

El Comercio

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INTERVIEW WITH HERNANDO DE SOTO [A2-A3]

“US\$70 Billion in Mining Investment is Paralyzed”

OTHER PATH. Economist reveals that he has met with convicted terrorists who organized anti-mining protests in the country.

HE SAYS NO. Assures that he will not join any electoral platform and accuses President Ollanta Humala of creating class confrontation.



REFORMA EN LIMA

Comisarías cambiarán su ámbito territorial en dos años

–Avenidas, calles y aspectos geográficos serán tomados en cuenta en nueva distribución.

–Alcaldes proponen comisario único por distrito. Interior dice que es una posibilidad a largo plazo. [A8]

DT

PAOLO GUERRERO, GOLEADOR DE LA COPA AMÉRICA

COPA AMÉRICA 2015



Un regreso con gloria

La selección peruana de fútbol volvió ayer de Santiago con dos buenas noticias: Paolo Guerrero se consagró nuevamente goleador de la Copa América, esta vez con 4 tantos, junto al chileno Eduardo Vargas, y la organización del torneo premió al equipo de

Ricardo Gareca con el trofeo Fair Play, que se entrega al de mejor comportamiento. Ayer, Chile superó a Argentina en definición de penales (empató 0-0 en el tiempo reglamentario) y alcanzó el título del certamen por primera vez en su historia. **EDICIÓN ESPECIAL**

INFORME ESPECIAL

Unidos para que las heridas del ‘baguazo’ cicatricen

Comuneros y empresarios impulsan proyectos productivos en común en Santa María de Nieva. [A16]



POPULISMO

Los políticos argentinos se valen del fútbol para ganar votos

Los presidenciables buscan a las estrellas del balompié. [A18]

DEBATE

Parlamento Andino: un foro de dudosos resultados

El Estado gasta casi S/.5 millones al año en mantenerlo. [A4]

A 25 AÑOS DE SU FUGA

El Caso Víctor Polay Campos y otros escapes famosos

Belaunde Terry, García y Montesinos también protagonizaron recordadas huidas. [A24]



ECONOMÍA EN CRISIS

Grecia se juega hoy su futuro en referéndum

Votarán por propuestas de acreedores. [A19]



Los bancos siguen cerrados mientras las protestas continúan.

Hernando de Soto

“Peru is Rising Up against the Existing Order”

Hernando de Soto, ILD president, talks about his concerns over the polarization between mining and agriculture.



MARIELLA
BALBI

You have said that in the next elections mining, the agro-mining dichotomy, will be as important as public safety or corruption.

The last two are important issues. The problem is where everything is tied together, where the ideological, conceptual, battle takes place, defining actions. There are two million informal miners, including those people who serve them, in the processing plants, and others. This group together with their families adds up to some six million people confronting government. They are a restless lot, blocking roads, bridges. Additionally, there is US\$70 billion in mining investment that is paralyzed, with the concomitant reduction in Peru's GDP. This means that in mining—formal or informal—the control of property in the country is in question. It is unacceptable that mining projects like Conga, Michiquillay, and Manhattan are at a standstill and that the Las Bambas and Tia Maria projects are in peril as well. It cannot be a coincidence of several simultaneous accidents. Peru is rising up against the existing order...

You mean one sector in Peru.

Well, it is villagers in many cases, and militia in others. People in different parts of Peru are rejecting what the government upholds. To the point that the president says, “the Conga projects will go ahead”, and they say it won't. The same is true for Tia Maria. Small sectoral forces in different parts of the country have stopped these projects.

Are the mining, concession, and Environmental Impact Assessment models no longer valid?

They are useless; they do not work. People are obviously rebelling. Each project is different, yet all those against the status quo are against them.

Is it a nationwide matter that needs to become an important debate issue in the next elections?

