, and diversified employment opportunities signify an absence of development in Cajamarca. Drawing from the main tenets of the human capability approach – the theoretical framework which inform this study – is useful as doing so facilitates a deeper

understanding of participants' above-stated view. According to Robeyns (2005), "The capability approach not only advocates an evaluation of people's capability sets, but insists also that we need to scrutinize the context in which economic production and social interactions take place, and whether the circumstances in which people choose from their opportunity sets are enabling and just" (p. 99). Alkire (2005) importantly adds, "Not only must the direct and intended consequences of an action be considered, but also the unintended but foreseeable consequences — whether these be expansions of capabilities, contractions of capabilities, or trade-offs (Sen, 1999a; see Alkire, 2004)" (p. 124).

Second, the discontinuities between the Bank and poor people's characterizations of development vis-à-vis Cajamarca turn a spotlight on a larger disconnect between the Bank's envisioned PPP world and what is happening "on the ground." Then, there is an additional related disconnect between the Bank's lending practices and its heavy pro-poor development rhetoric. The Bank claims to want to help the globe's poorest people, and perhaps there is truth here, however its lending is overwhelmingly directed toward the growth of capital markets and GDP. In its *World Development Reports*, the Bank cites the importance of "shared prosperity," "sustainability," "accountability," "human development," and "a social license" as guiding principles for its lending practices and development projects however these factors are not realized in the perceptions of people (poor and non-poor) in Cajamarca, nor even in the words of the Bank, who continuously recommits itself to doing better with regard to these factors. A key finding of this study is that several fundamental components of the Bank's development vision and development model do not line up – there is almost a complete disconnect between the envisioned PPP

world, which Yanacocha was/is supposed to embody, of poverty reduction and relief for the poorest *cajamarquinos*, and what is happening in reality on the ground. The issues surrounding Yanacocha and their implications are well-documented in the (global) development and neo-extractivism literatures (see Chapter 2), which raises the question, why is the Bank seemingly reluctant to meaningfully address these ruptures? Is it, perhaps, because doing so would open a space where the Bank would be forced to re-evaluate core elements of its economic development model?

6.4 New Rules for Establishing a Pro-Poor Development Agenda in the Extractives Sector

Extraction-led development is uniquely problematic in developing countries (see Chapter 2, Section 2.3 for an in-depth discussion). Despite the Yanacocha gold mine's social initiatives¹⁸⁹ in the region of Cajamarca, the mine is largely unpopular – specifically lacking trustworthiness – among poor and non-poor *cajamarquinos*. Why is this the case? This study investigates this question as a main objective. To begin to address this question, it is useful to revisit the points made in the *Extractives Industry Review* (2003) and the UNDP's *Human Development Reports*. The *EIR* (2003), which was commissioned by the World Bank, asked, “[c]an extractive industries projects be compatible with the WBG’s goals of sustainable development and poverty reduction?” (p. vii). The report found that, yes, “when the right conditions are in place” (*EIR*, 2003, p. vii). The *EIR* (2003) and *HDRs* assert that there are both tangible (material) and intangible (nonmaterial) factors which are integral to the development of individuals and

¹⁸⁹ See Newmont Mining Corporation. Yanacocha – Peru. Community. Retrieved from <https://www.newmont.com/operations-and-projects/south-america/yanacocha-peru/community/default.aspx> and Yanacocha, Cajamarca, Peru. Retrieved from <http://www.yanacocha.com/>

communities and which must be clearly specified, and then actualized, by the leaders of development for development projects to be truly pro-poor.

As this study's findings show, participants wish to have their basic needs (tangible/material) fulfilled, and they also desire agency and autonomy (intangible/nonmaterial). Further, this study found that autonomy – a nonmaterial good – is equally as important as basic needs fulfillment in *cajamarquinos*' perceptions of successful development and poverty alleviation. In the 2015 documentary film, *Daughter of the Lake*, a campesina is filmed offering fresh flowers to a lake in the Andean mountains near the Yanacocha gold mine. The campesina speaks to the lake gently, demonstrating respect and reverence. It becomes clear that the lake holds some inherent nonmaterial value for the young campesina. Yanacocha's leaders, however, do not recognize this inherent value, or perhaps perceives it as a necessary or worthwhile tradeoff for "development," thus to fuel its extractive activities the mine has redirected the water from four lakes high in the Andean mountains. Despite the public water projects listed on Yanacocha's website, *cajamarquinos* are dissatisfied with and skeptical of the mine, and a seeming lack of reverence for the lakes emanating from the mine's leaders may explain why. The *EIR* (2003) emphasizes the importance of respecting the beliefs, customs, and voices of indigenous peoples (p. 4). When indigenous populations have deep complex relationships with their respective environments, with their lands and waterways, when people and environment are inextricably linked, then these individuals and communities must be meaningfully consulted *prior to* taking any action¹⁹⁰, especially when a proposed development project will hugely impact the local environment.

¹⁹⁰ The *EIR* (2003) recommends "a process of free prior informed consent" (p. 18).

According to this study's findings, participants wish to have autonomy and the ability to make decisions with regard to their ancestral lands and waterways, and it is critical for the Bank (and other development agencies/banks) to allow this feedback to guide lending practices in order to facilitate meaningful development and poverty alleviation. One added benefit for the Bank is the increase of its credibility and legitimacy as a global development agency which cares about the wellbeing of poor people.

