



Transnational corporate influence and local politics: how mining companies intervene in neighbouring communities

Alexandra Bechtum 

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Abstract This paper analyses how transnational mining companies influence decision-making processes and public policies in communities adjacent to industrial gold mines. Most social science research on mining focuses on the emergence and dynamics of social conflicts over mining and overlooks the political influence mining companies exert by implementing development programmes to gain social acceptance. This paper fills this gap and develops a refined understanding of the multiple layers of political influence of companies in mining areas. It finds that mining companies spatialise corporate interests, contribute to an informalisation of political decision-making, assume quasi-governmental functions and, in this way, intensify the privatisation of local politics. This paper draws on approaches from critical governance research, critical geography and participation theory. It analyses corporate influence by distinguishing between socio-spatial, political-institutional and political-developmental forms of influence that companies use to create social acceptance for their particular mining project. Empirically, this paper is based on a comparative case study of corporate influence in communities near industrial gold mines in the Argentine north-west and southern Patagonia. For conflict research, the article offers a novel framework for shedding light on the workings of corporate micropolitics in mining areas beyond manifest conflicts. This contribution illustrates that mining companies have the capacity to mould political institutions and public policies by implementing development programmes that are in fact designed to serve corporate purposes.

Keywords Extractivism · Latin America · Development programmes · Social license · Privatisation · Corporate Social Responsibility

✉ Alexandra Bechtum

Bundesanstalt für Geowissenschaften und Rohstoffe (BGR), Stilleweg 2, 30655 Hannover, Germany
E-Mail: Alexandra.bechtum@bgr.de

Der Einfluss transnationaler Unternehmen auf lokale Politik in Bergbauregionen

Zusammenfassung Dieser Artikel analysiert den Einfluss, den transnationale Bergbauunternehmen auf Entscheidungsprozesse und die inhaltliche Ausgestaltung lokaler Politik in Gemeinden in der Nähe von industriellen Bergwerken ausüben. Bisher konzentrieren sich sozialwissenschaftliche Arbeiten zu Bergbau insbesondere auf das Entstehen und die Dynamik sozialer Konflikte um Bergbau. Dieser Beitrag entwickelt ein Verständnis für die vielfältigen politischen Einflussformen von Bergbauunternehmen im Kontext des industriellen Goldbergbaus. Die Ergebnisse zeigen, dass Bergbauunternehmen ihre Unternehmensinteressen für legitimationspolitische Zielsetzungen verräumen, zu einer Informalisierung politischer Partizipation beitragen, quasi-staatliche Funktionen übernehmen und schließlich eine Privatisierung lokaler Politik befördern. Für die Analyse werden Ansätze der kritischen Governance-Forschung, der kritischen Geographie und der Partizipationsforschung herangezogen und es wird zwischen sozialräumlichen, politisch-institutionellen und entwicklungspolitischen Formen der Einflussnahme unterschieden. Empirisch stützt sich dieser Beitrag auf eine vergleichende Fallstudie über den politischen Einfluss von Bergbauunternehmen in Gemeinden, die im argentinischen Nordwesten und in Südpatagonien in der Nähe industrieller Goldbergwerke liegen. Für die Konfliktforschung leistet der Artikel einen Beitrag dafür, die politische Rolle von Bergbauunternehmen jenseits manifester Konflikte näher analysieren zu können. Der Artikel verdeutlicht, dass Bergbauunternehmen in der Lage sind, politische Institutionen und die inhaltliche Ausgestaltung lokaler Politik zu beeinflussen, indem sie Entwicklungsprogramme implementieren, die den legitimationspolitischen Zwecken der Unternehmen dienen.

Schlüsselwörter Bergbau · Lateinamerika · Entwicklungsprogramme · Soziale Lizenz · Privatisierung · Corporate Social Responsibility

1 Introduction

Since the 1990s, the industrial mining sector in Latin America—particularly the gold mining sector—has received increasing foreign direct investment. Investments have not only targeted countries like Chile or Peru where mining has been a major economic activity for centuries, but have also entered Argentina, Colombia and Guatemala, for instance, which previously did not rely on the large-scale extraction of metals. Industrial gold mines are often located in remote, inaccessible areas and far away from urban settlements. They have a lifespan of about 15 to 20 years. This is why the mine operators—predominantly transnational mining companies—have refrained from building their own company towns in the immediate vicinity of the mines (Devenin and Bianchi 2019). Instead, they use nearby villages as a base from which to organise the supply of labour and goods to the mines while the mine workers live in accommodations on the mine site during their shifts (Clemenceau 2023).

Parallel to the development of new mining projects, conflicts over mining have increasingly emerged across Latin America (Dietz and Engels 2017). Social conflicts over mining pose a threat to the economic profitability for foreign investors. Some of the conflicts have even led to the halt of mining projects. In response to social conflicts over mining, mining companies have implemented a plethora of development programmes in communities adjacent to industrial (gold) mines since the mid-2000s.¹ The majority of these development programmes, also known as Corporate Social Responsibility (CSR), provide money for infrastructural improvements as well as for education and health facilities, the local business sector or cultural events in mining areas. By implementing such programmes, the mining companies reach into public domains traditionally associated exclusively with the state. By doing so, mining companies often compensate for the lack of public services during the life-span of their mining activities but leave the area when they close down their mines. While the companies design their development programmes to gain and maintain social acceptance, they act as corporate political authorities in mining areas. At the same time, political institutions in the respective mining areas generally do not democratically control the setup and the implementation of corporate development programmes even if they overlap with state competencies.

The relationship between mining companies and communities adjacent to mines has historically been a potential field of conflict (Dolan and Rajak 2016; Nash 1979; Sario 1988). Social conflicts related to mining do not always result in visible action but are inscribed into the everyday relationship between companies and communities.² At stake are issues related to the health and safety of mineworkers, distributive demands, and the environmental impacts of mining activities. However, the role of the mining company as a provider of (public) goods and services as well as the political influence they exert to tame social conflicts have been little discussed in the social science literature and in conflict studies.

Three sets of literature focus on corporate influence in the context of industrial mining activities. Social movement scholars predominantly study the socio-ecological consequences of industrial mining activities and give insight into the causes and dynamics of conflicts over mining (Bebbington 2012; Dietz and Engels 2017; Svampa and Antonelli 2009). These studies analyse which factors lead to the emergence of social conflicts over mining between companies and communities (Conde and Le Billon 2017). They focus on a relatively small number of emblematic cases of resistance against mining, usually singling out mining projects where manifest conflicts have occurred. This set of literature often portrays mining companies as “monolithic actors” (Dougherty 2013) and gives scarce insight into how companies engage with community actors and how they influence local politics. Corporate so-

¹ The term community refers to a population that shares a common physical location. The latter may be an administrative unit like a municipality, city or department. A community is not a homogeneous group of people but it is permeated by power relations and diverging interests that can manifest themselves along social categories like class, race, age and gender (Kirst and Prause 2019).

² Conflicts can be understood as social relationships between two individual or collective actors that are characterised by conflicting perceived interests, goals or needs. Manifest conflicts take place when conflicts are visible, such as in protests. In latent conflicts, there are conflicting interests, but these do not result in visible action (Dietz/Engels 2014).

cial responsibility (CSR) literature focuses on corporate practices. Scholars from this field analyse the relationship between companies and communities as a management issue. Power relations that are inscribed in corporate strategies are largely overlooked and the literature does not provide explanations for the consequences of corporate behaviour (Banks et al. 2013; Jenkins and Yakovleva 2006; Welker 2009).

