

**Natural Resource Exploitation in the Caribbean:**  
*From Colonialism to Neoliberalism*  
**Case Study of the Pueblo Viejo Gold Mine in Dominican Republic**

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## Summary

Given the wave of mining investments in developing countries that followed the neoliberal reforms from the 1980s on, and in particular of Canadian mining corporations in Latin America, this dissertation examines the case of the Multinational Corporations *Barrick* and *Goldcorp* gold, silver and copper mine in Pueblo Viejo, Dominican Republic. It is concerned with the environmental and social impacts of the project, as well as its democratic and political implications. It contends that this project exemplifies the process of accumulation by dispossession permanently exercised by the capitalist system and currently promoted through the mechanisms and the ideological justification offered by neoliberalism, in a system that holds certain similarities with the colonial one.

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## **List of Abbreviations**

AMD	– Acid Mine Drainage
DR	– Dominican Republic
DR-CAFTA	– Dominican Republic - Central America Free Trade Agreement
EIR	– Extractive Industries Review
FDI	– Foreign Direct Investment
ICEM	– International Federation of Chemical, Energy, Mine and General Worker’s Unions
ICMM	– International Council for Mining and Metals
IMF	– International Monetary Fund
IUCN	– International Union for Conservation of Nature
MAC	– Mines and Communities
MMSD	– Mining, Minerals and Sustainable Development
MNCs	– Multinational Corporations
Mlbs	– Million pounds
Moz	– Million ounces

NGOs	– Non Governmental Organisations
OCMAL	– Observatorio de Conflictos Mineros de América Latina (Observatory of Mining Conflicts in Latin America)
PVDC	– Pueblo Viejo Dominicana Corporation
SAPs	– Structural Adjustment Programs
UASD	– Universidad Autónoma de Santo Domingo (Autonomous University of Santo Domingo)
UNDP	– United Nations Development Program
USA	– United States of America
WGC	– World Gold Council

## Preface

*Mining ... gives rise to metaphors of violation and despoliation of both human and external nature, so that in the triumph of material progress we experience a sense of loss.*

Bridge and McManus 2000:34

*It is only the mass struggle of the poor, workers and indigenous people of Latin America that will stop the predatory practices of Canadian mining companies.*

Gordon and Webber 2008:64

During 2010, the re-opening of the formerly state-owned *Pueblo Viejo* gold mine in the Dominican Republic, under the new management of two large Canadian corporations, became a main topic in the Dominican public debate, arousing a strong polemic between supporters of the project and a large number of sectors who expressed either their opposition, or at least their fears and concerns about it. In spite of the popularity acquired by the debate, not much consideration was given to the international context that conditions and shapes this kind of project. A structured analysis with a theoretical grounding, that could present the case as part of a global trend in the mining industry, appeared to be lacking. This dissertation is aimed at filling that space. In doing so, it also hopes to contribute to the abundant literature critical of mining, by adding a new case study that seems to support many of the concerns about the current extractive industries in developing countries.

The theoretical framework is based on a review of academic literature on mining, environment and development, as well as reports and other communications from Non Governmental Organisations (NGOs), networks of the social movement against industrial mining, and the corporate mining sector. Since little academic work exists on the *Pueblo Viejo* mine, the information for the case study was mostly based on news reports, as well as the official websites and documents of the companies involved. In addition, four in depth interviews were conducted via Skype to Dominican activists in order to gain a better picture of the local resistance. Their identity is kept confidential for protective reasons.

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## Introduction

Pueblo Viejo -which literally means *Old Town*- is one of the oldest mine-sites in the island of Santo Domingo; gold has been collected from the rivers of the area since pre-Columbian times, and the Spanish conquerors exploited it through the enslaved workforce of the natives Tainos from 1505 to 1525 (Kral 2003; Rights Action 2008). The current exploitation project by two Canadian firms has been considered the biggest single foreign direct investment (FDI) ever done in the Dominican Republic (DR) (of US\$3.5 billion), and with its large-scale it can have great impacts in environmental, social, economic and political terms (Almanzar 2008). With stunningly 51 permits for mining explorations in DR (López 2010), the Pueblo Viejo project represents an outcome and example of the mining encouraging policy of the Dominican government. It can also be considered as part of a wider trend of mining Multinational Corporations (MNCs) investments in developing countries, an unavoidable result of the neoliberal administrative and fiscal reforms (Bridge 2004). Canadian mining industry is the largest in the world, comprising 60 percent of all mining companies, and Latin America has become the region where they are most active (Gordon and Webber 2008). Thus, the case study of Pueblo Viejo can say a lot about the nature, characteristics and consequences of this new drive of investments.

Mining in general is a disputed activity, in which very often benefits accrue to a few while its negative social, environmental and economic impacts affect the majority (Bebbington et. al 2008a). It threatens almost 40 percent of the world's undeveloped tracts of forest (Whitmore 2006) and it is a capital-intensive sector (Auty 1993). However, gold mining in particular tends to have a greater impact than any other type of mining (Muezzinoglu 2003), with Western gold mining companies having a dark record of toxic pollution and destruction of natural reserves on their operations around the world (Earthworks and Oxfam 2004; Kumah 2006). Since there is enough gold stockpiled to meet the demands for 17 years (Whitmore 2006) and only 11 percent of the gold is used for industrial purposes, the rest being used as investment and jewellery (WGC 2011a), gold mining could be considered as an unnecessary activity. In spite of that, there are several hundreds of industrial gold mines, operating in all continents(WGC 2011b), many in lands that belong to indigenous people – some have estimated that up to 50 percent of the gold production from 1995 to 2015 is taken or to be taken from indigenous lands (Earthworks and



Oxfam 2004).

This paper will attempt to make a critical analysis of the current exploitation project of Pueblo Viejo gold and other metals mine. It is divided in three sections: theoretical framework, case study and discussion. The theoretical framework looks at the environmental and human rights impacts of mining and gold mining around the world, including a brief review of the international resistance that these impacts have generated; it then focuses on the academic literature on mining and development, with particular attention to the resource-curse thesis and to the mining industry's concept of "sustainable mining"; and lastly, it exposes some critical interpretations of the neoliberal paradigm in which most of the current FDI in mining in developing countries is embedded. The second section, the case study, gives general information about the project, the Canadian corporations that hold the concession for exploitation – Barrick and Goldcorp – and the opposition it has encountered. Finally, the discussion is carried on three levels: in the terms of the concrete environmental and human rights risks of the mine; in terms of its economic and democratic impacts; and in terms of the international political economy of which it makes part of. The main argument defended is that the current exploitation of Pueblo Viejo responds to the needs of transnational capitalism, embodied by multinational corporations, and can be understood as an example of the permanent *accumulation by dispossession*, as explained by Harvey (2003), that characterise capitalist development. It will be contended that there are strong similarities between the current exploitation of the mine and the ones carried out during the colonial era.

# 1. Theoretical framework: Mining, Environment and Development

## 1.1. Impacts of mining and worldwide resistance

In 2001, more than sixty NGOs, activists and community leaders from around the world gathered in the state of Virginia, USA, with the aim of constructing a shared vision of resistance to industrial mining, in a conference titled “Building a Global Mining Campaign” (FOEI 2002). The same year, twenty four international representatives of communities and groups affected by mining, jointly signed the London Declaration, a document demanding a moratorium on new large-scale mining projects in greenfield areas of the Global South; for companies to be held accountable for the damages caused by their mines; for the World Bank and the International Monetary Fund (IMF) to cease funding the modification of national mining codes to benefit the mining industry; and to guarantee the right of indigenous people and communities to veto unacceptable mining projects; amongst other things (MAC 2001). Through this type of initiatives, environmental, development, human rights, and indigenous peoples groups are increasingly coming together to confront large-scale mining projects (Phillips 2002). There have been some emblematic cases, such as the struggle from the people of Bougainville, in Papua New Guinea, who for the first time succeeded in closing a major operating mine - the Rio Tinto copper mine - in a conflict that grew into a civil war; or the unprecedented global coalition launched by the International Federation of Chemical, Energy, Mine and General Workers’ Unions (ICEM) in 1996 to confront that same firm, Rio Tinto, at the moment the world’s largest mining company (Evans, Goodman and Lansbury 2002). In Latin America, almost every country has seen popular resistance movements against mining, from Mexico and Guatemala to Argentina and Chile (Gordon and Webber 2007).

