

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

[See a sample reprint in PDF format.](#)

[Order a reprint of this article now](#)

THE WALL STREET JOURNAL.

WSJ.com

THE AMERICAS | July 11, 2011

U.S. Greens vs. Chile's Poor

Environmental groups in America lobby to block Chilean energy development



By MARY ANASTASIA O'GRADY

Chilean President Sebastian Piñera says that by generating high levels of growth, his government's economic policy can set the country on the path to becoming a developed nation within a decade. That would be especially good news for the millions of Chileans who still live below the poverty line. But it's not likely to happen if environmentalists have their way in blocking Chilean energy development.

The latest green cause in Chile concerns a proposed hydroelectric plant in the southern region of Patagonia. In May, the Chilean regulatory body charged with approving such projects gave the go-ahead for building the five dams that will create the power. Immediately, environmental groups organized protest marches in Santiago and threatened lawsuits that could tie up the project for years. Mr. Piñera's opinion-poll numbers have also taken a hit from green propaganda framing the government as a spoiler of natural beauty.

Chile is a tiny country, but this case deserves outsized attention: It is a microcosm of a broader global battle between comfortable elites who have decided that there has been enough progress, and those striving for economic growth and the alleviation of poverty. Armed with fat wallets, these international "environmental" groups have put the poverty fighters on the defensive. Chile's hard left also has jumped into the fray, seeing the dams issue as an opportunity to weaken the center-right government.



Reuters

A demonstration in Santiago, Chile, on May 20, against a hydropower dam project in the southern region of Patagonia.

last month, Chile's minister of mining and energy, Laurence Golborne, seemed genuinely puzzled about the high level of public opposition to the project. The country imports 70% of its energy, and the sources are expensive and unreliable. If it hopes to grow fast enough to eat into the poverty numbers, it will need more diversified and competitively priced energy sources. Mr. Golborne noted that nuclear plants are off the table due to seismic activity, but water is

abundant in southern Chile and it is a clean, reusable, nonpolluting source of power.

According to the Chilean think tank Libertad y Desarrollo (LyD), the dam project, called HidroAysén, promises to generate more than 30% of the energy Chile currently consumes. "It is big but it is also very efficient," Susana Jiménez, a senior economist at the LyD, told me last month in a telephone interview from Santiago. The Patagonia dams will flood roughly 14,604 acres of land and produce 18,400 gigawatts per hour. That's an impressive land-energy ratio compared to, say, the new Brazilian dam project, Belo Monte, which will flood 127,506 acres and produce 28,000 gigawatts per hour. The area affected by the dams has a local population of 13 families—no large communities will be displaced. The power consortium also has promised to establish a 28,417-acre conservation area, and to reforest 11,120 acres with native species.

The power companies behind HidroAysén may have the facts on their side, but they have failed to take seriously environmental extremists who have made the defeat of the project a high priority for the last four years. One such group is International Rivers Network (IRN), a Berkeley, Calif.-based nongovernmental organization that works around the world against the damming of rivers for hydropower. It told the Chilean news outlet La Nación in 2007 that it would hit up big foundations for money to fight the project. Its attorney also promised a familiar tactic, demonizing those who favor the dam: "The Chilean economy depends heavily on its foreign image, and we believe that the image of HidroAysén will be associated with a primitive energy policy and the picture of degrading Patagonia, which is a worldwide symbol of Nature."

And indeed, Chileans have been served up anti-dam propaganda featuring

transmission towers superimposed on photographs of the national park in
The Americas in the News

[Get the latest information in Spanish from The Wall Street Journal's Americas page.](#)

Patagonia, even though the hydroelectric plant is 300 kilometers north of that park.

Peter Hartmann, a Chilean-based green crusader, revealed in January that the effort to stop HidroAysén had received "help and financing" from Berkeley's IRN, Greenpeace Spain, and America's Natural Resources Defense Council (NRDC) and Tides Foundation, among other groups. In 2008, Robert Kennedy Jr., attorney for the NRDC, met with Chile's then-President Michele Bachelet to lobby against HidroAysén. More recently he penned a letter to Mr. Piñera with the same pitch.

Press reports indicate that the enviro radicals also get money from wealthy jet setters who own large tracts in Patagonia as private hunting and fishing preserves. With loads of cash and well-honed skills in fighting development, the NGOs are formidable. It's not clear if Mr. Piñera is up to the challenge. Under enviro pressure, he already has canceled the construction of a coal-fired electric plant that had cleared the proper regulatory hurdles.

If the dam project is defeated, enviro elites will keep Patagonia's wild, unpopulated expanses as their personal retreat. That millions of Chileans will miss a chance to escape poverty no doubt will cause them little lost sleep.

Write to O'Grady@wsj.com

Copyright 2012 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com