

Outlawing metal mining in El Salvador:

Why environmental policy does not always follow business interests

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Key insights

In 2017, El Salvador passed a law that banned metal mining. In other countries in the region, mining continues to damage livelihoods and pollute water sources; in El Salvador, a community-led campaign for 'water over gold' succeeded.

This case study demonstrates how coalitions can bridge identity groups, how a problem can be framed to fit with popular political movements and how cultural identities can help mobilise people around environmental protection.

The following lessons from the anti-mining campaign's success can inform politically aware programmes:

- Analyse the interests of the political elite, business leaders, rural communities and religious leaders. Understand their cultural identity, ideas and moral values.
- Build coalitions. Broaden support for your campaign to increase political pressure.
- Leverage international support.
- Frame your campaign within popular narratives and cultural values. Can key stakeholders be persuaded to see environmental protection differently?
- Lock it into law. Legislative change can send a strong message.

*“El agua vale más que el oro”
(water is worth more than gold)*

The anti-mining campaign used a ‘water over gold’ discourse, which did not directly threaten the interests or narrative of the political or business elite.

1. Introduction

This policy brief concerns the struggle to ban metal mining in El Salvador. In 2017, following a decade of political contestation over mining rights in the country, the national government turned a moratorium on metal mining into law. This case study traces the process through which communities whose livelihoods were threatened by gold mining organised and resisted the presence of mining corporations.

The policy brief demonstrates how political economy analysis can be used to understand how environmental policy is produced. It also shows the potential for change in difficult circumstances and that paying attention to how a problem is framed is important for understanding how environmental policy develops. It concludes with recommendations on how others can leverage political narratives and build broad coalitions in favour of their campaign.

This policy brief summarises research findings from the author’s [doctoral research project](#). The research used a process-tracing methodology, which involved tracing the actions that led to the passage into law of the mining ban. To do this, it gathered and analysed academic articles and books, media documents and reports, looking at how and why different groups had become involved in the metal mining campaign. Collating and comparing different secondary sources enabled the research to establish the most likely explanation for how the ban came about.

2. How the mining ban came to be

The origins of foreign mining in El Salvador

In 1992, the long civil war between the left-wing guerrilla group, the Frente Farabundo Martí para la Liberación Nacional (FMLN) and the United States-backed El Salvadoran government came to an end. The ruling party, the Alianza Republicana Nacionalista (ARENA), realised it could not win the war through 'death squads' and instead took up an opportunity to improve trade relations with the United States by accepting [a peace agreement and a transition to democracy](#).

Following the war, the ARENA government won the general election and made trade agreements with the World Bank and the Inter-American Development Bank that favoured private, foreign investment and the interests of El Salvador's elites. In 1995, the ARENA administration approved a Mining Act and then, in 2001, an Investment Law. Together, these facilitated the development of foreign mining in El Salvador by offering tax exemptions, reducing royalties and adding legal protections for investors (Spalding, 2018).

Post-war mining boom

In the early 2000s, mineral prices rose significantly, and so transnational mining corporations were attracted to the gold deposits in the north of El Salvador. Seeking international investment in the Salvadoran economy, the ARENA government issued licences for mining exploration to foreign companies (Bebbington et al., 2019). However, as foreign companies began developing gold mines in El Salvador, rural communities in the mining area felt threatened, particularly by damage to the local water supply. Having witnessed the impact of gold mining in neighbouring Honduras, where communities had been displaced and a cyanide spill had polluted the environment, [the El Salvadorans living near the new mines began an anti-mining campaign](#).

The campaign against gold mining grows

At first, the affected communities protested directly against the mining companies, but they soon connected with anti-mining movements in Guatemala and Honduras, research institutes and international non-governmental organisations, forming an umbrella group, the [National Roundtable on Metal Mining \(La Mesa\)](#). La Mesa argued that the mining was polluting the Lempa River, which nearly all El Salvadorans relied upon, and so had to be stopped to protect the health of the nation. Rather than framing its campaign in anti-mining or anti-capitalist terms,

which would immediately alienate government ministers, La Mesa used a 'water over gold' discourse, which did not directly threaten the interests or narrative of the political or business elite (Artiga-Purcell, 2022).

