



CARAVAN ON THE SOCIAL AND ENVIRONMENTAL IMPACTS OF TRANSNATIONAL CORPORATIONS AND FREE TRADE IN MEXICO

International organisations and human rights observers travelled to Mexico to participate in the #ToxiTourMexico Caravan held from December 2nd to 11th, 2019. They visited regions in several states in the country along the neovolcanic belt that have been affected by grave social and environmental impacts linked to free trade and the internationalisation of transnational corporations from countries such as the United States (US) and the European Union (EU). Representatives of the European Parliament, the Parliament of the Basque Country, the Senate of the State of Minnesota (US), scientists and activists of organisations from Argentina, the Basque Country, Catalonia, Ecuador, France, Germany, Mexico, The Netherlands and the US participated in the tour¹. The caravan was also accompanied by

representatives of the Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT or the Ministry of Environment and Natural Resources) and scholars from the Unión de Científicos Comprometidos con la Sociedad (UCCS or Union of Scientists Committed to Society). The Caravan was organised collectively

¹ The members of parliament and other international observers who participated in the Caravan were: Leila Chaibi (MEP of France Insoumise, France, European United Left/Nordic Green Left (GUE/NGL), María Eugenia Rodríguez Palop (MEP of Podemos, the Spanish State, European United Left/Nordic Green Left (GUE/NGL), Mikel Otero (Parliament of the Basque Country, EHBildu), Patricia Torres Ray (Senator of the State of Minnesota, US), Acción Ecológica (Ecuador), Corporate Accountability (US), Ekologistak Martxan (Basque Country), Lidecs (Mexico), México vía Berlín (Germany), Multisectorial Antiextractivista / Campaña Gane Quien Gane (Argentina), Oficina Ecuémica por la Paz y la Justicia (Germany), Observatorio de Multinacionales en América Latina (Spanish State), Observatorio Petrolero del Sur (Argentina), Taula per Mèxic (Spanish State), Transnational Institute (The Netherlands),



Photo: Martín Álvarez-Mullally (OPSUR)

by the organisations of the affected peoples in the regions visited, some of which were members of the Asamblea Nacional de Afectados Ambientales

Unión de Afectado/as por Chevron Texaco (Ecuador), ZEB – Zentrum für Entwicklungsbezogene Bildung (Germany).

(ANAA or National Assembly of Environmentally Affected Peoples).

The main objectives were to give greater visibility to the **social, labour and environmental impacts of transnational corporations** in Mexico in the industrial paradises developed thanks to Mexico's free trade agreements with the US, Canada and the EU. The Caravan also sought to strengthen the ties between the social and environmental struggles in the different regions (Latin America, Europe and the US).

The Caravan visited the industrial corridors that have been consolidated over the past 20 years under the protection of Mexico's free trade agreements. They observed *in situ* how the law **allows transnational corporations to self-regulate the environmental aspects of their operations in order to attract investment**. High-risk industries, extensive agro-industrial activities and extractive operations coexist with urbanised spaces and there is a lack of monitoring of the impacts on the local population's health.

In the regions visited, the observers were confronted with an **alarming state of emergency in relation to the environment and health**, which caused them a great deal of concern. This emergency situation is related to transnational corporations' operations in different sectors of the economy.

It became clear to the observers that even though the **successive Mexican governments were aware of all this, not only had they done nothing about it until recently**, but they also:

- ▶ ignored the affected communities' claims and demands, making the environmental, labour and social impacts invisible
- ▶ did not follow up on the health problems of the communities affected by the pollution
- ▶ attempted to stifle social unrest through criminalisation and repression and did not take measures to stop various criminal groups from terrorising social organisations
- ▶ facilitated the implementation of new industrial and mega infrastructure projects that increase the risks for the local population even further.



Photo: Martín Álvarez-Mullally (OPSUR)

As for the **governments of the countries of origin of the foreign corporations** operating in the industrial corridors, **which are mainly from the US and Europe**:

- ▶ they have not taken measures to ensure that these transnational corporations are respecting human, labour and environmental rights, nor do they assume any responsibility for the socioenvironmental conflicts they cause
- ▶ they support the internationalisation of the corporations without adopting any measures to control them or guarantee that they respect the environment and human rights
- ▶ they promote free trade and investment protection agreements, such as the new agreement between the EU and Mexico concluded in April 2020. One of the key elements in the agreement is the **investment protection chapter**². **Mexico will be the first Latin American country to sign an agreement with Europe that contains this kind of mechanism**. The benefits for European corporations are clear: 35% of foreign direct investment (FDI) in Mexico is from Europe³. But for this Latin American country, **which is among the five countries in the world** (third in Latin

2 See: <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2142>

3 LEuropean corporations in Mexico come in behind US-based ones, which account for 38% of all FDI in Mexico. See: https://www.cepal.org/sites/default/files/presentation/files/190814_presentation_flagship_ied_final_sala.pdf.