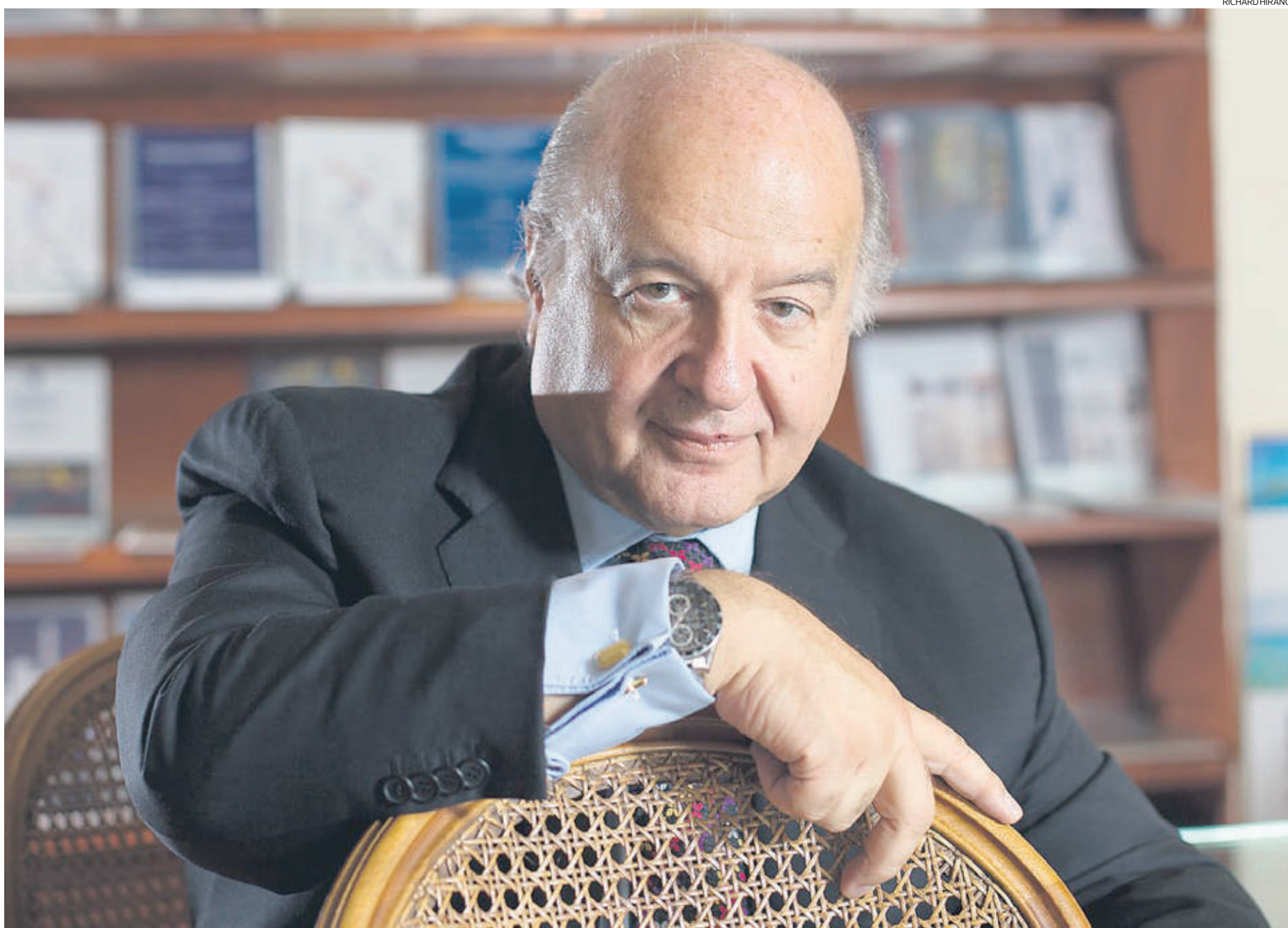
It is a property issue, of who owns what. Outside the country, people are saying that mining disinvestment has begun in Peru; that people are beginning to withdraw little by little; and that they no longer believe that there is a future in mining.

Do you see that as a comment or a fact?

Fact. Mining involves big projects, which is why people refer to it as feast and famine. It involves long-term investment and it cannot be changed from day to day. What do you do if Peru has 22 important mining projects at a standstill and the government can do nothing about it? Helicopters go into Tia Maria, but people bring them down with slingshots. What do you do as an investor? Invest in that country? This problem needs to be resolved.

From your point of view, will the Tia Maria project go ahead?

Not a chance with this government. It has proved to be unable to bring together different interests. When he arrived in Arequipa, those rebelling would not see him.



RICHARD HRANO

THE DE SOTO PATH. The economist says that the former Sendero (Shining Path) members who sought him out told him, “There used to be the Shining Path, then the Other Path, but now we want the New Path”. (Photo: El Comercio)

“Not a chance [that the Tia Maria mining project will go ahead] with this government”

“This government is incompetent and Pulgar-Vidal is incompetence in the flesh”

“The possibilities of getting something out of the ground in Peru—an extractive country—are being extinguished”

Perhaps in the next government, as long as it becomes one of the major election issues.

Will that mining and farming grassroots sector have an election platform? Through what? Radical movements?

There couldn't be so much unrest if there weren't an organization; it would mean too many accidents. I believe that the forces wanting radical changes in Peru have reorganized.

They should have a great desire to vote, but that is not the case.