6.5 Paving the Way: The World Bank, Lending, and a Pro-Poor Agenda

If this study indicates anything, it is that there are important components of wellbeing and quality of life that go unrecognized and, therefore, unrealized by the World Bank's economic development model. This raises the question, how can we utilize finite international funds for development assistance more productively and thoughtfully so that the development goals of poverty alleviation are met in ways that are beneficial to the poorest people, who are often excluded from the current dominant development model? First, it is important to make clear that the Bank has never claimed to follow the human capability approach to development, therefore this study has not set out to criticize the Bank for not meeting capability approach criteria. Instead, this study posits, based on rigorous data analysis and a thorough review of several literatures, that if the Bank truly wishes to help the globe's poorest people and, in addition, improve its own reputation in the perspective of the local poor populations it claims to serve, then adopting at least some of the capability approach criteria is the way forward. It appears that the potential exists for the Bank to develop a more pro-poor agenda if it is willing to make changes, guided by the capability approach, to its lending praxis.

As a first step, perhaps the Bank should finally lay to rest the notion that the benefits of GDP growth will automatically trickle down to the globe's poorest populations. The Bank's claim of "shared prosperity" should parallel the important question, *who* is going to share the prosperity? The Bank points to country governments for carrying out this responsibility (see the 2017 *WDR*), but the Bank has a pivotal role to play as well, and that is to bolster developing country governments so that they are *able to* equitably distribute the benefits of economic growth. In this study's case study region of Cajamarca, study participants and many other local community members expressed a belief that there is widespread corruption in all levels of the Peruvian government. If this is indeed true, the Bank must work more closely with the Peruvian government, at all levels, to ensure the benefits of economic growth are not captured by non-target groups (i.e. the non-poor). Based on the 2017 *WDR*, the Bank would argue that the Peruvian government is responsible for channeling benefits to its poorest citizens, however the Peruvian government appears to place a great deal of that responsibility on the foreign mining companies when it upholds the narrative that foreign investors and the like are stealing Peru's natural resource wealth. The abdication of responsibility for the welfare of the poorest people in Cajamarca resulting from this confusion is an area for further investigation, as is discerning how *cajamarquinos* understand the relationship between the Bank and the Peruvian government, the Peruvian government and Yanacocha, and between themselves, their government, and the mine.

This study investigated conceptualizations of development and poverty in a single region – Cajamarca, Peru. What can qualitative investigations of other poor regions across the globe reveal? This information is critical therefore the Bank should allocate

more resources to selecting and training researchers who specialize in fields other than economics and who can conduct more qualitative studies at the local levels to inform the design and implementation of development projects. Such qualitative research, in the form of qualitative interviews, surveys, and focus groups, should emphasize questions such as, how do “poor” people understand their impoverished livelihoods? What do they believe they are able to do and unable to do? What is their vision for the development of their respective communities? In doing so, the Bank can enable a reframing – emerging from local voices and experiences – of the dominant development discourse in ways that allow impoverished livelihoods to be assessed and evaluated beyond the constraints of macroeconomic indicators such as GDP growth and aggregate income and consumption figures.

This study has sought, above all, to serve as a recommitment to improving the wellbeing and respective livelihoods of some of the globe’s poorest people. In this vein, the human capability approach, which centers people and is guided by the principles of social equity, agency, autonomy, and human rights, has been instrumental to its design and development, and must continue to inform the complex and challenging work of development and poverty alleviation we observe in the world today.

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APPENDICES

APPENDIX 1. LIST OF CENTRAL CAPABILITIES BY MARTHA C.

NUSSBAUM

1. Life – Able to live to the end of a normal length human life, and to not have one's life reduced to not worth living.
2. Bodily Health – Able to have a good life which includes (but is not limited to) reproductive health, nourishment and shelter.
3. Bodily Integrity – Able to change locations freely, in addition to, having sovereignty over one's body which includes being secure against assault (for example, sexual assault, child sexual abuse, domestic violence and the opportunity for sexual satisfaction).
4. Senses, Imagination and Thought – Able to use one's senses to imagine, think and reason in a 'truly human way'—informed by an adequate education. Furthermore, the ability to produce self-expressive works and engage in religious rituals without fear of political ramifications. The ability to have pleasurable experiences and avoid unnecessary pain. Finally, the ability to seek the meaning of life.
5. Emotions – Able to have attachments to things outside of ourselves; this includes being able to love others, grieve at the loss of loved ones and be angry when it is justified.
6. Practical Reason – Able to form a conception of the good and critically reflect on it.
7. Affiliation
 - A. Able to live with and show concern for others, empathize with (and show compassion for) others and the capability of justice and friendship. Institutions help develop and protect forms of affiliation.
 - B. Able to have self-respect and not be humiliated by others, that is, being treated with dignity and equal worth. This entails (at the very least) protections of being discriminated on the basis of race, sex, sexuality, religion, caste, ethnicity and nationality. In work, this means entering relationships of mutual recognition.
8. Other Species – Able to have concern for and live with other animals, plants and the environment at large.
9. Play – Able to laugh, play and enjoy recreational activities.
10. Control over One's Environment
 - A. Political – Able to effectively participate in the political life which includes having the right to free speech and association.
 - B. Material – Able to own property, not just formally, but materially (that is, as a real opportunity). Furthermore, having the ability to seek employment on an equal basis as others, and the freedom from unwarranted search and seizure.