The anti-mining campaign was growing; in 2007, when the leader of the Catholic Church in El Salvador endorsed the campaign, the issue gained real political attention (Nadelman, 2015). Although Archbishop Sáenz Lacalle held otherwise conservative beliefs, typically aligned with the ruling ARENA party, he was also a trained chemist. The archbishop was not convinced by the mining company's reassurance that cyanide would 'evaporate'. He united the Church against mining, bridging left- and right-wing political groups, and gave the anti-mining campaign significant moral legitimacy.

Archbishop Sáenz Lacalle, leader of the Catholic Church in El Salvador, was known for telling his congregation that:

'If you don't want to listen to me as the archbishop of this diocese, I need you to listen to me as a chemist., which I am... I know as a chemist that cyanide is a deadly chemical element.'

(in Artiga-Purcell, 2022, p.100).

The role of mining in national politics

While the campaign against mining was growing, support for gold mining was not. Canadian mining company Pacific Rim proposed developing El Dorado mine in the impoverished Cabañas department, calculating that the mine would increase the department's gross domestic product by 8.4% (Artiga-Purcell, 2022). However, the mine was also projected to require over '10 litres of water per second and high cyanide strengths' to extract the gold, which would be exhausted after 10 years (ibid., p.97). El Salvador's economy already consumed a large amount of water through sugarcane production, which had become significant to the state's revenues. As a result, the ruling political elite could not afford to damage relations with sugarcane owners.

La Mesa's discourse of 'water over gold' presented gold mining as potentially damaging to sugarcane, which was downstream from the mining area. This framing enabled La Mesa to form an alliance with ARENA Congressman Johnny Wright Sol, the son of the owner of one of the largest sugarcane refiners in El Salvador. Wright Sol shared the Mesa activists' concern regarding the ecological risks posed by mining that likely threatened the irrigation of sugar plantations, and he became important in persuading fellow party members to support a metal mining ban (Nadelman, 2015).

Most of the Salvadoran business elite had little to say on the mining question and had not formed partnerships with Pacific Rim. This left the mining corporation struggling for local political support. Meanwhile, the political security of the ARENA government was diminishing. ARENA's privatisation policies angered large parts of the population who were experiencing higher prices and stagnating wages. A left-wing popular movement, Buen Vivir, was growing across Latin America in reaction to similar neoliberal policies elsewhere. Advocating sustainable development, valuing nature and respecting indigenous people, Buen Vivir ideas were popular in El Salvador and revitalised the left-wing FMLN, which had become a formal political party (Nadelman, 2015). The call for a mining ban aligned with Buen Vivir's ideas and gained prominence in political debates as a result. The FMLN positioned itself firmly 'pro-water' and its presidential candidate, Mauricio Funes, declared that metal mining would not be allowed if the mining companies could not guarantee the protection of people's health and the ecosystem (Spalding, 2018).

A national struggle becomes international

With the 2009 general elections on the horizon and political popularity waning, the ARENA President Antonio Saca publicly declared the government's opposition to mining despite mining companies threatening to sue El Salvador for lost investments. Saca boldly announced that he would 'prefer to pay the \$90 million than to give them a permit'. Nevertheless, the FMLN narrowly won the 2009 elections and, within weeks, Pacific Rim filed a court case in the World Bank's International Centre for the Settlement of Investment Disputes (ICSID) for \$250 million in lost investments. Pacific Rim claimed that the government had violated the terms of the Dominican Republic-Central American Free Trade Agreement and El Salvador's 1999 investment law.

As the government's stance against mining strengthened, violence in the mining areas worsened. By the end of 2009, three Mesa activists in Cabañas, the location of Pacific Rim's El Dorado mine, had been tortured and murdered. The FLMN was under pressure as a result of the increasing violence against anti-mining activists but also the looming court case, and the United States and Canada were pushing to allow mining to go ahead (Spalding, 2018). However, in 2016, in an unusual decision, the ICSID ruled that Pacific Rim had never been granted the legally necessary permission from local landowners to begin mining. With the legal threat finally dismissed, the political struggle to ban metal mining returned to the national stage.

