

International Federation of Chemical Energy Mining and General Workers' Unions



**World Conference for the Mining Industry
23 - 25 November 2004
Boksburg, South Africa**



**Global Mining
Global Challenges
Global Union Action**

Dedicated to all the women and men, living and dead, for their selfless sacrifice towards the noble cause of international working class solidarity and social justice in the mining industry over the past 125 years.

Prepared by:
Gino Govender
Mines and Energy Officer
ICEM Headquarters, Brussels

CONTENTS

page

Introduction.....	3
SECTION ONE: An Economic Overview of Mining Today	5
1.1 Increased Demand and Supply	6
1.2 Global Consolidation.....	7
1.3 Big Mining - but Small in Comparison?.....	8
1.4 The Future is Coal	8
1.5 China.....	10
SECTION TWO: The Politics of Mining.....	12
2.1 The Impact of Foreign Direct Investment (FDI).....	13
2.2 The “Mining is Bad” Scenario	13
2.3 The Mining is Good Scenario	14
2.4 Revolutionary Change in South Africa	15
2.5 Multinational Mining Corporations and Social Policy	16
2.6 Pursuing Global Agreements with Multinationals	17
SECTION THREE: A Social Profile of the Global Mining Industry	18
3.1 Decent work – A worthy vision for all.....	19
3.2 Mining Employment.....	19
3.3 Mine Restructuring, Downscaling and Closure Programmes.....	20
3.4 The Increased Move Towards Sub-contracting Traditional Mining Jobs	22
3.5 Female Employment in Mining.....	23
3.6 Health Safety and the Environment	24
3.7 Climate Change	25
SECTION FOUR: Mining and the Sustainable Development Challenge.....	27
4.1 A Decade of Debate	28
4.2 The UN World Summit on Sustainable Development (WSSD).....	28
4.3 Inter-Governmental Action at a Global Level.....	29
4.4 The Business Initiative.....	30
4.5 Sustainability Reporting.....	32
4.6 International Finance Institutions.....	32
4.6.1 The World Bank.....	32
4.6.2 The Equator Principles.....	34
SECTION FIVE: The ICEM - Responding to our Members.....	36
5.1 HIV/AIDS.....	37
5.2 Small-Scale Mining	37
5.3 The Rio Tinto Global Workers Network.....	38
5.4 AngloGold Global Agreement	39
5.5 Responding to Mine Fatalities.....	39
5.6 Protests against mine closures, anti-union tactics, violation of basic rights.....	40
5.7 ILO Tripartite Meeting on the Evolution of Employment, Working time and Training in the Mining Industry	41
5.8 International Mining and Maritime Solidarity Conference	41
5.9 Union Building Projects	42
5.10 Field Work.....	42
6. Conclusion.....	42

Introduction

Minerals touch our daily lives in hundreds of different ways. Life, as we know today, would be very different without them. The raw materials we extract from the ground are as critical to our modern way of life and, of course, for life itself – like water and food. Every economic activity within society such as energy production, agriculture, construction, manufacturing, transport, art, culture and science depend in one way or another on minerals.

Humans have been extracting mineral and metals from the earth for as long as civilisation itself. The exponential growth we see today in the extraction, selling, processing and consumption of minerals must be understood in the context of the increasing integration of the global human community. History reminds us of empires, kingdoms and supreme nation states driving the process of domination, political power and world trade. Referred today as “globalisation”. Then, the drivers of this process were armies, preachers, traders, shipbuilders, adventurers and global enterprises like the Dutch and British East India Companies.

Today, the spread of economic globalisation through privatisation of goods and services, market deregulation and trade liberalisation created a new world order in which multinational enterprises have taken the lead role in the global supply chain. The power of international trade rules and multinational enterprises have increased immeasurably at the expense of the power local communities, local wealth, local knowledge, local culture and age-long traditions.

The number of multinationals has grown from 3 000 in 1990 to over 63 000 today with over 820 000 subsidiaries. They employ approximately 90 million workers of which some 20 million are in developing economies. The top 1000 of these companies account for 80% of the world’s industrial output. The wealthiest are located in the USA, Europe or Japan.

Whilst the benefits of modern globalisation in communications, travel, knowledge production and trade are visible today, so too is the widening gap between the rich and poor. After more than a century of industrialisation the global disparities even within mining are stark. Of the more than 100 countries in the world whose citizens extract metals and minerals out of the ground, roughly 56 can be considered “mining countries” given this sector’s relevance to domestic needs and its contribution to export earnings. An estimated 3.9 billion people live in these mining countries. Among them 3.5 billion earn less than US\$ 2 a day, making up almost two-thirds of the world’s poorest population.¹ As workers, this *is* our concern.

What are *our expectations* from the industry?

- Mineworkers want *respect for their labour rights*, decent jobs, good social benefits, a safe healthy work environment and to spend time with their family and friends;
- Mining communities expect *respect for their human rights*, respect for their environment, decent employment opportunities, development of social infrastructure and to be better off when the ore is depleted and the mine eventually closes;
- Society as a whole must *reap the rewards* from the extraction and development of minerals – not a few individuals.

The ICEM’s vision is mining industries that are *safe, humane and productive*. Investors on the other hand want continuously higher dividends and consumers expect safe, affordable products that meet acceptable social standards. For industry to succeed in implementing

policies pursuant to real sustainable development in the 21st century most stakeholders, especially the ICEM, accept that a radically new approach is required.

Over the past four years there have been several critical developments that suggest mining can make a positive impact in the quest for a truly sustainable developmental path. There are sufficient well-researched multi-stakeholder driven policy proposals and recommendations that enable the mining industry to achieve these goals. Translating these into tangible action requires *commitment and determination* on the part of decision makers to transform the industry to meet the needs of our global population today and tomorrow. More critical of course is whether the balance of forces in mining today can be tilted in favour of this path.

Industry analysts claim that we are experiencing the first mining boom of the 21st century and which is likely to expand over the next decade. The key question we need to pose is not whether but how, as labour, we could seize the time and the opportunity during such a boom to spread the message, and advance this cause towards *a better life for all* those who depend on mining for their livelihood.

This should not be interpreted as a new call to action. Miners have a proud history of active struggle in the workplace, in mining communities and society as a whole. This tradition and lessons learnt are more relevant in our political, social and economic today. Many of the challenges that miners confronted more than a century ago such as a eight-hour day, decent wages and working conditions, adequate retirement provisions and respect from society for their role, remain on our agenda today in today's increasingly integrated and globalised economy.

A recently published report by the World Commission on the Social Dimension of Globalisation, titled "*A Fair Globalisation: Creating Opportunities for All*"², calls, not unexpectedly, for a better process of globalisation with a strong social dimension, respect for human rights, dignity, inclusiveness, democracy and tangible benefits for all. This process is enforced by the following principles that could equally apply to mining:

- *A focus on people.*
- *A democratic and effective State.*
- *Sustainable development.*
- *Productive and equitable markets.*
- *Fair rules.*
- *Globalization with solidarity.*
- *Greater accountability to people.*
- *Deeper partnerships.*
- *An effective United Nations.*

¹ Treasure or Trouble? Mining and Development. World Bank and International Finance Corporation. Washington DC (2002)

² The Commission was co-chaired by two serving Heads of States (from Finland and Tanzania) comprised members of trade unions, employers and governments, under the auspices of the ILO. The report is available at <http://www.ilo.org/public/english/fairglobalization/index.htm> and in Spanish, Russian, Arabic, French, German, Chinese and Italian

SECTION ONE: An Economic Overview of Mining Today

1.1 Increased Demand and Supply

Global mining production is estimated at roughly US\$315 billion. The industry is currently enjoying record production and consumption of mineral-based commodities driven largely by South East Asia, emphasising that economic growth and industrialisation without metals is not possible.

Production and consumption of gold, copper, zinc, nickel and iron ore are strong and growing. Together they account for approximately 60% of non-fuel mineral production. In 2004 these metals have been trading at record prices. As a result we are witnessing increased exploration investments particularly amongst junior miners and increased mining of low-ore bodies to meet demand. According to the Metals Economics Group, expenditure by junior companies looks likely to reach over US\$1.1 billion almost double to that of the previous year.¹

From a mining investment point of view, Australia, Canada, Chile, South Africa and Brazil are the top five destinations in the world. The increased level of exploration activity seen in 2004 is an indication that the industry is healthy. Gold continues to attract the most investment, followed by copper and nickel. Most the investment in both brownfield and greenfield projects is going to Latin America.

Figure 1. Mine Investments by Region, 2003²

	Project Investment		Exploration
	US\$ billion	%	%
Latin America	25	30	24
Oceania	17	21	16
Africa	13	15	17
North America	12	15	29
Asia	11	14	7
Europe	4	5	7
Total	82	100	100

The number of metal mines in the world is around 2500. The number of registered mining companies is not known. The number of companies producing gold, copper and iron ore (in the Western world) is 385 although it is always difficult to get a bottom cut off because of the activities of the many small gold mining companies.