APPENDIX 2. FORMS AND TRANSLATIONS

2.1 Notice of Approval, Institutional Review Board (IRB)



Office of Research and Regulatory Affairs orra.rutgers.edu/artsci
 Arts and Sciences IRB
 Rutgers, The State University of New Jersey 732-235-2866
 335 George Street / Liberty Plaza / Suite 3200
 New Brunswick, NJ 08901

February 6, 2019

Simone R. Bridgemohan
 175 University Ave
 Newark NJ 07102

P.I. Name: Bridgemohan
Protocol #: 17-383Mx

Dear Simone Bridgemohan:

Initial Amendment Continuation [✓] Continuation w/ Amend Adverse Event

Protocol Title: "Lending of International Financial Institutions (IFIs), Development, and Poverty: A Case Study of the Yanacocha Gold Mine in Cajamarca, Peru"

This is to advise you that the above-referenced study has been presented to the Institutional Review Board for the Protection of Human Subjects in Research, and the following action was taken subject to the conditions and explanations provided below:

Approval Date: 2/6/2019 **Expiration Date:** 2/5/2020
Expedited Category(s): 8c **Approved # of Subject(s):** 50 **Currently Enrolled:** 42

This approval is based on the assumption that the materials you submitted to the Office of Research and Sponsored Programs (ORSP) contain a complete and accurate description of the ways in which human subjects are involved in your research. The following conditions apply:

- **This Approval-**The research will be conducted according to the most recent version of the protocol that was submitted. **This approval is valid ONLY for the dates listed above;**
- **Reporting-Reporting-** Reporting—ORRA/Arts & Sciences IRB must be immediately informed of any injuries to subjects that occur (within 24 hours) and/or problems (e.g., subject complaints) that arise, in the course of your research within a timely manner (within 5 business days). Visit our website for more information on reportable events, <https://orra.rutgers.edu/reportable-events>.
- **Modifications-**Any proposed changes **MUST** be submitted to the IRB as an amendment for review and approval prior to implementation;
- **Consent Form(s)-**Each person who signs a consent document will be given a copy of that document, if you are using such documents in your research. The Principal Investigator must retain all signed documents for at least three years after the conclusion of the research;
- **Continuing Review-**You should receive a courtesy e-mail renewal notice for a Request for Continuing Review before the expiration of this project's approval. However, it is your responsibility to ensure that an application for continuing review has been submitted to the IRB for review and approval prior to the expiration date to extend the approval period;

Additional Notes:

- Continuation Expedited Approval per 45 CFR 46.110
- IRB Approval Has Been Provided For Data Analysis Only. PI Is To Contact The IRB Prior To The Recruitment Of Additional Subjects Or Further Interactions/Interventions With Subjects.

Failure to comply with these conditions will result in withdrawal of this approval.
 Please note that the IRB has the authority to observe, or have a third party observe, the consent process or the research itself. The Federal-wide Assurance (FWA) number for the Rutgers University IRB is FWA00003913; this number may be requested on funding applications or by collaborators.

Respectfully yours,

 Acting For--
 Beverly Tepper, Ph.D.
 Professor, Department of Food Science
 IRB Chair, Arts and Sciences Institutional Review Board
 Rutgers, The State University of New Jersey

(MW:mp)

cc: Karen D Caplan



Office of Research and Regulatory Affairs
 Arts and Sciences IRB
 Rutgers, The State University of New Jersey
 335 George Street / Liberty Plaza / Suite 3200
 New Brunswick, NJ 08901
 orra.rutgers.edu/artsci
 732-235-2866

February 27, 2018

Simone R. Bridgemohan
 175 University Ave
 Newark NJ 07102

P.I. Name: Bridgemohan
 Protocol #: 17-383Mx

Dear Simone Bridgemohan:

Initial Amendment Continuation [✓] Continuation w/ Amend Adverse Event

Protocol Title: "Lending of International Financial Institutions (IFIs), Development, and Poverty: A Case Study of the Yanacocha Gold Mine in Cajamarca, Peru"

This is to advise you that the above-referenced study has been presented to the Institutional Review Board for the Protection of Human Subjects in Research, and the following action was taken subject to the conditions and explanations provided below:

Approval Date: 2/7/2018 Expiration Date: 2/6/2019
 Expedited Category(s): 8c Approved # of Subject(s): 50 Currently Enrolled: 45

This approval is based on the assumption that the materials you submitted to the Office of Research and Sponsored Programs (ORSP) contain a complete and accurate description of the ways in which human subjects are involved in your research. The following conditions apply:

