

**PERU: RISING PROTESTS IN ENERGY AND MINING
SECTORS AS A CHALLENGE TO THE RULING POLITICAL
PARTY**

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A series of protests, including violent ones, in the energy and mining sectors have been taking place in different Peruvian regions since the beginning of the year 2015. These demonstrations could challenge the newly sworn-in Primer Minister and the political party in power ahead of the 2016 Presidential elections.

To recall, on April 27, Pedro Cateriano, won the vote of confidence in Congress with 73 votes in favour, 11 against and 39 abstentions. He had been chosen by Peruvian President Ollanta Humala following the censure of ex-Prime Minister, Ana Jara, over spying allegations on March 30. The fact that Cateriano is a supporter of Humala and that the next Presidential elections are to be held soon, in 2016, make the new Prime Minister as well as the ruling political party particularly vulnerable to future possible outbreaks of violence.

It can be noticed that following a protest in the Junin region on February 11, during which a demonstrator was killed and almost 100 injured, the Minister of the Interior, Daniel Urresti, was ousted, as he was held responsible for the casualties. In addition, following the recent death of an anti-mining protester in Arequipa on April 23, the leader of a social movement opposed to the current government, Felipe Dominguez, threatened with new protests, increasing tensions with the current government. It is worth mentioning that Felipe Dominguez is the leader of the Defense Front for the Interests of the Northern Cone (FREDICON) for the Islay province and a sympathiser of Fujimorismo (from the ex-President Fujimori), which represents the opposition to current President Humala's party.

It is clear that in this particular context mining issues, namely ongoing discussions over the 'Tia Maria' mining project may become a sphere of political speculations for both, ruling and opposition forces. We should recall that the new Prime Minister, Pedro Cateriano, had announced before joining the government his support to the 'Tia Maria' mining project. Besides the political stakes between Humala's party and his opponents, a series of events that have taken place in the energy and mining sectors across the country since the beginning of 2015 could potentially be a challenge for the political party in power ahead of the 2016 elections.

Anti-mining protests against 'Tia Maria' project in Arequipa region

On March 23, an indefinite strike against Southern Peru Copper Corporation was initiated by the inhabitants of the district of Dean Valdivia in the Islay province of the Arequipa region to denounce alleged land contamination and excessive use of water in the Valle del Tambo.

Less than a week after the beginning of the strike, on March 28, 19 people were injured in a clash between protesters and national forces. The clash followed the public statement made by Southern Copper's CEO's, rejecting that the company would cancel the project and leave Peru following alleged 'anti-mining terrorism', a declaration the company's spokespersons had made a day before. On March 30 a new clash was reported at the crossing of Santa Maria as protesters attacked a police convoy.

Exactly a month after the beginning of the strike, on April 23, a farmer demonstrating was shot by a police officer and later succumbed to his wound. The farmer was taking part in a 24h-strike by trade unions from the Arequipa province in support to the movement against the mining project going on in the neighbouring province of Islay, in the same region of Arequipa.

On May 3, 15 policemen were wounded in an attempt to put to end to the long lasting blockades in the districts of Dean Valdivia, Cocachacra and Punta de Bombon, in Arequipa region, and evacuate the protesters mobilized against Tia Maria Mining Project. 2 protesters were wounded and 3 others detained during the police crackdown. On May 5, a protester was killed by a rubber bullet and 2 others were wounded in a clash against security forces in a violent protest in Mollendo, the capital of Islay province. About 150 protesters had attempted to launch a blockade on a main road of Mollendo.

So far ongoing protests against the mining project have already resulted in 2 dead and 186 injured, including 111 policemen. It is worth mentioning that the project 'Tia Maria' is a long-dating project that has been suspended since 2011 after 3 people were killed and over 40 wounded in similar protests.

The situation in Arequipa is unlikely to become stable, especially since Pedro Cateriano was confirmed as Prime Minister. While Cateriano officially claimed that he would support Southern Peru's 'Tia Maria' project, a government opponent, Felipe Dominguez, the leader of the protest movement in the Islay province, made clear that protests would not stop in coming future.

Strike against electricity company in Apurimac region

It should be mentioned that the mining sector is not the only one affected by protest movement over labour, economic and environmental issues.

On March 12, an indefinite strike had been initiated by the inhabitants of Andahuaylas, later joined by those of Abancay, against public company Electro Sur Este (ELSE) in the Apurimac region. The inhabitants were protesting against the excessive cost of the services delivered by the company, as well as its "disappointing quality". The strike was triggered by an error of the financial service of the company that resulted in surprisingly high December and January invoices, sent to clients.

Following the incident, the protesters had demanded a reduction of tariffs and the company's closure.