Around 100 million people have been moved from their lands in the past hundred years due to mining projects, often receiving only minimal compensation and/or subject to force and violence (Madeley 2000). In a study commissioned by the same mining industry<sup>1</sup>, Stephen and Ahern (2001) admit that the “mining sector’s activities currently undermine the human objectives of sustainable development, which are to protect the health of current and

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1 Through the Minerals, Metals and Sustainable Development project (MMSD)

future generations” (p. 44). After reviewing more than 350 studies in different countries, they conclude that “there is still a long way to go before mining becomes a healthy work or a healthy development activity to take place in a community” (Stephen and Ahern 2001:44).

Earthworks and Oxfam (2004) have documented numerous cases of abuses and accidents due to industrial mining. For instance, in the Kumtor gold mine of the Canadian company Cameco in Kyrgyzstan, constant accidental spills of toxics have poisoned more than 2,500 local residents; and the environmental devastation created by the Australian corporation BHP’s Ok Tedi gold and copper mine in Papua New Guinea, has caused the displacement of 30,000 to 50,000 people (Earthworks and Oxfam 2004). In addition, the influx of large numbers of male migrant workers that follows industrial mines tends to disrupt the way of life and the value systems of rural communities, and has shown to increase social problems such as prostitution, alcoholism, drug abuse, crime, domestic violence, child abuse and infectious diseases such as HIV/AIDS (World Bank 2002; Evans, Goodman and Lansbury 2002; Earthworks and Oxfam 2004).

Compared to any other metal mining, open-pit gold mines tend to have a greater environmental impact and generate the largest amount of residues, with each ounce of gold producing an average of 79 tons of waste (Montenegro 2003; Muezzinoglu 2003; CorpWatch 2007). Open-pit mines, in which soil surface is blasted away with explosives, produce 8 to 10 times more waste rock than underground mines (Earthworks and Oxfam 2004; CorpWatch 2007). The exposure of these waste rocks can leach sulphuric acid and heavy metals, creating Acid Mine Drainage (AMD), one of the most common and enduring type of pollution caused by mines, which can last for thousands of years (Earthworks and Oxfam 2004). Gold mines are also huge consumers of fresh water and energy. The mining sector in general is an energy-intensive industry and consumes 7 to 10 percent of global energy production, most of which comes from fossil fuels (Earthworks and Oxfam 2004; Whitmore 2006). The high use of water, in turn, means that mines can cause significant hydrological disruption, with whole streams being dried up in known cases (Earthworks and Oxfam 2004).

As lower grade ores deposit become profitable, the amount of recoverable gold from the mined rock is tending to decrease; the average of what is actually refined into gold has been estimated to be only 0.00001 percent (Earthworks and Oxfam 2004). The most common method used today to extract gold from these microscopic particles is cyanide leaching

(Muezzinoglu 2003). Cyanide is a highly dangerous substance; a dose the size of a rice grain can be lethal to humans (Earthworks and Oxfam 2004; CorpWatch 2007). The effluents produced by the cyanidation of the gold are disposed in huge tailing dams open to the atmosphere, where changes in the pH of the tailings can lead to toxic gas emissions (Muezzinoglu 2003). Three quarters of all major mining disasters have been due to tailings breaching out of their dams because of overflowing, post-closure collapse or design failures (Earthworks and Oxfam 2004). The annex gives a list of some cases of cyanide spilling in the past decades.

Because of the unavoidable risks, some countries and cities have banned the use of cyanide for mining processing purposes. One of the first was the Turkish city of Bergama, in 1997, but most significant was the EU-wide ban passed in 2010, pushed largely by the spill in Romania ten years earlier which affected at least three other countries (EU Issue Tracker 2010). Some provinces of Argentina, as well as some states in the USA have adopted the same measure (Rainforest Information Centre 2005). The Observatory of Mining Conflict of Latin America launched a campaign in 2010 to ban cyanide in the entire region (OCMAL 2011).

## **1.2. To what extent can mining be compatible with sustainable development?**

Social and environmental impacts of industrial mining, added to the fact that it is based on the depletion of non-renewable resources, suggest that the activity cannot be compatible with the concept of sustainable development. However, institutions such as the World Bank and the IMF, as well as many governments, continue to promote mining as an activity that can contribute to economic development and social well-being (World Bank 2002; Kumah 2006). For this reason, it is worth wondering whether mining is likely to promote economic growth and generate economic resources in a way that might compensate for its impacts, by transforming the depleted natural assets into other forms of capital.

On the opposite, there is widely accepted evidence that, even in economic terms, mining tends to be harmful, and countries with significant dependence on mineral resources perform worst than resource-poor countries (Auty 1993; Pegg 2003; Collier 2008). This is known as the resource-curse. One of its explanations is that the prices of minerals are subject

to strong, unpredictable fluctuations, creating “boom and bust” cycles which tend to lead to wasteful government expending, highly indebtedness and, eventually, low growth (World Bank 2002; Fairhead 2008; Collier 2008). A second explanation, known as the Dutch disease, is that the export of natural resources raises currency values and, thus, reduces the international competitiveness of other sectors, which is not easily recovered during the downfalls (Auty 1993; World Bank 2002; Pegg 2003). Natural resource abundance has also been linked to a decrease in democratic development and in the quality of public institutions in poor countries, because it gives authoritarian governments the resources to buy votes, bribe leaders and finance its apparatus of repression and propaganda (Pegg 2003; Fairhead 2008; Collier 2008). The discovery and exploitation of capital intensive natural resources has been categorized as “a major determinant of corruption” (Leit and Weidman 1999:30). It also argues that mineral wealth can trigger and/or finance armed conflict, like diamonds did in Sierra Leone and Angola, and oil did in Congo-Brazzaville (World Bank 2002; Pegg 2003).

The World Bank, as the leader institution supporting reforms to promote investment in the mining sector (Pegg 2003), has contended that the resource curse can be avoided with the adequate policies and governance, and that it is the overall quality of economic management and the competency of institutions what determines if a nation’s mining sector enhances or decreases economic growth (World Bank 2002). One of its arguments is that mining played an important role in the development of today’s rich nations, particularly USA, Canada and Australia, and it could therefore play the same role in developing countries (World Bank 2002). However, Power (2002) critically examines such argument. He finds that the role of mining in the development of those countries was very modest, representing a small percentage of the national economic output, and it started once they already had high-income economies. In addition, the international context that those countries enjoyed during the 19<sup>th</sup> and early 20<sup>th</sup> centuries has changed, in particular, the significant reduction of transportation prices, and the lowering of trade barriers that used to protect national industries, means that mining is no longer likely to promote the development of manufacturing around it, or to have links with other sectors of the local economy, like it did historically (Power 2002). This explains why the claim that mining can lead to growth of lateral downstream businesses does not tend to happen in developing countries (Pegg 2003).

“Striking a Better Balance”, the final report of the Extractive Industries Review (EIR)

- an independent consultation launched by the World Bank in 2001 - recognized that, contrary to the Bank's arguments, investment in mining has often constituted a further threat to the poor and the environment, and has been linked to human rights abuses and civil conflict (EIR 2003). Thus, it can be argued that there is a lack of consistency in the discourse of mining as a source of economic and social well-being, which opens questions about the real motivations behind the sectors that promote such discourse.