Another set of critical studies offers valuable insight into the corporate strategies and micro-politics of mining companies in communities in the neighbourhood of industrial mines. They examine how companies promote local procurement (Himley 2013), how royalties influence subnational budgets (Arellano-Yanguas 2011) and how corporate development programmes aim at the distribution of material benefits (Amengual 2018; Conde and Le Billon 2017; Haslam 2021). Gustafsson (2018) shows how corporate-community relations are shaped by confrontations, clientelism, demobilisation and strategic collaboration. Amengual (2018) portrays development programmes as corporate strategies aimed at “buying support” from relevant social actors in the vicinity of industrial mines. Haslam (2021) shows that CSR practices—both on a discursive level and through material benefits—reduce the perceived costs associated with mining that may hinder collective action against mining companies. What critical studies on corporate-community relations in Latin America have in common is that they view corporate strategies as a complex phenomenon that is intertwined with social processes and power relations. Haslam and Godfrid (2023), for instance, study mining companies as socially embedded actors that mediate between social movement pressures and policy outcomes. They show that social mobilisation can have an impact on corporate practices in mining areas that in turn may undermine central claims made by social movements towards the government.

This paper is situated in line with critical studies on corporate strategies and practices in the context of mining in Latin America. The paper complements these contributions by focusing on the political influence mining companies exert through implementing development programmes. It develops a more refined understanding of the multiple layers of corporate influence on political institutions and power structures in mining areas by analysing political influence at the territorial, political-institutional and political-developmental level.

The purpose of this paper is not to conduct another conflict analysis. Instead, it focuses on the political role of mining companies and thereby expands the scope of analysis in conflict studies. This paper seeks to answer the following questions: How and to what extent do mining companies influence decision-making processes and local policies in mining regions? What political impact does corporate influence have on democratic processes and development in mining areas? To answer these questions, the paper develops an analytical framework that combines approaches from critical geography (Harvey 1973; Massey 1994), participation theory (Cornwall 2004) and anthropology of governance (Olivier de Sardan 2011).

Empirically, this study is based on an analysis of corporate influence in two communities proximate to mine sites in Argentina. The analysis covers the time span between the opening of the respective mines until 2019. The cases were selected to permit the analysis of corporate-community relations in a context where manifest conflicts related to mining have not yet occurred. I chose industrial gold mines run

by transnational mining companies that were created during the resource boom in the 1990s. Industrial gold mining became more profitable thanks to the liberalisation of mining regulations in the producing countries and improvements in mining technology. Social conflicts over mining started to intensify in the mid-2000s, compelling mining companies to come up with strategies in order to prevent them. For the purpose of this paper, it was important to single out communities where the respective mining company has implemented development programmes over the span of a few years. This enables a grounded analysis of the political impact of such corporate activities. I selected two cases. The first case is the municipality of Iglesia in the Province of San Juan, where Barrick Gold has been operating the Veladero industrial gold mine since 2005. The second case is the municipality of Puerto San Julián in the Province of Santa Cruz, where AngloGold Ashanti has been running the open-pit and underground industrial gold mine Cerro Vanguardia since 1998. Both municipalities are defined as corporate zones of influence by the respective companies and neither has seen an emergence of manifest conflicts over mining as of the time of writing.

The data in this paper includes 86 qualitative interviews, field notes from participant observation and several documents like CSR reports, official government documents, agreements on the implementation of corporate development programmes, municipal budgets and media reports. Empirical data was gathered in Argentina during two research trips in 2017 and 2018. Interviews were carried out with representatives from municipal and provincial government entities, including mayors and municipal councils, as well as mining companies, community organisations, NGOs, social activists, independent lawyers, teachers, farmers, and other beneficiaries of corporate development programmes. The data from participant observation relates to observations made during informal conversations, community meetings, and visits to state institutions as well as everyday encounters. Participant observation complements the qualitative interviews and serves to record everyday dynamics as well as power relations veiled during interview situations. The interview data was triangulated with field notes from participant observation, documents and media articles. The interview transcripts were coded and analysed by using qualitative content analysis.

In the following sections, the theoretical framework and a brief overview of the expansion of industrial gold mining in Argentina are presented. Having set the stage, the paper moves on to the empirical analysis of the cases. The next sections analyse how the mining companies AngloGold Ashanti in Puerto San Julián and Barrick Gold in Iglesia exert influence differentiating between socio-spatial, political-institutional and political-developmental forms of influence. The conclusion summarises the main arguments and discusses cross-case findings on how mining companies exert political influence in mining areas by also aiming at legitimising their mining activities and preventing the emergence of manifest conflicts.

2 Theoretical framework

I conceptualise the relationship between social practices and corporate influence on local politics in three different dimensions, distinguishing between socio-spatial, political-institutional and political-developmental dimensions of influence. This analytical framework allows for analysing the strategies that mining companies pursue in mining regions in order to generate social acceptance. Furthermore, by distinguishing between these analytical dimensions, I can examine how and to what consequences mining companies exert influence over local politics. Influence can be defined as a relational and context-dependent social phenomenon. It represents a form of exercising power that manifests itself in social practices. The exertion of influence can be visible or hidden (Owens 2015; Weber 1980). Social actors can only exert influence in relation to other persons, groups or institutions. The ability to exert influence is not constant, but subject to change. It depends on actors' relative position of power and resources at their disposal (Imbusch 2012).

Following Doreen Massey (1994), I draw on the spatial concept of place to empirically understand social processes of spatial production. In this understanding, space and social processes are closely interconnected. The physical materiality of a particular place is intertwined with the meaning ascribed to it based on its site-specific characteristics and functionalities. Even though a place cannot be thought of without its physical materiality, its spatial transformations are socially produced. In this regard, place is always the means, the result, and the precondition of social practice (Belina 2013). Accounting for this, the socio-spatial dimension allows me to conceptualise the influence of mining companies as place-based and to work out how companies spatialise their corporate interests in concrete places.

For the analysis of how companies exert political-institutional influence, I draw on the concept of spaces of participation. According to Andrea Cornwall (2002, 2004), spaces of participation can be temporally limited and spatially specific sites or arenas in which people come together and shape them in different ways. Cornwall (2004) distinguishes between created and invited spaces of participation. While the former are often created by subaltern groups against the state or companies, the latter are those that state or non-state actors convene. The concept of invited spaces of participation allows me to analyse how mining companies create and control spaces of political participation. Such spaces are always permeated by power relations and their existence does not automatically lead to a democratisation of decision-making processes (Cornwall 2002). Examining the internal structure and conditions of access to such spaces shows how mining companies create their own informal channels of influence in mining areas. Against this backdrop, it is important to study how mining companies select interest groups and which representatives of formal and informal political institutions of participation³ they include and exclude.

³ I draw on a broad definition of participation put forward by theories of participatory democracy (e.g. Pateman 1970). These approaches recognise that (governmental and non-governmental) actors can influence political decision-making processes via formal and informal institutions of participation. Institution are a set of enduring rules and processes that structure socioeconomic and political relationships between individuals and groups, but do not determine them (Leftwich 2006).

