Posco: Destroying forests in India and establishing carbon sink plantations in Uruguay

Uruguay and the Republic of Korea have recently signed an Agreement for Investment Promotion and Protection which, according to Uruguayan government authorities establishes a framework for Korean investment in Uruguay. From past experience in Uruguay, the establishment of a framework for investment in this country may mean reducing or eliminating all taxation, granting of foreign trade zone permits and all kinds of support to the company's enterprises.

One of the first investments to be announced by the Koreans in Uruguay is a "Forestry Carbon Sequestration Project" by the POSCO Company. Regardless of the numerous negative impacts of monoculture tree plantations that have already been verified and documented, the POSCO project involves a 1,139 hectare eucalyptus plantation. Under the slogan of "Save the Earth with plantations" the company simply does not consider the innumerable voices of hundreds of social movements all over the world opposing them. The hub of this project is that, by establishing monoculture tree plantations in a country, POSCO can "compensate" for its emissions of gases causing climate change in its country of origin or in other countries.

POSCO, one of the largest producers of steel in the world, is well-known in India and, not precisely because "steel loves nature" as stated on the cover of its presentation file and still less because it loves people.

In 2005 the Korean company Posco signed an agreement with the Indian government for the establishment of a steel plant, a port and mine prospecting in the Eastearn State of Orissa. Since then, thousands of people have been opposing the project because of the huge negative impact it will have on the villagers.

The area where POSCO is proposed to be allotted the mines spreads over 6000 hectares of primary forest. These forests are inhabited by a wide variety of wildlife and flora.
Furthermore, the tribal communities which form 74 per cent of the population in the surrounding area are completely dependent on these forests for fuel, fodder, fruits and medicinal plants. The water springs in the area provide water for drinking as well as irrigation. The mining would also affect the Khandadhar waterfall, a place related to the spiritual practices of the indigenous people - and also a famous tourist destination in this state. POSCO intends to mine the Khandadhar Hill range – the area where the waterfall originates.

In June 2006, even the Congress, the most important political party in India, pledged its support to the people's movement against displacement caused by the proposed Posco steel plant. The people of Dhinkia, Nuagaon and Gadakujang, who face displacement are prosperous because of their agricultural activities. Congress leaders said locals who are progressive and prosperous will become beggars and landless labourers, once they are displaced from the agricultural fields.

In August 2007, a large group of people belonging to various political parties and social organisations protested at the doors of the POSCO offices, protected by a large contingent of police force. The

demonstrators, that included many women, raised slogans against the Korean company and blamed the government for facilitating the Posco steel project in Jagatsinghpur district, despite the opposition of displaced villagers.

In October 2008, a resolution signed by more than 100 organizations and people, most of them academics, condemned the increasing state of repression in Orissa against the peaceful resistance of people to the anti-people POSCO steel Project. Despite the state's increasingly repressive regime, the struggle had reached a new height, with more local residents, especially women, joining in and more democratic voices from all over the world condemning the state for acting in denigration of Constitutional values and human rights, and in favour of corporate interests. The level of repression reached its highest point when the president of the anti Posco movement, Abhay Sahu was jailed.

In August 2009, more activists were arrested for opposing POSCO and false cases have been registered against them. As many as 20,000 people from 15 villages nearby fear that the construction of the plant will destroy their homes and livelihood. Regarding the proposed plans for compensation, the people say: Nothing can compensate for the displacement of thousands of people.

In the State of Orissa demonstrations against POSCO have joined the thousands of people who have been demonstrating for years against Vedanta, a British company. The thousands of people who blocked the roads in the locality of Muninguda a few days ago demanding the immediate suspension of mining permits are well aware of what displacement means: the loss of land, forests, culture, means of subsistence and identity as set out in a resolution issued on 10 October 2009. (See resolution inhttp://www.wrm.org.uy/countries/India/Niyamgiri.html)

In spite of years of struggles, in spite of prison, torture and repression, the leaders of both groups have declared that they will continue their efforts until they drive both companies out of India.

With this track record, POSCO is attempting to clean up its image in Uruguay through the plantation of what it calls "forests" (fast-growing eucalyptus plantations) to "compensate" for CO_2 emissions from its industrial activities. Obviously it "forgets" to mention that in India it intends to destroy 6,000 hectares of real forests, and if so far it has been unable to achieve this, it is only because the local people have managed to prevent it.

The people and the present Uruguayan government, who know what repression, prison and torture mean in the flesh because they suffered years of military dictatorship, must align themselves with their Indian brothers and sisters and flatly reject this project. The Indian people do not deserve Uruguay serving as an excuse to grant impunity to POSCO's crimes and the Uruguayan people do not deserve such shame.

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