- **This Approval**-The research will be conducted according to the most recent version of the protocol that was submitted. **This approval is valid ONLY for the dates listed above;**
- **Reporting-Reporting**-ORRA/Arts & Sciences IRB must be immediately informed of any injuries to subjects that occur (within 24 hours) and/or problems (e.g., subject complaints) that arise, in the course of your research within a timely manner (within 5 business days). Visit our website for more information on reportable events, <https://orra.rutgers.edu/reportable-events>.
- **Modifications**-Any proposed changes **MUST** be submitted to the IRB as an amendment for review and approval prior to implementation;
- **Consent Form(s)**-Each person who signs a consent document will be given a copy of that document, if you are using such documents in your research. The Principal Investigator must retain all signed documents for at least three years after the conclusion of the research;
- **Continuing Review**-You should receive a courtesy e-mail renewal notice for a Request for Continuing Review before the expiration of this project's approval. However, it is your responsibility to ensure that an application for continuing review has been submitted to the IRB for review and approval prior to the expiration date to extend the approval period;

Additional Notes:

- Continuation Expedited Approval per 45 CFR 46.110.
- IRB Approval Has Been Provided For Data Analysis Only. PI Is To Contact The IRB Prior To The Recruitment Of Additional Subjects Or Further Interactions/Interventions With Subjects.

Failure to comply with these conditions will result in withdrawal of this approval.
 Please note that the IRB has the authority to observe, or have a third party observe, the consent process or the research itself. The Federal-wide Assurance (FWA) number for the Rutgers University IRB is FWA00003913; this number may be requested on funding applications or by collaborators.

Respectfully yours,

Acting For--
 Beverly Tepper, Ph.D.
 Professor, Department of Food Science
 IRB Chair, Arts and Sciences Institutional Review Board
 Rutgers, The State University of New Jersey

(GJ:mp)

cc: Karen D Caplan

RUTGERS

Office of Research and Regulatory Affairs
 Arts and Sciences IRB
 Rutgers, The State University of New Jersey
 335 George Street / Liberty Plaza / Suite 3200
 New Brunswick, NJ 08901

orra.rutgers.edu/artsci
 732-235-9806

January 28, 2015

Simone R. Bridgemohan
 175 University Ave
 Newark NJ 07102

P.I. Name: Bridgemohan
Protocol #: 15-371M

Dear Simone Bridgemohan:

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Initial	Amendment	Continuation	Continuation w/ Amend	Adverse Event

Protocol Title: "Lending of the International Financial Institutions (IFI's), Development, and Poverty: A Case Study of the Yanacocha Gold Mine in Cajamarca, Peru"

This is to advise you that the above-referenced study has been presented to the Institutional Review Board for the Protection of Human Subjects in Research, and the following action was taken subject to the conditions and explanations provided below:

Approval Date:	1/15/2015	Expiration Date:	1/14/2016
Expedited Category(s):	6,7	Approved # of Subject(s):	50

This approval is based on the assumption that the materials you submitted to the Office of Research and Sponsored Programs (ORSP) contain a complete and accurate description of the ways in which human subjects are involved in your research. The following conditions apply:

- **This Approval**-The research will be conducted according to the most recent version of the protocol that was submitted. **This approval is valid ONLY for the dates listed above;**
- **Reporting**-ORSP must be immediately informed of any injuries to subjects that occur and/or problems that arise, in the course of your research;
- **Modifications**-Any proposed changes **MUST** be submitted to the IRB as an amendment for review and approval prior to implementation;
- **Consent Form(s)**-Each person who signs a consent document will be given a copy of that document, if you are using such documents in your research. The Principal Investigator must retain all signed documents for at least three years after the conclusion of the research;
- **Continuing Review**-You should receive a courtesy e-mail renewal notice for a Request for Continuing Review before the expiration of this project's approval. However, it is your responsibility to ensure that an application for continuing review has been submitted to the IRB for review and approval prior to the expiration date to extend the approval period;

Additional Notes:	▪ Expedited Approval per 45 CFR 46.110;
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Failure to comply with these conditions will result in withdrawal of this approval.

Please note that the IRB has the authority to observe, or have a third party observe, the consent process or the research itself. The Federal-wide Assurance (FWA) number for the Rutgers University IRB is FWA00003913; this number may be requested on funding applications or by collaborators.

Respectfully yours,



Acting For--
 Beverly Tepper, Ph.D.
 Professor, Department of Food Science
 IRB Chair, Arts and Sciences Institutional Review Board
 Rutgers, The State University of New Jersey

cc: Karen D Caplan

(MW:bk)

2.2 Oral Consent Form & Audiotape Addendum to Consent Form

APPROVED

JAN 15 2015

Approved by the
Rutgers IRB

EXPIRES

JAN 14 2016

Approved by the
Rutgers IRB

ATTACHMENT 4

Principal Investigator: Simone Raquel Bridgemohan
Project Title: Lending of the International Financial Institutions (IFIs), Development, and Poverty: A Case Study of the Yanacocha Gold Mine in Cajamarca, Peru

INFORMED CONSENT FORM

You are invited to participate in a research study that is being conducted by, myself, Simone Raquel Bridgemohan, a graduate student in the Division of Global Affairs at Rutgers University. The purpose of this research is to examine the interaction of lending of the international financial institutions (IFIs), specifically the World Bank Group and public-private partnerships (PPPs), development, and poverty through a case study of the World Bank Group's support of the Yanacocha gold mine.

A minimum of 50 subjects will participate in the study, and each individual's participation will last approximately one hour (60 minutes).

