

## **Danger Ahead: Correa Gives Mining the Green Light in Ecuador**

<http://upsidedownworld.org/main/content/view/1575/49/>

Jennifer Moore  
November 13, 2008

Ecuadorian President Rafael Correa, a left-of-centre economist, has been celebrating a major victory since the new Ecuadorian constitution passed with 64% approval on September 28<sup>th</sup>. It expands access to social services for Ecuadorians and grants them the right to water, as well as highly lauded rights for nature.

There is a “danger,” however, to the realization of his political project says Correa and it is neither the old oligarchy nor transnational corporations that continue to have a strong influence. Speaking during a recent national radio address he said that the real threat lies among the “infantile” and “fundamentalist” environmental, indigenous and leftist groups who are staunchly opposed to metal mining.

“It's absurd to be seated on hundreds of billions of dollars and for romantic notions, novelty, fixations or whatever, to say no to mining. Yes to mining, but to environmentally, socially and economically responsible mining.”

The OPEC member nation has relied on oil exports for around 40 years that pay for roughly 40% of its national budget. But as oil reserves dry up, deposits of gold and copper are promoted as the future source of state revenue. No large scale project has yet reached production.

The President has announced that he will deliver a new mining law to the interim legislative commission this week. He states that if the commission makes any substantial changes that he will veto the project and bring it to a national referendum.

But despite pointed attacks from the President and promises to clamp down on protests, rural and environmentalist coalition groups joined by national and regional indigenous organizations are demanding that the law be shelved and that a mining mandate passed by the National Constituent Assembly in April be fully applied.

The real danger they say is in continued dependence upon extractive industry, adding that introduction of large-scale metal mining will impinge upon territorial rights, cultural survival, food sovereignty and the right to water.

On Monday, about 200 activists from around the country including executive members of the influential Confederation of Indigenous Nationalities of Ecuador (CONAIE) participated in a festive march to the Canadian Embassy in Quito.

Activists celebrated the impact that the economic crisis is having on investments. Canadian financed mining companies dominate over 90% investment in the nascent sector and Canadian stock exchanges have fallen from 40 to 50% since June.

“We are mobilized to impede this activity from taking place in our territories and on our lands,” said environmentalist José Cueva from the northwestern area of Intag. A letter delivered to Embassy representatives states that Canadian miners are “unwelcome.” Further actions are anticipated during coming days and weeks.

### **Correa’s Campaign**

Since the National Constituent Assembly passed a mining mandate on April 18<sup>th</sup>, national attention has shifted away from industry financed campaigns to state led promotion of the mining industry. Spearheaded by Correa, he has called concerns about possible contamination as a result of mining “myths” or “absurd fundamentalism” and has captured public opinion by conditioning the future of social programs on state income from mineral exports.

“The conflict is no longer with the companies,” says Gloria Chicaiza from the Quito-based environmental organization Acción Ecológica. Popular interpretation has become that “those who oppose mining are now opposed to the President, and those who support the President are now in favor of mining.”

Tantamount to being lumped in with the country’s despised right wing, activists are additionally accused of being “well-fed urbanites” with narrow minded ideals and of being paid by international mining interests that do not want to see Ecuador become a major mining power.

Chicaiza says the President’s attacks “leave us not only de-legitimized, but also open to criminalization.” Most recently several activists, including well known leader Lina Solano of the National Coordinator in Defense of Life and Sovereignty, were accused of being a threat to national security for participation in protests against mining corporations and for demanding that the government apply the mining mandate.

In fact, since the mining mandate was approved public sympathy has turned toward miners considered by Correa to have the necessary technology to do the job right. Initially called “a historic decision” and “a victory” by assembly members and activists, six months later activists are calling the mandate a “deception.”

The mandate suspends all large scale mining activities until the new law is passed. It also orders most mineral concessions extinguished for reasons such as impacts on water, overlap with natural protected areas, as well as failure to carry out prior consultation with local communities and monopolization of more than three mineral concessions by any individual owner.

Correa has said the mandate was necessary to “put their house in order,” but the Ministry of Mines and Petroleum has not applied the above-mentioned criteria and the guidelines have not been extended to the draft law. As a result, companies such as Copper Mesa Mining (formerly Ascendant Copper), IAMGOLD and Corriente Resources maintain extensive concessions in biodiverse cloud forests, high altitude wetlands and at the headwaters of the Amazonian basin.

Furthermore, as Correa and government sponsored advertising took over from industry campaigns “[the companies] were portrayed as victims” observes Chicaiza,

and the number of workers affected by the suspension was inflated “generating national compassion.”