Figure 2. Global Mining Production in 2000 in million tonnes (Mt)³

Coal	4,400
Ferrous Metals	600
Non-ferrous Metals	185
Precious Metals	20
Industrial Minerals	545
Total	5,750

Metal mining of any significance takes place in some 75-100 countries. Over 4100 Mt of metallic ores is mined every year. But of these, 80 % comes from the ten most important countries (in terms of amounts of metallic ores mined):

1. USA
2. Chile
3. China
4. Australia
5. Brazil
6. South Africa
7. Russia
8. Canada
9. Peru
10. Ukraine

1.2 Global Consolidation

Mining corporations have positioned themselves over the recent years to meet demand through capacity expansion. It is estimated that over 80 billion US dollars (USD) were recorded as spent over the last four years on the consolidation of the global mining industry through mergers and acquisitions (M&As).

Most of the mining M&As have been friendly and agreed ones. The global surge in M&As has however not affected the overall structure of the industry as much as might be anticipated. The big mining houses are simply getting bigger. In February 2002, Newmont completed the acquisition of Normandy, beating AngloGold's bids, to make it the world's largest gold producer. In response AngloGold initiated merger talks with Ghana's Ashanti Goldfields, and after final approval by the Ghanaian government, a new African powerhouse was created through AngloGold Ashanti. Harmony has prepared a "hostile" bid to take over Goldfields, whilst the latter is pursuing a merger with Canadian junior IAMGold. Norilsk recently bought Anglo's 20 stake in Goldfields. These are further steps towards consolidation in the fragmented gold sector. The BHP-Billiton merger resulted in the creation of the world's largest diversified minerals company. The following table contained in a recent Raw Materials Group press release gives an estimate of the new balance of power at the end of 2003.⁴

Figure 3. Leading Metal Mining Companies in 2003

	Company	Rank 2001	Country	Share of Global Mine Production (%)	Workers	Countries
1	Anglo American plc	1	UK/SA	6.7	165 000 ⁵	55
2	BHP Billiton Group	3	UK/AUS	3.9	65 000	15
3	Rio Tinto	2	AUS	3.8	60 000	20
4	Norilsk Nickel	5	Russia	3.1	63 500	8 ⁶
5	CVRD	4	Brazil	2.9	14 289	12
6	Codelco	6	Chile	2.1	34 609 ⁷	1
7	Newmont	8	USA	2.0	26 119 ⁸	11
8	Noranda	14	USA	1.4	15 000	8
9	Barrick	19	Canada	1.3	4 675	7
10	Phelps Dodge	13	USA	1.3	14 000	28

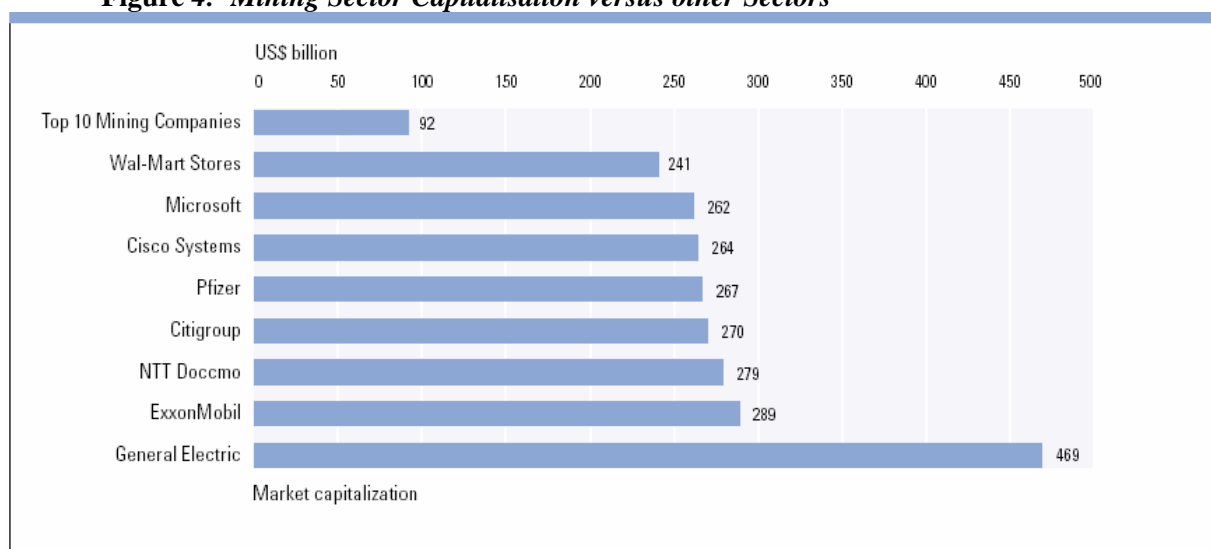
Despite Anglo American's off loading of several gold mines in South Africa, it still retains the top spot it held for the last 25 years. The ascendancy of both Barrick and Newmont stems from acquisitions of Homestake and Normandy respectively. The demand for copper has contributed to the move by Noranda and Phelps Dodge into the top ten.

Major metal producers in India, Japan and China are also increasing offshore equity in Australian, Chilean, Peruvian and Zambian mines to ensure security of long-term supply to meet local manufacturing demand.

1.3 Big Mining - but Small in Comparison?

In the global context “big mining” is relatively small when compared to other global players like Microsoft, ExxonMobil and General Electric. This relates to the fragmented structure of the mining industry, which is vastly different to say an oil company heavily involved in both upstream and downstream sectors – from exploration, extraction, production and processing, distribution and service stations. Ownership and control of the stages from exploration, extraction, smelting, fabrication, marketing and recycling is fragmented resulting in a coherent and consolidated vision. The big producers of iron ore are mining companies not steel companies. Iscor, an integrated former South African state-owned iron mining and steel manufacturer has recently separated its mining and manufacturing activities.

Figure 4: Mining Sector Capitalisation versus other Sectors



Source: *Breaking New Ground, Report of the MMSD Project*

1.4 The Future is Coal

Only a few years ago, coal was regarded as the forgotten energy export at the expense of oil and gas. Coal remains a vital factor in the world energy mix. It is cheap, abundant, geographically diverse, easy to store and transport. Oil prices have surged over US\$ 50 per barrel ending the cheap US\$10 per barrel. Oil analysts are saying that we have reached the era of “peak oil” as available reserves will be depleted by 2050. Adequate energy supplies are essential for the world’s nations to meet their citizens’ basic energy need and sustain their economic and industrial development. With rising oil prices, countries have been looking at alternative energy with a greater urgency to secure supply.

In the past three years the spot price for coke has risen from \$70 a tonne to a high of \$450 this year. It has since settled at \$250-\$300 a tonne. Coal has made a comeback in the US amid disillusionment with gas and expectations of sustained strong demand from fast-developing countries such as China and India. Some 92 coal plants, representing \$69bn of investment, are planned in the next few years.

The global coal industry has seen considerable and painful restructuring in the past years. The involvement of foreign companies in previously nationally-owned industries has grown. Rio Tinto, Anglo-American and Rheinbraun have made significant acquisitions. Four trends

indicate that it will soon see some more global consolidation and the emergence of corporations with a global impact on the industry.

These trends are:

- the increasing amount of coal, which is exported;
- the privatisations of state-owned coal producers which are planned;
- the entry of foreign corporations into previously national-based industries; and
- the consolidation of global coal ownership and control.

The size and diversity of the international trade in coal is unique. The worlds largest coal producers are China and the USA. However, the largest coal producers are not necessarily the largest exporters. Australia is the world's leading hard coal exporter. Other large exporters are the USA, which exported to over 29 countries, and South Africa. For some countries, such as Australia and Colombia, coal exports are of much greater importance to the national economy than the domestic consumption of their coal. On the other hand, the major producers, China, the USA and India, also import coal for reasons of quality and logistics.

Only a small proportion of total world coal production is exported, yet the volume of internationally traded coal is increasing every year. In Western Europe previously coal-sufficient economies have begun to import from Eastern Europe. Stricter environmental standards and the Kyoto protocol to limit greenhouse gas emissions are favouring other fuel sources such as natural gas whose use is expanding rapidly.

The following table quoted in Petroleum Economist illustrated the rising demand for coal:

Figure 5: Global Exports in million tonnes

	2001	2002	2003	% Change
Australia	86.6	100.0	104.0	4
USA	20.8	18.1	21.0	16
South Africa	65.0	67.0	69.0	3
Indonesia	63.0	71.0	86.0	21.1
Poland	19.0	19.0	18.0	-5.3
China	71.6	73.0	80.0	9.6
Columbia	37.0	32.0	42.0	31.3
Russia	29.0	33.0	37.0	12.1

Figure 6: Global Imports in million tonnes

	2001	2002	2003	% Change
Japan	92	94	103	9.6
Rest of the world	349	352	365	3.7

Coal generates 55% of USA electricity and 70% of that in India and in China - the world's three largest populated states. More than half of total world coal production currently provides around 37% of the world's electricity. Many countries are heavily dependent on coal for electricity, including: Germany (50%), Poland (96%), South Africa (90%), Australia (86%), China (81%), India (75%), Czech Republic (74%), Greece (70%), Denmark (59%), and the USA (56%). Growth in energy demand will increasingly rely on the abundance of coal throughout the world. It is estimated, at current production and consumption levels, there is about 200 years supply of coal still available.