The study procedures include responding to a series of semi-structured questions which are related to the objectives of this research. However, please feel free to expand on the topic or talk about related ideas. Also, if there are any questions you would rather not answer or that you do not feel comfortable answering, please say so and we will stop the interview or move on to the next question, whichever you prefer.

This research is confidential. Confidential means that the research records will include some information about you and this information will be stored in such a manner that some linkage between your identity and the response in the research exists. Some of the information collected about you include your age, gender, income, and job title. Please note that we will keep this information confidential by coding the data, limiting individual's access to the research data, and keeping it in a secure location.

The research team (including myself and Dr. Karen Caplan) and the Institutional Review Board at Rutgers University are the only parties that will be allowed to see the data, except as may be required by law. If a report of this study is published, or the results are presented at a professional conference, only group results will be stated. All study data will be kept for three years.

The data will be stored in a locked file cabinet accessible only to myself, the Principal Investigator, before disposal. Handwritten notes and all other paper data will be disposed of by way of shredding. All audio data will be erased from the digital voice recorder. All exchanges via e-mail will be permanently deleted from the PI's inbox and e-mail account.

There are no foreseeable risks to participation in this study.

You may receive no direct benefit from taking part in this study. You will receive no compensation for completing the entire study.

Your participation in this study is voluntary; you may decline to participate at any time without penalty to you. If you decide to participate, you may withdraw from the study at any time without penalty and without loss of benefits to which you are otherwise entitled. If you withdraw from the study before data collection is completed, your data will be removed from the data set and destroyed.

If you have any questions about the study or study procedures, you may contact myself, the Principal Investigator, at srbridge@scarletmail.rutgers.edu, or the Dissertation Supervisor, Dr. Karen Caplan, at kcaplan@andromeda.rutgers.edu.

If you have any questions about your rights as a research subject, you may contact the IRB Administrator at Rutgers University at:

Institutional Review Board
Rutgers University, the State University of New Jersey
Liberty Plaza / Suite 3200
335 George Street, 3rd Floor
New Brunswick, NJ 08901
Phone: 732-235-9806
Email: humansubjects@orsp.rutgers.edu

APPROVED

JAN 15 2015

Approved by the
Rutgers IRB

EXPIRES

JAN 14 2016

Approved by the
Rutgers IRB

YOU WILL BE GIVEN A COPY OF THIS CONSENT FORM FOR YOUR OWN RECORDS.

Sign below if you agree to participate in this research study:

Subject (Print) _____

Subject Signature _____ Date _____

Principal Investigator Signature _____ Date _____

AUDIO ADDENDUM TO CONSENT FORM

You have already agreed to participate in a research study entitled: **Lending of the International Financial Institutions (IFIs), Development, and Poverty: A Case Study of the Yanacocha Gold Mine in Cajamarca, Peru** conducted by myself, Simone Raquel Bridgemohan. I am also asking for your permission to allow me to record an audiotape as part of that research study. You do not have to agree to be recorded in order to participate in the main part of the study. The recording will last approximately one hour (60 minutes).

The recording(s) will be used for analysis on behalf of the Principal Investigator for the purposes of the research design.

Because this interview is confidential, the recording itself will not include any information regarding your name or employment, but will include the date and time of the interview. The recording(s) will be coded and stored on a digital recorder in a locked file cabinet at my, the Principal Investigator's, home and will be retained for a minimum of three years before being destroyed.

The investigator will not use the recording for any other reason than those that I, the Principal Investigator, have stated in the consent form.

Your signature on this form grants the investigator, Simone Raquel Bridgemohan, permission to record you as described above during participation in the above-referenced study.

Subject (Print) _____

Subject Signature _____ Date _____

Principal Investigator Signature _____ Date _____

YOU WILL BE GIVEN A COPY OF THIS CONSENT FORM FOR YOUR OWN RECORDS.

2.3 Oral Consent Form (Spanish) & Audiotape Addendum to Consent Form (Spanish)

APPROVED

EXPIRES

JAN 15 2015

JAN 14 2016

ATTACHMENT 4

Approved by the
Rutgers IRBApproved by the
Rutgers IRB**Investigador Principal:** Simone Raquel Bridgemohan**Título del Proyecto:** Préstamos de las Instituciones Financieras Internacionales (IFI), Desarrollo y Pobreza: Un Caso de Estudio de la Mina de Oro, Yanacocha, en Cajamarca, Perú**FORMULARIO DE CONSENTIMIENTO**

Usted está invitado a participar en un estudio de investigación que se está llevando a cabo por yo mismo, Simone Raquel Bridgemohan, una estudiante de posgrado en la División de Asuntos Globales en la Universidad de Rutgers. El propósito de esta investigación es examinar la interacción de los préstamos de las instituciones financieras internacionales (IFI), especialmente el Grupo del Banco Mundial y las asociaciones público-privadas (APP), el desarrollo, y la pobreza a través de un caso de estudio del apoyo del Grupo del Banco Mundial sobre la mina de oro, Yanacocha.

Un mínimo de 50 sujetos participarán en el estudio, y la participación de cada individuo durará aproximadamente una hora (60 minutos).