A similar analysis can be made about the new concept of "sustainable mining", which tries to present modern mining as an environmentally friendly and socially responsible activity (Moody 2002). The background of the invention of the concept can be found in the strengthening of the environmental movement and the growing resistance from communities during the 1980s and 1990s, which had achieved to "reduce the economic and political feasibility" of mining projects and decreased the availability of funding for the sector (Bridge and McManus 2000:32).

It was the Global Mining Initiative (GMI) – a creation of the largest mining corporations - who coined the concept of "sustainable mining" and pushed its insertion in the post-Johannesburg plan of action at the World Summit on Sustainable Development in 2002 (Whitmore 2006; ICMM 2011a). In 2001, the GMI transformed itself into the International Council for Mining and Metals (ICMM), based in London, which today represents the world's leading companies in the mining and metal industry in sustainability-related issues (ICMM 2011a). Amongst its members are Barrick and Goldcorp, and other giants like AngloAmerican, Freeport-McMoran, Newmont, Rio Tinto and Xstrata (ICMM 2011b).

The ICMM has addressed mining issues in relation to indigenous people, biodiversity conservation and World Heritage Sites, as well as technical topics such as tailings containment, risk assessment and management, and foreign direct investment in mining (ICMM 2011a). They have also engaged with some large, northern-based NGOs such as the World Wide Fund for Nature (WWF), Care International and the IUCN (Whitmore 2006). These and other efforts (international conferences, reports, good practice standards, voluntary codes of conducts, etc.) are geared towards spreading the concept of "sustainable mining", and can be understood as a reaction of the mining industry to the legitimacy crisis it was facing (Moody 2001).

As Bridge and McManus (2000) emphasize, mining faces a special vulnerability to environmental awareness because of the nature of the activity, based on the extraction and appropriation of nature, and its tremendous spatial scale, to the point that it “emblemizes a particular way of relating to nature” which has been increasingly called into question (p. 22). The purpose of the concept of “sustainable mining” is to frame the activity as compatible with international discourses of sustainable development, in what Bridge and McManus (2000) call a “deployment and cooptation of narratives of sustainability” (p. 11). Or, as Moody (2002) puts it, the industry has arduously sought to “identify, in the public mind, mineral extraction and processing with generic sustainability”, accepting without debate that current modes of mineral extraction can be compatible with sustainable development. For that purpose, sustainability is presented as a matter of efficient management of environmental stocks. There is also a recurrent theme of environmental improvement, according to which mining firms are capable of adding value to nature by technological processes that “enhance” ecosystems. Planting of native species and mitigation of endangered habitats are often presented as the proof that mine firms can contribute to sustainable development (Bridge and McManus 2000). However, in doing so, the mining industry environmental discourse continues to conceive nature as a commodity to be managed by firms, the same conception that the environmental movement has sought to challenge. In addition, sustainability and sustainable development are highly contested concepts, and by defining them in terms of efficiency, it can be considered that the mining corporations are reducing what should be a broad democratic debate to their narrow view.

As to the industry attempts of self-regulation with codes of conducts and voluntary guidelines, there are strong doubts of such efforts in terms of credibility and accountability. As Evans, Russell and Sullivan (2002) point out, self-regulatory regimes are often focused on processes rather than targets, and contain few concrete commitments or specific performance measures to determine if the goals are met. Since self-regulation is voluntary, there is no option to address non-compliance and no guarantees that the industry as a whole will follow the regulations; critics argue that this kind of initiative is rather used to avoid real regulation and control.

In opposition to the industry’s claim that modern technology allows for a more environmentally-friendly mineral extraction, technological changes of the past decades have actually increased the scale of mining projects, and thus, the level of environmental impact in

terms of surface of area affected, water demand and toxicological risks, while reducing the number of workers needed (Whitmore 2006; Bebbington et al. 2008b). Even adopting better practices or using more efficient technology, the enormous quantities of waste generated by large-scale mining and the use of highly toxic substances is unavoidable (Muezzinoglu 2003).

In the London Declaration (MAC 2001) representatives from mining-affected communities criticised one of the main projects of the ICMM, the Mining, Minerals and Sustainable Development (MMSD), which they refer to as “the latest in the series of corporate-led propaganda offensives”, for promoting four half truths or myths: the supposed need for ever more mines; the claim that mining catalyses development; the belief that technical fixes can solve every problem; and the inference that those who oppose mining are ignorant and anti-development communities and NGOs.

### **1.3. Mining as dispossession**

According to Bebbington and his co-authors, local communities experience large mining projects as a process of dispossession: from their land, their resources, their way of life, and the exchange value of their natural capital (through the exemptions and low royalties that the companies benefit from). If this dispossession is not likely to translate into economic growth or institutional capital for developing nations, but will rather have a negative impact both in the economic and political system, it can be puzzling to understand the support that the sector continues to receive both from governments and from institutions such as the World Bank and the IMF (Kumah 2006). A more comprehensive approach, that takes into account the international political economy, can be clarifying for this matter.

Gordon and Webber (2008) refer to David Harvey’s concept of *accumulation by dispossession* as a useful framework for understanding the expansion of the Canadian mining industry in Latin America and the Caribbean. This approach parts from recognizing capitalist imperialism as rooted in the logic of a system driven by the competitive pursuit of profit (Gordon and Webber 2008). Authors such as Biel (2000) have explained how, through the different phases of capitalist development in the North, measures were taken to use Southern countries a source of raw materials at a low price, to lower the costs of production by exploiting its cheap labour, or to expand the market for Northern capital and products. These



needs have been fulfilled at different moments through different mechanisms, generally in alliance with local Southern elite that benefits from the arrangements, but they have been practically permanent since the European expansion and colonisation of the rest of the world, and continue today under new forms and new discourses (Biel 2000).

It has been contended that the last round of Northern domination of the rest of the world was launched through the neoliberal project, which can be understood as a new phase of imperialism (Biel 2000). The push to deregulate markets under the banner of “free trade” has been imposed around the globe through the pressure of debts and has served both to transfer huge amounts of resources from South to North, and to open the economies of the debtor countries to Northern intervention (George 1998; Young 2000; Gordon and Webber 2007). Choudry (2009) frames neoliberalism as a process of re-colonization and Gruffydd (2006) states that, although it brings new mechanisms of domination and new ideologies, the colonial past remains massively present in the economic structures that it imposes. In fact, many of the features analysed by Kwame Nkrumah when he developed the concept of neo-colonialism in the 1960s – such as the role of the debt and the use of ideological and cultural weapons – are still present today in the neoliberal order (Gruffydd 2006). Under Biel’s interpretation (2000), what neoliberalism did was to modify the internal structures of the countries of the South in order to accommodate better to the dictates of the international system of capital accumulation.

It is revealing, then, that the incursion of Canadian mining industry in the region occurs at the same time of the neoliberal reforms of the 1980s and 1990s (Gordon and Webber 2008). While the appropriation and extraction of natural resources from developing nations for the benefit of the North has been a central feature of colonialism and neo-colonialism, it can be argued that the neoliberal project provided once again the opportunity for doing so. Thus, foreign investment in mining in Latin America increased exponentially parallel to changes in national regulations which included the lowering of royalty rates, taxes, and other fees; the deregulation of previous restriction on repatriation of profits and domestic ownership requirements; as well as the strengthening of investor protection and property right, measures which translate in giving up a significant source of revenue for the host country (Bridge 2004; Kumah 2006; Richards 2006).

From this approach, the same challenge and critique that Post-development thinkers

have made to the discourse of development (Escobar 1998; Ziai 2007) could be applied to the discourses used to promote mining operations in developing countries. As this school of thinking has argued, the concept of development is central to Northern intervention in the South, and serves to justify and naturalize the power to interfere, transform, and rule. (Hoogvelt 2001; Sidaway 2008). This perspective allows a new interpretation to the construct of “sustainable mining”, as well as the dominant claim that mining can contribute to sustainable development, and cast light on the contradictions and inconsistencies of such discourses by highlighting their real purpose, which is to naturalize and present as positive the dispossession exercised through mining.