BP, in its 53rd Edition of its “Statistical Review of World Energy” released in June 2004, revealed that in the second year in succession coal was the world’s fastest growing energy source, rising by nearly 7%. Whilst consumption was heavily influenced by South East Asia, coal demand was also strong in other parts of the world.

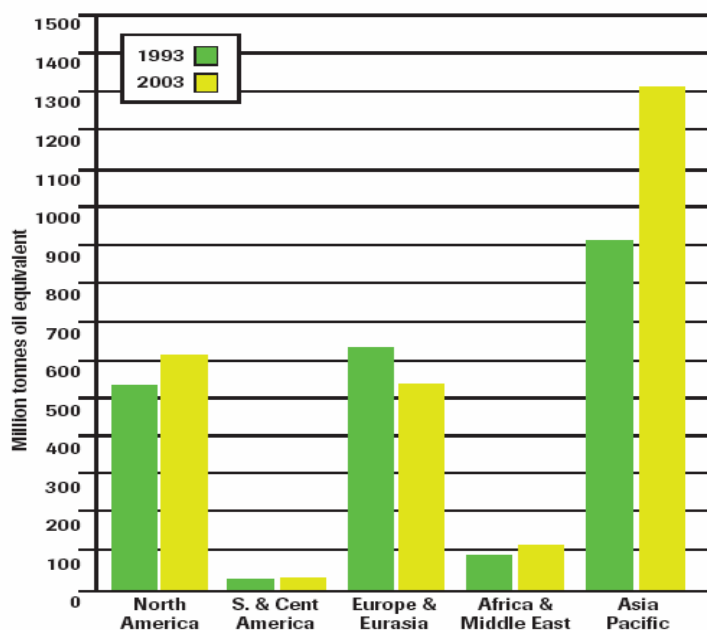
The development and modernisation of any country is based on the availability of industrial energy, electricity and improved modes of transport. The growth in energy demand will increasingly rely on the abundance of coal throughout the world. However, in recent decades the increasing need for the preservation of the environment is being recognised.

1.5 China

China’s manufacturing sector is growing not only to meet export orders but also to satisfy demand from the middle classes. Roughly 20% of the world’s white goods, such as stoves, refrigerators, and microwave ovens are produced here. The production of high-tech consumer goods such as televisions, DVD players and now cars are on the rise. China has become the production hub of the world and it’s neighbour, India is fast catching up.

Coal is the lifeblood of China. The country is the world’s top producer of coal with an estimated production of 1.9 billion tonnes this year, an increase of 10% on the previous year. Coal remains top priority for China’s electricity and manufacturing sector. Almost 75% of the country’s installed 400 000 megawatt capacity is coal-fired, second only to the US. To satisfy growing domestic demand China has stopped coal exports while it works on new sources of oil. The state recently signed an agreement with SASOL, a South African energy and chemicals firm, to build two coal-to-liquid fuel plants in China. These plants, costing \$3 billion each, will produce 60 million tons of liquid fuel (440 million barrels) a year. Since China imported 100 million tons of oil last year, these plants would give China substantial control over its domestic energy situation, though its demand is growing fast.

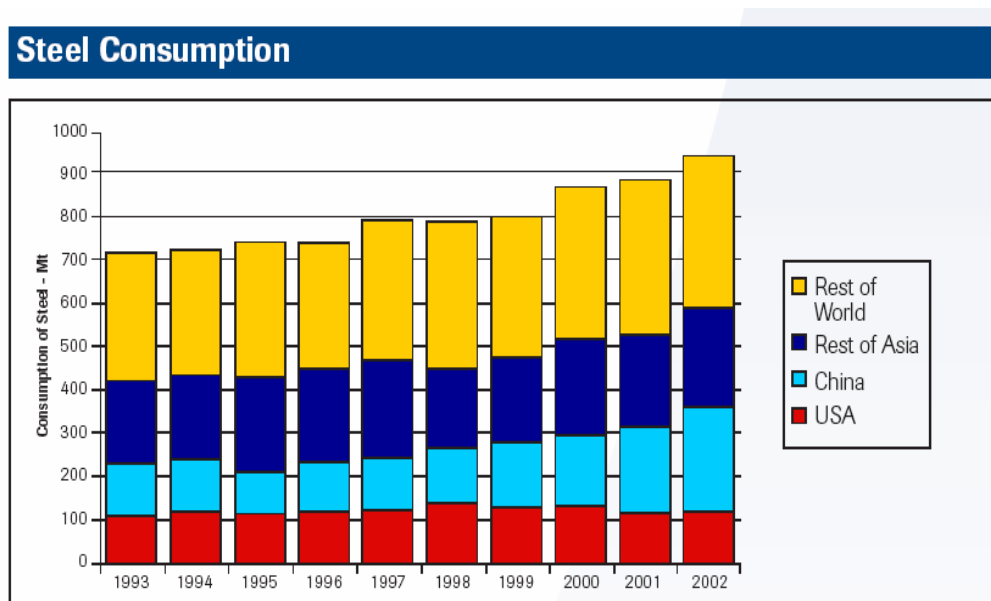
Figure 7: Regional Consumption of Coal – 1993 & 2003⁹



Global steel production is dependent on coal. Approximately 66% of total global steel production relies on coal. China is also the largest producer and consumer of steel, replacing

the United States. The 2008 Beijing Olympic Games will no doubt add to increased demands for minerals.

Figure 8: Global Steel Consumption



The German coal industry is leading a campaign to persuade the government to revive the country’s coal industry, deemed uneconomic and due to be run down over the next decade. This offensive comes against a backdrop of surging global commodity prices, driven by huge demand from China, and amid a public and political outcry at home over planned power price increases by Germany's leading energy groups. Germany has 1bn tonnes of good coking coal reserves. The sharp rise in the price of coke, a form of processed coal used to fire steelmakers' furnaces has hit Germany particularly hard.

Finally, spare a thought for uranium mining. There are 438 operating nuclear power plants across the globe. Construction of further 30 have either been approved or are in the planning stage. Half of these are for China or India. Nuclear power, unlike coal, is largely unaffected by the Kyoto Protocol, due to low carbon dioxide emissions. It is a highly regulated industry and waste disposal is regulated under international supervision. The demand for clean air will place nuclear energy as a vital part of the future energy mix scenario signalling a growth in this sector.

¹ Mining Journal, London, October 1, 2004
² Raw Minerals Data & Metals Economics Group. 2443
³ L Weber, “Recent trends in World Mining – Quo Vadis?” Editors AK Ghose and LK Bose, New Delhi 2003
⁴ Raw Materials Group Press Release, October 11, 2004
⁵ Includes 30 000 contractors – source company website
⁶ Includes Goldfields operations in South Africa, Ghana, Peru and Australia – 2003 annual report
⁷ Includes 17 614 production contractors – source company website
⁸ Includes 12 664 contractors – source company website
⁹ Energy in Focus – BP Statistical Review of World Energy, June 2004

SECTION TWO: The Politics of Mining

2.1 The Impact of Foreign Direct Investment (FDI)

The majority of mining nations continue to rely on FDI to fund their extraction industry. Conditionalities for such funding is guided by the policies of the International Monetary Fund (IMF) and the World Bank which include privatisation of state controlled mineral deposits, public enterprises and massive changes to create a so-called “investor-friendly” climate. In a recent piece Oxfam America referring to a UN report stated,

“Foreign direct investment has become such an important part of global development strategies that it has replaced foreign aid as the main source of external capital for many developing countries. Today FDI amounts to about 60 percent of the international capital flowing into developing countries each year and is ten times larger than official development assistance.”¹

Many countries, for historical reasons, are often ill equipped to deal with the new demands of the international finance institutions and corporations wishing to enter the country. These problems may include:

- lack of proper comprehensive mining codes and regulations;
- inadequate social and environmental standards or where they exist under resourced agencies to enforce compliance;
- absence of technical expertise close to the mine site;
- lack of technology
- modern infrastructure and facilities for expatriate managers etc.

Technical assistance that accompanies such investment includes changes to tax laws, public institutions that regulate the industry and labour market deregulation amongst others. Investors expect good returns and therefore are attracted to destinations that offer low wages, fewer regulatory controls and generally weak governments. Even in today’s industrialised countries e.g. Canada, Germany, USA and Australia where mining wages are higher, social and environmental standards in place, strong governments in power they are not exempt from the dictates of the corporate bottom-line.

2.2 The “Mining is Bad” Scenario

Whilst historical evidence shows that *mining hotspots* in mining exist mostly in the southern hemisphere where problems of a social and environmental nature persist, countries of the north are not exempt. There are several well-documented mining conflict spots in Peru (Yanacocha), Romania, Indonesia (Kelian/Grasberg), Philippines (Didipio), Papua New Guinea (Tolukama), Columbia (Drummond) and Bolivia amongst others.