Los procedimientos del estudio incluyen responder a una serie de preguntas semi-estructuradas, que están relacionados con los objetivos de esta investigación. Sin embargo, sienta por favor libre para ampliar el tema o hablar de ideas relacionadas. Además, si hay alguna pregunta que usted prefiere no contestar o que usted no se siente cómodo respondiendo, por favor dígalos y pararemos la entrevista o avanzaremos a la siguiente pregunta, como prefiera.

Esta investigación es confidencial. Confidencial significa que los registros de la investigación incluirán alguna información acerca de usted, y esta información se guardará en una forma tal que existe alguna relación entre su identidad y la respuesta en la investigación. Parte de la información recopilada sobre usted incluye su edad, género, ingresos, y puesto de trabajo. Tenga en cuenta que vamos a mantener esta información confidencial mediante la codificación de los datos, limitando el acceso individual a los datos de la investigación, y mantener la información en un lugar seguro.

El grupo de investigación (incluido yo mismo y el Dra. Karen Caplan) y la Junta de Revisión Institucional de la Universidad de Rutgers son las únicas partes que se les permitirá ver los datos, excepto si lo requiere la ley. Si se publica un reporte de este estudio, o los resultados se presentan en una conferencia profesional, se indicarán sólo los resultados del grupo. Todos los datos del estudio se mantendrán durante tres años.

Los datos se guardarán en un archivador cerrado accesible sólo a mí, el Investigador Principal, antes de su disposición. Las notas manuscritas y todos los demás datos en papel serán desechados por medio de trituración. Todos los datos de audio se borrarán de la grabadora de voz digital. Todos los intercambios a través del correo electrónico se eliminarán permanentemente de la cuenta del el correo electrónico del Investigador Principal.

No hay riesgos previsible para la participación en este estudio.

Usted puede recibir ningún beneficio directo de la participación en este estudio. Usted recibirá ninguna compensación por completar estudio entero.

Su participación en este estudio es voluntaria; puede declinar su participación en cualquier momento sin penalidad para usted. Si usted decide participar, puede retirarse del estudio en cualquier momento sin penalización y sin pérdida de beneficios a los que tiene derecho. Si usted se retira del estudio antes de que se complete la recolección de datos, sus datos serán eliminados del conjunto de datos y destruidas.

Si usted tiene alguna pregunta acerca de los procedimientos del estudio o del estudio, puede comunicarse con mí mismo, el investigador principal, por srbridge@scarletmail.rutgers.edu, o con el Supervisor de la Disertación, la doctora Karen Caplan, por kcaplan@andromeda.rutgers.edu. Si usted tiene alguna pregunta sobre sus derechos como sujeto de investigación, puede comunicarse con el administrador de la Junta de Revisión Institucional de la Universidad de Rutgers:

Institutional Review Board
Rutgers University, the State University of New Jersey
Liberty Plaza / Suite 3200
335 George Street, 3rd Floor
New Brunswick, NJ 08901
Teléfono: 732-235-9806
Correo electrónico: humansubjects@orsp.rutgers.edu

APPROVED

EXPIRES

JAN 15 2015

JAN 14 2016

Approved by the
Rutgers IRBApproved by the
Rutgers IRB

**SE LE DARA UNA COPIA DE ESTE FORMULARIO DE CONSENTIMIENTO PARA
SUS PROPIOS REGISTROS.**

Firme abajo si usted está de acuerdo en participar en este estudio de investigación:

Sujeto (impresión) _____

Sujeto Firma _____ Fecha _____

Investigator Principal Firma _____ Fecha _____

ADENDA AUDIO DE CONSENTIMIENTO FORMULARIO

Usted ya ha aceptado participar en un estudio de investigación titulado: **Préstamos de las Instituciones Financieras Internacionales (IFI), Desarrollo y Pobreza: Un Caso de Estudio de la Mina de Oro, Yanacocha, en Cajamarca, Perú** llevada a cabo por mí mismo, Simone Raquel Bridgemohan. Yo también estoy pidiendo su permiso para que me permita grabar una cinta de audio como parte de ese estudio de investigación. Usted no tiene que estar de acuerdo a grabar para poder participar en la parte principal del estudio. La grabación durará aproximadamente una hora (60 minutos).

La grabación se utilizará para el análisis en nombre del investigador principal para los propósitos del diseño de la investigación.

Debido a que esta entrevista es confidencial, la propia grabación no incluirá ninguna información sobre su nombre o el empleo, pero si incluirá la fecha y hora de la entrevista. La grabación será codificada y guardada en una grabadora digital en un archivero bajo llave en mi, la investigador

principall, hogar y se conservará durante un mínimo de tres años antes de ser destruidos.

El investigador no utilizará la grabación por cualquier otra razón que las que yo, la investigador principal, he declarado en el formulario de consentimiento.

Su firma en este formulario otorga el investigador, Simone Raquel Bridgemohan, el permiso para grabar usted como se describe anteriormente durante la participación en el estudio mencionado.

Sujeto (Imprenta) _____

Sujeto Firma _____ Fecha _____

Investigator Principal Firma _____ Fecha _____

SE LE DARA UNA COPIA DE ESTE FORMULARIO DE CONSENTIMIENTO PARA SUS PROPIOS REGISTROS.

