

Latin America mining boom clashes with conservation

February 12 2012, by Jordi Miro



Activists on the so called "National March for Water" rally in Lima on February 10 to protest against U.S. giant Newmont mining project 'Conga' in Cajamarca. Latin America is experiencing a mining boom as prices rise fuelled by a hike in global demand, but the region is also being hit by a wave of violent protests, strikes and rallies by environmentalists.

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"The number of conflicts is increasing, over water, over extensions of mining rights, over pollution of rivers, over the displacement of populations," said economist Jose de Echava, Peru's former vice minister of the environment.



"But above it's all over water," he told AFP.

From Mexico to Patagonia, several mega-projects to mine <u>precious</u> <u>minerals</u> are being put on hold or even canceled because of strong opposition from <u>environmental activists</u>.

Corporations have sought to ease concerns by submitting environmental impact assessments, keeping citizens informed and creating jobs, which authorities use to justify approving the projects.

However, extracting gold, silver, copper, zinc or iron can sometimes require moving entire villages, cutting down forests where wildlife live and drying up lakes and waterways, amid dwindling supplies for local people.

Environmental groups have been angered by the millions of gallons of water diverted for mining and the use of toxic cyanide to separate gold from rock, particularly in open pit mines.

The Observatory of Mining Conflicts in Latin America (OCMAL) says more than 120 disputes over mining projects are ongoing across the region.

A clear example of the conflicts can be found in Panama, where a dispute between the indigenous Ngobe-Bugle and the government over a mineral deposit containing 17 million tons of copper left two people dead this week.





Panamanian natives shout slogans during a protest against the government in Panama City on February 5. Latin America is experiencing a mining boom as prices rise fuelled by a hike in global demand, but the region is also being hit by a wave of violent protests, strikes and rallies by environmentalists.

Raisa Banfield, director of the Sustainable Panama foundation, said the project requires "felling 5,000 hectares of forest in the area."

"There will be loss of forest biodiversity and habitat for wildlife and there will be contamination of soil, <u>groundwater</u> and rivers," she said.

In northeastern Peru, after weeks of unrest that led President Ollanta Humala to declare a state of emergency, the \$4.8 billion Conga project was suspended pending a review by three foreign experts of the assessment submitted by the company Yanacocha.

In northwest Argentina, about 20 people were arrested a week ago when they tore down a roadblock as part of efforts to halt exploitation of Bajo La Alumbrera.

The town of Famatina, northwest of Buenos Aires, has become a symbol of Argentina's struggle with <u>environmentalists</u>. Local residents have succeeded in getting two gold mining projects suspended in recent years.



Other mining projects have been halted in Costa Rica and Colombia.

"It is true that there is a new environmental consciousness among the people," Juan Carlos Belausteguigoitia, a World Bank environmental economist for Latin America and the Caribbean, told AFP. "But people also are realizing the unusual profits that mining brings them and they want part of them to stay in their region."

The World Bank says 30 percent of international investment in mining exploration is in Latin America.

For countries like Chile, Peru and Colombia, mining can account for as much as 20 percent of the gross domestic product.

In Brazil, mining production reached an estimated \$11 billion in 2011 --20 percent higher than the previous year -- while Ecuador is projecting 5.35 percent growth in its gross domestic product in 2012 as a result of gold and silver mining.

Despite the opportunities offered by mining, <u>Latin America</u> is no longer a "paradise" of deregulation for large mining companies.

"Progress is being made with environmental regulations, although much remains to be done," Belausteguigoitia said.

Until recently, Latin America's environmental ministries often were not taken seriously, he said.

Now, the bigger a business, the more it must account for its actions and improve its environmental performance, Belausteguigoitia said.

However, he also acknowledged that loopholes still exist.



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