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Poorer Countries and the Environment: Friends or Foes?

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Summary. — This article focuses on delineating the conditions under which the governments of poorer countries become active defenders and protectors of the environment. It does so based on field work in two poorer countries, El Salvador and Costa Rica, where the governments have instituted moratoria on financially lucrative but environmentally destructive mining in order to protect the environment. Building on these case studies and prior work, the article posits three conditions—related to civil society, the private sector, and the public sector—under which governments of poorer countries implement policies that favor environmental ends over shorter term economic rewards.

Key words — Costa Rica, El Salvador, mining, environment, political ecology, poverty

1. OVERVIEW

Over the past decade, the governments of El Salvador and Costa Rica have taken bold steps to implement de facto moratoria on financially lucrative but environmentally destructive mining. Both did so in order to protect the environment, despite the prospect of historic profits and in the face of retaliatory measures from transnational gold mining firms. Why did they do this? Under what conditions do the governments of poorer countries become active defenders and protectors of the environment? Our goal is to explore and analyze the conditions that influence such decisions and actions.

In this research, we are expanding on work we carried out 20 years ago when we looked at this same question, but with poor people and communities, rather than national governments, as our unit of analysis. In 1994, one of us wrote an article in *World Development* that challenged the traditional argument that poorer people did not care about the environment and were often destructive of it. [1] We culled our analysis from research for a book we had coauthored a year earlier, in which we explored how organized poorer people led movements to protect their natural resources in the Philippines. [2] Based primarily on our fieldwork in that country, we posited three conditions under which poorer people became not only concerned about environmental issues, but also active defenders and protectors of natural resources and the environment: (1.) Environmental degradation threatens the natural-resource base off of which people live; (2.) Poor people have lived in an area for some time (a condition we subsequently term "rootedness") [3]; (3.) Civil society is politicized and organized.

Our new research and analysis at the national level are rooted in field work in El Salvador and Costa Rica. We selected these two case studies because in both, the national governments have implemented policies placing bans or significant limits on gold mining due to its adverse environmental impact. We use this government policy outcome on mining as a dependent variable indicating a government's decisive action to protect the environment. To ensure that our case studies focus on significant environmental protections, we have chosen cases in which such governmental "action" has prompted legal actions by mining companies (in these cases, investor-state lawsuits). Another indicator of the cases' significance is that during the period of our research, the price of gold reached historic highs, making the gold deposits in each country even more potentially lucrative. Under economic theory (be it neoliberal or structuralist) [4], both governments would have been expected to further encourage exports of gold. Instead, each moved to limit or stop such exports. These case studies thus provide the basis for our analysis of the conditions that lead governments to protect the environment over short-term economic or financial gain.

As will be detailed in the article, in looking to explain what led each government to change its mining policy for environmental reasons (which, as stated above, is our dependent variable), both of our case studies steered us to independent variables that involve each of the three main societal groupings, or what Marc Nerfin termed the Citizen (civil society), the Merchant (the private sector), and the Prince (government) [5]: (1.) civil society (including individual poorer people, local organizations of poorer people, national-level organizations that include these local organizations, as well as other segments of organized civil society including religious, academic, and development groups); (2.) the domestic private sector; and (3.) the government (in each country, the cases include a time period covering more than one such democratically elected president, and individuals and institutions in executive, legislative, and/or judicial branches). We use these three categories as basic units of analysis to dig deeper into what happens within these non-homogeneous groupings to allow for various actions or non-actions, silences, or agency. Tracing actions and processes enables us to delineate what happens and why, within each heterogeneous grouping, and between and among categories. [6]

This approach makes it possible for us not only to examine civil society, the domestic private sector, government officials

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and agencies, and interactions in each country, but also to compare and contrast across the two countries in order to highlight variables that seem common *versus* unique in the two. After presenting the country case studies, we move to examine more broadly the conditions under which poorer governments take action to protect the environment. To be clear: Our third independent variable is composed of officials and agencies of government. We distinguish this from our dependent variable: government policy and action to protect the environment, a variable we argue is influenced by all three independent variables, and interactions among them.

To foreshadow our analysis, our case studies lead toward the conclusion that mobilization by poorer people related to the environment, building to a broader organized civil society on these issues, is one of three key conditions leading governments of poorer countries to take action on the environment. Thus, our three 1994 conditions regarding poorer people are still relevant at this new level of analysis. In addition, in our post-case study analysis, we build from our case studies to posit two other conditions—one related to the Merchant and another to the Prince—that influence whether governments of poorer countries come to implement policies that favor environmental ends over shorter term economic gains.