APPROVED

JAN 15 2015

Approved by the
Rutgers IRB

EXPIRES

JAN 14 2016

Approved by the
Rutgers IRB

APPENDIX 3. INTERVIEW/SURVEY PROTOCOL AND TRANSLATION

3.1 Interview/Survey Protocol

Title of Project: Lending of the international financial institutions (IFIs), development, and poverty: A case study of the Yanacocha gold mine in Cajamarca, Peru

Principal Investigator: Simone R. Bridgemohan

Email: srbridge@rutgers.edu

Background Information

Age:

Gender:

Education:

Occupation/Job Title:

Language(s) spoken:

Married/Children:

Housing:

Income:

Cost of housing:

Cost of food:

Other (education, clothing, utilities):

Living Expenses

1. Do you think your income is sufficient to meet your basic needs (shelter, food, etc.)? Please explain.

Health

2. How many times per year do you visit a doctor?
3. How many times per year does/do your child(ren) visit a doctor?
4. Do you receive free healthcare services? If not, what is the cost of healthcare?
5. Do you have access to clean drinking water? Is there a cost? If so, how much do you pay for access to clean drinking water?

Occupation

6. For how long have you had this occupation/job title?
7. Why did you choose this occupation/job title?
8. Do you think that you have job security? Please explain.

Personal Experiences with the Yanacocha Gold Mine

9. a. How have mining operations at the Yanacocha gold mine affected, if at all, you/members of the mining village with regard to:
 - Income:
 - Environment:
 - Health:
 - Local infrastructure:

b. Do you think mining operations at the Yanacocha gold mine have affected, if at all, you/members of the mining village with regard to:

- Sense of security:
 - Sense of vulnerability:
 - Sense of inclusion (as defined by subject):
 - Sense of exclusion (as defined by subject):
 - Local social relationships:
 - Freedom to plan your life/their respective lives:
 - Freedom of political speech:
 - Effective participation in political choices that govern your life/their respective lives:
 - Sense of self-respect (worth as equal to the worth of others):
 - Property rights in relation to others:
 - Ability to seek employment on an equal basis with others:
10. In what other ways, if at all, do you think mining operations at the Yanacocha gold mine have affected members of Cajamarca?
11. Since mining operations began at Yanacocha, do you think your choices for example with regard to your occupation, residence, and the lives of your children, have been enlarged, narrowed, or unchanged? Please explain.

Conceptualizing Poverty

12. What does it mean to be “poor”?
13. What does it mean to be “not poor”?
14. Do you think that you are “poor”? Please explain.
15. The Yanacocha gold mine is owned by Newmont Mining Corporation, Compañía de Minas Buenaventura, and the International Finance Corporation of the World Bank Group. In addition, there are other groups involved with mining operations at Yanacocha such as the Peruvian government and the local government officials of Cajamarca. How do the different groups associated with Yanacocha understand “poverty”? Do these perspectives differ from your own understanding of “poverty”? If so, how?
16. How do you think other members of the mining village understand “poverty”? Does this differ from your own understanding of “poverty”? If so, how?

Conceptualizing Development

17. What is your vision for the “development” of Cajamarca?
18. Do you think that the Yanacocha gold mine is an example of a “development project”? Why or why not?
19. The Yanacocha gold mine is owned by Newmont Mining Corporation, Compañía de Minas Buenaventura, and the International Finance Corporation of the World Bank Group. In addition, there are other groups involved with mining operations at Yanacocha, for example the Peruvian government and the local government officials of Cajamarca. How do the different groups associated with Yanacocha understand “development”? Do these perspectives differ from your own understanding of “development”? If so, how?

Perceptions of the Yanacocha Gold Mine

20. What do you think is the primary purpose of the Yanacocha gold mine?
21. Has the Yanacocha gold mine helped the poor people of Cajamarca? If so, how?
22. What benefits to Cajamarca and its residents, if any, are a result of mining operations at Yanacocha?
23. What problems for Cajamarca and its residents, if any, are a result of mining operations at Yanacocha?
24. How are benefits generated from mining operations at Yanacocha distributed in society?
25. How are problems generated from mining operations at Yanacocha distributed in society?

Implications of the Yanacocha Gold Mine

26. What percentage of revenues generated from mining activities at Yanacocha circulates back to the poor people of the mining village? How is the remainder of mining revenues distributed?
27. There seems to be a gap between the wealth generated from the Yanacocha gold mine and the socio-economic condition of the poor people of Cajamarca. Can you speak to some of the reasons for this apparent gap?

3.2 Interview/Survey Protocol (Spanish)

Título del Estudio: Préstamos de las instituciones financieras internacionales (IFIs), el desarrollo y la pobreza: Un estudio del caso de la mina de oro Yanacocha en Cajamarca, Perú

Investigador Principal: Simone R. Bridgemohan

Correo electrónico: *srbridge@rutgers.edu*

Antecedentes Personales:

Edad:

Género:

Educación:

Ocupación / Título del Trabajo:

Idioma(s) que habla:

Casado / Niños:

Vivienda:

Ingresos:

El costo de la vivienda:

Costo de los alimentos:

Otros (educación, ropa, utilidades):

Gastos de manutención

1. ¿Cree usted que su ingreso es suficiente para satisfacer sus necesidades básicas (vivienda, alimentos, etc.)? Por favor, explique.

