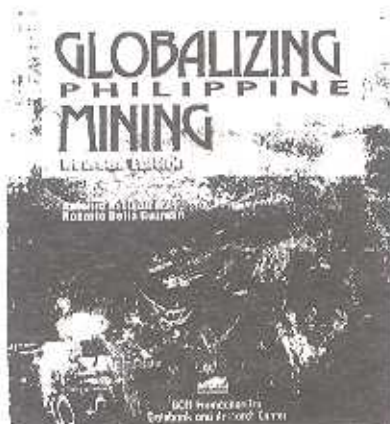


Book Review

Unearthing the Threats of Globalized Mining

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Antonio A. Tujan Jr. and Rosario Bella-Guzman. 2002. *Globalizing Philippine Mining* (Revised edition). Manila: IBON Foundation Inc., 252 pp.

"Globalization of mining has legitimized imperialist plunder and seized the sovereignty of the peoples of the world. It has dislocated workers, ravaged the environment, dispossessed indigenous peoples, displaced small-scale miners, and shattered dreams of national industrialization on a global scale." (p.198)

Mining has always been equated with environmental disregard and unsustainable development. The collapse of the copper-mine tailings dam at Placer Dome's Marcopper mine on the island of Marinduque in 1996 did not only produce serious implications to the country's socio-environment leadership but likewise opened the eyes of the public to the evils of large-scale mining. The disaster showcased the confluence of a thwarted development agenda and the connivance between capitalists and the government in disrupting the ecological balance.

The 2002 edition of the *Globalizing Philippine Mining* is a bombshell. The volume's provocative conclusions are an indictment of the Philippine government's obvious subservience to the demands of large mining transnational Corporations (TNCs). In 1996, IBON published *Special Release Policy Studies* aimed to critique the Mining Act of 1995. The issues served as a precedent to the publication of the book *Globalizing* in 1998. The success of the first edition motivated the authors to re-fashion the entire book from cover to cover. The 2002 edition offers a

succinct and substantial update on the liberalization of Philippine mining for the last two years.

The book is divided into four sections. The first part provides an elementary but analytical overview of the Philippine mining industry. It chronicles the feudalistic underpinnings of the country's mining history utilizing Salvador Lopez's accounts from the Spanish to the American colonial rule, in his study entitled *Isles of Gold: History of Mining in the Philippines*, published and commissioned by the Chamber of Mines in the Philippines in 1992. Data from the World Bureau of Metal Statistics show that the country was one of the world's major producers of gold and silver, with a great potential to industrialize—four times more than the United States. Nonetheless, the fragmented nature of the country's mining industry provides opportunities for few large-scale corporations and local *compradors* to dominate the modes of production. The country's strong dependence on foreign capital equipment and intermediate inputs such as fuel and chemicals for processing tightens the Northern countries' grip on the state's industrial structures. Prices of metals are determined not by local market but by multinational corporations (MNCs) and their international brokers and speculators.

The second part, "Liberalization of Mining (Sunset Industry and Philippines 2000)", lambasts the Ramos administration's development strategy steeped in the principles of the Washington consensus—liberalization, privatization and deregulation. A meticulous dissection of the Philippine Mining Act of 1995 magnifies the government's delusion in opening the mining industry to foreign plunderers. For the past decades, government has treated liberalization as an instant panacea to the imperfections of the national economy. Policy-makers passed the Mining Act to rectify previous shortcomings. It can be perceived as a blind response to the mining firms' clamor to repeal the anti-liberalization provisions of the Constitution.

Neo-liberals have heralded the coming of "borderless economies" as the dawn of universal prosperity. They maintain that the opening of country's mineral resources generates employment and foreign exchange earnings. Part three of the book contends otherwise. Liberalization

engenders new sets of labor issues. Continuous upgrading of technology among mining firms has displaced thousands of local workers. Conversely, hiring schemes lean toward contractual and casual labor. Union-busting has become common in workplace practices paralleled with underpayment of the minimum wage. Moreover, the chemical processes of mining pose serious risks to small-scale miners who are unaware or ill informed of the hazards of the chemicals they utilize.

The Philippine government is at a crossroads. Economic globalization raises concerns about the state's limited policy options. Any attempt to raise environmental standards will affect local industries due to higher costs of production and loss of competitiveness. This policy can give technologically-advanced firms more opportunities to monopolize the modes of production. On the other hand, weaker environmental policies could give foreign investors negative signals that the state is not providing enough protection and is trying to subsidize exports at their expense. In the same vein, liberalization of the mining industry has provided policy makers with a very narrow room to maneuver. Economic globalization enhances the influence of TNCs in domestic governments and reduces the degree of freedom of states to manage domestic policies.