## **2. Case Study: Pueblo Viejo gold mine in Dominican Republic**

### **2.1. General overview of the project**

The first concession for commercial exploitation of Pueblo Viejo was given in 1972 to the New York and Honduras Rosario Mining Company. It was to exploit gold, silver, zinc and copper from 752 hectares in an open-pit mine near the city of Cotuí in the Dominican province of Sánchez Ramírez (Fernandez-Caamano and Johnson 2005). For that purpose the company created a local subsidiary, Rosario Dominicana, S. A. which the Central Bank of the Dominican Republic bought in 1979, and which exploited Pueblo Viejo mine from 1975 until 1999 (Fernandez-Caamano and Johnson 2005).

It can be considered that the operations of Rosario Dominicana were disastrous in environmental, social and financial terms. At least four rivers of the area were polluted with AMD and with discharges from the tailings dams, one of which overflowed in 1979 during a hurricane; and more than 600 families were displaced (Right Action 2008). After 24 years of mining operations, 5.5 million ounces (Moz) of gold and 24.4 Moz of silver produced, poverty and unemployment are still high in the communities of the surrounding, many of which lack potable water, energy and sewage system, and suffer from low levels of literacy (Rights Action 2008; Global InfoMine 2010). In addition, as Fernandez-Caamano and Johnson (2005) recount, the company interest in short-term profit led to a lack of strategic planning, focusing in the extraction of the upper layer of the oxides golds, which constituted only a small portion of the mineral reserves. When the upper oxides were the depleted, it found itself without the technology to exploit the remaining transitional and sulphide ores; unable to make the capital investment and unfavoured by the low precious metal prices, it closed from 1992 to 1994, and then permanently in 1999, leaving an environmental disaster whose clean-up cost was estimated in between US\$100 and US\$200 million in 2001 (Fernandez-Caamano and Johnson 2005).

After two failed bidding processes during the 1990s, the Dominican government reforms to revive the mining sector succeeded in attracting a company to continue the extraction of the gold reserves of Pueblo Viejo: the Canadian Placer Dome, who signed a contract with the State that was approved by the Congress in 2003, after a modification to the

Mining Bill was rushed on occasion of the visit of the Canadian Prime Minister to DR (Kral 2003; Caribbean Update 2003). Placer Dome was acquired by Barrick in 2006 and shortly after Goldcorp Inc. bought a 40 percent stake in the Pueblo Viejo project (CCNMatthews Newswire 2006). With Barrick acquisition, the scope of the project increased, and from the original US\$336 million investment planned by Placer Dome it grew to an approximately US\$3.5 billion investment (Kral 2003; Barrick 2011). The reserves of Pueblo Viejo today are estimated in 23.7 Moz of gold, 141.8 Moz silver, and 505 Mlbs copper; and the mine life in 16 years of extraction and 26 of processing (Global InfoMine 2010). Barrick is the sole operator of the project, through its Dominican part Pueblo Viejo Dominicana Corporation (PVDC). The operations for the construction of the mine started in 2008 and production is expected to begin in the first quarter of 2012 (Barrick 2011).

## **2.2. Profile of Barrick Gold and Goldcorp**

Barrick is currently the world largest gold mining company, with 26 operations in all five continents, three projects under construction, and over 20,000 employees; and it is based in the Canadian city of Toronto (Barrick 2011a).

In 2007, CorpWatch report “Barrick’s Dirty Secrets” listed at least seven cases of ongoing litigations against the company in five different countries; the claims included misappropriation of land, injuries from exposure to radioactive and other hazardous substances, violation of indigenous people’s rights, and environmental and social damages due to irresponsible mining (CorpWatch 2007). The report documents the disastrous effects of Barrick’s mining operations all around the world, focusing mainly on the following case studies:

- Part of Argentina’s World Biosphere Reserve, San Guillermo Wilderness, was given away to Barrick through a corrupt process for its Pascua-Lama Veladero gold, silver and copper mine. This polemic project threatens the glaciers of the site, and risk polluting soil, air and water with heavy metals. The company has been denounced for violating indigenous people’s rights and paying low royalty revenues.
- The repression faced by the people of the Ancash region of Peru has led to death, injuries

and detentions, for protesting against the firms Barrick and Antamina. Demonstrations and strikes have demanded the cancellation of the mining contract, salary increases, and the override of a court decision that allowed Barrick to waive US\$141 million in taxes.

- The allegations of human rights violation in Barrick's Bulyanhulu and Nort Mara gold mines in Tanzania include force evictions and murder of mine critics by the police and the mine security personnel.

- Barrick's Lake Cowal gold mine in New South Wales, Australia, is at the Sacred Heartland of the Wiradjuri Aboriginal Nation. The mine has destroyed important cultural heritage and faces a legal case for violating the Wiradjuri Native Title rights.

The report also touches on the Porgera gold mine in Papua New Guinea, one of the few in the world which still openly dispose tailing directly in the rivers (Earthworks and Oxfam 2004). The company admits in its Annual Environmental Report to have dumped into the water systems of the island 14,879 tonnes per day in 2008 of tailings containing arsenic, mercury, cadmium, lead and other toxic substances (Porgera Joint Venture 2010). A 2010 report from Human Rights Watch denounced a pattern of violent abuses from the Porgera mine's private security force, including acts of gang rape and beating, and deplored "Barrick's history of angrily dismissing human rights and environmental concerns that the company should have treated more seriously and dealt with more transparently" (HRW 2010:5).

Finally, among other scandals, Barrick and JP Morgan were sued in 2003 for illegally manipulating gold prices, which the company later admitted doing (Karleff 2003, Murphy 2008).

Goldcorp, which has a 40 percent stake in PVDC, is also a Canadian multinational, based in Vancouver. It is smaller than Barrick, with more than 11,500 employees, and its operations are concentrated in the American continent (Goldcorp 2011). In 2007 the Right Action group published a report (Rights Action 2008) where they trace the company's human rights abuses and environmental destruction. According to it, Goldcorp mines in Mexico, Honduras, Guatemala, Canada and the United States are responsible for AMD, cyanide spills, elevated levels of heavy metal contamination, unfair appropriation of water resources and

destruction of archaeological sites, all of which has given rise to numerous resistance movements in the form of protests, strikes and legal actions (Rights Action 2008).

This brief review of allegations against Barrick and Goldcorp suggest that they are very problematic and untrustworthy companies. However, under the light of the growing criticism to corporations, they would seem to reflect a common behaviour. Authors like Korten (2000) and Bakan (2004) have described MNCs as inherently pathological institutions who lack any sense of moral conviction, one of the most authoritarian and anti-democratic of human organisations, legally designed to concentrate economic power without accountability. They claim that the history of the chemical, tobacco, nuclear, oil and genetic engineering industries show that MNCs, when faced to choose between profits and the health of society, consistently choose profits and have no regard for provoking massive devastation and lying (Korten 2002).

### **2.3 Dominican resistance**

The Rosario Dominicana experience of environmental destruction, disregard of the local communities, unfulfilled promises, and a majority of expatriates occupying the best jobs in the mine brought as consequence a strong opposition to mining in the region (Fernandez-Caamano and Johnson 2005). There are some precedents of Dominican struggle against mining – such as the 1990s activism against the open-pit gold mine concession of La Hispaniola in Bonaó; or the peasants and workers struggles against the Falconbridge during the 1970s-1990s – but perhaps most significant was the campaign which stopped the construction of a cement factory in the border of the national park Los Haitises in 2009, and which many have considered to mark a milestone in the Dominican environmental movement. Even when the contract with Placer Dome was signed in 2002, and Barrick had acquired the latter in 2006, it was not until the end of 2009, after the success of Los Haitises campaign, that information about the re-opening of Pueblo Viejo mine started to be diffused more widely amongst activist groups and the national media.

