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By Vijay Prashad and Taroa Zúñiga Silva  
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## ***Chile's Lithium Provides Profit to the Billionaires But Exhausts the Land and the People***

The Atacama salt flat in northern Chile, which stretches 1,200 square miles, is the largest source of lithium in the world. We are standing on a bluff, looking over *la gran fosa*, the great pit that sits at the southern end of the flat, which is shielded from public view. It is where the major Chilean corporations have set up shop to extract lithium and export it—largely unprocessed—into the global market. “Do you know whose son-in-law is the lithium king of Chile?” asks Loreto, who took us to the salt flat to view these white sands from a vantage point. His response is not so shocking; it is [Julio Ponce Lerou](#), who is the largest stakeholder in the lithium mining company Sociedad Química y Minera de Chile ([SQM](#)) and the former son-in-law of the late military dictator Augusto Pinochet (who ruled Chile from 1973 to 1990).

SQM and [Albemarle](#), the two major Chilean mining companies, dominate the Atacama salt flat. It is impossible to get a permit to visit the southern end of the flats, where the large corporations have set up their operations. The companies extract the lithium by pumping brine from beneath the salt flat and then [letting](#) it evaporate for months before carrying out the extraction. “SQM steals our water to extract lithium,” [said](#) the former president of the [Council of Indigenous Peoples of Atacameño](#), Ana Ramos, in 2018, according to Deutsche Welle. The concentrate left behind after evaporation is turned into lithium carbonate and lithium hydroxide, which are then exported, and form key raw materials used in the production of lithium-ion batteries. About a third of the world’s lithium comes from Chile. According to Goldman Sachs, “[lithium is the new gasoline](#).”

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## What Necessity Does

Ownership over the salt flat is [contested](#) among the state, Chile's Indigenous communities, and private entities. But, as one member of the Lickanantay community—the Indigenous people who call the Atacama salt flat their home—told us, most of the owners of the land do not live in the area any longer. Juan, who raises horses and whose family were herders, tells us that people “live off the rents from the land. They do not care what happens to the area.” However, Juan knows that these rents are minuscule. “What they pay us as they mine our land is practically a tip,” he says. “It is nothing compared to what they earn. But it is still a lot of money.” For most Lickanantay people, Juan says, “lithium is not an issue because although it is known to damage the environment, it is providing [us with] money.” “Necessity drives people to do a lot of things,” he adds.

The [negative](#) environmental impacts of mining lithium have been widely studied by scientists and observed by tourist guides in Chile. Angelo, a guide, tells us that he worries about the water supplies getting polluted due to mining activities and the impact it has on the Atacama Desert animals, including the pink flamingos. “Every once in a while, we see a dead pink flamingo,” he says. Cristina Inés Dorador, who participated in writing Chile's new proposed [constitution](#), is a scientist with a PhD in natural sciences who has [published](#) about the decline of the pink flamingo population in the salt flat. However, Dorador has also [said](#) that new technologies could be used to prevent the widespread negative environmental impact. Ingrid Garcés Millas, who has a PhD in earth sciences from the University of Zaragoza and is a researcher at the University of Antofagasta, [pointed out](#) that the currently used of lithium extraction has led to the deterioration of the “ways of life of [the] Andean peoples” in an article for *Le Monde Diplomatique*. An example she provided was that while the underground water supply is used by the lithium industry, the “communities are supplied [with water] by cistern trucks.”

According to a [report](#) by MiningWatch Canada and the Environmental Justice Atlas, “to produce one ton of lithium in the salt flats in Atacama (Chile), 2,000 tons of water are evaporated, causing significant harm to both the availability of water and the quality of underground fresh water reserves.”

Meanwhile, there is no pressing debate in the Atacama region over the extraction of lithium. Most people seem to have accepted that lithium mining is here to stay. Among the activists, there are disagreements over how to approach the question of lithium. More

radical activists believe that lithium should not be extracted, while others debate about who should benefit from the wealth generated by the mining of lithium. Still others, such as Angelo and Loreto, believe that Chile's willingness to export the unprocessed lithium denies the country the possibility of exploring the benefits that might come from processing the metal within the country.

### **Natural Commons**

Before the presidential election in Chile in November 2021, we went to see Giorgio Jackson, now one of the closest advisers to Chile's President Gabriel Boric. He [told](#) us then that Chile's new government would look at the possibility of the nationalization of key resources, such as copper and lithium. This no longer seems to be on the government's agenda, despite the expectation that the high prices for copper and lithium would pay for the much-needed pension reforms and the modernization of the country's infrastructure.

The idea of nationalization was floated around the constitutional convention but did not find its way into the text of the proposed constitution, which will be put to [vote](#) on September 4. Instead, the proposed constitution builds on Article 19 of the 1980 [constitution](#), which provides for "the right to live in an environment free from contamination." The new [constitution](#) is expected to lay out the natural commons under which the state "has a special duty of custody, in order to ensure the rights of nature and the interest of present and future generations."

In the waning days of the government of former President Sebastián Piñera, Chile's Mining Ministry [awarded](#) two companies—BYD Chile SpA and Servicios y Operaciones Mineras del Norte S.A.—extraction rights for 80,000 tons of lithium each for 20 years. An appeals court in Copiapó heard a petition from the governor of Copiapó, Miguel Vargas, and from various Indigenous communities. In January 2022, the court [suspended](#) the deal; that suspension was [upheld](#) in June by the Supreme Court. This does not imply that Chile will roll back the exploitation of lithium by the major corporations, but it does suggest that a new appetite is developing against the widespread exploitation of natural resources in the country.

Until 2016, Chile [produced](#) 37 percent of the global market share of lithium, making the country the world's largest producer of the metal. When Chile's government increased royalty rates on the miners, several of them curtailed production and some increased their stake in Argentina (SQM, for instance, entered a [joint venture](#) with Lithium Americas Corporation to work on a project in Argentina). Chile is [behind](#) Australia in terms of

lithium production in the world market presently, [falling](#) from 37 percent in 2016 to 29 percent in 2019 (with an expectation that Chile's share will fall further to 17 percent by 2030).

Juan's observation that "necessity drives people to do a lot of things" captures the mood among the Atacameños. The needs of the people of the region seem to only come after the needs of the large corporations. Relatives of the old dictators accumulate wealth off of the land, while the owners of the land—out of necessity—sell their land for a *propina*, a tip. *This article was produced by [Globetrotter](#).*

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