

PUBLIC OPINION SURVEY ON METALS MINING IN GUATEMALA

Executive Summary

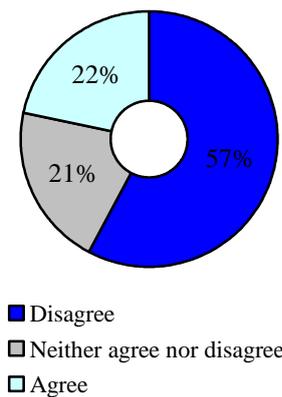
INTRODUCTION

Metals mining in Guatemala has become an important issue in political circles since the return of major exploitation activities to the department of San Marcos. Though the topic has come up for debate in the public dialogue previously, this is the first decade in this century in which the issue has been relevant on a national scale.

The opinion of the population in the areas surrounding mining exploitation sites is crucial, as changes in the use of the land bring economic and social changes as well that can impact people's lives. One of the ways in which public opinion surrounding this issue has been made known has been through popular referendums, which have been held in more than thirty municipalities, with the participation of over 700,000 people. The majority of those voted in these referendums rejected mining activities in those areas.

The main objective of this study is to contribute important information to the discussion around mining, with a broader national focus. Unlike the popular referendums, this study provides information from the entire territory for which metals mining licenses have been granted. The results obtained reinforce what has been observed in the municipal consultations throughout the country.

Figure 1
Do you agree with the following statement?
"You are in favor of metals mining in Guatemala."

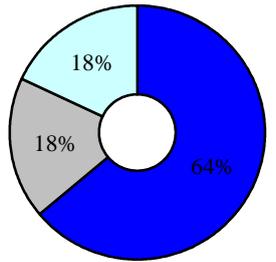


GENERAL OPINION ON METALS MINING IN GUATEMALA

This question regarding the development of metals mining activities shows an unfavorable attitude among respondents. As Figure 1 shows, 57% of the population living in mining areas rejects this activity for the country.

Figure 2
Do you agree with the following statement?
"Guatemala is a country suitable for metals mining."
People from 35 to 54 years old

The negative response is present throughout all age groups; in particular the age group of 35-54 year olds, which

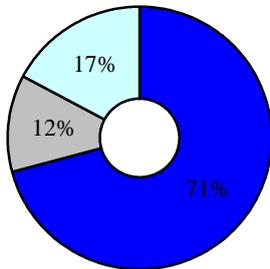


■ Disagree
 ■ Neither agree nor disagree
 ■ Agree

Figure 3

Do you agree with the following statement?
 “Guatemala is a country suitable for metals mining.”

Residents in the rural area

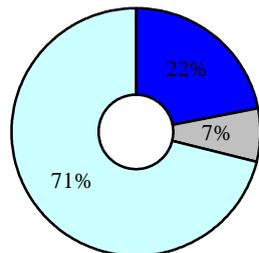


■ Disagree
 ■ Neither agree nor disagree
 ■ Agree

Figure 4

In your opinion mining activities cause...

Drought



■ Little-not at all
 ■ Neither very much nor very little
 ■ Somewhat-very much

Figure 5:

In your opinion mining activities cause...

includes parents with children old enough to join the workforce, shows a significantly higher degree of rejection, as 64% responded “disagree”.

In another important figure, which may be explained by the population’s greater proximity to mining projects, people residing in the rural areas are less open to metals mining than society in general. In the rural group, 71% of the citizens disagree with the statement that Guatemala is a country suitable for metals mining.

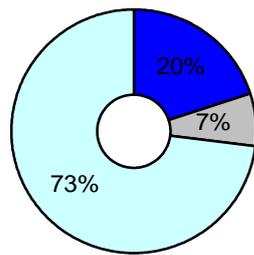
MINING AND THE ENVIRONMENT

All human activities can bring benefits or harm to the environment. The decision to carry out these activities, or not, must be made on the basis of a comparison of costs and benefits.

According to the population surveyed, mining activity has negative effects upon the environment. In particular those surveyed identify damage to water sources and land. 71% of the surveyed population identified drought as a phenomenon that may be somewhat or very much caused by mining, as illustrated in Figure 4.

Likewise, a very similar percentage – 73% - believes that mining causes some extent of waste of water. It is reasonable that

Waste of water

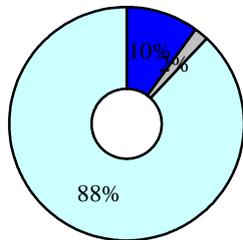


- Little-not at all
- Neither very much nor very little
- Somewhat-very much

Figure 6:

In your opinion mining activities cause...