In terms of the political-developmental dimension of influence, I study the delivery of goods and services by companies in mining communities. I draw on Jean-Pierre Olivier de Sardan's (2011) understanding of governance, according to which the process of providing goods and services constitutes a specific function of (local) politics that is traditionally associated with the government.⁴ Actors provide goods and services based on particular objectives and are guided by different ideas of governance. Olivier de Sardan (2011) argues that examining the characteristics of local forms of governance makes it possible to understand how the delivery of services by state and non-state actors may complement, overlap or compete with each other. For the purpose of this paper, the approach makes it possible to empirically examine which goods and services mining companies provide, as well as which users they include and exclude. The analysis of corporate service delivery not only provides insight into the mining companies' objectives they pursue in the framework of their development programmes, but also sheds light on the impact such corporate development programmes have on local politics.

3 Industrial gold mining in Argentina

In Argentina's economic history, the mining sector—especially metal extraction—was of minor political and economic importance. In the 1990s, a set of liberalisation reforms introduced in the context of the Washington Consensus fundamentally changed Argentina's mining profile. The reforms aimed to consolidate state budgets through privatisation of state assets and structural adjustment measures (Giarracca and Teubal 2013). Legal changes introduced tax incentives for foreign capital investors, limited the size of royalties to be paid by mining companies and passed on regulatory authority to the provinces (Álvarez Huwiler et al. 2015).

In Argentina, the provinces own subsoil resources in areas under their jurisdiction. The national mining code provides the overarching regulatory framework to which the provinces adhere. Each province has its own mineral procedural law. Provincial governments are responsible for granting exploration and production licenses, levying royalties and carrying out environmental controls. Due to their far-reaching autonomy in the mining sector, provincial governments directly negotiate with foreign investors regarding the development of new mining projects. At the same time, the national government receives about 90% of all taxes levied on mining companies. The provinces receive other taxes paid by mining companies to the national government only indirectly through fiscal transfers (Melendi 2022; Murguía and Godfrid 2019).

In 2023, Argentina had 10 industrial gold mines (Dirección Nacional de Promoción y Economía Minera 2023). The mineral deposits are located along the Andes and on the Patagonian plateau. San Juan in western Argentina, Santa Cruz in southern Patagonia (32%), and Catamarca in the north-west are the major gold producing

⁴ Governance as an analytical concept is defined as “any organised method of delivering public or collective services and goods according to specific logics and norms, and to specific forms of authority” (Olivier de Sardan 2011, p. 22; see also Thelen et al. 2018).

provinces in Argentina. Depending on the type of the deposit, gold extraction may require high capital investment. In particular, the increasing use of cyanide leaching has helped to make open pit mining profitable despite higher investments in technology and capital. In 2022, the mining sector accounted for 6.4% of total exports, while gold and silver represented 52% of mining exports (INDEC 2022).

The fact that industrial gold mines are located in remote or geographically isolated areas has consequences for the relationship that mining companies build with communities in the mining regions. Until the 1970s, mining companies established their own workers' settlements near their mines, owned health and education facilities, and often provided public services to workers free of charge. Today, mining companies generally keep the production and reproduction areas separately (Brown 2012). Structural changes in labour organisation have been a general trend in industrial gold mining since the 1990s. Employees work consecutive shifts in the mine for a certain number of days, depending on their position in the workplace hierarchy. Afterwards, they spend the same number of days at home with their families (Clemenceau 2023).

The current organisation of industrial gold mining transforms communities in the proximity of gold mines into central reference points for mining companies. The communities—often small municipalities with rudimentary social infrastructure and far away from major commercial centres—either host the corporate headquarter or provide a base for mining companies to organise mineral extraction. Yet, parallel to the development of new mines, local actors have challenged the development and continuity of mining projects since the 2000s. In response, mining companies pursue a variety of strategies to win social acceptance for their mines in adjacent communities (Composto and Navarro 2012). One of these strategies entails the implementation of development programmes in areas like education, health, infrastructure or local business development. By doing so, mining companies aim to demonstrate their commitment to community development in mining areas, not least to gain the “social license to operate” (Boutilier and Thomson 2019).

4 Corporate influence in the Province of Santa Cruz—the case of the Cerro Vanguardia mine

The South African company AngloGold Ashanti is one of the world's largest gold producers. Since 1998, AngloGold Ashanti has been extracting gold and silver from the Cerro Vanguardia mine in the Province of Santa Cruz. Today, Cerro Vanguardia is the third largest gold mine in the country. With the development of Cerro Vanguardia, mining became Santa Cruz's most important economic activity, followed by the historically important oil, gas, and coal industries (Galafassi 2011). Between 2014 and 2018, Santa Cruz accounted for an average of 56% of national gold production (Ministerio de Hacienda y Finanzas Públicas de la Nación 2022).

Cerro Vanguardia sits on the Patagonian plateau in central-eastern Santa Cruz, approximately 150 km from the municipality Puerto San Julián. Founded by sheep farmers in 1901, Puerto San Julián is far removed from commercial and political centres of southern Patagonia and has only a rudimentary social infrastructure. Ex-

ploration activities for mining started in the mid-1990s when Puerto San Julián was facing a severe socioeconomic crisis due to the decline of the historically significant, export-oriented sheep and wool industry (Bandieri 2005). AngloGold Ashanti set up its headquarters in Puerto San Julián. The mining project fuelled hopes within the community for new economic opportunities and jobs. As a result, Puerto San Julián's population increased from about 4000 in 1991 to almost 12,000 in 2017 (INDEC 2015). Unlike other Argentine mining areas, no manifest conflicts have occurred in Puerto San Julián so far. Instead, most of the inhabitants saw the arrival of industrial gold mining and the presence of AngloGold Ashanti as a "rescue from the catastrophe" (#23SCPSJ18).⁵

4.1 Socio-spatial influence: spatialisation of corporate interests

Argentine jurisprudence allows companies to designate zones of influence prior to the production phase of mining projects, as part of the Environmental Impact Assessment (EIA). The zone of influence is defined based on the future potential social, socio-ecological or socio-economic impacts of the mine. AngloGold Ashanti selected Puerto San Julián as Cerro Vanguardia's zone of influence. In the case of Cerro Vanguardia, socio-ecological impacts played a minor role in considerations, not least due to the lax regulations of Argentina's environmental legislation in the mid-1990s (Gutiérrez and Isuani 2014). AngloGold Ashanti's selection of Puerto San Julián was guided by corporate strategic considerations. AngloGold Ashanti favoured Puerto San Julián over other municipalities in the province primarily because they considered the municipality's social infrastructure as better suited to supplying the mine with services, goods, and personnel (#20SCPSJ18). At the same time, Puerto San Julián was competing with another municipality in the adjoining district for the status of zone of influence (Knight Piésold Consulting 1996). Puerto San Julián's mayor at the time, however, conceded land to AngloGold Ashanti. He hoped that the mining industry would boost other economic activities. This land was later used for the construction of the company's headquarter and housing for high-ranking employees (Torunczyk Schein 2016, #6SCPSJ17, #14SCPSJ17). These political concessions were also key criteria for AngloGold Ashanti to classify Puerto San Julián as zone of influence and turn it into an attractive area for skilled mining personnel despite its remote location.