During the World Bank-sponsored Extractive Industries Review several case studies that highlighted current disputes and conflict were cited. The main causes could be categorised as follows:

- human and labour rights infringements and violations;
- poor safety and environmental standards;
- unpaid wages
- breach of international treaties and conventions;
- ill-conceived resettlement projects
- land rights and access to natural resources such as water
- destruction of peoples’ cultures and way of life.
- lack of transparency and participation by local communities leading to corrupt practices;
- poor management and sharing of mining revenues with affected communities;
- broken promises by governments and companies;

- impact of mining in high biodiversity, protected areas and cultural sites;
- use of cyanide and mine waste disposal leading to water contamination and affecting public health
- use of public and private security to suppress legitimate opposition to bad practices;

These cases naturally give the industry as a whole a bad reputation. Despite the global nature of the industry there is an absence of a real strong political commitment by our global corporate citizens to lead by example. Whilst many corporations do have good policies again enforcement is often left to local management. High profile conflict is often left to the devices of local belligerents. The downside of this approach is that good practice, where it does exist, is overshadowed by the negative general image that mining gives itself. The millions of dollars spent annually on image are thus ineffective from an overall industry perspective.

Governments on the other hand have been actively reforming their mining policies. Over the past decade some 90 countries² have either introduced new mining regulations, amended existing legislation or are drafting new ones. There are examples of both “mining is good” practice and “mining is bad”. This can be partly attributed to how good policy is implemented and whether local trade unions and communities are seen as central stakeholders who can make a positive contribution to mining or subjects peripheral to the financial bottom line. In the mining is bad scenario that nation’s mineral wealth is there to plunder.

2.3 The Mining is Good Scenario

In the mining is good scenario, mineral wealth is a national asset and is used to promote broader socio-economic developmental growth. Mineral deposits are a depleting asset. The primary role of governments as custodians of the country’s mineral wealth can be broadly defined as follows:

- to ensure that the country as a whole benefits from mining;
- act as legislators and regulators;
- ensure transparency in the sector;
- to attract investment;
- to protect the rights and well being of workers and communities who depend on mining;
- involve unions and community organisations in the development and implementation of policy.

In this context governments are active agents that promote and uphold good mining policy and practice. Many countries that have significant oil, gas and mineral reserves have established systems through which funds accrued are used to benefit society as a whole. In addition to tax reform several countries in Latin America and Africa including Mali, Ghana, South Africa, Peru and Chile have also introduced a system of either profit or revenue based mining royalties. No doubt the introduction of these royalties is met by, not unexpectedly, opposition from the mining companies themselves. Workers and affected mining communities in these countries support such measures that go towards socio-economic development projects.

The state-run Chilean Copper Commission estimated that the nation’s 10 largest producers, which include mines owned by Anglo American and Phelps Dodge, paid \$1.8 billion in taxes in eleven years whilst exporting \$43 billion in copper since 1990. Multinational companies produced about 69% of the nation’s copper last year, while government-owned Codelco, the world’s biggest copper producer, generated the remaining copper production. Codelco supports the government capturing more of the profits generated from mineral wealth as

companies are getting away without “paying a cent”. Companies will complain, but the rich copper content of Chilean deposits and comparatively low taxes would discourage them from going elsewhere.

2.4 Revolutionary Change in South Africa

Perhaps the most revolutionary transformation of any mining industry over recent years has taken place under the guidance of the new democratic government in South Africa. Mining has been the backbone of South Africa’s industrialisation for over a century. Under colonial government, later succeeded by successive apartheid regimes, mining was a microcosm of the South African society. Despite political isolation and sanction, the mining industry was huge in comparison to other countries. South Africa’s mining companies are leaders in several mineral sectors. Anglo American retains the number 1 producer spot it has held for thirty years. Several leading mining houses have also moved their primary listing to London and New York. After democracy mining companies could now openly compete in the global market and exploit their new-found freedom after decades of isolation. Whilst SA mining houses rapidly expanded operations abroad the need for fundamental reform at home was unavoidable.

Since the installation of a democratic government in 1994, a package of legislation was introduced through robust tripartite negotiations and adopted by the new parliament; from health and safety, environmental management; education and training; employment and ownership and control. These reforms were underpinned by the new government’s vision of a non-racial, non-sexist society and an industry that mirrored this vision. The industry, hitherto, could best be described by the following extract from a submission by NUM to parliament’s mineral and energy committee:

“South Africa is well endowed with mineral resources amongst which it has the largest world reserves of gold, platinum, chrome and coal. Mining activities have been taking place in South Africa for more than 100 years in all the mineral commodities and particularly gold, diamonds, copper, coal, etc. The mining industry has over these years generated wealth amounting to billions of Rands.

Despite this wealth and the benefits accrued the majority of South Africans continue to live in poverty. Moreover, mining activities have been exclusively reserved for a minority of South Africans. Blacks could only participate as labourers who were subjected to harsh working and living conditions. The current mining and minerals legislation does not provide opportunities for the majority of South Africans to participate in the industry. This is exacerbated by the ownership arrangement of mineral rights which is concentrated in the hands of few people. The monopolistic character of the mining industry continues to exist with only few conglomerates dominating the industry.)³

A cornerstone of new policy and a major milestone in mining history has been the passage of the Mineral and Petroleum Resources Development Act, which amongst other provisions:

- recognises state sovereignty over mineral resources and gives effect to state custodianship;
- promotes equal access to all citizens and expands opportunities for those discriminated in the past;
- promotes employment and social welfare for all;
- the de-racialisation of the industry
- allows the state royalties from mining

To give effect to the payment of royalties for the extraction of non-renewable resources, a draft bill is currently under discussion. A tripartite-negotiated Mining Charter has recently been adopted. The Charter has as its central thrust empowerment historically disadvantaged people⁴ including women and from both an employment and ownership perspective and sets clear targets for the achievement of these. Both employers, through the Chamber of Mines, and workers, through the National Union of Mineworkers have contributed heavily to these reforms.

Recently Zimbabwe, which has a significant mining sector and a major source of foreign currency earnings, introduced black economic empowerment regulations that aims to gradually increase ownership up to 30% over a period of ten years.

2.5 Multinational Mining Corporations and Social Policy

Throughout history, particularly in the 1970's, the role and conduct of multinational corporations has been an issue for human rights activists. Corporate Social Responsibility became the new buzzword amongst business, certain governments and civil society. Today "corporate accountability" is on the menu.

There are already several instruments available for promoting and protecting human and trade union rights i.e. at the workplace, company, national and international levels. However, many of these principles require a voluntary commitment to enforcement. Voluntary codes rely on a company's sense of values and "charity" for their effectiveness. They are regarded as "soft law". There are no real penalties for non-compliance. Trade unions and civil society have to wage never-ending battles to uphold these principles. There are several ways to do this.

At a global level as we will see, codes of conduct, internationally agreed conventions are voluntary approaches and requires self-regulation by nation states and corporations. There is little or legal accountability on the part of states or corporations to enforce internationally agreed standards. But, international law is not static. There is a growing view emerging within the international community that voluntary initiatives are in them selves not enough. In the last 50 years the UN and its agencies e.g. the ILO, have developed many international rules to protect human rights. Though primarily concerned with the obligation of states, such rules provide a clear basis for extending the international obligations of companies. It is the primary role of states to protect human rights and therefore ensure that the private sector do not abuse them. Equally international law can place direct obligations on companies to enforce these when states are unable or unwilling to do so.

Minimum standards generally are the basic foundation from which societies, organisations and corporations build and improve quality of working and community life for populations. The ICEM believes that labour standards are not an obstacle but a prerequisite to broad, balanced and sustained social and economic development. In the context of a globalised world trading system, the opportunities for business enterprises has never been better. We are constantly reminded of the advantages. However given the negative impact globalisation has had on workers and communities, it is no wonder that we are seeing a greater pressure for global companies to obtain a "social license" to operate.

These are several well-known international treaties and agreements that constitute a package of political, economic and social rights that governments and employers must uphold. These include:

- *Universal Declaration Of Human Rights*
- *ILO Core Labour Standards*

- *ILO Convention 176 in Mine Health and Safety*
- *ILO Convention 169 on Indigenous and Tribal Peoples*
- *The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.*
- *The OECD Guidelines for Multinational Enterprises which is binding on governments*
- *OECD Convention on Combating Bribery of Foreign Officials*
- *International Standards Organisation's ISO 14001 on environmental management*
- *UK/US Voluntary Principles on Security and Human Rights*
- *United Nations Secretary-General's "Global Compact" Initiative*
- *The Global Reporting Initiative*
- *Various Heritage Sites Treaties*

2.6 Pursuing Global Agreements with Multinationals

The ICEM at its 1999 2nd World Congress in South Africa, adopted a strategy to pursue, with multinational companies, Global Agreements that have as their cornerstone these ILO Conventions and other "best practice" principles. This approach was further debated and elaborated at 2003 3rd World Congress in Stavanger. Such agreements provide a practical vehicle for a bilateral approach to implementing and monitoring application of these standards. These agreements are not intended to replace our affiliates' existing bargaining arrangements but to extend and reinforce the work of the ICEM's affiliates to organise and to improve industrial relations and employment conditions within the multinational.