Water Contamination

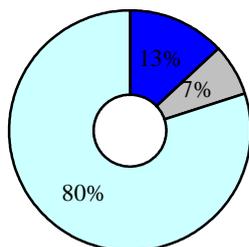


- Little-not at all
- Neither very much nor very little
- Somewhat-very much

Figure 7

In your opinion mining activities cause...

Land contamination



- Little-not at all
- Neither very much nor very little
- Somewhat-very much

Figure 8

In your opinion mining activities cause...

Destruction of forests

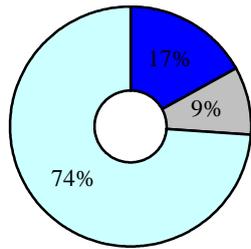
there is a connection between the data presented in Figures 4 and 5, but in reality they are two separate concepts. Drought is due to reduced production from water sources, and waste of water refers to the irresponsible use of this resource without regard to its production.

The most pronounced concerns are related to water contamination. In this case 88% of the citizens in the area within the study believe that mining activity contaminates water somewhat or very much. Water contamination due to metals mining activities can occur in various ways including acid drainage, contamination with heavy metals and alterations in biodiversity. Given that the discourse in the media does not differentiate between the types of contamination, all kinds were grouped in the same category.

It is important to note that there are palliative measures for each type of contamination. Distinctions in public discourse could help the communities to evaluate the costs associated with mining and the actions that can be taken to mitigate problems.

Opinions regarding land contamination show a very similar percentage to those expressed with respect to water contamination. As was the trend with the previous figures, the percentage of people who believe that mining causes some contamination or a lot of contamination is 80%, as shown in Figure 7.

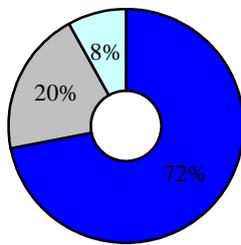
In keeping with the opinion that mining activity causes contamination of water and soils, 74% of the citizens in the area included in the study believe that metals mining causes some or a lot of destruction of forests. This situation is presented in



- Little-not at all
- Neither very much nor very little
- Somewhat-very much

Figure 9

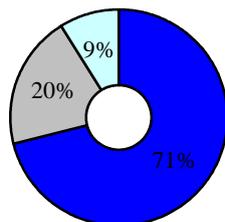
Do you agree with the following statement?
"Mining companies respect human rights."



- Disagree
- Neither agree nor disagree
- Agree

Figure 10

Do you agree with the following statement?
"Mining companies respect the rights of women."



- Disagree
- Neither agree nor disagree
- Agree

Figure 11

Do you agree with the following statement?
"Nearby communities should be informed if there is a mining project nearby."

Figure 8.

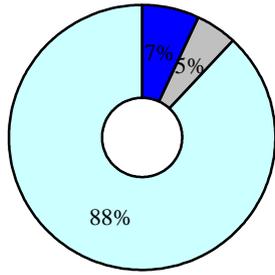
OPINIONS ON THE IMPACT OF MINING UPON HUMAN RIGHTS

The presence of mining companies alters the social dynamics in the areas surrounding the mine. From the moment in which a consultation is announced to the population, the issue of human rights becomes relevant.

The study detected that 72% of the population in the area where there are licenses for metals mining believes that mining companies violate human rights.

In a similar proportion, 71% of the people surveyed believe that the rights of women are not respected by this kind of industry.

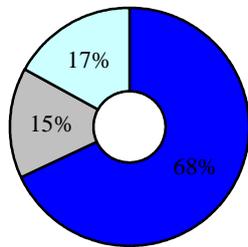
Disrespect for human rights may be related to the little decision-making capacity that the inhabitants around the mine have in order to decide or advocate on the issue. The consultation process in particular – shown to be very important to



- Disagree
- Neither agree nor disagree
- Agree

Figure 12

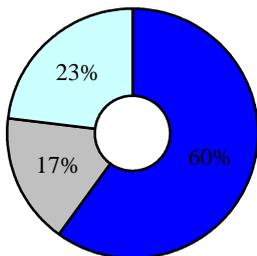
Do you agree with the following statement?
“Mining companies respect the right of the communities to be informed.”