AngloGold Ashanti spatialised its corporate interests by building mine-related infrastructure. For instance, the company built its headquarters along Puerto San Julián's main road and purchased land from the municipality to turn it into company-owned housing. While at first the different façade and roof colours of the houses as well as the size of the plots represent internal company hierarchies, the housing clearly marks in the urban architecture who has access to corporate privileges as a direct employee (#4SCPSJ17). The establishment of Cerro Vanguardia resulted in an upswing in economic activities in Puerto San Julián. This growth was visible, for instance, in the greater availability of consumer goods, new shops, the expansion of sports and cultural activities and, not least, indirect jobs in the mining industry

⁵ A list of interviews can be found at the end of the paper.

(#14SCRG17, #23SCPSJ18). The selection as zone of influence has not directly led to an increase of the municipal budget as can be observed in other Argentine mining areas. AngloGold Ashanti pays royalties to the provincial administration. Puerto San Julián profits only indirectly from these revenues via fiscal transfers from the provincial to the municipal level. The municipality receives hardly any additional funds from the government to cover increasing expenditures for social infrastructure and basic services due to the rise in population (#5SCPSJ17).

Since the opening of Cerro Vanguardia, Puerto San Julián has become socio-economically dependent on the mining industry. Although the provincial government made efforts to strengthen the fishing industry and tourism in addition to the mining sector, the employment rate in the public sector is high. At 115 persons per 1000 inhabitants, the proportion in Santa Cruz was the highest in Argentina in 2016 (Ministerio Trabajo, Empleo y Seguridad Social 2019). This, in turn, partly leads back to a rentier orientation of the provincial government that uses mining revenues to offer public employment and eventually, to secure the Peronist political hegemony (Gervasoni 2010). AngloGold Ashanti's socio-spatial influence contributes to the naturalisation of the mining industry. It is a widespread understanding among the inhabitants of the small town that Puerto San Julián had no economic alternative to mining and that AngloGold Ashanti had rescued the municipality from a "catastrophe" by introducing a new industry to the area (#6SCPSJ17, #23SCPSJ18). The majority of Puerto San Julián's population hoped for a dynamisation of the economy as a result of the opening of Cerro Vanguardia. Criticism against the potential impacts of industrial gold mining remained isolated and was only voiced by a few inhabitants (#6SCPSJ17). In Puerto San Julián, no social mobilisation against AngloGold Ashanti emerged as it took place a few years later in Esquel, in the neighbouring province of Chubut (Renauld 2016).

4.2 Political-institutional influence: company foundation as space of participation

In 2004, AngloGold Ashanti established the foundation Agencia de Desarrollo de Puerto San Julián (Development Agency of Puerto San Julián, henceforth Agencia). AngloGold Ashanti founded the Agencia as an intermediary institution and delegated the responsibility for the company's development programmes to the foundation. The outcome of the development programmes, as the founding document laid out, should strengthen economic activities beyond the mining industry to prepare Puerto San Julián for the time when Cerro Vanguardia has to close down in the future (Mansilla 2009).

In a context of emerging social conflicts over mining in Argentina, AngloGold Ashanti subscribed to a worldwide trend that can be observed in the mining industry since the 1990s. From this period onward, mining companies have become more responsive towards demands for greater commitment to community development and for involvement of interest groups in the implementation of development programmes (Yakovleva 2008). The Agencia's agenda was originally set through a participatory process in Puerto San Julián that took place between 2006 and 2008 (#8SCPSJ17). Since 2010, AngloGold Ashanti signs annual agreements with the

Agencia and the mayor of Puerto San Julián. These agreements lay out the amount of money the company provides for development programmes in the municipality. Subsequently, the Agencia receives money from AngloGold Ashanti to administer the development programmes and to select the beneficiaries (Bechtum 2022). Within Argentina, the establishment of the Agencia was discussed as an innovative approach. It was the first time, that the implementation of corporate development programmes took place with the involvement of political representatives and other private sectors beyond the mining industry (Mansilla 2009).

AngloGold Ashanti designated the Agencia's board as the central decision-making body. The board consists of eight members that represent political institutions as well as other private and public entities. They include representatives from the Municipal Government of Puerto San Julián, the Municipal Council, the Provincial Government of Santa Cruz, the National University of Austral Patagonia, the Landowner Association, and Puerto San Julián's Chamber of Commerce and Industry. AngloGold Ashanti appoints two members of the Municipal Council (Concejo Deliberante), Puerto San Julián's legislative body, to the board. One member represents the ruling, the other the opposition party. In addition, AngloGold Ashanti fills the position of the treasurer with one of its employees and thus participates in the discussions and decisions that are taking place in the board.

AngloGold Ashanti has established the Agencia as a space of participation. The board's decisions on the implementation of development programmes and the selection of beneficiaries are ostensibly a result of a broad participatory process. However, the analysis of the board's composition shows that AngloGold Ashanti carefully appoints representatives from selected educational institutions, private associations and political bodies. AngloGold Ashanti recognises partisan politics in Puerto San Julián and provides seats for the Municipal Council's political majority and minority. Yet, each of the representatives has the same vote as the representative of the other public and private entities. AngloGold Ashanti grants the latter a say in strategic decision over community development (#8SCPSJ17). The non-political board members represent the economically or socio-culturally influential sectors in Puerto San Julián. For instance, the university is important as a local training centre to qualify future mine workers. The members from the Chamber of Commerce and Industry and the Landowner Association belong to the former economic elites when Puerto San Julián was an important centre for sheep farming.

AngloGold Ashanti retains some, but not complete, control over the administration of development programmes and decision-making processes. The Agencia has to administer and check payments made to beneficiaries in the framework of corporate development programmes. Subsequently, AngloGold Ashanti transfers the money needed to the Municipality of Puerto San Julián that eventually pays invoices and hands over the funds to the designated beneficiaries (#25SCPSJ18). In general, municipal governments in Santa Cruz are deeply partisan. Inhabitants of Puerto San Julián criticise the fact that the municipal government uses the corporate development programmes to distribute benefits, such as employment opportunities, for political reasons (#17SCPSJ18, #25SCPSJ18). In effect, the creation of the Agencia as a multisectoral intermediary institution has at the same time reproduced informal political patterns and ultimately entrenched the ruling Peronist party. This, however,

secures AngloGold Ashanti support among the municipal and provincial governments to carry out the mining activities.

The analysis of the Agencia has shown that AngloGold Ashanti responded to greater demands of community participation by implementing an intermediary institution between the company and public and private entities in Puerto San Julián. However, the composition of the multisectoral board and administrative procedures demonstrate that AngloGold Ashanti circumvents political institutions of participation and thus deepens existing political inequalities of partisan politics. The company avoids formal democratic institutions as it does not delegate decisions regarding the implementation of the development programmes to the Municipal Council of Puerto San Julián, for example. Instead, AngloGold Ashanti supports an informalisation of political participation by setting up its own foundation with its own administrative procedures and decision-making processes. In this sense, the company lets selected private and public actors decide on the implementation of development programmes and thus also on the quality and availability of public goods and services.