The point of departure with such global agreements is the company's agreement to apply the ILO core labour conventions: on basic trade union rights; to organise and to bargain collectively; against child labour, bonded or forced labour; on equality of opportunity and treatment in employment; on fair payment of wages and benefits according to good industry standards; use of contractors and health and safety.

Companies signing such agreements commit and are required to ensure that their global operations, even where the local law does not require them to, abide by such strict standards. They also allow workers to monitor the companies' practices and to correct abuses. This requires that workers (and indeed managers) covered by such agreements be trained in the terms of the agreement and in how to enforce it. Violations may be taken up by ICEM affiliates individually or through the engagement team. An annual review meeting takes place to check progress and to discuss general questions relating to the company's industrial and financial performance.

To date we have signed 9 agreements including two in the mining sector with AngloGold (South Africa) and RAG International (Germany). Rio Tinto has thus far resisted our efforts for a global agreement. Further information is available at <http://www.icem.org/agreements/agrindexen.html>.

¹ UNCTAD (2002) Least Developed Countries Report 2002, United Nations, New York

² A national mineral policy as a regulatory tool. JM Otto (1997)

³ Joint NUM – Cosatu Submission on the Draft Mineral Development Bill (2000). The Mineral and Petroleum Resources Development Act, 2004, superseded this bill.

⁴ Historically disadvantaged refers to any person, category of persons or community disadvantaged by unfair discrimination before the new Constitution of South Africa, 1993 came into effect.

SECTION THREE: A Social Profile of the Global Mining Industry

3.1 Decent work – A worthy vision for all

"The primary goal of the ILO today is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity." - ILO Director-General Juan Somavia

Decent work sums up the aspirations of mineworkers in their daily lives. It involves employment that is productive and delivers a living wage, job security, social protection for their families, better prospects for personal development and social integration, freedom for people to express their concerns, to organise and participate in the decisions that affect their lives. Equality of opportunity and treatment for all women and men is fundamental. Securing decent and productive employment for men and women, in conditions of freedom, equity, security and human dignity, is a potent antidote to tensions, social unrest, instability and conflicts.

It is the foundation on which peace and security is built. It integrates essential enabling rights that allow people to develop and enhance their capabilities to be productive, climb out of poverty, and help their families and communities to do likewise. Decent work provides income, but also dignity, self-worth, trust, a future, a sense of belonging to a community and willingness to invest in its stability and development. It is thus key to limit the risk of conflicts, limit their severity once they occur, and help in conflict resolution, reconciliation and reconstruction.

But good jobs do not just happen; there needs to be a conscious effort to invest in this objective. Companies have a major role to play. Decent work should be at the heart of global, national and local strategies for economic and social progress. It is central to efforts to reduce poverty, and a means for achieving equitable, inclusive and sustainable development. Promoting decent work goes to the core of our existence as trade unions across the board.

3.2 Mining Employment

Employment is falling in many mining areas -- as a result of increased productivity, radical restructuring, and privatization. Well over 3 million jobs in mining were lost between 1995 and 2000.¹ These changes not only affect mineworkers who must find alternative employment; those remaining in the industry have to work in a very different way, requiring more skills and more flexibility. Finding the balance between the desire of mining companies to cut costs and the determination of workers to safeguard their jobs is a major issue throughout the world of mining. Mining communities must also come to terms with changes in the industry - adapting to new mining operations, as well as to downsizing or closure.

Accurate employment data for the global mining and minerals is very difficult to obtain. This problem is further compounded when we look at the value-adding chain of mineral extraction to processing. The most comprehensive source of mining employment statistics is the International Labour Organisation (ILO) that tracks data for more than seventy countries involved in the extractive industry.

According to the ILO mining and minerals accounts for about 1% of the world's workforce, roughly some 30 million workers worldwide. This includes 10 million coal-mining jobs (form an estimated 30 million in the 1960's) but excludes 13 million small-scale miners. The largest concentration of mining employment, roughly 60%, is in Asia. China has about half of the world's mineworkers.²

Employment trends vary across different regions and in the different sectors. Despite job cuts in India, Russia and China their coalmines remain labour intensive in relation to their overall contribution to total world production. In developing countries and transitional economies, where employment is still relatively high, low commodity prices, pressures to consolidate and restructure the industry to cut costs are causing major job dislocations.

3.3 Mine Restructuring, Downscaling and Closure Programmes

Perhaps the most painful changes recently have taken place in the countries of the Former Soviet Union. In the late 80's Ukraine produced 200 million tonnes of coal per year from 280 mines employing over a million workers in mining and mine service industries.³ By 2001 employment fell by almost 50% as did the number of mines. Mine restructuring programmes funded and managed by the World Bank have reduced the workforce in Ukraine to less than a third. In Poland Bank-sponsored coal sector adjustment programmes saw 110 000 coal miners lose their jobs. In the case of South Africa employment declined by almost 46% over the past 10 years – 360 000 mineworkers lost their jobs particularly in the gold and coal sector. In the UK, there are less than 13 000 coalminers left.

Given in most cases loss of mine employment has a direct impact on service industries and mining communities, the socio-economic consequences on mining communities are devastating. Job losses through privatisation and restructuring means losses in housing benefits, education, health services and retirement provisions leading to poverty and despair. In a mining dependent country like Zambia, the social fabric of the Copperbelt region is slowly disintegrating following massive restructuring post privatisation.

Rather than adopt a defence only approach, unions can become more proactive in dealing with the socio-economic impact of downscaling and mine closures. There are several good examples where these exist e.g. in the massive coal mining closure programme in Western Europe good practice is cited in France and Germany. Recently Hungary has emerged as a model in former Eastern Europe. From a union perspective, we could use a few very simple benchmarks to evaluate the success of a social plan. These are the extent to which:

- advance warning signals are given;
- there are effective mechanisms for social dialogue;
- the right to relevant information is upheld;
- adequate training and retraining programmes are available;
- good severance and retirement packages are negotiated;
- relevant counselling services are available for workers and their families;
- existing social infrastructure is maintained and extended if necessary; and
- local economies are diversified and new employment opportunities created.

Of course, what good a Social Plan Programme is, depends on the balance of forces on the ground. When unions are strong and members are united under a good union strategy this helps. Our affiliates in India, Bulgaria, Zambia, Peru, Russia, Canada, South Africa, Poland, Czech Republic, Germany, and Serbia have been continuously engaged with this challenge. In some cases, for example, South Africa, programmes to assist mineworkers start a new working life post retrenchment, have been successfully implemented by the NUM through the Mineworkers Development Agency.

Workers can succeed if an enabling environment exists. When industries that have a major social impact close the solidarity and social fabric of any society is tested. Caring government and employer associations make conditions favourable for an orderly downscaling programme. The reality is that these are more often exceptions, rather than simply good rules for the industry to abide by.

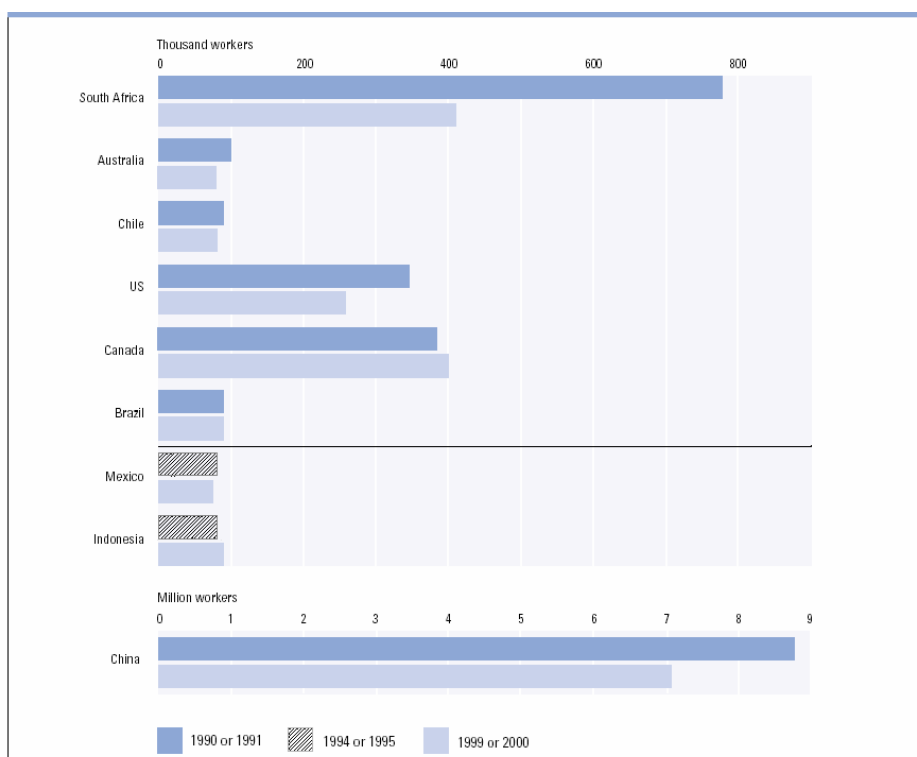
The World Bank offers a long view approach to mine closures and raises the following five issues.⁴

