

A Mining Ban in El Salvador?

By Emily Achtenberg

WILL TINY EL SALVADOR, WHERE TWO thirds of the population lives on less than \$2 a day, become the first nation on the planet to legally ban gold mining? On June 28, President Mauricio Funes reaffirmed his campaign promise that no metals mining would be permitted in El Salvador during his administration. Despite the potential relief that mining revenues could offer his cash-strapped government, Funes said, “I will not put the public health of the population at risk in exchange for some additional income that we might receive.”

The National Roundtable Against Mining (known as the Mesa), a coalition of community, environmental, and human rights organizations that has led the anti-mining struggle, wants the government to go one step further—by passing a bill sponsored by Funes’s party, the Farabundo Martí Liberation Front (FMLN), that would permanently ban metals mining. They note that even conservative ex-president Tony Saca declared his opposition to mining in 2008, in response to public pressure. What’s needed, they say, is for the ban to be legally codified, rather than leaving mining policy to the discretion of each successive president.

The growing resistance to mining in El Salvador has focused on Pacific Rim, a Canada-based transnational that received a permit in 2002 to begin exploratory work on a massive gold mine in the north-central department of Cabañas. The mine is located in the basin of the country’s largest river, the Lempa, which is one of the few remaining uncontaminated water sources

in El Salvador, supplying nearly half the country, including the capital, San Salvador. After Pacific Rim was granted its exploratory permit, a surge of applications by other mining companies followed, as gold prices sky-rocketed and opportunities for private investment increased under the Dominican Republic–Central American Free Trade Agreement (DR-CAFTA).

The Mesa argues that the water-intensive cyanide ore process used by mining companies like Pacific Rim will undermine rural farming and fishing economies, and deplete drinking-water supplies—the average metallic mine uses 24,000 gallons of water per hour, or about what a typical Salvadoran family consumes in 20 years. Toxic runoff, leaks, or spills could cause widespread contamination, and Cabañas is prone to earthquakes and torrential rains, further heightening public health and safety concerns. Such problems would add to the many environmental challenges already facing El Salvador, which is arguably the second-most environmentally degraded country in the Americas (after Haiti).

Although Pacific Rim and other mining companies promise jobs and tax revenues to benefit affected communities, the Mesa says few local residents have the technical skills to qualify for a permanent position. Under existing law, only 3% of mining profits would be paid to the Salvadoran government for potential reinvestment in social and economic programs. In any case, the projected operational life of Pacific Rim’s Cabañas mine is just six years.

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Emily Achtenberg is an urban planner and the author of NACLA’s weekly blog Rebel Currents, covering Latin American social movements and progressive governments (nacla.org/blog/rebel-currents). She visited El Salvador in June with the Cambridge–El Salvador Sister Cities delegation.

TAKING NOTE

violence in communities still struggling to overcome the effects of El Salvador's civil war (1980–92). Pacific Rim targets funds for scholarships, schools, and other benefits to municipalities (and mayors) not directly impacted by mining, creating friction with those communities that are affected. In this context of mounting tension, four anti-mining activists in Cabañas have been killed since 2009 in what the Mesa describes as targeted assassinations. Dozens more, including environmental leaders, priests, and community radio journalists, have received death threats, which the company blames on “internal feuds”—that is, the very conflicts that its presence has created.

While some of those who carried out the murders have been convicted, the “intellectual authors” of these crimes have never been prosecuted. For anti-mining activists, the persistence of this climate of impunity evokes bitter memories of the civil war, with communities once again facing the threat of displacement and the loss of land and natural resources that they fought and died to protect.

In 2007, more than two thirds of those polled by the San Salvador-based Central American University agreed that the mining of precious metals should be banned in El Salvador. Faced with growing opposition from civil society, the Catholic Church, and even from the Saca government, Pacific Rim failed to complete the technical steps required to secure its permit for mining operations. In 2008, the company ceased all exploratory activities.

Pacific Rim then sued the Salvadoran government for \$77 million under DR-CAFTA, alleging that the government's failure to approve an extraction permit had violated its investors' rights. The case, which is

pending in a World Bank court, represents the first challenge to a sovereign government's environmental policy under DR-CAFTA. A subsequent lawsuit filed by another gold-mining company in the same court was dismissed on a technicality in March, but only after the Salvadoran government spent \$800,000 defending its claim.

The DR-CAFTA lawsuit was clearly on the mind of Environmental Minister Hermán Rosa Chávez when he met with a delegation from the Cambridge–El Salvador Sister Cities project in June, just a few days before Funes announced that no mining would take place during his administration. According to Rosa Chávez, a critical tool in formulating the administration's new mining policy and legislative proposal will be the strategic environmental assessment that Funes commissioned from a Spanish consulting firm in 2010. The study, which is in its final stages, will evaluate the costs and benefits of metals mining in El Salvador. Both transnational mining companies and anti-mining activists are eagerly anticipating the results.

The Mesa, however, is concerned that the study's highly technical framework may obscure what should be a foregone conclusion. “Instead of wasting money on this consulting project,” says Francisco Pineda, a farmer who was recently awarded the Goldman Environmental Prize for his anti-mining work in Cabañas, “we should be studying how to help the communities most affected by the environmental damage” caused by mining.

But a major goal, according to Rosa Chávez, is to insulate the Funes government from legal challenges by Pacific Rim and other mining transnationals. With 26 active exploration permits inherited from past governments and 73

pending applications, the government's potential legal exposure is enormous. The study will also help to build consensus within the government, including the legislature, which has diverse views on mining. (The FMLN has the largest voting bloc, but not a majority.)

For these reasons, Rosa Chávez says, the study must weigh alternative scenarios, ranging from selectively promoting certain types of mining to a partial or complete ban. “We are the government now,” he explains. “We have to play by the formal rules.”

Rosa Chávez believes that metallic mining, especially gold mining, is difficult to justify under current conditions in El Salvador. He's confident that the blue ribbon commission he hand-picked to oversee the environmental study will come to the same conclusion. And if mining is not appropriate for Cabañas, Rosa Chávez said, Funes will want to know what alternative regional development strategies the government should support—such as the sustainable farming initiatives that local communities are already developing.

The Mesa recognizes that renouncing gold mining would be an epic decision for El Salvador, with significant global implications. Though the stakes are high, it may be easier for El Salvador to ban mining than for countries already heavily dependent on mining export revenues—including those with left-leaning governments, like Bolivia and Ecuador. If Funes recommends a ban, the Mesa believes that popular pressure will force the legislature to support it, especially with local and congressional elections coming up next year.

But at the end of the day, Rosa Chávez stresses, governments and public officials should never be trusted. On that point, the Mesa fully agrees. ■