4.3 Political-developmental influence: development programmes

In Puerto San Julian, AngloGold Ashanti implements development programmes in the areas of infrastructure, health, education, culture and sports. The company allocates 80 to 90% of its funds to programmes that promote local business development and public infrastructure improvements (e.g. rehabilitation of roads and historic buildings) (Bechtum 2022). Programmes in other areas include donations to schools and health centres, environmental education and vocational trainings. Funds provided by the mining company are fully managed by the Agencia. They are not part of the municipal budget. Nonetheless, corporate funding represents a significant income for Puerto San Julián. Comparing the amount of revenues Puerto San Julián receives from state fiscal transfers, the amount of corporate funding provided by AngloGold Ashanti for development programmes would amount to between 9.6% (2016) and 30.8% (2018) of the municipal budget (Bechtum 2022).

In 2009, AngloGold Ashanti implemented a microcredit programme for local business development. Recipients, mainly small entrepreneurs, receive loans with a term of 36 to 48 months (#17SCPSJ18, #25SCPSJ18). They use the loans to purchase equipment, tools or machinery to improve the commercialisation of their products. The development of the small business that sells bottled water illustrates the strategic character of the microcredit programme. The company's owner is a farmer who owns pasture land about 40km from the Cerro Vanguardia mine. In 2012, he obtained a loan to purchase a water bottling plant to sell natural mineral water from water sources located on his land. AngloGold Ashanti ensures the company's entrepreneurial "success" by buying the bottled water for catering services at the mine (#29SCPSJ18). The mining company is thus able to demonstrate the effectiveness of its microcredit programme. However, repair and transport costs, a fluctuating exchange rate and increasing inflation, among others, pose challenges for the small company to commercialise their bottled water beyond the mining industry. Furthermore, AngloGold Ashanti uses the small company as a means to address environmental concerns. Senior politicians and company representatives alike emphasise

that the company from Puerto San Julián is proof that industrial gold mining does not pollute water sources and can coexist with agricultural activities (#8SCPSJ17, *Tiempo Sur* 2012).

AngloGold Ashanti spends about four to seven percent of its total budget on education programmes (Bechtum 2022). The mining company uses these funds to finance infrastructural equipment in schools (e.g. internet), study grants and repairs. Some teachers see the mining company's financial support as an indispensable supplement to public education expenditure that compensates for cuts in the provincial education budget (#14SCRG17, #24SCPSJ18). AngloGold Ashanti focuses on vocational education and has established close connections with Puerto San Julián's secondary schools and university.

With the aim of increasing the local employment rate at Cerro Vanguardia, AngloGold Ashanti supported the creation of a vocational school in Puerto San Julián in the 2000s. In addition to the secondary school diploma, the school offers vocational training for electromechanical technicians and provides internship opportunities (#11SCPSJ17). The university in Puerto San Julián has also re-oriented its curriculum to suit the needs of the mining industry and offers a degree in mining and energy technology. AngloGold Ashanti complements these programmes by offering internships, carrying out technical trainings and supervising student projects.

The National University of Austral Patagonia in Puerto San Julián has become AngloGold Ashanti's official partner. Scientists carry out technical assignments in the hydraulics laboratory equipped by AngloGold Ashanti and conduct research on the socio-demographic and socio-economic development of Puerto San Julián on behalf of the company. AngloGold Ashanti also involves the scientists in participatory environmental monitoring. Around the world, mining companies employ participatory environmental monitoring programmes as a strategy for responding to conflicts over mining (Himley 2014). Every month, AngloGold Ashanti invites representatives from the education sector to take water, air and soil samples at the mine site. According to the company, the samples demonstrate that harmful substances used in gold mining do not pollute the environment (#8SCPSJ17). However, the samples belong to AngloGold Ashanti and are examined in specialised, company-selected laboratories outside Puerto San Julián (#3SCPSJ17).

The creation of vocational and technical training opportunities and the development of suppliers belong to important distributive claims that communities make towards mining companies. The analysis has shown that AngloGold Ashanti responds to such claims and partly even compensates for the lack of state investment. At the same time, the corporate development programmes serve to legitimise the company's presence in Puerto San Julián. For instance, AngloGold Ashanti uses the microcredit programme to portray industrial gold mining as an economic activity that, according to the company, can be easily controlled with appropriate risk monitoring. Some residents argue that AngloGold Ashanti only finances "one-off things" ("cosas puntuales") that have no considerable long-term impact (#4SCPSJ17). For example, the microcredit programme aims to develop suppliers, but does not assist small companies to access new markets beyond the mining industry. To focus on structural problems in the region, however, AngloGold Ashanti could help companies in Puerto San Julián to prepare for the time when Cerro Vanguardia has to

close down. When AngloGold Ashanti founded the Agencia in 2004, the company at least stated that corporate activities should aim at strengthening economic activities in Puerto San Julián even after the life span of Cerro Vanguardia.

5 Corporate influence the Province of San Juan—the case of the Veladero mine

The Canadian mining company Barrick Gold is among the world's largest gold producers. Since 2005, Barrick Gold has been extracting gold and silver in the open-pit mine Veladero in the Province of San Juan. In 2023, Veladero was the largest gold producer in Argentina. Mining is San Juan's most important economic activity, followed by the production of wine (7.2%) and fruits (6.8%). Gold and silver make up 73% of the province's exports. Gold mined in San Juan made up 42% of Argentina's total gold production in 2017 and 2.1% of the country's total exports in 2018 (Ministerio de Hacienda y Finanzas Públicas de la Nación 2019).

Veladero is located between 3800 to 4850m above sea level in the Andes along the Chilean border, approximately 156km from the municipality of Iglesia. Iglesia, located in the northeast of the provincial capital San Juan City, consists of six scattered villages and several isolated settlements. The majority of Iglesia's inhabitants live on subsistence farming, work in the public sector or depend on public assistance. Iglesia's poverty rate lies above the provincial and national average (DINREP 2014). The municipality has only rudimentary social infrastructure and no local public transportation. The level of mechanisation in the agricultural sector is minimal and low precipitation poses severe challenges to farmers. Iglesia's population increased from around 6,000 (2001) to nearly 12,000 (2018) inhabitants with the arrival of the gold mining industry. 30% of its inhabitants live in Rodeo, the biggest village and Iglesia's administrative centre (INDEC 2015).

Before the 1990s, San Juan's mining sector was based exclusively on non-metallic minerals. In the 1990s, the provincial government provided economic incentives to invest in the metal mining sector. Exploration activities in the area where Veladero is located today were carried out between 1997 and 2002. The proceeding construction phase lasted from 2003 to 2005. Today, gold extraction is carried out by Barrick Gold's Argentine subsidiary Minera Argentina Gold SRL (MAG SRL). The Chinese State Company Shandong Gold acquired 50% of MAG SRL's shares in 2017. In San Juan, Barrick Gold has its headquarters in San Juan City and runs a small office in Rodeo.

The development of Veladero took place in a political context when Barrick Gold was confronted with social conflicts over the binational mining project Pascua Lama. Pascua Lama is located very close to Veladero and was supposed to become the world's biggest gold mine. Protests against Pascua Lama in Chile eventually led to the closing down of the mining project (Haslam 2018). In contrast, social conflicts related to mining in San Juan were fragmented and have not reached high levels of mobilization. Several accidents at Veladero in 2015, 2016 and 2017 were covered by national media when a cyanide solution leaked from Veladero into nearby rivers (Página 12 2017). Barrick Gold had to scale down its development programmes

and even had to suspend its operations for some weeks in 2016 and 2017. Social mobilisation increased considerably, yet direct action against Barrick Gold did not take place in the department of Iglesia (Haslam and Godfrid 2023).