The year 2010 saw several marches and manifestations against Barrick, both in Cotuí and in the country's capital, with the support of a wide range of sectors (environmentalists, community leaders, church leaders, and youth groups) (AP 2010). The spread of the

opposition was evident through the social networks: blogs, videos and facebook groups appeared criticising the project. In one of the videos, around 15 artists and public figures invited people to join the struggle (Cabral 2010). Since it was a year of election, the topic became part of the political campaign; the protest activities gained certain coverage by the mainstream national press, as well as local media; and many renowned journalists and environmentalists wrote or talk critically about Barrick and/or the project.

Amongst the allegations against the Pueblo Viejo project and Barrick, the two most recurrent and shared concerns seem to be the environmental risks (in particular the excessive consumption of water and the danger of pollution) and the terms of the contract signed between the Dominican State and PVDC, which was amended in 2009 after Barrick took over Placer Dome. According to the original contract, the Dominican State would receive 25 percent of the profits, plus other regular taxes and benefits which accounted in total to proximately 50 percent of the earnings; in the modified contract the percentage was raised to 28, but it would only be paid once the company had recovered all the investment and achieved a return rate exceeding 10 percent (Díaz 2010). The renegotiation of the contract paralleled the rise of gold prices, which has been increasing since 2002, reaching a record of more than US\$1,000 an ounce (WGC 2011c). At such prices, it has been estimated that the modification of the contract takes away around US\$1,200 millions from the Dominican State during the first six years of production, the time PVDC would need to recover its investment (de León 2010). The Dominican Academy of Science and the main opposition party have demanded the revision of the contract for this reason, and because they argue that it does not guarantee adequate environmental standards (Gil 2011).

Other allegations expressed against the Pueblo Viejo project include: that it lacks a valid environmental license (No a la Mina 2010; Chantada 2011); that Barrick has exaggerated the amount of capital invested and the amount of jobs created (Torres 2010); that the company is using legal tricks to avoid paying taxes (El Sol de la Florida 2010; Chantada 2011); that there are other valuable minerals, such as platinum, in the area of the concession which are not contemplated in the contract (El Sol de la Florida 2010); that the company is destroying forests of the area and contaminating the waters that go to the Hatillo dam (Caamaño 2011; Cedeño 2010); that explosions in the mine have damaged houses and buildings in the surroundings communities (Cabral 2010); amongst many other. Beyond the possible truthfulness or exaggerations of these claims, they would seem to reflect a deep

mistrust to Barrick, on one side, and to the ability of the State to assure accountability for the company's actions, on the other. Two recent important events may have strengthened such perception.

The first of these was the intoxication of hundreds of workers (the exact number reported varies from around 200 up to 1,000) of PVDC in March 2010. The company stated that it had been a food poisoning, but versions circulated that it had been a chemical poisoning due to an accidental explosion (Santana 2010). Less than two weeks later, the Dominican Academy of Science and the national public university UASD presented the findings of an investigation carry out by a team of professional health workers (Moreno and Gacía 2010). Their report is valuable because it exposes some general features about the operations of PVDC. After analysing the symptoms and the treatments given to the patients, as well as the evidence given by PVDC, and after collecting and contrasting a wide range of testimonies, they concluded that the intoxication had a chemical origin, not a bacterial one like Barrick had claim. Most importantly, they exposed a series of concerning issues:

- The apparent irregular situation of many foreign workers (mostly from South America) who did not have documents with them when attended medical centres
  - some reportedly expressed that they had no control over their passports – evidenced that there was no knowledge or control about the legal status of PVDC workers, or about the company's commitment to national regulations of social security. The report calls the government for an investigation on the matter and suggests that violations to working and human rights might be going on.
- A pattern of lack of transparency from PVDC. There was no lab analysis that sustained the company's thesis of a bacterial intoxication. In addition, security forces accompanied many of the patients to the health centres and reportedly tried to avoid any contact with them from the public. Finally, the company refused to allow the investigation team to enter the mine.
- It also became evident that there is no public knowledge about the chemicals and toxic substances that PVDC deals with, nor about the extent to which the company is following environmental, health and safety regulations.



- PVDC used an article of the contract which gives it the right of non-interference from any public or private instance in its matters. The report argues that such article violates national laws of free access to public information, as well as the State sovereignty to intervene in case of emergency or disaster.

The second event that must be mentioned is the set of protests of hundreds of workers and ex-employees of PVDC and/or some of its subsidiaries companies in Cotuí and other nearby towns (Vásquez 2010). From June to the end of 2010 there were different manifestations; in one of them, the police attacked the protesters and there were violent scenes that caused the death of a person and around 20 wounded people (Guerrero 2010; Almomento 2010). News reports mention the worker's demands for salary rises and medical insurance, the allegation that Dominicans were discriminated in favour of foreign workers and repression against the workers' union as causes of the mobilizations (Guerrero 2010). It was also reported that workers had been cancelled without receiving their entitled benefits, to which Barrick answered that they had not been cancelled, just changed to a different payroll (Listín Diario 2010).

In spite of these series of events, during 2011 resistance against the mine seems to have diminished. Barrick has deployed a strong strategy for gaining support that appears to have been effective, from media advertisement to donations to a wide range of institutions (some of the interviewed persons declared that it has also distributed money amongst journalists to buy silence, but of course, that is difficult to prove). One particular victory is to have gained the support of the city hall of Cotuí, whose mayor had been elected in May 2010 with the promise to oppose the mine. After months of conflict, Barrick signed an agreement in October 2010 through which it gave an advanced sum of US\$2 millions – from a total of US\$7 millions to be given by US\$555,000 each six months – for the development of Cotuí and communities surrounding the mine (Brito 2010). In exchange, the city hall recognised the right of the company to continue the construction of the mine and allowed it to transport heavy equipment through the city. Residents have already accused the mayor of irregularities in the use of the funds (Noticias SIN 2011), but what is perhaps more significant is that the mayor of Cotuí had been a strong opposer of the Pueblo Viejo mine, participating in protests, demanding the halt of the operation for lack of environmental license and giving public declarations against the eviction of peasants (Jorge 2010; AP 2010).

He admitted to have received direct pressure from the Dominican President Leonel Fernández to sign the agreement, and after being criticised for the way the funds were used, he declared that whole issue had been a strategy of Barrick to get control of the town (Noticias SIN 2011). As one of the interviewee put it, with these types of donations Barrick achieve to turn the opposition to the mine into a discussion about how should the money be used.

On the other hand, many of the organisations most actively opposed seem to have failed to act in a coordinated and strategic way. Their demands have been inconsistent, some arguing for the complete cancellation of the project, other for a modification of the contract and stricter environmental regulations. Taking in account the strong international activism against industrial mining and against Barrick in particular, the lack of articulation with international groups appears to be one of the more obvious missed opportunities of the resistance. There have been certain attempts in that sense, but they appear to have been quite limited. It can be argue that the potential for a more comprehensive articulation with other groups of the region is still open.