- Disagree
- Neither agree nor disagree
- Agree

Figure 13

Do you agree with the following statement?
“The government respects the right of the communities to be informed.”



- Disagree
- Neither agree nor disagree
- Agree

Figure 14

Does the government of Guatemala have the capacity to monitor and regulate mining activities?

the population in this Figure – may be one of the reasons for this widely held opinion.

This important right, the right to be informed and consulted, is not seen as well respected. 68% of the people in the areas of study believe that mining companies do not respect the right of the communities to be informed, as seen in Figure 12.

In effect, upon examining the importance given to the issue of consultations in Figure 11 – according to the opinions of the people in the areas of study it is a right that has not been respected – we may find a possible reason that the majority of the consultations on a municipal level have produced results and conclusions unfavorable for the mining companies.

Likewise, the people consulted believe that the government does not respect the right of the communities to be informed, as shown in Figure 13. This situation is aggravated when the population believes that the government does not have capacity for oversight and regulation, as illustrated in Figure 14 where only 28% of those surveyed believe that the government has these capabilities.

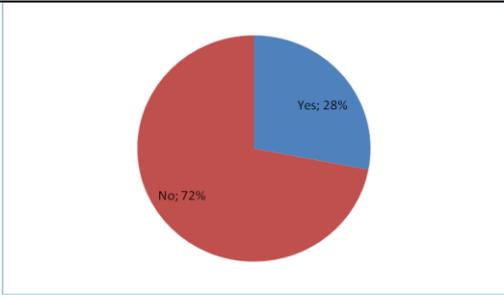
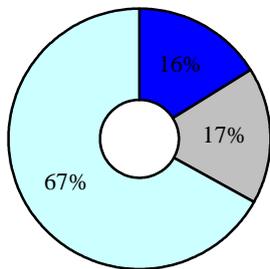


Figure 15

Metals mining favors/does not affect/is detrimental to

Agriculture

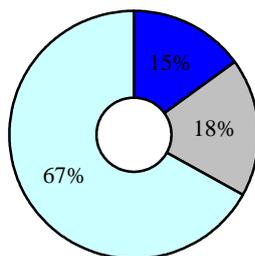


■ Favors ■ Does not affect □ Is detrimental

Figure 16

Metals mining favors/does not affect/is detrimental to

Fishing



■ Favors ■ Does not affect □ Is detrimental

Figure 17

Metals mining favors/does not affect/is detrimental to

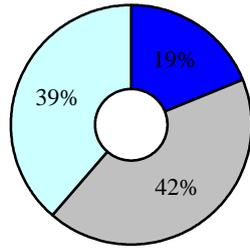
Tourism

OPINIONS ON THE IMPACTS OF MINING UPON TRADITIONAL WAYS OF LIFE

The use of land for mining exploitation interferes with other activities. Just as land dedicated to agriculture cannot be used for pasture, mining exploitation excludes other possible economic activities from the discussion. It is the opinion of the citizens residing in the towns surrounding the license areas that several of their traditional activities are in direct conflict with metals mining. These activities include agriculture, which 67% of the population believes will be put at risk by mining as seen in Figure 15.

In harmony with what was mentioned with respect to water contamination, fishing activities are among those that people believe may be affected. In this case, 67% of the people consulted responded that fishing would put at risk by metals mining.

A possible alternative that could be carried out together with the activity at the center of this public opinion study is tourism, though it was not identified as a clear option. While 42% of the population believes that mining does not affect

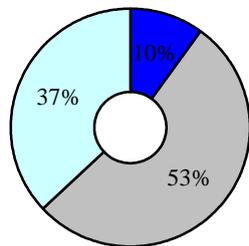


■ Favors ■ Does not affect □ Is detrimental

Figure 18

Metals mining favors/does not affect/is detrimental to

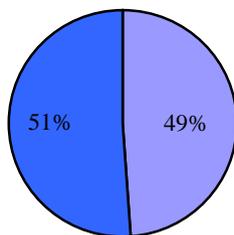
Handicraft production



■ Favors ■ Does not affect □ Is detrimental

Figure 19

Do you know if mining activity exists in **this** municipality?



■ Yes ■ No

Figure 20

Can you tell me what the word “royalties” means?

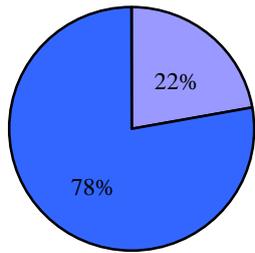
tourism, the percentage of people who believe that metals mining is damaging to tourism initiatives is nearly double that of people who believe that mining favors tourism.