5.1 Socio-spatial influence: spatialisation of corporate interests

In the case of Veladero, Barrick Gold distinguishes between two zones of influence in the Environmental Impact Assessment (EIA) (Knight Piésold Consulting 2002). The department of Iglesia and the municipality of the same name are Veladero's direct zone of influence as the department hosts the mine site. The department of Jáchal is Veladero's indirect zone of influence.⁶ In the EIA, Barrick Gold provides criteria as to which villages in the department of Iglesia could be potentially more affected by mining activities than others. These criteria include villages that are either located along the road leading from San Juan City to the mine or draw water from Río Blanco and Río Jáchal (the headwater of these rivers crosses Veladero). Barrick Gold considered potential negative impacts on, for example, water quality and availability, as technically controllable and a matter of adequate risk monitoring. The criteria for the selection of Veladero's zone of influence has to be understood within the political context. On the one hand, the detailed description of the mining project and its socio-ecological impacts follow the stricter regulation of environmental legislation that has provided for such an extensive description since the 2000s (Gutiérrez and Isuani 2014). On the other hand, Barrick Gold commissioned the EIA at a time when conflicts over mining in Latin America were on the rise and very often centred around socio-environmental issues (Álvarez Huwiler and Godfrid 2018).

As the Veladero mine is located at high altitude, the mine site is only accessible for people with special health permits and licenses. The particular location compelled Barrick Gold to build a 150 km long private road—the *camino minero*—to connect Veladero with San Juan City, in order to supply Veladero with materials, personnel and food. The road starts just past Tudcum, the nearest village to Veladero. Those wishing to use the road need to pass two checkpoints that represent the “physical doors” (Clemenceau 2023, p. 78) to Veladero. This is where health permits and licenses are checked. The area next to the road was formerly used by Tudcum's inhabitants to hunt vicuñas and guanacos, but cannot be accessed legally any more. The privatisation of formerly public spaces is indicative of how Barrick Gold redefines land use. The company defines who can access areas claimed for mining use and under what circumstances.

Iglesia's status as zone of influence has made the municipality the recipient of 30% of the royalties that Barrick Gold pays under San Juan's provincial legislation (Boletín Oficial 2014).⁷ The financial impact is significant. In 2018, Iglesia received 60.8% of its municipal budget from gold extraction at Veladero, while financial transfers from the provincial and national governments accounted for only 32.8% and

⁶ This paper focuses exclusively on Iglesia as Veladero's direct zone of influence.

⁷ The law was modified in 2022 (Núñez 2022). The analysis of this paper is based on the version of the law before 2022.

1.8% of the budget respectively (Bechtum 2022).⁸ Iglesia's mayor usually decides on the use of license fees himself. The municipal council can only advise the mayor. This gives the mayor more room for manoeuvre to follow own (personal or partisan) preferences (#28SJSJ18, #33SJSJ18). The breakdown of the municipal budget shows that Barrick Gold's socio-spatial restructuring process has a decisive financial impact on the municipality. It illustrates that Iglesia is highly dependent on the mining industry. It also underlines that Barrick Gold, inter alia, exerts socio-spatial influence to generate social consent for mining in the municipality.

5.2 Political-institutional influence: multisectoral agreements as spaces of participation

In Iglesia, Barrick Gold has created several spaces of participation to interact and engage with political leaders, social organisations and other public and private entities. The company creates temporary spaces of participation to implement development programmes. In contrast to AngloGold Ashanti's strategy, Barrick Gold fully controls the implementation of development programmes in Veladero's zone of influence and leaves little room for interest groups to have a say in the setup.

In setting up a new development programme, Barrick Gold signs multisectoral agreements to choose the beneficiaries and to define the tasks that the contractual partners perform during the implementation process. Contracting partners can be community organisations as well as entities from the public and private sector, including agricultural cooperatives, procurement companies, government agencies, schools and hospitals. The multisectoral agreement contains the general objective of the programme, but does not specify the amount of money Barrick Gold provides. The company does not transfer funds directly to the beneficiaries, but instead buys the necessary materials itself and hires technical staff as consultants to assist with implementation. The multisectoral agreements that Barrick Gold has signed in Iglesia primarily focus on the educational and the agricultural sector.

According to Argentine law, any beneficiary of goods and services must have a legal personality. Due to this requirement, agricultural cooperatives and neighbourhood organisations have become relevant partners for Barrick Gold. In the context of development programmes directed at the education sector, neighbourhood organisations function as intermediaries (#37SJIG18).⁹ For instance, they receive funds and materials to provide school buses, buy fuel and pay for the bus drivers' salaries. Several villages in the municipality of Iglesia have either created new neighbourhood organisations or revived inactive ones. This means that they have to update the existing paperwork and catch up on missed tax contributions (#47SJIG18). Only

⁸ The 60.8% income from mining activities breaks down into two parts: 47.5% come from royalties, 13.3% come from the trust fund "Fund for community development". The trust fund is strictly supervised by the Ministry of Mining and limits the mayor's room for manoeuvre.

⁹ According to San Juan's constitution, villages with more than 500 inhabitants can form a neighbourhood association (*unión vecinal*). Neighbourhood associations can obtain a legal personality. Particularly in remotely located villages, they often advocate for better access to public services and act as intermediaries between the inhabitants and the municipal government (Gobierno de San Juan 2017).

then will they regain their status as a legal entity and meet Barrick Gold's eligibility criteria.

Barrick Gold's approach contrasts with informal patterns of political negotiations in Iglesia. The mayor—despite his position as the elected head of the municipality—enjoys relative autonomy in the implementation of government programmes (#12SJIG17, #14SJIG17). While Barrick Gold excludes both the mayor and the municipal council from discussions on the design of the development programmes, the company still grants the mayor the prerogative of ratifying the multisectoral agreements with his signature. The procedure suggests that Barrick Gold, on the one hand, privileges the mayor's role as the head of the municipal government. On the other hand, the company indirectly secures his approval and gains access to political networks and social relations from which the mayor derives his legitimacy.

Barrick Gold's spaces of participation are purely consultative. Just as the case of multisectoral agreements has shown, the company decides who to include and who to exclude from these agreements. At the same time, only those inhabitants and organisations that meet Barrick Gold's legal requirements can become beneficiaries (#47SJIG18). This automatically excludes actors like small agricultural producers who are not organised as a cooperative. For instance, a group of women who sell handicrafts on local markets in the municipality are also excluded from programmes as their association does not have a legal personality.

Barrick Gold's approach promotes the informalisation of political participation. While the mining company grants the mayor an important role in implementing multisectoral agreements, these agreements exclude other representatives of formal democratic institutions of participation. In particular, the municipal council, as the legislative body, is completely ignored when it comes to the implementation of corporate development programmes. Spaces of participation are set up on an irregular basis to, among other, canvas opinion. At the same time, Barrick Gold involves neighbourhood associations and cooperatives as recipients of goods and services of the development programmes. The company's approach is clearly based on corporate stakeholder principles. The company aims to create (informal) channels of influence and invites only those actors who support and favour Barrick Gold and thus will mostly likely defend the company's interests. This not least underlines that Barrick Gold's primary objective focuses on legitimising its economic interests by generating consent among Iglesia's inhabitants.