### **3. Discussion: Critical Analysis of the Pueblo Viejo gold mine**

#### **3.1 Debunking Barrick's environmental discourse**

The mine of Pueblo Viejo is located in an area that affects several streams that join the Hatillo dam, an important source of water that provides irrigation for the agriculture of the area, which grows a significant part of the country's rice and other staples (Polanco 2011). Some of these streams are already polluted with ADM, affecting the health of inhabitants of the area (Cabral 2010); the further exploitation of the mine risks increasing this pollution. In addition, if the Pueblo Viejo tailings dam (El Llagal) fails at some point, the consequences, needless to say, would be disastrous. The company assures that it follows the higher standards of security, but as past experiences have shown, tailing breaches have occurred in countries with a much stronger tradition of organisation, discipline and monitoring than DR, and in mining companies that also claim to follow best possible practices (such as Newmont cyanide spill in Ghana) (AP 2010a). Moreover, at least one Dominican engineer has publicly stated that El Llagal dam has serious technical failures (Quezada 2011). It must also be taken into account the increasing uncertainties posed by climate change, which hamper the ability to predict the nature and intensity of natural disasters. Already in May 2011, dozens of families of surrounding communities and thousands of PVDC workers had to be temporarily evicted due to the risk of the dam collapsing because of the record amount of sudden rains registered in the area (Ponce and Espinal 2011; Telenoticias 2011). In that case the risk was of water sweeping away houses and farming fills; once the dam is filled with tailings, it would be toxic waste that would risk spilling.

Barrick denies the existence of significant threats in the mine operations (Barrick Sudamericana 2011). Following the international trend of the mining industry, it presents its operations in Pueblo Viejo as an environmental improvement, aided by the fact that there was already a significant environmental damage caused by the previous operations of Rosario Dominicana. This has being a useful argument for the company. Meanwhile, the demand of accountability to those that were responsible for the Rosario's environmental disaster appears to be completely missing. Other activities that PVDC has used as example of its environmental commitment – planting of trees, protection of native species - are very similar

to the ones described by Bridge and McManus (2000) as used by the mining industry as proof of their ability to “improve” the environment. But while these activities have a limited and specific impact, discussion of wider environmental issues such as the massive use of cyanide or the risks of tailing containments, tends to be avoided. In fact, in Barrick Sudamericana official webpage (2011) the company states that PVDC is not using cyanide *or any other polluting or hazardous substance*. Such kind of statement contributes to the company’s loss of credibility.

This type of doubtful or inconsistent assertions by PVDC seems to be common. Indeed, after the massive intoxication of its workers, the company denied the press access to the mine and to the health centres where the workers were being treated (Pantaleón and Rodríguez 2010) and then it claims that they have a policy of open doors and complete transparency and that they have welcomed all visitors, including the press, to their installations (Barrick Pueblo Viejo 2011). Similarly, it says that its contract with the Dominican State was approved after months of discussion involving all the stakeholders (Barrick sudamericana 2011) but some legislators themselves have acknowledge that it was approved without adequate study by the Congress, in a superficial and speedy process (Listin Diario 2010a). Together with its denial of the chemical intoxications of its workers – as concluded by a scientific report – these contradictory statements point towards a picture quite consistent with Korten (2000) and Bakan (2005) claims about the nature and the historical behaviour of big corporations, whose main goal is that of profit, and who have consistently been willing to affect the health of people and to consciously lie in order to achieve it. Bridge and McManus (2000) have analysed how minings MNCs render ineffective environmental resistance by appropriating earlier oppositional concepts such as environmental protection. In the case of Barrick and PVDC, it can be said that in addition to environmental protection, it has also tried to appropriate concepts such as transparency and accountability. In doing so, it establishes itself as the authority and guardian of environmental ideas (Bridge and McManus 2000), but also of democratic ideas.

Finally, there is constant reference in Barrick’s discourse to international certification and standards as guarantees of their performance (Sánchez 2010; Barrick Sudamericana 2011). However, as seen previously, international voluntary codes and best practice standard in mining have been mostly developed by the same industry to improve their image and have being highly criticised for lacking accountability (Madeley 2000; Evans, Goodman and

Lansbury 2002). The recent cyanide spill in the Newmont gold mine in Ghana, for instance, occurred less than two years after it has been certified by the International Cyanide Management Code (AP 2010a).

It must be highlighted that the government of Canada has refused to regulate the activities of Canadian corporation overseas, claiming that it is responsibility of the government of those countries to do so (Gordon and Webber 2008). Therefore, the only protection from Barrick's operation that Dominican society can have is that of its own government. However, looking at the past experiences – such as the case of massive intoxication or the workers protests – it could be argued that the State has proven to have very limited knowledge and monitoring of the operations of PVDC. Furthermore, the State has actually given a total support to Barrick's activities, to the point that the Director of Mining has being called as a public relations official of PVDC (De León 2010).

### **3.2 Economic and political implications**

The World Bank has cited DR amongst the “good examples of the positive impact that well-managed mineral wealth can have on overall economic growth” (World Bank 2002:12). This can be considered as a hollow statement for two reasons. First, the economic significance of mining seems to be inversely related to the economic growth of the country. Indeed, during the 1980s, when mining represented more than 30 percent of the national exports and 5.3 percent of the GDP, the Dominican economy performed poorly, and the average rate of GDP growth declined both in general and in per capita terms (Haggerty 1989; Espinal 1995). From 1990 on, mining decreased both in term of export and GDP percentage (it represented 7.2 percent of exports during the 1990s and 1 percent of the GDP during the 1990s, decreasing even more to a 0.2 percent in 2010), and on opposite, economic growth increased to an average of 5.4 percent from 1990 to 2010 (World Bank 2002; Banco Central 2011; IMF 2011). Even when a deeper analysis would be needed to better understand the connection between these two trends, they do seem to be in line with the resource curse thesis, according to which the highest the economic dependence on mining, the lower economic growth countries achieve (Collier 2008). From this standing, the so proudly announce 20 percent increase in national exports that would represent the re-opening of the Pueblo Viejo mine (Barrick Pueblo Viejo 2011a) should actually be taken as a rather

precarious news. However, if the World Bank (2002) is correct to say that resource-curse can be avoided with the adequate policies and governance, then it would be debatable if the country's institutions are competent enough to be up to the task. With a ranking of 101 out of 178 countries in the Corruption Perception Index of Transparency International (2010) and a score of 3.0 on a scale of 0 to 10 (being 0 highly corrupted) it looks doubtful to rely on the quality of the Dominican institutions; but in the end, being precious metals a non-renewable resource, and given the significant risks that its exploitation poses, it should be up to the Dominican society as a whole to decide whether the country is ready to exploit its gold and other metals in a way that will be beneficial. As it stands, only a democratic debate based on quality information, and a democratic decision process, would validate the extraction of the national reserves of Pueblo Viejo. However, that has hardly been the case. As exposed previously, what characterises the current exploitation is lack of trust, concealing of information, dishonesty from the part of PVDC, obscure decision making processes, and a wide range of sectors of the society expressing their discontent with the project.

Secondly, the World Bank focus on economic growth loses any significance when, as it has been recognized in the Dominican case, economic growth has barely contributed to human development or poverty reduction, but rather increased inequality by benefiting a small elite (UNDP 2008). Going beyond economic growth per se, it might be more important to wonder about the results of that growth, whether it will contribute to social well-being, or translate in more resources available for human development goals. Literature on mining suggests exactly the opposite, that mining tends to have a negative impact in democracy, weakening public institutions, deteriorating governance and promoting corruption. Indeed, even before the mineral export rents officially begin flowing to the Dominican State, there have already been episodes of conflict around revenues, such as the accusation against mayor of Cotuí's management of US\$2 million donated by Barrick (Noticias SIN 2011).

Certainly, one of the risks to take in account is that part of the rents generated by the mine be lost in corruption. That would mean they would be taken away from more beneficial and needed investment, but also that they could provide resources for supporting political patronage, reinforcing this kind of practice in an already precarious democratic system. The case of Cotuí's city hall also highlights other problems. Since the mayor was elected with a discourse of opposition to the mine and was then forced to support it, this case is emblematic for raising questions about power, democracy and representation. Authors like Madeley

(2000) have written about the common practice of bribery amongst MNCs in poor countries. Even when specific illegal links between Barrick and the government are hard to prove, Barrick's projects have been involved in corruption in other countries (CorpWatch 2007) and the general sense among a large public of the Dominican society seems to be that many government officials have been personally rewarded for their support to Barrick (e.g. see República Dominicana Contaminada 2011).