- *It is important to place mining in a much longer time frame than the period needed only to operate the mine. Sustainability throughout the entire mine life cycle, from exploration to post-closure, is the best preparation for successful mine closure.*
- *If environmental management has been a priority during the life of the mine, then environmental management on closure will be more manageable and less costly.*
- *If community consultation has occurred and relationships with stakeholders have been developed before and during the life of the mine, then there is a solid base for consultation in planning for issues surrounding closure.*
- *If financial resources have been set aside, then the closure plan can be implemented and communities can better provide for their future needs.*
- *If partnerships have been developed and implemented during operation, then the opportunities for handing over assets for community use and for maintaining social services successfully after closure will be greater.*

Mine restructuring, downscaling and eventual closure is a permanent feature of mining and a complex issue for society. Depending on the particular circumstance closure does not necessarily mean end of life but could herald a new era for environmental and social upliftment of communities. This requires a more proactive approach amongst unions in order to avoid the slide into a ghost town scenario.

In the near future several diamond, gold, copper and silver mines owned by the likes of AngloGold, Placer Dome, DeBeers, BHP Billiton and Barrick will close. These effect workers in Argentina, Brazil, Chile, Mali, Namibia, Papua New Guinea, South Africa and Tanzania.

Figure 9: Employment Changes in Selected Countries⁵



3.4 The Increased Move Towards Sub-contracting Traditional Mining Jobs

Contracting in services to mining production is not a new practice. Certain specialist functions e.g. shaft-sinking, heavy equipment maintenance, construction were performed by mine services companies. Workers accepted that these were time-specific expert services that were needed. Production, catering, training and health, personnel, administration services were performed by payroll employees. There was one owner-operator and everyone worked “for the mine”. Out of this grew a strong community identity and culture of worker solidarity.

Over the past 15 years the dominance of market driven neo-liberal ideology to cut costs, become “world class”, adopt business reengineering principles, to outsource, and demand labour market flexibility began to take root in mining. Restructuring of mines, both privately and state-owned, have been justified to contract out tradition mining jobs in order that owners focus on the so-called 'core' business. In South Africa that jobs with high skills and high pay were being targeted “to remove the fat” at the head office as executives would say. Many of those who took severance packages returned to the industry as consultants. Others were redeployed to mines.

Blue-collar work such as surveying, catering, cleaning, mine accommodation, health services, mine maintenance, mine rescue were next. Workers are either given the option to be retrenched to accept employment with the new service provider often with inferior wages, general working conditions and little or no social security.

In major state-owned mining industries such as those in India and Ukraine contractors were used to supplement the workforce during peak production. In the Ukrainian privately owned mining sector up to 10% of coal miners and about 11% of iron ore workforce were contractors.⁶

According to an ICEM Report produced for a Conference on Contract and Agency Labour in September 2004⁷, the increasing trend of non-permanent work is being experienced in varying degrees by workers and unions in all the industrial sectors represented in the ICEM: mining, oil and gas, chemicals, plastics, pharmaceuticals, cosmetics, power generation/distribution, rubber, glass, construction materials, pulp and paper, etc but to varying degrees.

For some unions, contract and agency work has been intensifying for several decades (Western Europe, North America, the Caribbean and Latin America). In Europe as a whole, over 13% of the working population is now in temporary forms of work; Spain has the highest proportion at over 30%. In other parts of the world, for example, CEE countries and Japan, a structured workforce lasted until the mid-1990s and non-permanent work is relatively new. But it is growing fast, and presenting the unions with a big challenge.

The overall employment and social impact of contracting has been negative. In mining health and safety is perhaps the single most important issue. The use of contract labour has several implications:

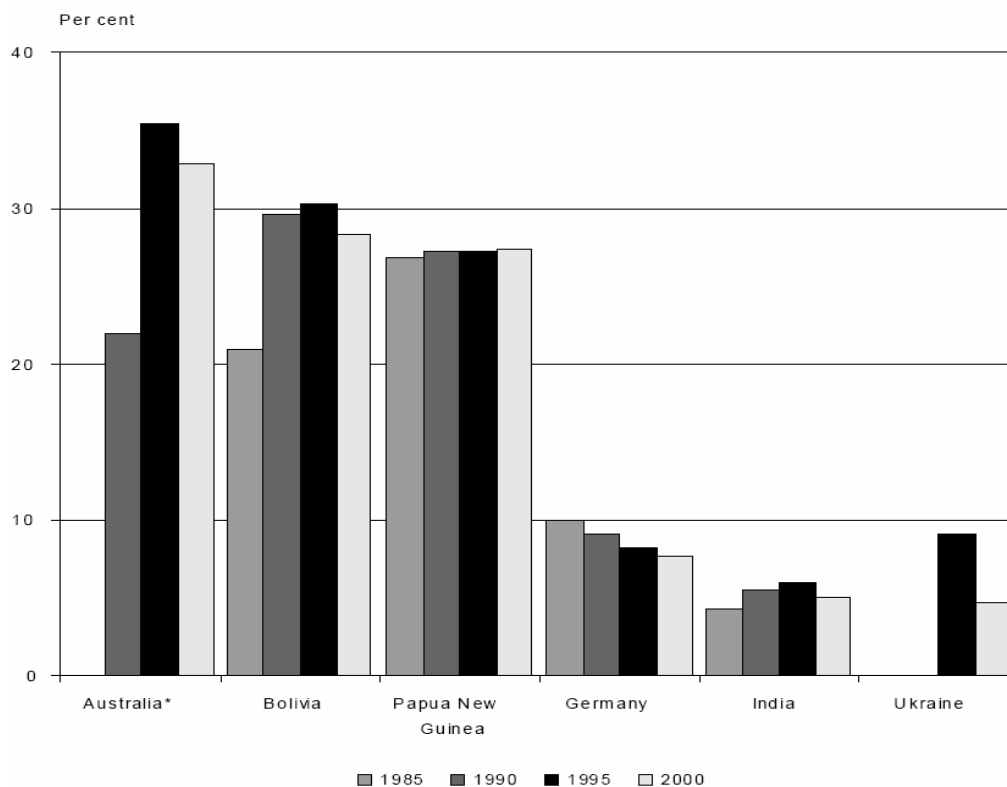
- Increased risks through lowering of safety standards to cut costs and boost production;
- the creation of a vulnerable third class of workers with no employment and social security;
- attacks workplace solidarity, divides workers and lowers union organisation and undermines collective bargaining;
- transfers the burden of responsibility on mine owner in the case of injuries and fatalities to contractors

Several of our affiliates have developed organising and bargaining policies to adapt to the new condition and are integrate these issues into their activities. For others, it has become "*the topic of every bargaining table*".⁸

Such strategies involve:

- organising contract workers under the banner of “one industry, one union”
- increasing the scope of union constitutions to included contract work;
- regulating contract work through collective bargaining agreements and labour regulations;
- establishing union rights to consultation and agreement with unions before work is actually contracted out;
- placing the legal onus on mine owners for every aspect of mine health and safety
- establishing criteria, codes of conduct and certification standards for all contractors wanting to operate in the mining industry.

Figure 10: Contract Workers in the mining industry, 1985-2000: Selected Countries⁹



* Non-coal mines.

Source: Responses to ILO questionnaire.

3.5 Female Employment in Mining

Mining remains a male-dominated industry from the underground to the corporate boardroom. The proportion of women in the workforce in a sample of 15 countries varies from about 1 per cent to 25 per cent. Female employment is typically below 10 per cent and has changed little in the 15 years between 1985 and 2000. In most countries and companies the average remuneration of women in mining is below that of men; the representation of women in senior management positions is less than that of men; and the average turnover of female employees in mining is higher than that of males. However, this situation is no different from that in many other economic sectors, public and private, in many countries.

But increasing numbers of mining companies are taking measures either voluntarily, or as a result of legislation, to counter these imbalances. Measures include policy development, training, development, and research initiatives to identify the underlying causes. Mining companies are increasingly developing and implementing equal opportunity policies and some have affirmative action policies. In Australia, for example, companies are required to report annually on equal opportunities for women in the workplace.

The 65,600 women in the coalmining sector in Ukraine in 2001 accounted for 20 per cent of the workforce. Well above the average. The proportion of women mineworkers has been at the same level for several years, notwithstanding the loss of 40 per cent of women's jobs since 1995. One-third of women working in underground coal production reportedly do so in poor working conditions as far as exposure to dust, heat and noise is concerned.

In Australia, where about 10 per cent of the workforce are women, the proportion started to decline with the introduction of longer working hours and compressed shifts that tend to have a disproportionate effect on women because of their family responsibilities. In South Africa the Mining Charter requires companies to set a base line target that women should comprise 10% of the workforce within five years.