The authors debunk the commonly held reasoning of foreign mining firms that they only "disturb" the environment. Historical realities are summoned to show that they certainly destroy the ecological equilibrium of the site where they operate. Underground mining can cause the land to subside and ground water resources to drain. Mining projects account for sinking communities, denuded forest areas, reduced soil fertility, improper disposal of mine tailings, and other damages.

IBON has gained the ire of the Macapagal administration for its anti-government stance. The book's critique of the Philippine Mining Act, indeed, reflects IBON's critical leanings. Its rallying point is clear—to rethink if not totally relinquish economic liberalization. The Mining Act allows foreign control over large-scale mining operations in the guise of the Financial or Technical Assistance Agreement (FTAA). A 100 percent foreign-owned mining corporation can be granted rights to exploit the country's natural resources if it can meet the requirements set forth by

the government, which include the investment of not less than \$50 million. This did not only welcome potential "environmental hooligans" but likewise opened the door to companies with reputation of non-compliance to environmental standards. It precludes community consultations as part of mining firms's FTAA application. Foreign mining firms have gained significant political leverage over the decision-making of local governments.

The last chapter of Part 3 examines the plight of the indigenous peoples and their claims to ancestral domains. There is a current legal and institutional stalemate between the relationship of the Philippine government and the indigenous communities. The IP communities maintain that no one owns the land because it is a free gift of gods for all generations. The Philippine land law, which is premised on the principles of the Regalian doctrine, on the other hand, dictates that all natural resources of the land are property of the state and that issuance of private ownership emanates from the government. The Indigenous People's Rights Act has made IP communities cognizant of their status and rights. Yet, it divides them. Some groups perceive the Act as an instrument of poverty alleviation, but others deem IPRA as a redundant, useless policy. The government has not awarded a single CADT (Certificates of Ancestral Domain Titles) to IP communities in the period of 1997 to 2000. The government's sincerity in addressing issues can be measured in terms of CADTs that would be awarded to IPs. The first test occurred two days after President Arroyo delivered her second State of the Nation Address (SONA). The IP communities of Bakun, Benguet finally received the CADTs they have been petitioning for the past two decades. Nevertheless, more challenges in the National Commission on Indigenous People await resolution. The NCIP, since its establishment in 1996, operates with meager funding.

Globalization has pushed First World TNCs into the backyards of developing countries. Part four takes a look at the impact of globalization of mining on different nations and how the capitalist system ravages the Southern countries's natural resources. Developing economies, characterized by cheap labor and lenient environmental standards, are an investment haven for TNCs. The promise of technology-transfer is

being ignored because of corporate interests and inability of developing countries to absorb foreign technologies.

Aggressive liberalization threatens the subsistence living and self-determination of small-scale miners. IPRA grants both the indigenous communities and foreign mining firms the right to exploit the natural resources thus ensuing development aggression. Original dwellers of mining sites are being marginalized and forced out of their homestead often through coercive force. Mining activity dissenters are being pacified through threats and physical coercion.

The book concludes with a success note and a motivation. Greater challenges confront various sectors in their quest to promote social justice and protect the national patrimony. *Globalizing* demonstrates deep confidence in the civil society in its capacity to sustain the campaign against the exploitation of the country's mineral resources. Filipinos can take solace from the victories of the informal social groups in freezing the FTAA applications of large mining firms. For instance, the unfaltering spirit of environmental groups paid off when the government formally announced last August the termination of mining operations in Mount Diwalwal, Davao del Norte.

Active research and unrelenting advocacy work are the main elements of sustained vigilance. Tujan and Bella-Guzman, with their effective presentation of significant data, came up with empirically-based findings that cannot be easily sidestepped. *Globalizing* attempts to open new spaces for the re-examination of state policies. As our country maximizes the opportunities being offered by economic globalization, we will inevitably witness in the future its inherent incompatibility with our trade and environmental policy frameworks. It is with this assumption that the authors flash a red signal on the government's hasty moves to liberalize the economy even at the expense of the country's environmental well-being. The persuasive and logical execution of contentions empowers the book to be a real revolutionary project. The work is a valuable contribution to the body of literature which elevates the issues of environmental degradation and liberalization from a passive discourse to an active and transforming initiative. ❁