The fact that their organization cannot express itself at the polls is another matter entirely. At elections, they have to be visible, have financing, etc. This debate should have a place in the electoral process, but it is taking place in the streets, in the mines, and in the dark recesses of the country. It would be great if it came out to be debated and clarified openly, with everyone participating. The possibilities of getting something out of the ground in Peru—an extractive country—are being extinguished. Modernity and industry—which has its faults to be sure—have been pitted against agriculture. People say, “yes to farming, no to mining”, something that is impossible because even plows are made of metal. This government created this dichotomy. But one cannot exist without the other. And the poor, involved in artisanal mining, had their machines and plants blown up.

But they harm the environment, at least in Madre de Dios...

I said artisanal and not alluvial mining. We work with the artisanal miners of the coast and highlands, where there is no water.

Likewise in Tambo Grande, Piura...

Wherever. But, formals do not have their machines set on fire. It is an act of war, while it could be one of law and justice. It is Quechua, native, and Aymara peoples who have their plants destroyed. It is creating class confrontation tailored to a violent future.

You have met with the Shining Path (Sendero) to discuss mining issues. Why talk to undesirables?

In the last big meeting we had in Juliaca with informal miners, where 15 thousand attended, a number of Sendero members sought us out to talk about formal mining. Through a mutual acquaintance, Pedro Egoavil contacts us...

Who is he and who was at the meeting? (See photo in page A3)

By the way they presented themselves and by what we found out, Egoavil is a leader from Ayacucho. He was in jail for eight years for being a member of Sendero. He is a member of the Farmer Militia Committee of Peru; participated in the protests against the Conga mining project, is a member of the Peoples' Assembly of Peru and the Tawantinsuyo, which aims to direct all social protests against big mining investments in Peru, and is in charge of the combat committees of the Central Macro-region.

Wilfredo Saavedra was also there.

Yes, as we know, he belonged to the MRTA and went to jail for it. He was against Conga and belongs to the National Council for the Integration of Peoples. Also at the meeting were Jorge Spelucín Aliaga, Cajamarca militia member with ties to the Shining Path, who lead the water march together with Tierra y Libertad (Land and Liber-

ty) and MAS; Jorge del Carpio Lazo, doctor linked to Sendero, participated in the 'arequipazo' and led the protests against Tia Maria; Jorge Mamani Romero, who was in prison for belonging to Sendero. Together with Del Carpio Lazo, following Movadef guidelines, they founded the United National Front of Peru, which later became the Coordinator of Macro Sur, which promotes the resistance against mining projects in the south. He was in Tia Maria.

What a group.

They said they approached us because we are getting in touch with the social fabric in a positive way with the informals. And they wanted to discuss big mining...

Didn't talking to them repulse you?...

No. I was scared. Sendero attacked the ILD. Those were tough times.

How can you be certain that they led those protests and which other projects they will affect?

El Comercio, other newspapers, and they themselves said so. They have a national committee; they are organized. They call themselves the People's Assembly. They began with Conga, and Michiquillay followed. They are going into Las Bambas, Espinar. They are also in Puno, Pichanaki (Pluspetrol) and Tambo Grande. Leader Spelucín has been apprehended. We can no longer meet because arrest warrants have been issued for them, certainly not because they are harmless.

That could weaken them.

They are organized into several generations of combat. My fear is that if one falls the youngest one will take its place, and I do not

know if they have had enough of violence, like those with whom I have been talking. We do not want to be useful fools, but we find they are willing to talk. They do not act like the traditional Sendero, disciplined cells of war. It is an environmental discourse and they have stated that their actions are not illegal, cannot land them in jail. My aim is to avoid a confrontation that leads to more violence and where the violent ones predominate.

Do they have much of an influence on the communities surrounding big mines?

Their actions are different from their influence. They have taken [Manuel] Pulgar-Vidal's environmental discourse and shown its pertinence to each community. Each is independent, but the discourse has reached them.

Why do you have so much animosity toward minister Manuel Pulgar-Vidal?

This government can no longer do anything; it is incompetent and Pulgar-Vidal is incompetence in the flesh. He, like them, has pitted agriculture against mining. Something that is not feasible.

The government is pleased with the dialogue table in Espinar.

They know them: the following day they come back and oppose them. Government uses traditional tactics: who wins over the locals. They are betting on having an influential ideology. We are attacking on that level. The tables do not aim at the fundamental issues: how to integrate the marginalized into the system in such a way that they do not feel alienated and go against government. For us it is essential to have a formalization pro-

posal that will allow them to benefit from modern Peru. Otherwise, they will continually return to confrontation.

Are you not being naïve or taken for a ride?

When we told them that they had attacked and killed us, they said that we had to leave the past behind us. They replied, there used to be the Shining Path, then the Other Path, but now we want the New Path.

“I would say that they are comprised of 80% former Sendero members and 20% MRTA and reservists. They say they are everywhere in Peru and that they do not want to bring down the government”.

Do you believe them?

