

TORRES, Víctor, 2013, *Grupos económicos y bonanza minera en el Perú. El caso de cinco grupos mineros nacionales*, Lima, CooperAcción. 304 pp.

Mining has been, and continues to be, a fundamental part of the Peruvian economy and society. It currently accounts for 15% of Peru's GDP, more than half of exports, approximately 30% of income taxes and a significant percentage of the GDP of various regions of the country. During most of Peruvian history, mining has been an activity dominated by foreign investors, with the exception of the two decades when there were state run companies in this sector – the 1970s and 1980s. Today, around 75% of mining investment is foreign, originating in more than 30 countries and from 100 transnational companies.

Given that mining is such an important economic activity, it is striking that academic research on this topic is so scarce. In a recent bibliographic investigation, we searched for original research on mining in the social sciences, history and business, published in Peru between 1972 and 2012 and found only 341 publications. Most surprising was that among these there were very few on the companies that generate wealth in this sector or the powerful economic groups behind them. In the post-1990 Peruvian bibliography, the studies were predominantly about the economic impact of mining; the distribution or use of mining taxes, known as the "mining canon"; or mining related social conflicts. Only 42 studies, or 12% of the total, address the companies themselves or the businesspeople and investors involved with them, which is to say the protagonists of Peruvian mining history.

Given this context, the recent publication of *Grupos económicos y bonanza minera en el Perú* by economist Victor Torres is a very valuable contribution. The author investigates the Peruvian businesspeople who competed in the mining industry with the primary objective of identifying "the business strategies that the Buenaventura, Brescia, Volcan, Hochschild, and Milpo groups adopted during the first decade of this century [...]"¹ (p.16). This work is the first to attempt a critical and empirical analysis of powerful private interests since the pioneering studies by Fernando Sánchez Albavera (1981), Carlos Malpica (1989), Francisco Durand (2003), and Enrique Vásquez (2004), authors with whom Torres engages in a dialogue throughout the text.

In the first chapter, the author reviews the principal conceptual approaches in studies of economic groups and family companies, both pertinent in the Peruvian context. In the second chapter, he offers a general perspective on the recent history of these groups and the way that they have adapted to structural changes in Peru and to growing competition

1. Translation by *Apuntes*.

in the mining sector. The following five chapters present specific cases studies of each group, analyzing their trajectories from their origins to the present and their current characteristics including financial information, composition of shareholders, and main investments, among other factors.

Torres bases his analysis on publicly available information including annual reports, financial statements, and other documents that the principal companies in these groups file with financial regulators in the countries where their shares are listed. He also used sources related to financial analysis and risk evaluation.

This book's incredibly rich details will make it a reference text for researchers, professors, students and all those interested in mining in Peru. That said, at the end of the book, we are left with more questions than answers, which could constitute a future research agenda. First, if most mining production in Peru today is the hands of foreign companies, why should we be so interested in the Peruvian groups, who are the statistical minority? Are these truly groups with power in a country where investors and diplomats from China, Switzerland, Canada or the United States interact directly with national and local government authorities? How do these Peruvian businesspeople interact among themselves and with their foreign counterparts? Do they collaborate to influence the national political agenda? If so, is this done through the formerly influential National Mining Society (Sociedad Nacional de Minería) or outside of it? Are they the architects of "state capture," as some analysts maintain? Despite considering these Peruvian mining groups as "powerful groups," the author resists drawing conclusions about the nature and limits of their influence on the country.

Other questions the reader is left with are related to how the groups compare to each other. Why have some been more successful than others, for example, when it comes to associating themselves with foreign investors or expanding their activities in the country? Why have some managed to become transnationals while others failed in their attempt to do so? In the case of those groups that have diversified their investments beyond mining, has this helped them reduce risks and expand their national influence?

Drawing broader conclusions and forming opinions on these issues is a step the author resists taking. But on the basis of these five case studies, other analysts could identify factors that would help explain the differences in the levels of success attained by these enterprises. The status of a family organization could be an obstacle or an advantage. When is it the former and when is it the latter? For example, in the case of Milpo, the author presents the family as a problem and an obstacle that the company needs to remove to survive and expand, while other groups have been able to combine a family legacy with modern capitalist rationality.

Related to these questions is another issue that readers and future researchers should pursue: the relationship between mining companies and other actors in their environment. These stakeholders, can include their own workers, communities in their area of influence, various government bodies, non-governmental-organizations that collaborate with or criticize the enterprises, and the media who report on them. How do these companies maintain a satisfied workforce in a competitive labor context? How is it that the majority of companies, with the notable exception of Buenaventura in Yanacocha, have been able to avoid large social conflicts like those that have affected transnationals operating in Peru? We believe that social investment, the use of specialized consultants and lobbies, and the creation of patronage networks in local communities are diverse mechanisms that have allowed some of these national companies to operate without significant setbacks and to benefit from the recent mining boom.

In addition, in relation to the questions raised, we should point out some of the methodological limitations of this study that impede answering them. First, by choosing to undertake five parallel case studies and not a comparative study, the author is limited in his ability to draw general conclusions about this group of actors. Second, by choosing to rely on publicly available financial and tax documents without directly approaching the object of his study, the author is unable to compare this information, which is disseminated by the company, with information in internal company documents, with testimonies from actors from within the company, or with his own observations. In this sense, the book leaves us with questions on the relationship between the official story that Torres presents here and the "true story," if one exists. How much is there behind these case studies that still needs to be discovered?

In conclusion, this book is an important contribution to the bibliography on mining and enterprises in Peru, with valuable information on five important national corporate groups, which have not been analyzed in this manner in many years. But the book's strength is also its weakness since it does not go beyond a collection of separate cases that need to be analyzed comparatively and in relation to other actors. In this sense, it is an indispensable point of departure for other researchers, who should follow in its footsteps but also open up other paths to deepen our knowledge about this powerful yet elusive sector.

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