

James Wolfensohn & the Chixoy Dam project - Guatemala

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CHIXOY DAM REPARATIONS CAMPAIGN

Below is an article about the World Bank, the Chixoy Dam Hydro-electric project in Guatemala [1975-1985, funded by the WB and the Inter-American Development Bank], and the Rio Negro massacres [killing over 440 Maya-Achi people] that were related to the Chixoy Dam project.

For more information about the Chixoy Dam Reparations Campaign [to get compensation and reparations from the WB and the IDB for their role in the death and destruction in the village of Rio Negro], contact Rights Action: info@rightsaction.org, www.rightsaction.org.

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BIG BAD WOLF? GUATEMALAN MASSACRES AND THE WORLD BANK PRESIDENT
by Matt Pacenza [matt@sheeppyvalley.com]

NOVEMBER 6, 2002: NEW YORK, NY. On a brisk Wednesday night in one of the finest houses of worship in all of the city--and by extension, the whole world--my wife, Julie, confronted the president of the World Bank. James Wolfensohn's audience, about 100 couples from 30 to 80 years old, nearly all members of the Congregation B'nai Jeshurun on the Upper West Side, listened closely as she calmly but firmly asked her question.

For the past hour, we listened attentively to Wolfensohn offer an effortless lecture, with no notes, on why fighting poverty is important. He definitely impressed his audience, but the skepticism of several preceding questions showed that listeners knew enough about the case against financial institutions like the Bank to push Wolfensohn further.

But her question was different--sharper. Julie first told him she appreciated hearing him say that if we could act now to reduce poverty, "real hope" remained. So she wanted to offer him a story, one that would not only raise questions about how much his institution contributed to the global misery that he had just so eloquently described, but that would also give Wolfensohn an opportunity to meet his own challenge.

Did he remember the Chixoy Hydroelectric project? The Chixoy was like a lot of the Bank's work in the 1970s and 80s: big, dramatic and expensive. Along with the Inter-American Development Bank (IDB), the World Bank loaned \$300 million to Guatemala to build a huge dam to flood several river valleys--the biggest was the valley of the Rio Negro--to generate cheap electricity and jumpstart the nation. But, as it turned out, people lived along the Rio Negro. It was the summer of 1982, and just as the hideous bloody war against anyone in Guatemala even tangentially suspected of being a guerrilla was winding down, violence hit those remote villages.

Local paramilitary troops murdered 444 Maya Achi from the village of Rio Negro that summer, largely women and children. (Nearly all the men were already dead,

or had fled into the surrounding countryside under the mistaken assumption that the army and the paramilitaries wouldn't attack villages if the men weren't there.) In four separate and brutal massacres along the Rio Negro, infants were smashed against rocks. Toddlers bayoneted. Boys strangled. Teens raped and shot.

The survivors of the massacres immediately fled their villages. The rivers were dammed. The reservoir filled up. And three years later, despite the fact that the violence against the villagers was widely known in the region and World Bank and IDB staff were on site, the World Bank loaned an additional \$45 million to the Chixoy Hydroelectric Project. The IDB followed suit with its own multimillion dollar loan.

Her brief (much more so than above) history over, Julie offered Wolfensohn a challenge. Immediately after the violence, she calmly continued, the Rio Negro massacres survivors were forced to move to the dismal resettlement village of Pacux, where they had miraculously organized themselves, made contacts internationally, and spent the last six years demanding that the World Bank, IDB and Guatemalan government pay for their suffering. Today, they want to return to the standard of living they had enjoyed prior to the Chixoy. Despite international support for the Pacux activists, neither Bank has admitted any knowledge about, or responsibility for the atrocities. Nor have they paid a penny.

The Achi villagers' demands are simple--as were Julie's final words for the World Bank President. What was the Bank doing to adequately compensate the surviving victims of the Chixoy Dam massacres?

The overall message of Wolfensohn's lecture couldn't have been clearer: We have to do more to fight global poverty. The wealthiest nations, particularly the United States, have left the world's poorest much too far behind. He proved his point simply, offering facts about what a mess the Earth's become, and how much worse it could get. Half the world's population lives on fewer than two dollars a day, the Bank's president somberly noted. The poorest fifth "survives" on less than one.

Making sure the world's poorest citizens have decent and sufficient food, housing, education and health was not just the right thing, but the strategic thing, since extreme poverty breeds many of the world's ills, including war and terrorism. The conquest of poverty, he said, was the same as the search for peace.

