An industry under siege; a secretary under fire

By Ignacio R. Bunye

Even before day one of her appointment as Secretary of Environment and Natural Resources, Gina Lopez had trained her sights on mining.

Upon her assumption at the DENR, she came out with both guns blazing. She ordered the closure of two thirds of the existing mines in the country and the cancellation of the contracts of 75 planned mines.

Lopez insists that mining is destroying the ecosystem. It pollutes the air and harms the water.

However, the local mining industry – which is one of the world’s biggest suppliers of nickel ore and major source of copper – is not about to take it sitting down.

The Chamber of Mines has struck back, PR-wise, and has also set out to block the confirmation of Lopez before the Commission on Appointments.

“If, heaven forbid, she hurdles the CA, mining is finished,” an industry source said.

Apparently, the mining group has found allies among some members of the Duterte cabinet.

At the instance of the Mining Industry Coordinating Council (MICC), President Rody Duterte, who only recently described Lopez as a “crusader,” agreed to put on hold Lopez’ closure/suspension order.

This is supposedly to give the beleaguered mines their day in court.

Observers view this as a rebuff of Lopez, who co-chairs MICC together with Finance Secretary Carlos G. Dominguez.

The protagonists of the ongoing drama have both advanced their “compelling reasons” either for closure or retention of the mines.

Lopez argues, and many environmentalists tend to agree with her, that:

- Mining pollutes the air and the water. It can affect food security.
- And for all the environmental problems it has caused, mining has not really uplifted the people of the communities.
- 95 percent of the wealth goes out of country.
- The incidence of poverty in the mined areas is double the national average (53%).
- The government can alleviate the plight of those who would be displaced or affected. The government would allot P8 billion for the development of sites in ecological zones where displaced workers would be hired.

The miners, on the other hand, argue that Lopez should distinguish between responsible miners and those who are not.
For the most part, the industry is law-abiding. But small miners are not properly regulated. It is the small miners who are destructive to the environment and at the same time pose a danger to their own safety and health. These small miners still use mercury in their operations.

The small miners do not even pay taxes.

1.2 million people are estimated to be directly and indirectly affected by the closure and suspension orders.

Mining still has to reach its full economic potential. The country has huge reserves in gold, copper, nickel, aluminum and chromite. Full development of the industry means more jobs and more revenue not only for the national government but also for the communities, especially the indigenous communities, where the minerals are found.

Minerals are God-given. They are meant to be used. Just look at your cellphones, your cars and medical equipment. They are all made of metal.

Where is due process? The industry has not even received copies of the audit reports which are supposed to be the basis for Lopez’s order closing the mines.

Lawyer Chris Monsod gives a “qualified yes” to mining. In a public forum sponsored by Finex and PCCI some years back, he said he is open to mining provided 4 minimum conditions are met:

- Environmental, social and economic costs are accounted for in evaluating mining projects.
- The country gets a full and fair share of the value of the extracted resources.
- The government must have the institutional capability to evaluate and regulate mining activities.
- Since mining uses up non-renewable natural capital, the money from mining are specifically used to create new capital such as more developed human resources and infrastructure, particularly in the rural areas.

Unfortunately, according to Monsod, these conditions are currently not being met.

Difficult to do, yes. But impossible, no. Just look at the experiences of Australia, Indonesia, Canada, and Brazil.

That said, closing the mines would be akin to using a shotgun to kill a fly. Closure of the mines would be drastic. It would be a cure worse than the disease.

(Article retrieved from: http://news.mb.com.ph/2017/02/26/an-industry-under-siege-a-secretary-under-fire/)