Perhaps I am being a useful fool. They are not monolithic. There is enormous resistance to those who dialogue with us. Is it worth it? That is why we put this proposal before the public, so that everyone can decide if it is valid or not and so that it can be discussed in this election period. Not only are they taking us to economic collapse, but also to confrontation, to which I see no other way out but through dialogue.

Does ethno-Cacerism appear in that organizational chart?

They tell us that reservists do support them in some places.

Looks like they don't want to as-

sociate themselves with Antauro Humala. I would say that they are comprised of 80% former Sendero members and 20% MRTA and reservists. They say they are everywhere in Peru and that they do not want to bring down the government; they do want to protect the environment; and they are against multinationalism. When they said that they supported our property proposal, they asked, Will Confiep let you do this? I answered that it was a guild, not the State. But they maintained that the oligarchic power called Confiep was behind all of this.

It seems unlikely that they will accept your property proposals... In our conversations, they ask that informal miners be given property and business rights, with or without the community, and that they be able to work in open pits with lower grade ore. As a result of our conversations, they have given up the “agriculture yes, mining no” stance. They say that big mining can come in, but that it answer to the State. We maintained that it was irresponsible to bring down the big projects because they would starve the country. They have proven to be open, arguing that in that case they need to be more closely supervised. The debate we have started is how to be strict. As far as they are concerned, the State does not know how to run itself; the problem is not large-scale mining.

Do you think you've convinced them?

A space has opened up that I had not seen before. Probably another wing that disallows them will come to the fore. Don't forget, they are politicians. But if we continue on the same course, things will end in violence and a falling GDP. It's better to talk and debate this in the election period.



THE MEETING. Together at the ILLD, from left to right: Pedro Egoavil (anti-mining investment committee), Wilfredo Saavedra and Jorge Spelucín (defense front against the Conga mining project), Hernando de Soto, Jorge del Carpio Lazo and Jorge Mamani (defense front against Tia Maria).

“I will not join any electoral platform and I will not be minister”

Are you making these proposals because you are going to run for president?

I rule that out completely. My proposal would be weakened.

Will you support Keiko Fujimori like you did in the previous elections?

I did it because Humala's program was extremely dangerous at the time. He changed it afterwards. I will save you the questions: I will not join any electoral platform and I will not be prime minister, or anybody's minister. I will always be on the outside. You can't change Louis XIV's government with Louis XIV's troops. Neither will I be the outsider. What I seek to do is change the electoral debate. People talk about the morality of the candidates, but nobody talks about mining issues.

Do you consider yourself influential in the sector?

I don't know if I'm influential, but I am in touch with the artisanal and informal miners. They are giving them non-marketable titles, imagine. We are also advising the coffee growers...

Are you offering those votes?

No. All going well, in three weeks I'll be able to present all candidates with the outcome of our conversations with the different social sectors, including those in the shadows. They'll be able to see the link between contract killings and informal mining. I hope it's a great debate.

What strengths and weaknesses do you see in Keiko, in...

I won't answer that. I want everyone to be my clients and I'm not going to alienate them. I have good friends in politics...

Alan Garcia has taken a few hits, hasn't he?

Yes, but what's that got to do with anything? People are down one day, and the next they triumph, and vice versa. I'm not into the electoral issue; it is not my field.

They're asking PPK to return his gringo passport...

Every candidate has his Achilles heel; they need to settle these as soon as possible.

Will this government be a waste of

a five-year term?

It has been disastrous. There has been no institutional progress in Peru. Nothing has been done. It's worse than a waste of a five-year term. At the beginning, I was sympathetic toward Humala because I thought he wanted to do good, and would be responsible. The results have been disastrous. The mining-agricultural confrontation in a country that is both has never been worse. The government has unleashed a class war between the rural and the urban, between the industrial and agricultural. He opened the door to irresponsible people. Subversive forces have regrouped; have created support groups for violent resistance to a status quo that didn't exist before this government.

Has Humala sown hatred?

I think so, unintentionally on purpose. He has created a class war, in violent opposition to one another, throughout Peru. If we don't resolve this, there will be even more violence. His government has promoted greater social exclusion. It has paralyzed the few sectors that could produce wealth, big mining

and big business. It has not managed to keep the poor included.

Were Humala and his wife aiming for conjugal reelections?

I'll answer this so that we can be at peace, because it's not what I am aiming at. Right from the beginning, it was clearly 'Kirchnerism'. We've never seen a first lady with so much power in Peru. Now then, there are many henpecked husbands in the world.

Heredia has been accused of corruption...

I am waiting for the results of the investigations. The signs are not good.

Do you think Vargas Llosa made the wrong decision?

I wish him and Patricia a wonderful future. I hope they reconcile their differences. They have been married for many years. Patricia has been very influential. Things can always be mended.

Would you patch up your differences with Vargas Llosa?

With everyone. I am not a hateful person.