Granite Corporation in Costa Rica
Role of Senor/Senora Hoyas - Representative of AECO
Environmental Group

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The environmental campaign against Granite in Costa Rica began in 1992. Environmental groups, buoyed by their success in Honduras, turned to scrutinize Granite’s operations in Costa Rica. Environmentalists believe that Granite has no interest in preserving the resources of Costa Rica. Indeed, the only reason Granite is in Costa Rica is that Honduras threw them out. The environmentalists believe that Granite is only in Costa Rica for financial gain and, like the banana companies, will pull out and leave behind an environmental nightmare as soon as it is no longer in Granite’s financial interest to be in Costa Rica.

Environmentalists’ specific concerns are about the effects of homogeneous gmelina tree plantations, which were thought to have caused severe ecological problems in Brazil, and the threat to Punta Estrella, which is targeted for a chip mill and a container ship port. Waste from the chip mill or an accident with a container ship could easily cause irreversible damage to the deep gulf which is a unique biological wonder.

The local environmental association, Association Ecological Costarricense (AECO), assumed leadership of the national campaign against Granite, assisted by U.S. and European groups (including Rainforest Action Network (RAN), Pro Regenwald, and Massachusetts Audubon Society). Although the association realizes that economic development is a priority for Costa Rica, members are unanimous in their priorities: the environment comes first.

The Environmentalists’ Power

The environmentalists wield a good deal of power. AECO has been able to mobilize worldwide publicity on the environmental threats posed by Granite on Costa Rica through news reports on BBC and CNN. The organization worked tirelessly for the election of President Figueres. The President’s platform, “economic development in alliance with nature,” was heavily influenced by AECO’s lobbying. AECO plans to hold the President fully accountable for this platform promise and continuously remind the President of its electoral support. AECO’s ad in major newspapers revealing Granite’s plans in Punta Estrella was perfectly timed for the day after the new administration’s seminar on its new environmentally sensitive economic policy. The President quickly named a commission to study the Granite Corporation’s project in Costa Rica.

Reactions to the Figueres’ Commission Report

The commission’s report was not as favorable to AECO’s interests as it could have been. The government appears to want Granite to stay in Costa Rica, only move the chip mill to Guaria and the port to Golfito.

AECO does not agree with the commission’s findings that monoculture plantations pose no threat to the environment, or that gmelina trees do not degrade soil nutrients. AECO wants Granite out of Costa Rica. To do so, AECO realizes it will have to step up its negative publicity campaign against the company and attack the President for reneging on his election promises. AECO is willing to do both. The fact that AECO is to speak (for no more than 10 minutes) at the upcoming meeting between representatives of Granite and of the government indicates that President Figueres is well aware of AECO’s power. AECO is not willing to let Granite build in Guaria and Golfito without a fight.

The Issues

Discussions with the deputy to the Minister for Natural Resources indicated that the following issues were likely to be discussed at the upcoming meeting with Granite.
The Plantations

AECO would like to see Granite abandon the plantations, while continuing to pay the leases for the property until such leases expire. AECO is quite sure that Costa Rican courts would order such payments. In this way the small property owners would get paid, could harvest the gmelina trees when they mature, and sell the trees to the Costa Rican forestry industry. This plan would drive down the price of wood in the Costa Rican market, thereby making it unprofitable for local entrepreneurs to cut down rain forests for wood. Of course, in addition to protecting the rain forest, which Granite’s plan does not, this plan directs the profits from the gmelina tree plantations into the Costa Rican economy.

Location of the Chip Mill and Port

AECO wants Granite out of Costa Rica. However, if Granite is to stay, it is imperative that the mill and port be moved from Punta Estrella. Golfito is fine for the port. Granite, however, should be held responsible for cleaning up the environmental damage to the port left by its predecessors. AECO would rather have the mill and port in the same place. It understands the job issue, but is concerned about pollution resulting in the trucking of wood chips from mill to port. (Trucks carrying logs to a mill in Golfito would not need to all use the same road.)

Environmental Standards Enforcement

AECO is in favor of Costa Rica setting up an environmental standards enforcement agency. Such an agency would provide jobs for environmentally conscious Costa Rican citizens, like those who support AECO’s causes. AECO sees such an agency as increasing AECO’s power. The agency will provide a legitimate way for environmentalists to make claims, and for those claims to be investigated and prosecuted. AECO would make heavy use of such an agency.

Environmental Damage Clause

AECO sees little point in having Granite Corporation sign an environmental damage clause. Granite will be held responsible by the Costa Rican court system for any environmental damage that can be traced to it. However, if the government wants this, AECO has no reason to oppose it.

Export Ratio

AECO thinks that there is a much simpler way to deal with the problem of destruction of rain forests than by changing Granite’s export ratio. If Granite left Costa Rica, the locals could harvest wood from their own small gmelina plantations. This abundance of local wood would drive down the price and make harvesting from the rain forest unprofitable.

AECO expects that Granite will want something, perhaps permission to increase plantation size, in return for changing the export ratio. AECO is strongly opposed to making any such concession to Granite.

The Negotiation

AECO has permission to speak for 10 minutes at the beginning of the negotiation. AECO intends to take full advantage of that opportunity. Furthermore, although AECO may not enter directly into the negotiations between Granite and the government, it intends to try to influence the government as these negotiations progress.