

BRIEFING PAPER FOR THE PEOPLE'S TRIBUNAL ON HUMAN RIGHTS VIOLATIONS

Friends of the Earth International and Friends of the Earth Uruguay/REDES

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Challenging cellulose industry: the impacts of pulping in South America

The establishment of forest monocultures for the production of cellulose in South American countries has had serious social and environmental impacts in Brazil, Chile, Argentina and Uruguay.

The demand for vast areas of land for pulp tree plantations has led to a strong concentration of land property in the hands of big transnational corporations and consequently to the displacement of rural populations and family farmers. The rural productive pattern has been radically changed: from food production to wood production, destined to satisfy the demand for paper in the countries of the north.

Environmental effects are serious. For example in Valdivia, Chile, the effluents of a pulp mill contaminated air and water and entailed serious health problems among the local population, such as respiratory disease.¹

Four European companies will come under fire for their involvement in pulping projects during an alternative European-Latin American gathering held in parallel to the European Union (EU) - Latin America and Caribbean (LAC) Summit in Vienna this week. Participants in the alternative summit want EU and LAC leaders to stop promoting the free trade agenda, and organized a May 10-11 'People's Tribunal on Human Rights violations' perpetrated by European corporations in Latin America and the Caribbean.²

Uruguay: environmental subsidies and the role of the IFIs

In Uruguay, the installation of two pulp mills on the River Uruguay has generated a strong conflict with its neighbour Argentina. Argentina accuses Uruguay of violating the international treaty governing the Uruguay River and demands proof that the mills will not contaminate, while Uruguay is reluctant to meddle with projects of private enterprises that it has already approved.

The companies involved, Finnish Metsä Botnia and Spanish ENCE, referred to the Investment Protection Treaties between Uruguay and their home countries and threatened to summon Uruguay to the International Centre for Settlement of Investment Disputes (ICSID) of the World Bank should Uruguay withdraw its approval for the pulping projects.³

When Uruguay asked Botnia to suspend construction for 90 days in order to realize an independent environmental impact study, demanded by the Argentina government and Uruguayan civil society organisations, the company refused. It argues that an initial Environmental Impact study of both plants had already been realized – by the International Finance Corporation (IFC) of the World Bank, who incidentally is also one of the companies' partners in the pulp mill project.⁴

¹ Cuenca, Lucio "Celulosa Arauco en Valdivia. El desastre ambiental en el río Cruces, resultado del modelo forestal chileno" in Ortiz, et.al. "Entre el Desierto Verde y el País Productivo", REDES-AT – Casa Bertolt Brecht, Montevideo, 2005.

² Official Summit webpages: <http://europa.eu.int/comm/world/lac-vienna/index.htm>
Alternative Summit and Tribunal webpage: <http://www.alternativas.at/>

³ "Multinacional le "recuerda" a gobierno uruguayo que podría aplicar cláusulas del Tratado de Inversiones para exigir resarcimientos económicos", RadioMundoReal, 2006, at:

<http://www.radiomundoreal.fm/modules.php?op=modload&name=News&file=article&sid=9204>

⁴ Corporación Financiera Internacional, "Plantas de Celulosa en Uruguay - Estudios de Impacto Acumulativo", 2006.

Researchers of “Uruguay Sustentable” (Sustainable Uruguay, a program coordinated by Friends of the Earth Uruguay - REDES) have raised the fact that besides receiving economic subsidies, the transnational forestry corporations have also received high social and environmental subsidies in Uruguay: “inexpensive labour, fertile soils and the absence of environmental regulations based on sustainability principles results in comparative advantages that are in fact more profitable than all economic subsidies together.”⁵ Human rights organisations argue that the activities of Botnia and ENCE in Uruguay violate basic human rights such as the right to health and the right to work, and that the Uruguayan government has the obligation to protect those rights against actions of third parties.⁶

To date, the relations between the governments of Argentina and Uruguay are at a breaking point. On May 4th, Argentina filed a complaint against Uruguay with the International Court of Justice at The Hague. The European Union, on its side, defends the European companies, assuring that they are "innocent victims" of a conflict between the governments of Argentina and Uruguay.⁷