Another activity which in theory could be developed simultaneously with mining is handicraft production. As is to be expected, most of the people in the areas included in the study believe that metals mining does not affect handicraft production. Despite this, there are still more people who believe that metals mining will put handicraft production at risk than those who believe mining could favor this activity.

KNOWLEDGE OF THE PRESENCE OF METALS MINING ACTIVITIES AND OF LEGISLATION RELATIVE TO MINING.

Although due to the way the sample was chosen 100% of the municipalities covered include at least one active license for metals mining, only half of the people interviewed were aware of the presence of the licenses. In a certain way, this reinforces the idea that the population has not been adequately consulted, or at least informed, given that essentially half the population did not have any information regarding the mining licenses in their municipality.

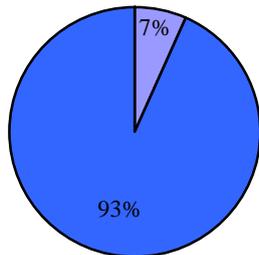
As a result of this lack of information, it is clear that the population has little knowledge of mining legislation. In particular there is scarce knowledge of the different aspects of rights and regulations



■ Correct ■ Incorrect

Figure 22

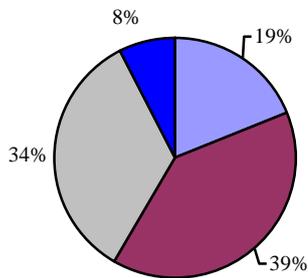
Do you agree with those percentages?



■ Yes ■ No

Figure 23

Which of the following topics would be most important to include?



- Increasing taxes and royalties
- Consultations with affected communities
- Prohibiting the use of toxic chemicals
- Transparency in the payments made by the company to the government

with respect to mining royalties. Less than one fourth of the population within the mining areas knows what the word “royalties” means. In fact, the correct definition was more widely known in various municipalities where non-metallic mining exploitation exists.

Clarification around the meaning of the word leads to a reaction of displeasure. After the definition was explained the participants were asked to estimate the percent of royalties that mining companies pay. 95% of respondents reported values different from the true value. Upon being informed of the true value of the royalties paid, 93% of the population rejected this number as too low.

Lastly, it is interesting to note that the principal request that the population makes of the legislators is not with respect to the percentage of royalties paid. Consistent with answers given to other questions, the population assigns greater importance to including better processes of consultation with affected communities in upcoming mining. In second place, as another sign that the issue of consultation is of greater relevance to the communities even than that of the environment, management of toxic waste was cited by 34% of those consulted. Royalties come in a distant third place.

Summary of Results

- The majority of Guatemalans residing in the mining areas reject metals mining.
- Only 22% of the citizens residing in mining areas are in favor of metals mining.
- Rejection (of mining) is more intense when mining activities are mentioned in the municipality. In this case the percentage in favor of mining reduces to 14%.
- The citizens in the areas of study believe that neither the government nor the mining companies respect the rights of the communities on this issue.
- In consequence, if there were to be any change to the mining legislation, one would hope that it would include the issue of community consultation.
- The majority of those interviewed believe that mining activities cause droughts, contamination of water and land, and illnesses.
- In terms of social costs, the most important cost perceived by respondents is the violation of the rights of indigenous peoples.
- On the other hand, some benefits are perceived in the work for reforestation and increased income as well as creation of employment.
- Mining activity is considered to be incompatible with many traditional activities, including agriculture, fishing and raising cattle and poultry.
- High levels of interaction are not identified between metals mining and tourism or production of handicrafts.
- Citizens' knowledge of the mining law and certain important details such as what royalties are and how they are distributed is low.
- A campaign is needed to inform the citizenry on aspects of the mining law.

Technical Record

Sample:	Adults living responding households in any of the municipalities where an exploration or exploitation license for metals mining is currently open.
Qualified respondents:	Adults living in selected households
Application date:	October, 2009
Place of application:	48 sample points distributed proportionally. In each sample point 15 people were interviewed based on quotas for sex and age.
Instrument:	Face to face home interviews with a questionnaire including 76 closed-ended questions.
Number of interviews:	720
Level of Confidence:	95%
Margin of error:	11.2 (design effects were measured with an average of 3.2)
The study was carried out by ASIÉS.	