America) **with the most complaints filed against it** by foreign investors in international tribunals, the investment chapter involves considerable risk. Of the 31 requests for arbitration that the country faced in 2019, seven were submitted by European corporations (five from the Spanish State and two from France)⁴.

One of the elements that impressed the international observers the most was **the affected communities' capacities to organise and articulate resistance struggles in the six regions**. For decades, despite the socio-environmental devastation of their territories and the constant attacks on their lives and health, they have been monitoring impacts and have developed an advanced capacity for collective analysis that integrates all the dynamics that they face. They have also built ties with scientists who are highly committed to social struggles and who have helped consolidate the communities' analyses. The advances that these organisations have made will have impacts not only in other regions of Mexico, but also on an international level.

POSITIVE POLITICAL IMPACT IN MEXICO

It should be noted that since December 2019, SEMARNAT's response to the Caravan has been positive⁵. On December 12th of that year, the then Environment Minister Victor M. Toledo publicly informed the Mexican president about the Caravan's results⁶. The affected organisations from the different regions maintained a dialogue with SEMARNAT, the Ministry of Health and the Consejo Nacional de Ciencia y Tecnología (CONACYT, or the National Council of Science and Technology). The parties agreed that an **inter-institutional coordination group** should be created to ensure that the pollution and health problems in the **environmental emergency regions** (EERs) are

4 For more information on the cases, see: <http://isds-america-latina.org/mexico/>

5 <https://www.gob.mx/semarnat/prensa/trabajara-semarnat-con-afectados-de-seis-regiones-del-pais-con-altos-impactos-ambientales-y-de-salud>

6 See: <https://www.eluniversal.com.mx/nacion/mexico-tiene-6-regiones-con-infiernos-ambientales-semarnat?amp>



Photo: Martín Álvarez-Mullally (OPSUR)

fully resolved. In the context of the COVID-19 crisis, the government highlighted that environmental degradation and human health are interconnected and the risk for the population in the six regions visited by the Caravan is greater⁷: 78% of the deaths in the country have been reported in these regions.

7 <https://www.gob.mx/semarnat/prensa/enfrena-mexico-doble-crisis-sanitaria-por-el-covid-19-y-por-degradacion-ambiental?idiom=es>

THE VOICES OF THE AFFECTED REGIONS: THE STRUGGLE FOR THE RECOGNITION OF ENVIRONMENTAL AND HEALTH EMERGENCY REGIONS

The organisations that participated in the organisation of the #ToxiTourMexico Caravan live in six regions that are representative of the devastation of the environment and health in Mexico: **El Salto, Jalisco; Independencia River Basin, in Guanajuato; Mezquital Valley, in Hidalgo; the Atoyac-Zahuapan River Basin, in Tlaxcala and Puebla; and the region of Coatzacoalcos-Minatitlán-Ixhuatlán del Sureste and Jáltipan de Morelos, in Veracruz.**



Photo: Martín Álvarez-Mullally (OPSUR)

1. IN THE CHAPALA-SANTIAGO RIVER BASIN⁸, the biggest industrial parks in the country dump their toxic waste into Lake Chapala and the Santiago River, Mexico's most polluted river. This river is located in the states of Jalisco and Nayarit in the west of the country. For decades, groups have been demanding that this region be recognised as an **environmental and health emergency zone**. The emergency situation is the result of the adoption of labour and environmental deregulation measures

that guarantee the large transnational manufacturing corporations that they can continue operating in impunity. Since the 1970s, this region has undergone an accelerated industrialisation process brought on by the arrival of transnational corporations (TNCs) such as Ciba-Geigy, Nestlé, IBM, Euzkadi, Honda, Cargill and Hershey's, among others. The TNCs have made enormous profits at the expense of our territory, which they have devastated, thus denying the inhabitants of any possibility of coexistence and ignoring their dependence on the river and the lake for survival.