3.6 Health Safety and the Environment

The ILO estimates that approximately two million workers lose their lives annually due to occupational injuries and illnesses, with accidents causing at least 350,000 deaths a year. For every fatal accident, there are an estimated 1,000 non-fatal injuries, many of which result in lost earnings, permanent disability and poverty. The death toll at work, much of which is attributable to unsafe working practices, is the equivalent of 5,000 workers dying each day, three persons every minute.

According to the ILO's SafeWork programme, work kills more people than alcohol and drugs together and the resulting loss in Gross Domestic Product is 20 times greater than all official development assistance to the developing countries. Hazardous substances kill 340,000 per year, with a single substance, asbestos, and accounting for 100,000 of those. Exposure to daily occupational hazards such as dust, chemicals, noise and radiation cause untold suffering and illness, including cancers, heart diseases and strokes. The three most hazardous occupations are agriculture, mining and construction.

Although only accounting for a small percentage of the global workforce, mining is responsible for about 5% of fatal accidents at work (at least 15,000 per year, or over 40 each day). Despite the considerable efforts in many countries, the toll of death, injury and disease among the world's mineworkers means that, in most countries, mining remains the most hazardous occupation when the number of people exposed to risk is taken into account. In Ukraine, for example, for every million tones (mt) of coal produced 5.5 workers lose their lives. In 2003 the Chinese State Administration of Work Safety reported 6702 fatalities (4.2 per mt). In the first seven months of this year 2993 workers died.¹⁰ The US, with a coal industry comparable to the size of China's, reported 29 fatalities (0.03 fatalities per mt).

Another important issue is occupational health. Many workers contract diseases whilst working and suffer the effects long after they have left the industry. Asbestos is the main killer. Australia has the highest per capita incidence of mesothelioma in the world. More than 7,500 Australians have been reported as dying from the disease. More than 500 Australians per year currently contract the disease and the peak of its incidence is not expected until about 2010. Up to 18,000 Australians are likely to die from mesothelioma by 2020 and historical figures suggest that for each diagnosed case of mesothelioma there are as many cases of lung

cancer and non-malignant asbestos related disease.¹¹ In South Africa, workers at an asbestos mine owned by UK-based Cape plc, represented by a firm of lawyers, the NUM and provincial government in Northern Cape, successfully sued their former employer in the British High Court and won 20 million pounds in compensation.

To date, governments in only 20 mining countries, out of a possible 100, have ratified ILO Convention 176 on Safety and Health in Mines since its adoption by the ILO Governing Body in 1995. This state of affairs necessitates the urgent need to redouble our efforts to put pressure on governments and industry to make the industry safe.

Global Unions have earmarked 28th April as International Commemoration Day for the Dead and Injured Workers. This year marked the 9th anniversary with workers in more than 110 countries taking part. The governments of Canada, Brazil, Portugal, Spain, Taiwan, Peru and Dominican Republic have recognised this day. More countries are expected to follow.

3.7 Climate Change

Environmentalists scoff at the term clean-coal technology (CCT) as a contradiction in terms. The image of coal as a dirty industry could become a thing of the past. Coal can be burnt cleanly and effectively throughout the world, using constantly improving technologies. In the debate on the future of coal, the emission of greenhouse gases is of concern. The coal industry is rapidly developing solutions that could be used to reduce the environmental impact of coal usage. Technology exists but the political will to transfer CCT is muted.

The Kyoto Protocol proposes a reduction of 5.2% over 1990 levels for the emissions of six GHGs - and provides for a complex array of alternative approaches to be adopted by individual countries to achieve their particular emissions target. With Kyoto now ratified recently by the Russia government, sufficient countries have now adopted the protocol to make it enforceable.

Mining and minerals processing operations are huge consumers of energy. Products from mineral commodities such as motor vehicles, buildings, and electronic goods also require energy. In the large mining operations, e.g. gold mines and processing plants e.g. steel and aluminium, energy costs are of critical importance to a company's competitiveness and balance sheet. In most cases the energy used is through coal-fired power stations.

To ensure that labour keeps abreast and contributes to the debate, following the 2000 World Mining Conference in Prague, the ICEM Executive Committee adopted a position paper on *Labour and Climate Change*¹². The paper was produced on the following guidelines:

- Be based on an acceptance of the overwhelming scientific consensus, and, at the same time should focus wherever possible on a "no regrets" approach.
- Address, sector by sector, the reduction of GHG'S - particularly carbon emissions-on the basis of full life-cycle analysis (LCA)
- Address the potential effects on employment-positive and negative-of any proposed mitigation measures
- Address the issue of carbon taxes and, in particular, the pros and cons of such taxes
- Focus on the development and transfer of clean technologies (e.g. combined heat and power, pulverized fluidized bed technology)
- Aim to support a dialogue with industry on sustainability issues-stressing the major stakeholder interest of the ICEM and its affiliates in the sustainability debate.

The position paper also refers to the following guidelines the international trade union movement provided to the conference of the parties of the United Nations Framework Convention on Climate Change (UNFCCC) :

- A firm consensus for actions on climate change is needed to avoid disruption to the lives of future generations, workers and industry
- The success of implementation strategies for climate change depends in large measure on the engagement of workers and their trade union
- Addressing social issues is a matter of fundamental importance if workers are to be counted on to support fully any protocol, or the desired mechanisms to implement it.

The ICEM therefore calls for measures to:

- Conduct social impact analyses
- Consider employment impacts
- Develop elements of “just transition” programmes
- Identify financial and economic measures.

These principles and priorities cannot give precise guidance as to what is the most fair and effective outcome of climate change treaty negotiations, and it is difficult to conceive of any that would. What may seem fair to one nation or group of nations may legitimately be perceived as unjust to another. Moreover, commitments judged by a nation or nations in an international forum as being fair and reasonable may, conversely, be judged by various sectors and communities *within* those nations as grossly unjust.

¹ <http://www.ilo.org/public/english/dialogue/sectors/mining.htm>.

² <http://www.ilo.org/public/english/dialogue/sectors/mining.htm>

³ Report prepared for the ILO Tripartite Meeting on Mining. ILO, Geneva, 2002

⁴ It's not over When It's over: Mine Closure around the World. World Bank, Washington.2002

⁵ Breaking New Ground, IIED and WBCSD. 2002

⁶ ILO Report. Geneva.2002

⁷ ICEM Contract and Agency Labour Project. Brussels, August 2002

⁸ Interview with Jim Pannell, Vice-President PACE International Union

⁹ ILO Report. Geneva 2002

¹⁰ <http://www.reuters.co.uk/news>, October 7, 2004

¹¹ ICFTU Online September 16, 2004

¹² Copies of this paper is available at <http://www.icem.org/climaen.html>

SECTION FOUR: Mining and the Sustainable Development Challenge

4.1 A Decade of Debate

The watershed 1992 United Nations Earth Summit in Rio placed the global environment at the top of the international agenda. It linked environmental issues with developmental questions in a new paradigm that fondly became referred to as “sustainable development”. Worldwide, hopes were high that a new global partnership had emerged from the ‘Spirit of Rio’ which would lead to practical programmes and policies that would deal with both the environment and the development crises.

Co-operative North-South relations would tackle the growing global environment crisis and simultaneously strive for more equitable international economic relations that would be the basis for promoting sustainable development. At the heart of the Rio ‘compact’ or core political agreement was the principle of ‘Common but Differentiated Responsibilities’. This recognised that the global problems had to be solved in a more equitable way, through partnerships.

In late 1998 several of the world’s largest mining companies launched the Global Mining Initiative. Three years later the World Bank launched its first major policy review of it’s role in the extractive industries. This initiative became know as the Extractive Industries Review. Both represented research aimed at finding policy alternatives. Both projects were consultative in nature and were underscored by the principles of transparency, inclusiveness, independence (from their sponsors) and to be valued for participants.

The ICEM participated in these two important multi-stakeholder policy initiatives of concern to the mining industry. Despite reservations, key labour considerations suggested that our participation was vital to directly present and articulate workers viewpoint and their interests in these initiatives. Both projects had the UN Johannesburg Summit in sight.

4.2 The UN World Summit on Sustainable Development (WSSD)

The ICEM was also part of the international trade union delegation at the WSSD. The Summit noted that the mining industry is the backbone to the economic and social development of many countries and that minerals extracted are essential to life. In the aftermath of Johannesburg, the largest ever gathering at a UN Summit it is critically important for us in the international labour movement, a key player in the international community to assess the key opportunities and threats in the road ahead.

