

Summary of presentation at BCP Community Center

Tuesday, March 8th, 2011

RODRIGO MARCIACQ

villamarita@cwpanama.net

6400-8977

- 1) Mining in Panama – Concepts, past, present, consequences and proposal.
- 2) World food prices and tendencies, and their effect in Panama.

Mining in Panama – Concepts, past, present, consequences and proposal

Started the presentation with the catchy song “Sixteen Tons” by Tennessee Ernie Williams, which depicts the horrible conditions the Appalachia coal miners experienced in the 1930’s. Later on came Loretta Lynn’s story, “The Coal Miner’s daughter”, which was made into a movie. The film “Blood Diamonds” is another presentation presenting the exploitation of people, corruption, environmental destruction and other consequences of mining. Although there are few exceptions to this generalization, mining is typically owned and managed by corporations (lately also by governments, such as Korea and Singapore). The mining activity requires extraordinary amounts of capital and therefore is very powerful financially and exerts great influence in governments and people. They are the foremost bribers and corruptors among the investors in the underdeveloped world. Their royalties and other payments go directly to the central governments, thus further empowering them, exacerbating centralism and weakening democracy and decentralization of power. No wonder that most if not all existing dictatorships are in countries where the enormous wealth concentrated in the executive come from mining (metals, coal, oil, gold), or have warlords within estates (failed or not) that control territories where human exploitation and corruption are the norm, all this backed by the wealth coming from some form of mining.

The situation now gets worse because the continuous rise in the price of metals such as copper and gold, which excites to untold extremes the greed of corporations and politicians, which will do whatever is necessary to exploit the resources, no matter the consequences.

We could continue with this topic for hours, but you can research and analyze the pros and cons of mining and form your own opinion.

In Panama, the government rammed through the legislative assembly a new mining law about a month ago, which would have allowed corporations owned by foreign governments to obtain concessions and operate them, something that our constitution expressly prohibits. It also facilitated other aspects to incite and promote mining in our

country, especially in the Ngobe-Bugle Comarca, in a site called Cerro Colorado (Red Hill). More than 30 years ago a citizens' movement was crucial in stopping this mining project, when even the military dictator then in power understood the damage that this project would have done to our province and country, and cancelled it. I had the honor to be among the eight "notables" from civil society which met with the highest authorities for six hours, face to face in a completely open and frank discussion. But now copper prices are five or six times higher, as well as gold, and this greatly stimulates greed in all its forms.

Finally, after many tumultuous protests mainly by the valiant Gnobe indigenous people and road-closings, the Government agreed to eliminate the recently approved law No. 8 regarding mining. So now we are back to square one with the very old mining law, and nobody believes in the Government intentions of not permitting mining in the Comarca.

So, it's proposal time. Our country does not have an Energy or Mining policy, much less a Development policy, so it's time to start talking seriously about these issues, which include the uncontrolled building of hydroelectric projects everywhere there is water available, and possibly take these issues to a level of national referendum.

The existing mining law should be modified to establish that "all open-pit metallic mining will be forbidden in the Republic of Panama", as Costa Rica did formally a month ago (Gaceta Oficial, 10 de Febrero de 2011), and establish new environmental and royalty conditions for the others types of mining , such as sand and gravel, rock, limestone and clinker. These royalties, such as 1% to avoid inflation in building materials, should go to the communities and not to the central government.

World food prices and Tendencies, and their effect in Panama

Please go to the backup presentations of the Earth Policy Institute, World on the Edge, by Lester R. Brown, at www.earth-policy.org/books/wote/wote_presentation

This presentation illustrates what is going on in the world.

My comments:

- In February of 2011, the International Food Price Index was the highest in history, higher than the peak of 2008.
- The most recognizable detonator of all the upheaval in the orient and other parts of the world is **Hunger**, although this not necessarily means lack of food, but the unavailability of food because of prices gone out of range. Food scarcity will shortly follow.
- World food inventories are low and are expected to continue on this downward trend, which makes them most vulnerable in prices and supplies to any other condition or situation, such as higher oil and metal price increases.

- Oil prices are going up because of upheavals and social unrest, in part caused by the food situation, which in turn will cause prices to increase, states to fail, and create a devilish vicious circle that will hit specially the poor people, who devote a great proportion of their income to food. An example, in 2008 with the food prices increases due to oil price hikes, Mexico added six million people to bellow poverty levels. These people had risen above poverty, but when staples such as corn and tortillas increase to 70% or more, they go back down because they are not able to even feed their families with their fixed income or when they lose their jobs.
- In Panama, roughly 38% of the population is poor, and 75% of these are in the rural areas. In the Ngobe Bugle Comarca, 95% of the people are poor and of these, 80% are extreme poor, so imagine what will happen to them when rice and other staples go up, and they will !
- Our country lacks an Agricultural and Food policy, with items such as Food Security, Food Sovereignty, Innovation and Research, Environmental and Energy policies, international trade relations, grower´s integration and participation in policies and actions, institutional reinventing, and others. Right now the growers and the rest of Panamanians do not know where we are headed, everyone is left to his/her own affairs, production is going down. Rice area has fallen 30% in the last two years, after the country was self-sufficient, but now we rely more and more on imports, which in turn will be costlier and scarcer.
- The Panamanian “Basic Food Family basket” keeps consistently going up, which increases disparity of income in the population. Already Panama is close to the bottom in the western hemisphere regarding disparity of income, and this trend is not good for investment or democracy.
- As in mining, we must and will move to create the guidelines of a Food and Agricultural policy, to be widely discussed and hopefully adopted. The problem is of lack of leadership and understanding from the part of government, to the deterioration of farmers and civil society organizations and pressure groups, but our country has ample conditions and opportunities to confront the worsening world food situation and even to take advantage of it. We have a blessed country, full of water, good soils and climate, free of hurricanes and major disasters, but it is us, the Panamanians, who have to move forward and start taking our destiny in our own hands and in an intelligent and sustainable fashion.