The pressure on the traditional riverine communities has led to an enormous increase in morbidity and mortality due to exposure to toxic substances. An official study carried out in 2011 found 1,090 different substances. Even so, local governments continue to attract thousands of new residents to the high-risk zones. The communities affected the most by the high levels of toxic substances and heavy metals in their blood are Poncitlán, Juanacatlán and El Salto – places where the **rates of kidney failure are the highest** in the country. Thanks to the Caravan, a study hidden by the government of Jalisco since 2011 was uncovered. Researchers tested the blood of 330 children from communities along the Santiago River and found mercury, lead, cadmium, arsenic and benzene, among other contaminants in their blood at levels that exceed occupational standards. These substances cause chronic and neurodegenerative diseases. The government had never notified the population of the results⁹.

The TNCs are moving ahead with their investment strategies, which involves locating areas with low risk and high levels of impunity to take advantage of the conditions that the government offers them. This led our comrades from the region to create the

8 Un Salto de Vida A.C.

9 <https://aristeguinoticias.com/3001/mexico/jalisco-oculto-por-10-anos-estudio-sobre-contaminacion-del-rio-santiago-las-muertes-una-constante-en-la-zona/>

Asamblea de Pueblos en Resistencia (Assembly of Peoples in Resistance) to organise and raise their collective voice against the environmental injustices in their region, even if it means risking their own lives.

2. THE INDEPENDENCIA RIVER BASIN¹⁰

covers an area of 7,000 km² spread over seven municipalities in the northeast of the state of Guanajuato. It is home to the export-oriented agribusiness industry specialising in produce such as lettuce, broccolis and tomatoes. Even though the US is the biggest consumer of these products, the Mexican government and agribusiness corporations plan to expand their exports to the United Kingdom, Germany, France, the Netherlands and Belgium. However, this kind of agricultural production requires massive, unregulated use of toxic agrochemicals. This, together with the mismanagement of water sources in the state and the entire country, have led to serious problems such as water grabbing and the overexploitation of underground water sources. Only fossil water is left for human consumption. Extracted by drilling more than 300 metres deep, this kind of water contains highly concentrated levels of arsenic and fluoride; the chemicals cause diffuse water pollution. As a result, the local population is now experiencing **a serious health crisis due to the incidence of kidney failure, dental fluorosis, damage to neurotransmitters and other illnesses**, not to mention the destruction of regional ecosystems and accelerated desertification processes. To the harm caused by the agribusiness sector, one must add the impunity with which Canadian mining corporation Argonaut Gold is developing the “Cerro del Gallo” open pit mining mega-project in the municipality of Dolores Hidalgo and Enel Green Power, the “Don José” photovoltaic power plant in San Luis de la Paz. Financed by Spanish capital, this plant affects an area of 1,300 hectares.

Furthermore, most of the pesticides that Guanajuato’s Department of Health has used in its campaign to fight dengue since 2007 (and previously