In terms of our methods, this article is based on field work in El Salvador in 2011, 2012, 2013, and 2014, and Costa Rica in 2007 and 2014. In both countries, we conducted semi-structured interviews with government officials as well as with individuals and representatives of groups of organized civil society.[7] We had more limited interviews and interactions with the domestic business sector. We also used participant observation, especially in outlying regions where mining corporations have initiated exploratory and/or actual mining operations, or have indicated an interest in gold mining. We supplemented this with primary and secondary sources. Notably, in the case of El Salvador, we had access to extensive government and corporate documents, including internal communications that were made public as part of the submissions to the international tribunal where mining companies have sued governments.[8]

We now move to lay a foundation of the relevant literature related to how poorer people and poorer country governments think and act about environmental issues. From there, we proceed to our two case studies, tracing actions and processes from Citizen to Merchant to Prince. We then step back from the case studies to offer our three conditions and to raise questions for research on additional case studies while suggesting the relevance of these conditions to other countries.

2. THE LITERATURE AND CONVENTIONAL UNDERSTANDINGS—1994–2014

To situate our analysis within literature on environment and development: Much has changed since the analysis in our 1994 article (and 1993 book) about poorer people and the environment was greeted by many, especially in the United States, as surprising. The prevailing wisdom then was that poverty (and the poor) caused the majority of environmental degradation. The more mainstream paradigm version of this, as seen in neoliberal economics, held to an Environmental Kuznets Curve (EKC, as best exemplified by the work of Grossman and Krueger (1995) at Princeton), maintaining that poorer people and poorer governments would not care about the environment until after a certain economic threshold was reached. The more enlightened paradigm[9] of that day was exemplified by the 1987 so-called Brundtland Commission, which held that there was a direct causal feedback loop between poverty and environmental degradation.[10] The solution for both paradigms was economic growth to make poorer people and poorer countries richer—albeit with the Brundtland version acknowledging the need for a greener version of growth.

Twenty years later, there is a vibrant literature in the "political ecology" paradigm documenting that not only do poorer people often care about natural resources, given their dependence on intact ecosystems, but also that, especially when empowered through community control of resources, their actions can lead to socially and environmentally positive outcomes. Our analytical frame builds on the political ecology paradigm as broadly defined, with its various approaches.[11] Among them, Nobel laureate Ostrom (1990) contributed to this field with her empirical work on common resource management. Political ecologists including Agrawal and Yadama (1997), Shiva (2006), Colchester (2006), and Boyce (2013) pushed further to demonstrate that "common property rules" lead to environmentally "good" outcomes.

There is also a broad academic literature on extractives and development in the political ecology frame, as exemplified by the work of geographer Gavin Bridge.[12] Alongside this academic literature is a large and growing body of studies and documentation from global, national, and local non-governmental groups—including research groups, environmental groups, human rights groups, indigenous peoples' groups and others—documenting the social, economic, and human rights impacts of mining as the basis for advocacy.[13]

A parallel, expanding academic and policy literature uses empirical and field research to question the applicability of the EKC thesis and its contention that one has to be a richer person in a richer country to care about the environment or act to stop environmental degradation.[14] And, yet, the Environmental Kuznets Curve, and the related assumption that short-term economic exigencies stop poorer people and poorer country governments from internalizing environmental costs, continue to hold a powerful sway on mainstream media and economic policy-makers. Witness the current, protracted negotiations on the Doha Round, with the WTO's and World Bank's argument that trade-induced economic growth in poorer countries will lead to more environmental concern and policies.

With this overview and literature foundation, let us now move onto our case studies.

El Salvador and Costa Rica are two poorer nations where the governments have responded to pressure from poorer communities and from wider civil society to institute some types of moratoria on gold mining despite heavy pressure from foreign mining firms to allow mining. Both countries are part of a large gold belt that runs down Central America. Historically, there has been gold mining in El Salvador, Costa Rica, and the countries along that belt. In each of these case studies, we first offer a brief background and overview, and then we examine each of the three variables—Citizen, Merchant, and Prince—into which we have separated our analysis.[15]

3. EL SALVADOR CASE STUDY

Our first case study is that of El Salvador, where citizen movements began organizing against mining in 2004–05. By 2006–07, there was widespread opposition and the last gold mining permit issued by the government was in mid-2006.[16] There is not a Congressional ban on mining (as in Costa Rica); rather, as a result of three administrations not issuing mining