Salud

2. ¿Cuántas veces al año usted visita a un médico?
3. ¿Cuántas veces al año va(n) su(s) hijo(s) a un médico?
4. ¿Usted recibe servicios de atención médica gratis? Si no, ¿cuál es el costo del servicio médico?
5. ¿Tiene acceso al agua potable? ¿Hay algún costo? Si es así, ¿cuánto paga por el acceso al agua potable?

Ocupación

6. ¿Por cuánto tiempo ha tenido esta ocupación/título del trabajo?
7. ¿Por qué elegiste esta ocupación / título del trabajo?
8. ¿Usted piensa que usted tiene la estabilidad laboral? Por favor, explique.

Experiencias personales con la mina de oro Yanacocha

9. a. ¿Cómo han las operaciones mineras en la mina de oro Yanacocha afectado, en todo caso, a usted y/o miembros de Cajamarca con respecto a:
 - Ingresos:
 - Medio ambiente:
 - Salud:
 - Infraestructura local:
- b. ¿Cree que las operaciones mineras en la mina de oro Yanacocha han afectado, en todo caso, a usted / miembros de Cajamarca con respecto a:
 - Sentido de seguridad:
 - Sentido de vulnerabilidad:
 - Sentido de inclusión (como definido por el sujeto):
 - Sentido de exclusión (como definido por el sujeto):
 - Relaciones sociales locales:
 - Libertad para planear sus propias vidas:
 - Libertad de expresión política:
 - Participación efectiva en las decisiones políticas que gobiernan sus vidas:
 - Sentido de respeto a sí mismo (valor propio equivalente al valor de otros):
 - Derechos de propiedad en comparación a otros:
 - La habilidad de buscar empleo con relación a otras personas:
10. ¿De qué otras formas piensa que las operaciones mineras en Yanacocha han afectado, si en algún modo, a los miembros de Cajamarca?
11. Desde que empezaron las operaciones mineras en Yanacocha, cree que las opciones de los miembros de Cajamarca en relación al empleo, la vivienda, y las vidas de sus hijos, se han expandido, reducido, or permanecido iguales? Por favor explique su respuesta.

Conceptualizando la Pobreza

12. ¿Qué significa “pobreza”?
13. ¿Qué significa “no ser pobre”?
14. ¿Cree que usted es “pobre”? Por favor, explique.
15. La Corporación Minera de Newmont, la Compañía de Minas Buenaventura, y la Corporación Internacional Financiera del Grupo del Banco Mundial son los dueños de la mina de oro Yanacocha. Adicionalmente, hay otros grupos involucrados con las operaciones mineras en Yanacocha, como el gobierno de Perú y los oficiales

gubernamentales de Cajamarca. De que manera los grupos asociados con la mina Yanacocha entienden el concepto de “pobreza”? Estos puntos de vista son diferentes de su propio entendimiento del concepto de “pobreza”? Si difieren, en qué manera?

16. ¿De que manera los miembros de Cajamarca entienden el concepto de “pobreza”? Estos puntos de vista son diferentes de su propio entendimiento del concepto de “pobreza”? Si difieren, en qué manera?

Conceptualizando el Desarrollo

17. ¿Cuál es su visión para el “desarrollo” de Cajamarca?

18. ¿Cree que la mina de oro Yanacocha es un ejemplo de un “proyecto de desarrollo”? Explique por qué sí o no.

19. La Corporación Minera de Newmont, la Compañía de Minas Buenaventura, y la Corporación Internacional Financiera del Grupo del Banco Mundial son los dueños de la mina de oro Yanacocha. Adicionalmente, hay otros grupos involucrados con las operaciones mineras en Yanacocha, como el gobierno de Perú y los oficiales gubernamentales de Cajamarca. De que manera los grupos asociados con la mina Yanacocha entienden el concepto de “desarrollo”? Estos puntos de vista son diferentes de su propio entendimiento del concepto de “desarrollo”? Si difieren, en qué manera?

Percepciones de la Mina de Oro Yanacocha

20. ¿Cuál es el propósito primario de la mina de oro Yanacocha?

21. ¿Cree que la mina de oro Yanacocha ha ayudado a la gente pobre de Cajamarca? Si piensa que sí, de qué manera?

22. ¿Qué beneficio(s), si hay alguno, han resultado de las operaciones mineras en Yanacocha para Cajamarca y sus residentes?

23. ¿Qué problema(s), si hay alguno, son resultados de las operaciones mineras en Yanacocha?

24. ¿De qué manera se han distribuido en la sociedad los beneficios generados por las operaciones mineras de Yanacocha?

25. ¿De qué manera se han distribuido en la sociedad los problemas generados por las operaciones mineras de Yanacocha?

Implicaciones de la Mina de Oro Yanacocha

26. ¿Qué porcentaje de las ganancias generadas por las actividades mineras se devuelve a la gente pobre de Cajamarca? ¿Cómo se distribuye el porcentaje que permanece de las ganancias mineras?

27. Parece haber una brecha entre la riqueza generada por la mina de oro Yanacocha y la condición socio-económica de la gente pobre en Cajamarca. Puede elaborar acerca de algunas razones que hayan causado la brecha?