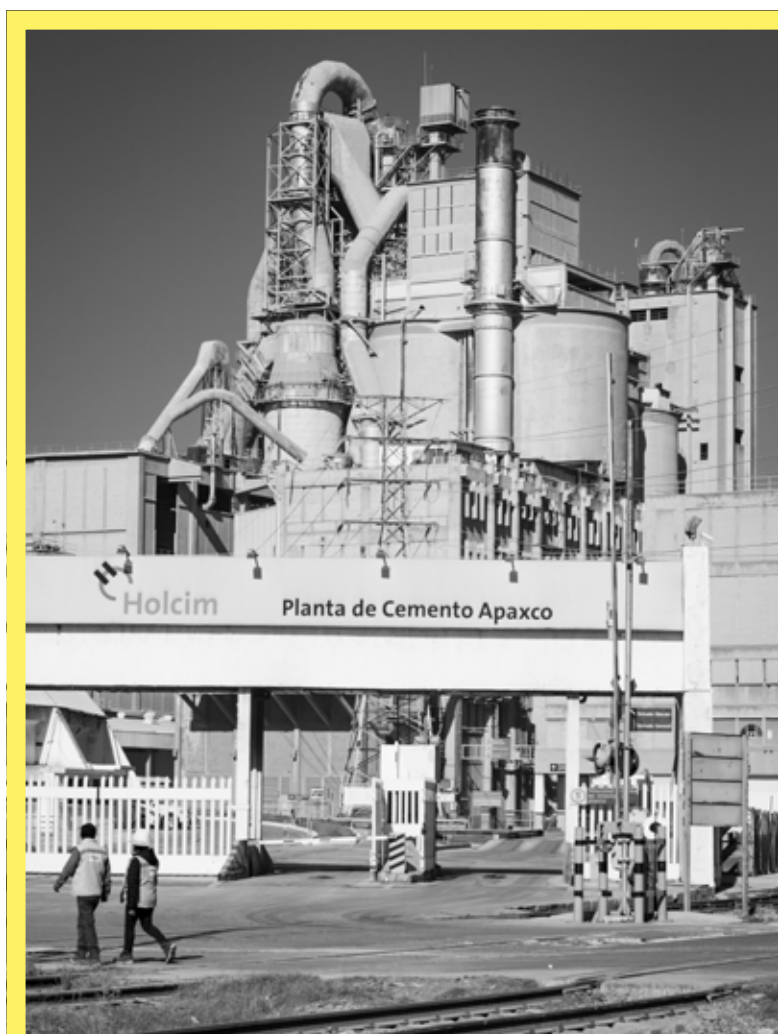


Photo: Martín Álvarez-Mullally (OPSUR)

in the rest of the country) are banned in the EU. Classified as highly dangerous, these pesticides are manufactured by Bayer, Basf and Syngenta. The use of these pesticides makes flies more resistant and kill beneficial species that are the natural predators of the vector, eliminating them from the entire food chain. It also pollutes water, air, soil and sediment and lowers people’s immunity, making them more vulnerable to Covid-19. As of 17 September 2020, the state of Guanajuato had the third highest number of cases in the country. These pesticides are linked to chronic degenerative diseases, hormone disorders, cancer and other conditions affecting the organ systems of both humans and animals.

¹⁰ Colectivo Guardianes de la Cuenca de la Independencia

3. THE MEZQUITAL VALLEY is located in the south of the state of Hidalgo and north of the state of Mexico and is where the oil, power and cement industries have converged. The region is also the destination of all the untreated wastewater of the Mexico City Metropolitan Area (ZMCM for its acronym in Spanish), the fifth largest city of the world.

The water of the Tula and Salado Rivers, in which this industrial and urban waste is dumped, is used to irrigate more than 80,000 hectares of corn, barley, alfalfa and vegetable crops. These, in turn, are sprayed with agri-chemicals and combined with genetically modified crops. What is more, the region is also the location of Mexico's third largest refinery (which supplies fuel for the 8 million automobiles in the ZMCM), a thermoelectric plant and 7 cement factories (which produce 40% of the cement in the country).

One of the cement plants belongs to the French-Swiss corporation **Lafarge-Holcim**, world leader in cement manufacturing, and other corporations of Mexican origin. The cement industry uses fuel derived from industrial, infectious/biological, chemical and solid urban waste and biomass. When incinerated, it releases volatile organic compounds (VOCs) and persistent organic pollutants (POPs) into the atmosphere, which affects communities within a 50-kilometre radius. Furthermore, limestone mining corporations, agrochemical and processed food factories and another 115 corporations are concentrated in the region. These industries have destroyed our hills, cut down our forests, polluted our rivers, annihilated the flora and fauna of the region and force us to live with a cloud of dust and toxic gases constantly over our heads. They have caused severe harm to the health of the residents in the area, such as **childhood leukaemia and other types of cancer, endocrine disorders, congenital anomalies, immunological disorders, respiratory diseases and kidney damage**, among others.

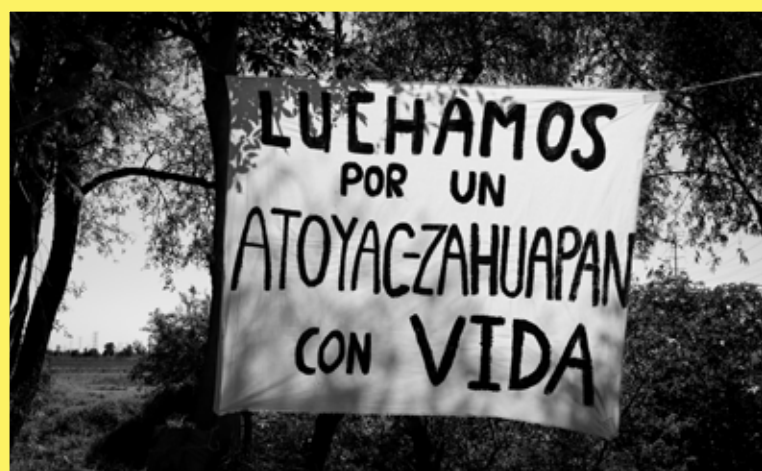


Photo: Martín Álvarez-Mullally (OPSUR)