On March 14, a violent clash took place between the protesters and police forces, in which at least 10 people were wounded. Police officers were clearly outnumbered by protesters, with a ratio of 2:100. In the meantime the strike continued and spread to other places as on March 16 over 1,000 inhabitants from the districts of Kishuara, Pacobamba and Huancarama of the region of Apurimac went to Abancay, in the Abancay province, to join the protest.

Finally, after 6 days of protests, on March 17 an agreement was reached between the protesters and governmental authorities, as ex-Prime Minister, Ana Jara, had arrived on the spot. The agreement included several key-points, notably the revision of the tariff suggested by the company for the service it offered, a reimbursement of excessive costs, damages claim for the victims and sanctions against employees, responsible for the incorrect billing.

Protests against Pluspetrol oil company in Loreto region

Among other protests that have also taken place since the beginning of 2015 in the energy sector the most violent campaign targeted a foreign private company, the Argentinean Pluspetrol.

On January 28, almost 400 indigenous from the indigenous community Achuar de Pampa Hermosa had paralysed 14 oil wells on block 1AB belonging to Argentinean oil company Pluspetrol, in the Northern region of Loreto, leading to a daily production loss of 3100 crude oil barrels. They had also blocked a road close to the block, and the river, in order to prevent the arrival of embarkations transporting food and supplies. The indigenous communities were requesting a consensual compensation for the taking of their land as well as the incorporation of a local enterprise so that the inhabitants could also work on the block.

With respect to block 1AB, the daily production represents between 15000 and 17000 barrels, worth a quarter of the country's daily extraction. Over the past years that site had already been targeted by similar protests. For instance, in April 2014 indigenous protesters occupied company's installations for almost a week, resulting in a production fall of 70%.

A dialogue was eventually established after on February 21 hundreds of indigenous people from different ethnic groups had occupied the airstrip of Pluspetrol's aerodrome in the district of Andoas, in the Datem del Marañón province of the Loreto region. The protesters were demanding land compensation worth 8 million Peruvian Nuevo Sols (+/- 2600 USD) and a better access to basic utilities.

Protests against oil company in Junin region

The conflict in Pichanaki in the region of Junin started February 9 when the local inhabitants went on an indefinite strike to denounce gas exploration led by Pluspetrol in block 108 in Pichanaki located on river Ene. Protesters demanded local governmental authorities and representatives of the company to meet with local

inhabitants of Pichanaki to provide detailed information about the exploration project and its impact. In fact, last September 2014 the Pichanaki inhabitants had suspended a previous strike following the government's promises to open a dialogue and to provide more information regarding the project. Nonetheless, until then the government had not shown any political will to engage in dialogue.

It is worth highlighting that although Pluspetrol had won the gas exploration rights for the block in 2005, the declaration on the environmental impact had not been approved until 2013. As a result, on February 11, following a violent strikers' intrusion on the company site, that led to violent clashes with police, leaving one dead and 70 injured, Pluspetrol had declared on February 11 that it did not have any camp, office or staff in Pichanaki, and that it had not carried out any well perforation on block 108.

The incident resulted in a broad investigation concerning the security forces' use of weapons and, finally, in a resignation of the Interior Minister Daniel Urresti who was considered responsible for the casualties. 2 other ex-Ministers involved in the conflict, Eleodoro Mayorga (Energy and Mining) and Daniel Figallo (Justice), were also deposed. The former had made a false public statement that Pluspetrol would leave the site within 3 days, which was rejected by Pluspetrol 4 days later. The latter, who was in charge of negotiations with the protesters, had failed to reach a peaceful agreement.

On February 20, the entire Peruvian Cabinet, except the President and Prime Minister, arrived in Pichanaki to open the dialogue with the local communities to prevent new protests. At the present moment Pluspetrol is still operating in the region and no new protest was reported recently.

Though, the above-mentioned protests cannot be considered as unprecedented. To recall, in 2014 2 other important protests occurred in the energy and mining sector. In June 2014, hundreds of members of the indigenous community of Kukamas protested in Iquitos against oil contamination against Pluspetrol and its partner Petrochina, controlled by China's state firm CNPC. In February 2014, farmers from the indigenous community in Canaris district in the Lambayeque region protested against Canadian mining company Cadente Copper for land expropriation.

However, recent reshuffle within the government as well as approaching presidential elections where the current President is not expected to participate due to constitutional term limits place the latest string of protests in a particular political context. The presence of organizational force behind the protests, as it can be seen in case of Arequipa, allows to mobilize an important solidarity movement and to bring the demands to the national level.

Ongoing unresolved tensions in the energy and mining sectors, together with an important potential of protest movement make the situation particularly explosive for the months ahead of the elections, when any local protest can trigger a spillover that may affect the whole industry.

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