Now, clips of Correa threatening activists are regularly repeated on local radio stations raising fear amongst those concerned about mining and compounding insecurity created by mining interests in certain cases.

### **The Responsibility Myth**

“Responsible mining; an irresponsible tale” read one banner carried through the streets to the Canadian Embassy in Quito on Monday. The high energy demonstration accompanied by drums, a marimba and a five piece marching band aimed to draw attention once again to Canadian interests and their involvement in Ecuadorian concerns.

Three community representatives were permitted to enter the Embassy to deliver their letter to Canadian government authorities who reportedly had to receive permission from Ottawa to hold the informal meeting. Inty Arcos, an environmentalist from the Province of Pichincha told an assistant to Ambassador Christian Lapointe, “You are deciding about our future without consulting us.”

The community delegate reported that Canadian officials said “it is not our fault, but rather that of your government and the policies that you adopt.” The official is said to have added “we can not say to your government that they make the laws to favor communities.”

“They will not [lobby on our behalf],” reflects Arcos, “but they can lobby for transnational corporations to enter communities without ever mentioning the blood, death and destruction to people and nature that this entails.”

Mining related conflicts in Ecuador have already resulted in several deaths as well as two armed confrontations reported to the Inter American Commission on Human Rights that implicate Copper Mesa Mining (formerly Ascendant Copper) and Ecuacorriente S.A. (one of two fully owned subsidiaries belonging to Vancouver-based Corriente Resources).

Whistleblower Esther Landetta who has been fighting water contamination from small scale mining in the coastal province of Guayas is also currently under state protection as a result of death threats from assassins known to be linked with mining interests.

But while communities continue to protest that they have never been fairly consulted over mega-mining developments, Correa has officially given representatives of Canadian-financed companies a privileged seat at discussions over the new law. Ambassador Lapointe has also played an important role facilitating their ongoing participation and several companies include former Ecuadorian government officials within their boards of directors.

### **Economic and democratic dangers**

Correa, however, reassures the public: “We are clear that the main beneficiaries should be the communities located where projects are taking place,” he said during a recent national radio address emphasizing that state income from the reintroduction of mining royalties will contribute to local development projects. Royalties are proposed at a minimum of 5%.

However, based upon the current economic crisis, activists further argue that continued dependency on primary goods which are subject to wild fluctuations on international markets is dangerous.

Ecuador’s current economic vulnerability has recently been in evidence. The Washington Post reported this month that it is one of the hardest hit in Latin America by the economic crisis as a result of dependence on oil exports as well as agricultural products such as bananas, flowers and shrimp.

But the draft law prioritizes mining activities over other land uses by declaring them a public utility and opening the door for land expropriations. Furthermore, absence of mechanisms to substantially limit or prohibit mining in protected areas, headwaters, and populated areas leads lawyers and activists to call the law “a continuation” of past development perspectives shaped by agencies such as the World Bank.

One of the few interim legislative commission members outspoken about mining, Marta Roldós, challenges the President for calling them a threat to his project.

She says that they would support him should he be working toward a social development model based upon solidarity. She also laments that Correa finds it “so uncomfortable” that they would “defend the constitution which has been approved by vote and to demand that the mining mandate be applied, also passed by vote.”

Roldós, from the Ethics and Democracy Network political party (RED), rejects threats against environmental and human rights defenders and says “It should be the authorities that have not implemented the mining mandate that should be penalized... as well as those who are pursuing [activists] with death threats.”

Noting a certain “docility” within the current law making body, she says the shortage of critical voices, such as past President of the National Constituent Assembly Alberto Acosta and former Secretary of Communications and past Assembly member Mónica Chuji, does not bode well for strong debate over the upcoming mining law. “There needs to be people protesting outside.”

However, she also admits the difficulty of this within the current context in which Correa “has managed to demobilize the country with his discourse.”

### **Local development also at stake**

Sharing the hope that growing alliances between environmentalist, rural and indigenous organizations will be able to inject new life into Ecuador’s mining debate, Gloria Chicaiza concludes, “The President thinks that this will contribute to local development.”

“But in the end he is going to jeopardize what he purports to favor,” she says. “It will destroy local *developments* because this entails imposing a model over others that already exist - some that have functioned and some that have problems - but mining is not the solution.”

“We have the opportunity to rethink this model and declare Ecuador free of mining to be able to build a series of alternatives that can help us not to be so dependent.”