4. THE ATOYAC-ZAHUAPAN RIVER BASIN¹¹

has been severely affected by the impacts of rapid urbanisation. With the arrival of Pemex and **Volkswagen** in the 1960s, it has become the fourth largest metropolitan area in the country. It has over 3 million inhabitants and more than 20,000 manufacturing corporations, of which approximately 1,200 are of foreign origin. There is a strong presence of European corporations, especially auto parts manufacturers, in the region. This has imposed a burden on the basin that is socially and environmentally unsustainable for our territories, which used to be predominantly rural.

The changes triggered by the industrialisation process have brought several problems with them: the overexploitation of our rivers and aquifers; the destruction of the health of the traditional peoples of the basin and the emergence and growth of criminal gangs involved in the trafficking of women and girls for sexual exploitation. Their main clientele are the workers who migrate to Puebla and Tlaxcala to find work in the factories and corporate executives who have settled in the cities of Puebla, Tlaxcala and Apizaco. What is more, another type of criminal organisation has recently appeared, one that steals fuel by drilling holes in gas and oil pipelines and

¹¹ Centro Fray Julián Garcés Derechos Humanos y Desarrollo Local A.C., CNPA MN

siphoning out fuel (known in Mexico as *huachicoleo*). The pollution left by transnational corporations such as **Volkswagen, Bayer, Basf and Thiessen-Krupp**, among others, is leaving its mark on the territory and people's bodies. Several toxicology studies show that in communities such as Villa Alta, Tepetitla, Santa Apolonia Teacalco, Ixtacuixtla and San Rafael Tenanyécac, the number of **cases of cancer, kidney failure, genotoxicity, bioaccumulation and miscarriages** is much higher than the national average. Mexico's environmental laws do not regulate or sanction corporations' environmental crimes. Even when one can prove that damage has been done, Mexican authorities lack the operational, financial, technical and political capacity necessary to confront corporate power and to force TNCs to comply with the same rules that they are obliged to follow in their countries of origin.

Furthermore, corporations such as Granjas Carroll, Driscoll's and Iberdrola overexploit the aquifer that supplies water to 29 municipalities in the states of Puebla, Tlaxcala and Veracruz. They expand their operations and rob us of our territories. In municipalities such as Libres and Cuyoaco in the state of Puebla, our wells are drying up. As a result of the industrial activities in the region, the aquifer is not being replenished and droughts are becoming more frequent.

5. IN THE LOWER BASIN OF THE COATZACOALCOS RIVER

on the northern tip of the Isthmus of Tehuantepec, there is a network of industrial cities located in 12 municipalities. Of them, Coatzacoalcos, Minatitlán, Las Choapas, Ixhuatlán del Sureste and Jáltipan de Morelos are worth highlighting. This is the region where the country's largest oil refinery, owned by Pemex, and the oil and petrochemical industrial corridor have been built. Oil refining is the activity that pollutes the region the most. Coke, a carbon-rich solid residue that is a by-product of the industry, is used as cheap fuel by cement, iron and steel manufacturers. It contains nickel, vanadium, traces of other heavy metals and volatile organic compounds (VOCs), which are deposited in the riverbed of the Coatzacoalcos River, destroying the microflora and microfauna,



Photo: Martín Álvarez-Mullally (OPSUR)

diminishing the already scarce riverine macro-fauna and pushing local fisherfolk even further into poverty.

Moreover, the highly concentrated pollutants in coke irritate people's respiratory tracts, increase the incidence of asthma and affect the health and quality of life of people who have heart and respiratory problems, especially those who suffer from chronic obstructive lung disease. It also raises the risk of cancer and other degenerative diseases. In Jaltipán, as coke is stored in the open air, it volatilises and forms a toxic cloud that constantly looms over the municipality and region. The facility is owned by the Spanish corporation ADN Energía (formerly **García Munté Energía de México**), which markets the product in Mexico. Two other extractivist corporations are also present in the region: Mexichem, owned by Brazilian capital, which exploits sulphur, chloride and sodium; and COVIA CORP., owned by Belgian, Spanish, Australian, Chinese and US-based capital, which extracts silica sand.

For all the above reasons, we, the organisations of the regions visited by the #ToxiTourMexico Caravan, demand that our territories be recognised as "Environmental Emergency Regions" and that the government act accordingly.

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