5.3 Political-developmental influence: development programmes

In 2018, Barrick Gold spent around US\$45 million on programmes in communities proximate to their mining sites around the globe. About 30% of these funds was directed to strengthening local business development. The money spent on development programmes amounts to a mere 0.6% of Barrick Gold's annual turnover (Barrick Gold 2018).

In Iglesia, Barrick Gold implements its programmes predominantly in the education, health and agricultural sector. In the 2000s, Barrick Gold met key concerns of the inhabitants and financed a number of infrastructural improvements, including multi-purpose halls, paved roads and new irrigation systems (#12SJIG17). The

company organised training courses, ran health care programmes and bought equipment for cooperatives, schools and health care centres (#26SJSJ18, #34SJIG18). In the agricultural sector, Barrick Gold's programmes included the introduction of technological innovations (e.g. drip irrigation), the construction of water reservoirs, the planting of seedlings from hybrid seeds or the use of chemical fertilisers to increase the profitability and return on investment of agricultural products (#34SJIG18, #49SJIG18).

Throughout the years, Barrick Gold has changed its corporate strategy. The company now focuses on implementing a smaller number of development programmes in cooperation with selected actors. In 2016, Barrick Gold signed a multisectoral agreement to implement a programme to promote local procurement for Veladero. In terms of the programme, small producers organised in cooperatives were to grow vegetables and sell them to Aramark, a US-American service provider that had been running the catering services at Veladero since 2008. Each year, Barrick Gold decides on the beneficiaries of the programme and the type of vegetables they are obliged to grow under supplementary agreements (#49SJIG18). The supplementary agreement for 2018 stipulated that selected producers in Iglesia had to grow pumpkins. The amount of land they had to provide for the programme covered 13.5 hectares, a relatively small area compared to the existing cultivable land in the department. Based on the agreement, the Ministry of Mines and the Ministry of Economic Affairs of San Juan had to finance fertilisers and bags for the harvest, respectively. The Municipality of Iglesia had to provide a tractor and its fuel. The agreement obliged Aramark to purchase pumpkins at prices equal to those in the neighbouring Province of Mendoza. Furthermore, Aramark had to finance the construction of a refrigeration system and a greenhouse. Barrick Gold's role was limited to technical supervision and the provision of seedlings.

The programme was beneficial for small producers, as they received the guarantee that their products would be purchased at the regular market price (#12SJIG17). In Iglesia, access to markets is usually limited by the cost of transport and the lack of vehicles and public transport connecting the municipality with larger markets inside the province. Moreover, Aramark's investments in terms of the programme created infrastructure for better storage and commercialisation of products that the producers were able to take advantage of even after the end of the project. However, it is up to Aramark to decide whether the quality of vegetables provided by the participating producers meet quality standards. This had been the central point of conflict in previous years. The producers sold fewer vegetables as they were unable to meet the quality standards set by Aramark (#26SJSJ18). Although crop failure is a common problem in Iglesia due to the climatic conditions, the programme did not account for this problem.

The design of the agricultural programme illustrates that Barrick Gold played a supervisory and advisory role. The mining company delegated the responsibility for the success of the programme to other actors, namely government institutions and Aramark. This allowed Barrick Gold to evade liability and instead hide behind the complexity of the programme and the responsibilities of its partners. The analysis has once again shown that Barrick Gold is using the agricultural programme to

present the company as a benefactor of Iglesia's agricultural sector in particular and community development in general.

In the education sector, Barrick Gold finances school infrastructure (e.g. internet, computers), offers educational training and supports schools in their efforts to expand their curriculum. As a head teacher explains, Barrick Gold's financial support has fundamentally improved the education system in Iglesia (#13SJIG17). For example, the company covers expenses for school buses and enables students from remote villages to reach schools located in bigger villages. In this way, Barrick Gold ensures access to schooling for a large proportion of students who would otherwise have no access to education due to the lack of a public transport system.

Overall, Barrick Gold focusses on creating employment and vocational training opportunities and by that responds to key demands from Iglesia's inhabitants. Particularly during the construction phase of Veladero, Barrick Gold was able to recruit a relatively large number of workers from Iglesia (Clemenceau 2023). In the following years, the provincial government pressured Barrick Gold to train students for the highly specialised gold mining processes at Veladero (#14SJIG17).

Barrick Gold has supported the evening school in Iglesia since its creation in 2007 and finances transport and accommodation costs for teachers who travel from other areas of the province to Iglesia. In line with the national education strategy, evening schools are meant to increase the share of secondary education degree-holders among adults (Consejo Federal de Educación 2008). Many of the school's students work for Barrick Gold at Veladero. Barrick Gold made arrangements with the Ministry of Education to ensure that the students would be able to attend classes despite their particular work regime (Clarín 2019).¹⁰ In addition to the vocational aspect, Barrick Gold's engagement in the education sector also aims to influence the general perception of the mining industry among the students.

"We teach mining mainly in San Juan. Of course, it's about the Veladero project. [...] We do not work only with teachers, sometimes we [...] invite geologists, for example [...]. Well, that's how students are supposed to develop an openness to mining, right? Of course, people are for or against [mining]. But in general, it is a subject that is accepted. So, mining is seen as an employment opportunity and a way to build one's future." (#14SJIG17)

As the head teacher explains in the quote, the evening school offers the subject "natural resources" to introduce mining-related topics. The students gain insight into the geological background and methods of gold mining. To support the training, Barrick Gold sends mining specialists to give talks at the school and invites students to a guided tour at the mine site. The aim of the subject is to present the mining activities at Veladero as technical processes that, if well controlled, pose no threats to surrounding villages and the environment.

Even though Iglesia has not seen manifest conflicts over mining, environmental concerns remain about the long-lasting negative impacts of mining, like water and soil contamination. To address environmental concerns, Barrick Gold has set

¹⁰ The work regime at Veladero stipulates 14 days of consecutive work at the mine and 14 of free time, yet this may vary depending on the employee's position (Clemenceau 2023).

up various programmes to improve the irrigation system and the infrastructure for drinking water (Bechtum 2022; Haslam and Godfrid 2023). The company also invites community members—among them teachers—to take part in the collection of water samples in the framework of the participatory environmental monitoring programme in Iglesia (Barrick Gold 2019). After the accidents at Veladero in 2015 and 2016 when over a million litres of cyanide solution leaked into nearby rivers, the provincial government pressured Barrick Gold to increase community involvement. As a result, Barrick Gold signed a multisectoral agreement with San Juan's Ministry of Education in 2017 (Ministerio de Minería 2017). Barrick Gold agreed to carry out vocational training courses at secondary schools in order to prepare young adults for employment in the mining industry in fields like computing, electricity, mechanics and caretaking.

The analysis shows that Barrick Gold performs a number of quasi-governmental tasks. The company provides essential goods for the education sector and compensates for a lack of government investment in the education or agricultural sector. Through the particular design of the development programmes, Barrick Gold responds to key concerns raised by Iglesia's residents, aims to portray industrial gold mining as a safe industry and to obtain and maintain the social license to operate. At the same time, the analysis has illustrated that the state selectively engages with the mining company and pressures Barrick Gold to invest more in community development.