### **3.3. Pueblo Viejo gold mine as part of the neoliberal re-colonization**

The reopening of the Pueblo Viejo mine under the management of a private multinational corporation like Barrick can be considered a consequence of the neoliberal policies in DR. If these neoliberal reforms are understood as a new wave of imperialism pushed through the pressure of debts by institutions such as the IMF (Biel 2000), then the Pueblo Viejo project – and the foreign mining corporations incursion in Latin America in general – can be understood as responding to the needs of central capitalism, rather than the needs of the Dominican people. Indeed, this might be the key issue at the bottom of the debate around the Pueblo Viejo mine: Is the Dominican people exploiting the metal resources of Pueblo Viejo as the result of an autonomous decision in order to transform its natural capital into other forms of capital (human, institutional, financial) in a way that will compensate for the environmental and social risks that the exploitation implies? Or is it being dispossessed of its natural endowment to fulfil the needs of accumulation of MNCs, in alliance with a local ruling elite that will also benefit from it? It could be argued that, while Barrick and the Dominican government contend the former, it is more likely to be the latter: that the Pueblo Viejo project presents an example of the permanent *accumulation by dispossession* (Harvey 2003) that has characterised the capitalist system.

It has already been explained that many authors understand the neoliberal project as a re-colonization process (Biel 2000; Gordon and Webber 2007; Choudry 2009) so that the push for the so called “free trade” is in fact a response to the needs of capital – embodied by the multinational corporations – for raw material, cheap labour, and larger markets (Pinder 2009). DR has been implementing free-market policies under the pressure of the IMF for the last three decades (Ferguson 1992; Espinal 1995); and it is interesting to note that, while many countries in Latin America have gone through political changes that express an

increasing opposition to the neoliberal model (e.g. Venezuela, Argentina, Ecuador, Bolivia, Uruguay, Chile) (Margheritis and Pereira 2007) such turn has not being evident in DR.

In his analysis of the DR-CAFTA, one of the milestones of the neoliberal expansion in DR, Pinder (2009) states: “Like the rest of the Fourth World, the countries in Central America and the Dominican Republic are not part of the world system as partners in future growth, but as avenues for the exploitation of cheap labour” (pp. 228-229). He argues that it makes no sense for developing countries to blindly follow the neoliberal economic doctrine, because such doctrine “serves the interests of the multinational that profit by it and produces destitution for the majority” (p. 231). Margheritis and Pereira (2007) have emphasizes that the neoliberal project was “based on an elitist, exclusionary pact amongst small groups of experts and elites representing the interests of transnational capital” (p. 25). Similarly, Espinal (1995) recount of economic restructuring and social protest in DR shows the undemocratic nature of the Structural Adjustment Programs (SAPs) imposed through the IMF on the Dominican economy in spite of strong opposition by a wide range of social sectors. She notes that the Dominican political system has remained “unresponsive to basic social demands” (p. 78) with all successive governments repeatedly failing to implement income redistribution and social reforms promised since the beginning of democracy in 1978. Part of the reasons are to be found in structural constrains faced by the Dominican governments, such as the external debt (Espinal 1995).

The issue of debt is crucial in understanding both the motivation of the Dominican government in exploiting the Pueblo Viejo mine, and the way in which the process of the neoliberal re-colonisation works. Fairhead (2008) has insisted that the resource-curse analysis should take in account structural conditions, and amongst these, national debt is the most important. Indeed, because the need to service the debt forces governments to desperately seek new sources of income. In addition, not only most of the benefit from the gold and other metal extracted from Pueblo Viejo will accrue directly to Barrick and Goldcorp, but a substantive part of what does accrue to the country will eventually also reach Northern capital in the form of debt repayment, which accounted for 27.6 percent of the national budget in 2010 (Hoy 2010).

Young (2000) has noted that the Spanish empire operated in Central and South America on two principles: the extraction of riches and the conversion of the indigenous



people as an ideological justification. Similarly, the Pueblo Viejo project can be considered to operate on the same principle of extraction of richness, with the conversion to Christianity replaced by the new ideological justification of bringing “development”, “modernity” and “progress” to the country. The case of mining is also emblematic amongst the different mechanisms for neoliberal exploitation of the South because, as in colonialism, there is an appropriation of land and space, an “act of geographical violence” (Said, cited in Young 2000:20). In addition, there is also certain historical irony in that the pursuit of gold and silver were one of the main fuels for early European exploration and colonization, and played such an important role in the configuration of the accumulation system responsible for the continuing exploitation of the nations of the South (Huberman 1936). As Biel (2000) states, “colonies were fashioned in such a way that they would permanently service the accumulation needs of the fully capitalist economy” (p. 12). Mineral extraction in the ex-colonies is perhaps the most obvious and direct evidence of such statement. When international corporations, one of the main organisational forms of central capitalism, achieve to present as natural and even positive the appropriation of huge mineral wealth, the spirit of the colonial logic is repeated. Furthermore, the exploitation activity is inserted in a system that presents itself as an “immutable logic to which one has no choice but to conform” (Biel 2000:14).

As seen, many of the features of the concept of *accumulation by dispossession* (Harvey 2003) are present in the Pueblo Viejo case: the commodification and privatization of land, the forceful expulsion of peasant populations, neo-colonial and imperial processes of appropriation of assets, and the role of the State in backing and promoting these processes. The rural communities that were evicted of their lands (more than 300 families for the current re-opening; more than 600 had already been displaced during the times of the Rosario Dominicana) are victims of three of types of dispossession mentioned by Bebbington and his co-authors (2008b): from their lands, their resources and their way of life. However, it can be considered that the whole Dominican society is victim of the last type of dispossession: that of the real exchange value of its natural capital, through a contract and a system that exempts the company from regular taxes, gives it low royalties and other benefits, and in particular, through the highly polemic amendment that exempts PVDC from paying the agreed 28 percent of its profits to the Dominican State until it has recovered all its investment and achieved a return rate exceeding 10 percent. Given the sharp fluctuation that characterises metal prices, it might not be too risky to speculate that when Barrick finally starts paying the

due rent to the DR, the price of gold will have gone down again, giving the company at least six years (maybe more) of fully profiting from the revenues of the sale of the metal at its higher historical price.

A final note must be mentioned about the discourse of development, which, as presented, plays a central role in the process of dispossession. This is evident in Barrick's advertisement, which emphasizes the "arrival of progress" to Cotuí and DR (Barrick Pueblo Viejo 2010), as well as in the Dominican government speech. A Post-development perspective would call attention to the underlying assumptions in such discourse: how are progress and development to be defined and who gets to define it? Who will benefit from it and who will bear its costs? If knowledge can be considered as a form of power in the sense that it gives authority (Said, cited by McEwan 2008), then, by concealing information about the project and then discrediting opponents as ignorant of its benefits (Bonilla and López 2011), Barrick and the Dominican government have conferred themselves the authority of knowledge. In the same line, silences – such as the silences in Barrick's discourse about the use of cyanide and other significant risks – can say a lot about "the apparatuses of power and domination" within which the discourse of development is being produced (Mc Ewan 2008:126). Finally, a Post-development perspective challenges to acknowledge and examine alternative models – economic, social, and political – to neoliberalism and to mineral extraction, as paths for building collective well-being (Ziai 2007).