La Mesa worked with Oxfam America and their wider network to develop new draft legislation. However, La Mesa's most important collaboration with regard to eventually passing the bill was with the Catholic Church (Bebbington et al., 2019). Although there was some mistrust between Mesa activists and the conservative archbishop, the Catholic Church was uniquely able to prevent political polarisation over mining and present the proposed ban as morally necessary, rather than as a left-wing agenda. In 2017, after a huge show of public support organised by the Church, the anti-mining bill was finally passed into law.

A postscript

Since the 2017 ban on mining was made law, communities in El Salvador have been protected from further gold mining exploration. However, the durability of any law depends on the political power of those behind it. More recently, the political context of El Salvador has shifted with the rise of the populist right-wing leader President Nayib Bukele, who is seeking mining revenues to support his agenda. The anti-mining campaign is once again mobilising to defend the law against the threat of new mining exploration.

3. Understanding the political economy of mining

In this case study, the expected revenues from gold mining in El Salvador did not outweigh the political risk of opposing the Buen Vivir ideas that underpinned the FMLN's popularity, of damaging the sugarcane industry or of losing the endorsement of the Catholic Church. Neither the ARENA nor the FLMN governments relied on mining revenues for their political popularity. For both governments, protecting the established sugarcane sector was important, and neither government turned to mining to fund popular public policies, which meant the mining sector had less political influence than is the case in many other countries.

However, the case study also points to the influence of global as well as national politics. Pressure from Canada and the United States, as well as the threat of a court case in ICSID, delayed national legislation for seven years until the legal claims were finally dismissed and the informal ban was made law.

Natural resource extraction often involves transnational corporations, significant economic interests and related political interests in accessing revenues. However, the case shows that, while here political and economic interests shaped the struggle over mining law, popular narratives and cultural authority were also powerful. Therefore, when analysing political conflict over natural resources, it is important to consider how the problem is being framed, the ideas justifying or opposing the industry and who has moral authority to legitimise it.

4. What can we learn from El Salvador?

The success of the anti-mining campaign in El Salvador offers valuable lessons for other organisations seeking to protect the ecosystems on which communities rely.

- 1. Analyse the interests and motivations of the key individuals and organisations who can influence government policy.** Understand their cultural identity, ideas and moral values. Think about how powerful leaders or organisations could be persuaded to support your campaign. The archbishop was a conservative religious leader and so could have supported the interests of the conservative political elite. However, his training as a chemist led him to be persuaded about the environmental risks of metal mining.
- 2. Build coalitions (you need a broad church – sometimes literally!).** Organisations can increase their power by collaborating with others. The anti-mining campaign lacked economic power but could increase its political power by developing a coalition with the Catholic Church and a sugarcane owner around the idea of protecting everyone's access to water.
- 3. Leverage international support.** International partners provided financial and logistical support to the campaign as well as legal advice and testimonies.
- 4. Framing is key – create a campaign message that fits with popular narratives and cultural values.** Can key stakeholders be persuaded to see environmental protection differently? The anti-mining campaign used the slogan 'water is worth more than gold' to align its demand with the popular political discourse of Buen Vivir.
- 5. Lock it into law.** Although changes in law can be reversed, creating legal protection signals a strong political commitment to protecting an ecosystem from future attempts to exploit it.

Recommended readings

Artiga-Purcell, J.A. (2022) 'Hydrosocial extractive territories: gold, sugarcane and contested water politics in El Salvador'. *Geoforum* 131: 93–104. [[Link](#)]

Bebbington, A., Fash, B. and Rogan, J. (2019) 'Socio-environmental conflict, political settlements, and mining governance: a cross-border comparison, El Salvador and Honduras'. *Latin American Perspectives* 46(2): 84–106. [[Link](#)]

Nadelman, R. (2015) *'Let us care for everyone's home': the Catholic Church's role in keeping gold mining out of El Salvador*. Working Paper 9. Washington, DC: CLALS. [[Link](#)]

Spalding, R.J. (2018) 'From the streets to the chamber: social movements and the mining ban in El Salvador'. *European Review of Latin American and Caribbean Studies* 106: 47–74 [[Link](#)]

About this Policy Brief

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