6 Conclusion and discussion

The analysis has shown that mining companies pursue numerous strategies oriented to gaining social acceptance in communities proximate to industrial gold mines. In these often remotely located municipalities, mining companies assume quasi-governmental tasks. Yet, the political influence mining companies can have in these communities has hardly been explored in social science research. The purpose of this paper was to fill this gap. Drawing on two cases, the paper showed that transnational mining companies exert political influence by spatialising corporate interests, informalising political participation and privatising local policies. It became clear that mining companies set up their corporate development programmes to create social acceptance for their mining activities among the residents in mining areas. They aim to avoid the emergence of manifest conflicts that could disrupt their mining activities or at least negatively affect their reputation.

Mining companies spatialise their corporate interests by classifying communities proximate to industrial mines as zones of influence. They define these areas as strategically important for metal extraction. The comparative analysis has shown that both companies classify their zones of influence according to potential socio-ecological consequences. The social and political context of mine development determines the extent to which the prevention of social conflicts is of primary interest to the companies or not. The companies have transformed the selected municipalities into the locus of their own of corporate activities. The designation of zones of influence is relevant throughout the lifecycle of the mine as the companies construct mine-

related infrastructure and provide services to generate social acceptance for the gold industry. Depending on the respective mining regulations, only few municipalities can directly benefit from mining royalties, as the case of Iglesia has demonstrated.

In both case studies, the mining companies contribute to the informalisation of political decision-making processes. AngloGold Ashanti and Barrick Gold create several invited spaces of participation to facilitate the implementation of their development programmes. While AngloGold Ashanti has established a foundation as a permanent space of participation, Barrick Gold creates various temporary spaces of participation, e.g. through the establishment of multisectoral agreements. Access to these spaces is not based on democratic criteria, as the mining companies fully control the access. Instead, the companies invite representatives from selected public and private entities to these spaces. Both companies reinforce the mayor's historically prominent position in order to gain the approval of the mayors themselves and other (informal) party and family networks connected to them. At the same time, companies are bypassing formal institutions of participation such as municipal councils. Although the limited power of the legislative in Argentine municipalities is nothing new, mining companies perpetuate existing power relations to serve their own corporate interests. It has become evident that the mere existence of spaces of participation does not automatically lead to a democratisation of local politics. The spaces of participation analysed in this paper function as a "governance technology" (Demirović 2011, p. 97), which the mining companies use to expand their political-institutional channels of influence.

The mining companies bolster the privatisation of local politics through the selective provision of goods and services. Especially in spatially remote municipalities, where public service provision is often insufficient, AngloGold Ashanti and Barrick Gold are able to position themselves as private financiers and compensate for the lack of government investment. The results-oriented focus of their development programmes in the communities led to a fragmentation of public service provision. While the companies design their programmes to create visible impacts, they hardly provide any support for sectors where the success of a programme is harder to achieve (e.g. improvement of basic services). Moreover, corporate service provision ends once the mine's life is over. This adds to the argument that corporate development programmes aim to secure the social license to operate. However, it would fall short to analyse the company's engagement simply as a retreat of the state or an example of a "weak" state (Hibou 2004). The paper illustrated that the government selectively pressures the mining companies to invest more in community development. The dominance of mining companies is also the result of political decisions taken by the municipal, provincial and national governments. The governments in power have left central policy areas to mining companies and reduced some of their own support and subsidies.

The purpose of this paper was not to conduct yet another conflict analysis in which mining companies and communities confront each other as opposing actors. It would fall short to interpret the implementation of corporate development programmes by AngloGold Ashanti and Barrick Gold merely as "success stories" of local conflict prevention, as mining companies do not encounter a lethargic population when establishing mines. Instead, I shed light on the workings of corporate micro-politics

and the multi-layered interactions between mining companies and representatives from a variety of public and private entities as well as political institutions. I analysed how and in which social spheres mining companies intervene and what political consequences this can have for political decision-making processes and the design of public policies in communities adjacent to industrial gold mines. It is important to analyse the effects of corporate influence on local politics to better understand wider transformation processes that take place in rural areas in the context of industrial mining. These results illustrate the capacity of mining companies to mould political institutions and policies by implementing development programmes that are in fact designed to serve corporate purposes. The general acceptance of corporate influence, analysed in this paper, even seems to indicate the erosion of political institutions. If nothing else, this shows that it is short-sighted to focus only on the manifest conflicts over mining and that it is necessary to ask about the broader consequences corporate activities have.

For further research in the field of conflict studies, it is relevant to widen the scope of analysis and look at the composition of companies themselves and the political authority they are able to exert. It is high time to focus on the political impact of mining companies and their manifold corporate development programmes. Such a perspective can provide valuable insights into the medium and long-term consequences of industrial activities, not only in the context of mining. Ultimately, understanding corporate strategies and their far-reaching political consequences illustrates not least that rural areas are rarely remote and peripheral, but fulfil functions central in global capitalism.

7 Appendix

Table 1 Interviews

Code	Date	Institution	Interviewee	Location
#3SCPSJ17	09/20/2017	National University of Austral Patagonia (UNPA)	Two head teachers	Puerto San Julián
#4SCPSJ17	09/21/2017	Cultural centre	Owner	Puerto San Julián
#5SCPSJ17	09/21/2017	Municipality of Puerto San Julián	Mayor	Puerto San Julián
#6SCPSJ17	09/22/2017	–	Lawyer	Puerto San Julián
#8SCPSJ17	09/22/2017	AngloGold Ashanti	Community relations officer	Puerto San Julián
#11SCPSJ17	09/26/2017	Vocational school	Head teacher	Puerto San Julián
#14SCRG17	09/27/2017	Secondary school	Two head teachers	Puerto San Julián
#17SCPSJ18	10/10/2018	Secondary school/Agencia de Desarrollo	Head teacher/former member of Agencia de Desarrollo	–

Table 1 (Continued)

Code	Date	Institution	Interviewee	Location
#20SCPSJ18	10/10/2018	AngloGold Ashanti	Community relations officer	Puerto San Julián
#23SCPSJ18	10/11/2018	National University of Austral Patagonia (UNPA)	Scientist	Puerto San Julián
#24SCPSJ18	10/12/2018	Primary school	Head teacher	Puerto San Julián
#25SCPSJ18	10/12/2018	Municipality of Puerto San Julián/ Department for Economic Development	Employee	Puerto San Julián
#29SCPSJ18	10/16/2018	Company for bottled water	Company owner	Puerto San Julián
#12SJIG17	09/05/2017	Food service provider	Company owner	Iglesia
#13SJIG17	09/06/2017	Primary school	Head teacher	Iglesia
#14SJIG17	09/06/2017	Evening school	Head teacher	Iglesia
#26SJSJ18	11/20/2018	National Institute of Agricultural Technology (INTA)	Employee	San Juan City
#28SJSJ18	11/21/2018	Directorate for Taxes and Revenue Control, Ministry of Mining	Employee	San Juan City
#33SJSJ18	11/27/2018	Municipal Council	Politician (opposition party)	Iglesia
#34SJIG18	11/27/2018	–	Agricultural producer	Iglesia
#37SJIG18	11/28/2018	Evening school	Head teacher	Iglesia
#47SJIG18	12/04/2018	Neighbourhood association	Chairperson	Iglesia
#49SJIG18	12/05/2018	Barrick Gold	Consultant	Iglesia

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