His talk impressed, but Wolfensohn's answers to questions posed before Julie's were less stellar. One woman rose and told him that she had been at the 1999 protests in Seattle--she herself had protested the Bank, because she believed its policies contributed to poverty.

Wolfensohn defended the Bank's policy choices--arguing that while the Bank wasn't perfect, it was at least doing what it could to educate women and feed families and make babies healthier. The Bank's goals and the protestors' goals are the same, he said, so they should work together, not apart. "It always amuses me when people demonstrate against us," he said, sounding more than a little patrician. "What we've discovered is that if we can get the demonstrators inside, there's more that binds us than separates us."

But then came Julie's question, and Wolfensohn's answer. That's when it turned out that something did separate us--the truth.

After the clarity and forcefulness of Wolfensohn's call to fight poverty, the bumbling evasiveness and outright falsehoods that followed were disheartening. He trotted out tired excuses: Sorry about the massacres, Julie, but it's not my fault. It was those guys who ran the Bank before me. Or maybe it was the Guatemalan government. Who knows? But we're better now.

"I can't comment on the mistakes of my predecessors," Wolfensohn said first. "That was 30 years ago." (Actually, the Bank's last Chixoy loan was 17 years ago, just three years after the massacres. And massacre survivors didn't demand reparations until 1996, during Wolfensohn's tenure. So then at least one of the Bank's biggest "mistakes"--its failure to compensate the Rio Negro victims--can only be Wolfensohn's mistake.)

"The leaders of most of these countries are less sensitive to these issues than we are," Wolfensohn then said, referring to the broader problem of indigenous peoples displaced by large projects. "The projects would be far worse if we dropped out." (If the World Bank had dropped out of the Chixoy project, there's no way Guatemala could have afforded its \$1.2 billion price tag, and the dam would never have been built. 444 people wouldn't have been murdered. Thousands wouldn't have been displaced, and forced to move into Pacux, a dismal village with little arable land, where they still struggle--and often fail--to maintain even a subsistence standard of living. The dam wouldn't have constantly broken down, costing the still poor country additional millions a year annually for repairs. By 1987, the president of the Guatemalan national electric company wouldn't have called the Chixoy "a financial disaster...which never should have been built." In 1991, the Bank itself, supposedly without even knowing about the massacres, wouldn't have characterized the Chixoy as an "unwise and uneconomic investment." It seems safe to say that Guatemala would be much better off today if the World Bank had "dropped out.")

Then came Wolfensohn's final words. Julie's story was horrible, he told the B'nai Jeshurun worshippers, his wife and daughters among them. Of course the Bank would do whatever it could for these massacres survivors. They were even "prepared to look into it," assuming there was "new information."

"Call me up," the president of the World Bank said, looking right at Julie. "Come talk to us. We have an open door policy. Please try to set up a meeting. Come to the Bank."

After our night with James Wolfensohn, Julie and I were convinced we had taken a revealing snapshot of the World Bank today: It does seem to recognize how serious world poverty is, and its leaders repeatedly say they want to do something about it. But the Bank and its leaders maintain a fatal flaw: Their critical lack of introspection and arrogance mask a historical blindness, which raises serious questions about whether the Bank has really changed. Saying mistakes were made--but not understanding which--makes it much more likely you'll make them again. Looking forward is good, but letting the victims of previous hideous mistakes languish sends a clear message to the world--which you're trying to line up in the fight against poverty--that justice and peace aren't worth fighting for.

So just one question remains. Did James Wolfensohn lie to Julie and the B'nai Jeshurun congregation? Will he meet with us, and with other international advocates for the people of Rio Negro? Will he meet with the massacre survivors themselves? (An opportunity exists: One of the most active and eloquent survivors, Jesus Tecu Osorio, will be in Washington in February.) Is he "prepared to look into it?"

We will send letters. We will call. We will try to set up meetings. The Bank-- and Wolfensohn--will get yet another chance, a chance to demonstrate that their fight against poverty goes beyond smooth and forceful rhetoric.

Stay tuned.

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--Matt Pacenza and Julie Stewart lived in Guatemala from 1994 to 1996 while volunteers with Witness for Peace. They were the principal writers and editors of "A People Dammed: The Impact of the World Bank Chixoy Hydroelectric Project in Guatemala," published by Witness in 1996 and available on the web at: <http://www.witnessforpeace.org/apd.html>