Brazil: evictions and criminalization of the protest in the "green desert"

The Brazilian-Norwegian company Aracruz Celulose S.A. is the world's largest producer of bleached eucalyptus pulp. It manages more than 320,000 hectares of eucalyptus plantations, destroying more than 50,000 hectares of the unique Mata Atlântica forest. Aracruz has also been fined by IBAMA, Brazil's environmental protection agency, for planting in protected areas. Aracruz's plantations have dried up several rivers and streams. The company has dammed rivers and diverted water from the Doce river to its mills, further impacting water flows in the region. Fishing has largely disappeared from many of the rivers in the regions.

Most of Aracruz's eucalyptus plantations were and still are planted on land that belongs to Guaraní and Tupinikim indigenous peoples and to the traditional African-Brazilian Quilombola communities. In the northern zone of Espírito Santo, Aracruz invaded 11,000 hectares of indigenous territory, evicting 8,500 families from their land and seriously restricting access to water, food and land.⁸ On January 20th 2006, the federal police in collusion with Aracruz ran over two villages of the native Tupinikim and Guaraníes in Espírito Santo with tractors, leaving several wounded and 100 families without a home. This was apparently done in response to a litigation case opened by the natives of that zone and approved by the National Indian Foundation.⁹

In March 2006, around 2.000 women of the peasants organisation Via Campesina stormed a branch of Aracruz Celulose, in Barra do Ribeiro. This action intended to denounce the social and environmental consequences of the “green desert” created by the monoculture of eucalyptus trees. As a result, 37 women of Via Campesina have been charged by the company and now face prosecution and possibly jail sentences.

Aracruz has plans to expand their operations considerably in the future, depending in large part on financing from European Banks and the World Bank.

⁵ Achkar, Marcel; Domínguez, Ana y Pesce, Fernando; “Los cultivos forestales en Uruguay. Subsidios para la destrucción de paisajes”, in Ortiz, et. al. “Entre el Desierto Verde y el País Productivo, REDES-AT – Casa Bertolt Brecht, Montevideo, 2005.

⁶ Willat, Fernando, “Instalación de plantas de celulosa en Fray Bentos: un enfoque de derechos”, published in “Informe Derechos Humanos en Uruguay 2005”, Montevideo, SERPAJ (Servicio Paz y Justicia) Uruguay, 2005.

⁷ “UE advierte que peligran inversiones”, La Nación, April 22nd 2006, page 5, Buenos Aires. At: http://www.lanacion.com.ar/politica/nota.asp?nota_id=799599

⁸ Meirelles, Daniela, "Papel para el Norte, hiper consumo de agua en el Sur. Una hidrogenealogía de las fábricas de celulosa de Aracruz", in Ortiz, et. al. “Entre el Desierto Verde y el País Productivo, REDES-AT – Casa Bertolt Brecht, Montevideo, 2005.

⁹ Ribeiro, Silvia, "Rompiendo el silencio del desierto verde", La Jornada, México, April 22nd 2006, at: <http://www.jornada.unam.mx/2006/04/22/a04a1cie.php>

Europe: The role of the supplier company

The Austrian Andritz AG is a technology supplier and world leader in the market for pulp and wood processing machinery. In recent years, Andritz has played a leading role in the construction of new or in the expansion of existing pulp mills in South America and Asia. Since the year 2000, Andritz has supplied pulp machinery to Aracruz (Brazil), CMPC (Chile), Suzano (Brazil) and Veracel (Brazil) and has won a contract to supply the projected pulp mill of Metsa Botnia in Uruguay. All of these projects are known to be detrimental to a sustainable development of their respective countries and contribute only to the concentration of power and capital in the hands of a few industrialist cliques.

In making bids for the supply of machinery to pulp mills in South America, Andritz seriously neglects social, human rights and environmental issues that are related to these mills. Just as the pulping companies Metsä Botnia, ENCE and Aracruz are responsible for the impacts of their project on the human rights situation and the environment, Andritz as a supplier bears a responsibility as well. So far, it has never opted not to supply a customer for reasons of environmental or social sustainability or to pose social or environmental conditions to customers.