## Conclusion

As seen, it is doubtful to affirm, as Barrick and the Dominican government do, that the current exploitation of the Pueblo Viejo metal reserves will be beneficial for the Dominican economy. It rather poses risks both to the economic and the democratic system, threatening with economic distortions such as the export of natural resources tends to do (as suggested by the resource-curse literature) and providing resources for corruption and political patronage. In addition, the project poses very concrete dangers of pollution to the environment and could affect the waters of the Hatillo dam and, through it, the health of inhabitants and the agricultural production of the region. The former, together with the fact that there has already been evidence that the operations of PVDC lack adequate control and regulation from the State, and with Barrick's record of corruption, environmental damage and human rights violations (Chaitkin 1997; CorpWatch 2007), suggest that the levels of risks are not acceptable in comparison with the contested possible benefits. Finally, the concerns and discontent expressed by a broad set of sectors of the Dominican society, the benefits enjoyed by PVDC through a disputed contract, and the close links between the government and Barrick, conveys the idea that it is an undemocratic project, imposed as part of also undemocratic neoliberal policies, which represent the interests of MNCs and a Dominican ruling elite, rather than the Dominican majority.

This paper has suggested that all of the above issues can be better understood when they are framed as a part of the process of *dispossession by accumulation*, as explained by Harvey (2003). From this approach, the true interest of the exploitation of the Pueblo Viejo reserves is to be found in the needs of central capital (represented in this case by the Canadian mining industry, the biggest in the world) for cheap mineral resources and new geographical areas of investment (Gordon and Webber 2008). Strong similarities exist between this type of mineral extraction and the ones carried out during colonial times, both being an act of violent appropriation of land and resources (Young 2000; Biel 2000; Choudry 2009). This point of view can also explain the contradiction and weaknesses found in the discourses of "sustainable mining" and mining as a source of development, because it highlights the real intention behind such discourses, which is to normalize and justify the process of dispossession, as Post-development thinkers have contended (Ziai 2007).

I have argued that Dominican groups opposing the mine could make deeper alliances with international networks of resistance. In particular, the OCMAL (2011) campaign to ban the use of cyanide for mining purposes in Latin America could be useful for the Pueblo Viejo case; a national adaptation of the campaign could allow the public opinion to better understand the scale of the environmental impact that cyanide has already had in different parts of the world, and therefore, the seriousness of the risks it represents. There is also a broad space open to support the opposition to the Pueblo Viejo project with scientific and academic research, since very little has been done in that sense. The report of the Academy of Science and the public university (UASD) (Moreno and García 2010) has indeed been a valuable step. However, there is a wide range of issues that need to be further analysed, amongst them, the possible resource-curse effects of mineral extraction in DR (how has the export from mining affected -or could affect- economic growth, government spending, international competitiveness of other economic sectors, corruption, etc.); or the impacts of both the previous Rosario Dominicana and the current PVDC operations in the public health, livelihood, levels of poverty, criminality, and other social aspects of Cotuí and the surrounding communities. Similarly, it is important to investigate the allegations of human rights and working rights violations.

I have also pointed out the need to articulate different groups of the resistance into a joint movement with a clearer strategy. This would necessarily lead to a discussion about the current contradictory demands between the cancellation of the mining contract, or its modification into one that gives more benefits to the country and stronger guarantees. It is indeed a difficult debate, not necessarily because of different aims (it would be probably easy to agree that the contract should be completely cancelled) but because of different views about what is realistic to achieve. It is similar to the old dilemma of reform or revolution (Callinicos 2003). Based on the analysis this paper has tried to make, I can only support the latter, that is, the complete cancellation of the contract, because the abuses committed by Barrick or any other MNC, as seen, cannot be understood and confronted as particular or specific problems, but rather as “part of a system and framework within which these abuses are inevitable” (CorpWatch 2007:1).

In this regard, the outcomes and implications of the current Pueblo Viejo mine cannot be fully understood without looking at broader contested realities, such as the neoliberal policies, which necessarily leads to a deeper discussion about the model of development that

DR, as many developing countries, are being pushed to follow, and the search for new possibilities and alternative models.

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### **List of Interviewees**

**Interviewee 1:** Member of a political organisation. Conducted on 3 August 2011.

**Interviewee 2:** Environmental activist. Conducted on 9 August 2011.

**Interviewee 3:** Member of an environmental organisation. Conducted on 12 August 2011.

**Interviewee 4:** Member of a youth organisation and resident of Cotuí. Conducted on 14 August 2011.

## Annex

### Some of the most known cyanide spills

**1989-1990** Nevada, USA - McCoy/Cove gold mine of Eco Bay - Eight cyanide leaks over a two year period released almost 900 lbs of cyanide into the environment.

**1990** South Carolina, USA – Brewer Gold mine - Failure in a tailings dam following heavy rains released 10 to 12 million gallons of cyanide solution into the Little Fork Creek and the Lynches River.

**1992** Australia – Lake Cowal mine of Barrick - An accident spilled 40 metric tons of cyanide which was being transported to the mine.

**1994** South Africa - Harmony Gold mine – A tailings dam breached following heavy rain, at least 10 people were killed by cyanide-laced mud.

**1995** Guyana - Omai gold mine of the Cambior Mining Company - More than 860 million gallons (2.9 m3) of cyanide-laden tailings breached into a tributary of the country's largest river, the Essequibo, due to a collapse of the tailings dam, killing all aquatic life forms in the area and affecting the health of local residents.

**1998** Montana, USA - Zortman-Landusky Mine of Pegasus Corporation – The company declared bankruptcy, after more than a decade of operations with over a dozen cyanide spills, one of which released 50,000 gallons of cyanide solution, polluting water supplies.

**1998** Kyrgyzstan - Kumtor mine of Centerra Gold – Almost 2 tons of sodium cyanide were released into the Barskaun river, when a truck transporting the chemical plunged off a bridge. Four people died, communities had to be evacuated or displaced.

**2000** Romania - Baia Mare gold mine of Aurul, S.A. - A tailing dam breached, discharging into the Tisza river, a tributary of the Danube River, water containing as much as 100 tons of cyanide. Considered one of Europe's worst cases of river pollution disaster.

**2000 and 2004** Papua New Guinea - Tolukuma Gold mine and Misima mine of Placer Dome – A helicopter of the Tolukuma Gold Mine dropped a crate of one tonne of sodium cyanide pellets into water system in the rainforest. In 2004 Misima mine, subsidiary of Placer Dome, discharged cyanide into the ocean during the decommissioning of the minesite.

**1994 -2009** Ghana - Bogoso Goldfields Limited (1994); Ashanti Goldfields (1996 and 1998); Goldfields (2001 and 2003); Bogoso Gold Limited (2004, 2005, 2006); and Newmont Ghana Gold Limited (2009) – Constant cyanide spills from these different gold companies have polluted the source of drinking water of communities, affecting their health and their crops, and forcing many displacements.

**2002** Nevada, USA – Denton Rawhide mine / Twin Creeks mine of Newmont Mining Company – Approximately 40,000 gallons and 24,000 gallons, respectively, of cyanide solution were spilled in these two mines, in the first case due to a failure of a pipeline.

**2003 and 2009** Honduras – San Andrés mine of Yamana Gold, now sold to Aura Minerals – Two cyanide spills have contaminated the Lara River, which flows into the river that supplies potable water to the Santa Rosa de Copan region.

**2003** Nicaragua – HEMCONIC Greenston gold mine – cyanide solution spill into the Bambana river. The death of twelve children was linked to the spill.

**2004** Australia – Kalgoorlie gold mine - A government report confirmed that the tailing dam had been leaking cyanide into the groundwater, as denounced by community members for over a decade. The company had previously denied the claims.

**2005** Laos – Phu Bia gold mine of the Pan Australia Resources company – a cyanide spill poisoned at least 60 villagers from eating contaminated fish and drinking contaminated water.

**2005** The Phillipines – Rapu Rapu mine of Lafayette Mining – two spills caused cyanide contamination of nearby waters.

Sources: Muezzinoglu 2003, Rainforest Information Centre 2011, Hilson and Monhemious 2006, Kumah 2006, CorpWatch 2007, Earthworks 2011, MAC 2010, Spring 2003

