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European Languages

زبانهای اروپایی

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05.05.2023

Lithium in Chile, an opportunity



The mischievous intentions of the right have been evident with the decision of President Boric to create the National Lithium Company, an entity that deals with the exploration and production of a resource that today is considered strategic and can produce the country even greater income than those offered by large-scale copper mining. A state entity that will ensure State control of at least 51 percent of the activities that exploit this resource and, very importantly, intends to export this mineral with added value.



Location of the Andean and pre-Andean salt flats. [Fountain](#)

It is good to point out that all lithium reserves belong to the treasury and that it could arrange for its extraction and commercialization without resorting to private investors. However, the current government has decided to invite those who are interested in partnering with the State to implement these operations, an offer that has been well received by the two private entities that currently exploit this mineral and whose concessions will expire in a few more years. So in any case they prefer to associate with the treasury rather than abandon their works for the entire benefit of this or all Chileans, as they say.

In their well-known voracity, some national and foreign businessmen have not shown agreement with the initiative of La Moneda, warning that it would be much better if Chile handed over to the majority to the "private initiative" the exploitation of a resource that is destined to yield enormous profits, given that it is in our country where there are the largest reserves in the world and could quickly put us at the head of world production. In fact, last year only the taxes that the State collected from the exploitation of Soquimich(1) and Albemarle(2) exceeded the resources granted by Codelco(3) to the national treasury,

which is indicative of the immense global demand and the good price of what is now called the "white gold". And it can also point us to the immense profits of these two companies.



Improperly, some union and political sectors have accused Gabriel Boric of imitating the decisions of former President Allende when he marked a historic milestone by nationalizing the country's main copper company. A decision, moreover, that was agreed in 1971 by the unanimity of Parliament, in which the votes of the right of that time also concurred.

Quite contrary to what these opposition leaders point out, the late president would surely not have invited, as President Boric has now done, private investors to join the State's efforts in this business. Because it is not really a question of nationalization but, on the contrary, of a generous offer to the business world to participate in the exploitation of a resource that belongs to the State. What little or nothing should satisfy the left because of the sad experience that exists regarding the companies that were privatized by the dictatorship and the governments that succeeded it. To the extent that currently resources as fundamental as water and electricity depend on companies of very questionable management. As are pension administrators, health administrators, road concessionaires and so many others that profit grossly from fundamental services, yielding so little to the country.



When the business associations and their representatives in the legislative branch are so tenaciously opposed to a tax reform that forces those who have so much to raise their meager taxes for the benefit of the poor and the middle class, it would really seem very foolish to give private usufruct new mining, forestry and other concessions when the State could undertake these activities by itself and raise resources that can go in favor of overcoming poverty, achieving full employment and financing, for example, of educational and housing projects. Seeking, in addition, decent salaries and pensions.

None of the privatized companies has contributed so much to the country when compared to those that depended on the state-owned Corfo (4)fA, Codelco or those that formerly administered the pension funds of workers, whose pensions to retirees are substantially higher than those delivered today by the AFPs (5). In the hands, as is known, of a handful of foreign owners in what is accepted as the most profitable business of recent decades. Comparable only to the profits of private banking.

We already know that the enormous inequality that exists in the country leads to disorders such as crime and violence that plague cities and neighborhoods throughout the territory. When any Chilean can see the extreme wealth in which some live, as well as realize the millions of compatriots who lack a living wage and an adequate diet. This has as a consequence, for example, that the number of young people who drop out of education grows rapidly, tempted by drug trafficking that dominates the most precarious populations.



Lithium: strategic natural resource in the global geopolitical reconfiguration

It is repeated that the most dangerous thing is to hand over to the public administration the management of state enterprises and the exploitation of our rich resources. That to do this would be to encourage higher levels of corruption in politics, when it is already known that it has been the business world that has contributed most to bribing high and middle state officials, to colluding to defraud consumers, as well as to procure impunity for all its attacks against the national interest.

The economic growth that the powerful point out as an incentive to social welfare is proven totally false if a fair distribution of income is not achieved. It is not a question of being statist on a whim, but of assuming the certainty that those who have benefited most from the exploitation of our raw materials are those who prove incapable of mitigating their excessive voracity.

In this sense, our leaders should insist on their willingness to maintain lithium as a resource of all Chileans, while seeking a Constitution and legislation that restores the authority of the State to undertake and ensure economic growth that prevents the scandalous concentration of wealth.



Given the evident failure of neoliberal policies, what is now propitious is the recovery of the sovereign state with respect to its resources and dignity. Something that the progressive governments of our Region should agree on if they seek to prevent social outbreaks from multiplying throughout the continent and face the risk of the restoration by force of the nefarious dictatorships that prostrated us before foreign interests that continue to digitize our political decisions. In this sense, the hegemony that those parties and movements recover due to their economic and communicational power and, of course, the weakness and atomization of the left is disturbing.

N of E:

(1) Soquimich (SQM): Sociedad Chilena de Química y Minería, a public company created in 1968, privatized under Pinochet between 1983 and 1988, passing into the hands of his son-in-law Julio Ponce Lerou with the usual gangster methods of the Chicago Boys. The Chinese company Tianqi acquired 24% of its shares in 2018.

(2) Albemarle: U.S. mining company that exploits lithium in Atacama.

(3) Codelco: Corporación Nacional del Cobre, a state-owned copper mining company created in 1971 and partially privatized under Pinochet and his successors.

(4) Corfo: Corporación de Fomento de la Producción, a state agency created in 1939, responsible for the development and support of national industry.

(5) AFP: Pension Fund Administrators, public limited companies that manage pension funds.

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Edited by [María Piedad Ossaba](#)

[Politics and Utopia](#), 2 May 2023

Available translations: [Français](#)

La Pluma. net 03.05.2023