The Summit adopted a 4-page Political Declaration and a 44-page Plan of Action. Relevant to mining, minerals and metals, Article 44 of the Plan of Action states:

- “44. *Mining, minerals and metals are important to the economic and social development of many countries. Minerals are essential for modern living. Enhancing the contribution of mining, minerals and metals to sustainable development includes actions at all levels to:*
- (a) Support efforts to address the environmental, economic, health and social impacts and benefits of mining, minerals and metals throughout their life cycle, including workers’ health and safety, and use a range of partnerships, furthering existing activities at the national and international levels, among interested Governments, intergovernmental organizations, mining companies and workers, and other stakeholders, to promote transparency and accountability for sustainable mining and minerals development;*
 - (b) Enhance the participation of stakeholders, including local and indigenous communities and women, to play an active role in minerals, metals and mining development throughout the life cycles of mining operations, including after closure for rehabilitation purposes, in*

accordance with national regulations and taking into account significant transboundary impacts;

- (c) *Foster sustainable mining practices through the provision of financial, technical and capacity-building support to developing countries and countries with economies in transition for the mining and processing of minerals, including small-scale mining, and, where possible and appropriate, improve value-added processing, upgrade scientific and technological information, and reclaim and rehabilitate degraded sites."*

Key Promises of the Political Declaration

- (a) Recognition of broad based participation in policy formation and respecting the independent and important roles of social partners;
- (b) The need for more effective, democratic and accountable international and multi-lateral institutions;
- (c) Effective implementation of Agenda 21, The UN Millennium Development Goals and the Johannesburg Plan of Action must be an inclusive process and be monitored at regular intervals;
- (d) Reaffirm commitment to the UN Charter and support for the leadership role of the United Nations as the most universal and representative organisation in the world, which is best placed to promote sustainable development. ¹

Developing the correct balance of package of socio-economic and environmental needs in Johannesburg required the strongest possible expression from the world's leaders demonstrating their willing to pursue the noble cause of human solidarity in order to meet the needs of today's and future generations. In its role as defender of the interests of those who work in the industries it represents and of the communities within which they work and live, the ICEM therefore has an obligation to continuously defining, promoting and refining the concept of sustainable development and the notion of sustainable communities from our perspective.

4.3 Inter-Governmental Action at a Global Level

In 2003, following the WSSD, at the initiative of the South African and Canadian governments, an Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development was mooted. In June this year a second preparatory meeting co-chaired by South Africa and Canada, and co-hosted with UNCTAD, was convened. Over 60 officials representing 37 national governments completed negotiation of the Terms of Reference and the draft Rules of Procedures for a new Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development. Canada will act as Secretariat for the initial five year period.

The Forum is now open for confirmation of membership by interested countries. When twenty-five countries become members, the Forum will come into effect as will the Secretariat. The Secretariat will then start work on the development and implementation of its work program as well as prepare for a high level inaugural meeting of the new Forum. Member countries that have already signed up included Bolivia, Canada, Dominican Republic, Gabon, Madagascar, Malawi, Morocco, Niger, Nigeria, Philippines, Senegal, South Africa, Surinam, Uganda, United Kingdom and Uruguay.

The Global Dialogue will provide a framework to address sustainable development issues relevant to the mining and metals sector that benefit from consideration at the global level. These include the follow terms of reference:

- Review the contribution of the mining/metals sector to the development of sustainable local communities, including poverty alleviation;
- Promote national governance of the sector, including through capacity building;
- Enhance the ability of member countries to be full participants in informing international policies, activities and priorities affecting the sector throughout its life cycle;
- Improve the ability of Mines Ministries to influence policy making in a manner that will enhance the contribution of the sector to sustainable development;
- Promote, through dialogue and information, more integrated and co-ordinated approaches to policies and strategies with existing decision making activities or organisations that affect the sector;
- Foster changes in the way the sector operates from a sustainable development perspective;
- Exchange information and experiences between member governments in relation to the national management of the sector; and
- Promoting transparency, anti-corruption practices and accountability in the sector..

The overarching objective of the programme of work will be the enhancement of capacity for governance in the mining, minerals and metals sector at all stages of the life cycle. The Forum also seeks to collaborate with Regional Government Networks e.g. Southern African Development Community, the Americas and Asia, that have an interest in mining, industry-based initiatives, labour, indigenous people and NGO's.

As labour, we strongly believe in the central role governments must play in providing the over-arching frameworks and legislation to promote better mining through:

- Promoting access to information and public participation and dialogue to improve existing policy to meet sustainable development goals;
- Adherence to international conventions; and
- Improving industry performance and good practice through codes and guidelines.

UNCTAD also convened the first meeting of the African Mining Network in Addis Ababa, in 2003. The Chair of the Mining Section attended. The purpose of the meeting was to discuss the rationale and structure of such a network. The intention is to building capacity in the mining sector to support on-going initiatives such as the New Partnership's for Africa's Development (NEPAD).

We therefore welcome the establishment of this intergovernmental forum and the opportunity to participate in and influence its programmes.

4.4 The Business Initiative

Up until the 1990's, corporations were immune or insulated themselves from human rights and environmental organisations. Mining usually happens in remote areas easily. Companies were confident that those that benefited from its products and taxes would shield them from critics and took a defensive stand on controversial social and environmental issues. International bodies representing mining employers were quiet and left these issues to be dealt with at local level. In the early 90's, with the revolution in telecommunications and the mushrooming of NGO's and grassroots movements the situation changed. Campaigning became easier and more effective through the Internet.

The industry was thus faced for the first time with a unified, formidable, articulate, mobile opposition on a global scale. Mining companies soon realised that if they were to be

successful they must look beyond their shareholders and pay equal heed to the needs of other stakeholders thus requiring a social licence to operate.²

In the run up to the UN WSSD, nine of the world’s largest mining houses through the World Business Council for Sustainable Development initiated a research project, Mining and Minerals for sustainable Development (MMSD) to understand what role the mining and minerals sector was playing in contributing to sustainable development and how this role could be increased. The International Institute for Environment and Development was contracted to undertake a two-year independent process of research and multi-stakeholder consultation. This process was unique in that it was not attempted on such a scale by any other global industrial sector.

A report, *Breaking New Ground*, was produced and presented to a meeting of stakeholders in May 2001. The report contains several recommendations that could provide the basis for stakeholders to pursue both individually and collectively as part of a new forward for mining and metals. It suggests new partnerships with government, communities and civil society underpinned by principles of transparency, improved stakeholder participation, integrated mine life-cycle planning, respect for declared “no-go areas”, compliance with laws and regulations and investments to promote well-being.

The MMSD process also sought to envision a mining sector that was to play a meaningfully new role in sustainable development. A few selected issues contained in the vision³ “Towards a Sustainable Future for the Mining and Minerals Sector”, are highlighted in the table below

The Worst of the Past	A Vision for the future
✘ Mineral revenues that are spent outside of the public view for the benefit of the few.	☑ Mineral wealth spent transparently to support social and economic goals
✘ Companies set their own rules in protected enclaves	☑ A shared system of laws and practices that apply to everyone
✘ Government decisions taken privately and unaccountably based on poor information	☑ Decisions taken publicly, after consultation will affected parties, based on clear criteria
✘ Minerals development as a threat to indigenous peoples cultures and societies	☑ An industry that works in partnership with indigenous peoples and communities
✘ Frequent disputes and armed conflicts	☑ Fair, equitable way of preventing and resolving disputes
✘ Mineral operations endangering worker and public health and causing deaths	☑ An industry that promotes improvements in public health
✘ A legacy of ghost towns, poverty and pollution	☑ Integrated planning for sustained post-closure environmental, social and economic benefits
✘ Infrequent exchanges among a few stakeholders	☑ Ongoing and inclusive dialogue among all stakeholders

The biggest threat to the report is a “business as usual” and a go it alone attitude by the big mining houses.

4.5 Sustainability Reporting

Global mining houses are increasingly accepting the need to evaluate non-financial performance thus requiring them to provide as part of their annual reports social and environmental issues. The International Council on Metals and Mining (ICMM), with a mandate to “improve industry performance” has initiated a multi-stakeholder process to develop a Mining Sector supplement to the Global Reporting Initiative. An advisory panel includes a delegate from the NUM who is supported by the CFMEU and the ICEM Secretariat. The sector supplement will allow for the tracking of company performance guided by its 10-point sustainable development framework as outlined below:

- Implement and maintain ethical business practices and sound systems of corporate governance.
- Integrate sustainable development considerations within the corporate decision-making process.
- Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.
- Implement risk management strategies based on valid data and sound science.
- Seek continual improvement of our health and safety performance.
- Seek continual improvement of our environmental performance.
- Contribute to conservation of biodiversity and integrated approaches to land use planning.
- Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.
- Contribute to the social, economic and institutional development of the communities in which we operate.
- Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

A recent global mining survey of reporting trends, conducted by auditing firm KPMG, has revealed that in response to increasing attention given to mining houses by trade unions, NGO's financial institutions, local and international communities, company reputation in host communities is a key issue for senior executives. The majority have placed health and safety and social and environmental issues as priority accountability issues. A key issue for our affiliates is if and whether we can either monitor or verify company social audits or submit reports based on experiences that would stand in contradiction of what management says. Either way this requires the active involvement of our affiliates in such processes.

4.6 International Finance Institutions

4.6.1 The World Bank

A major global mining policy review was undertaken by The Extractive Industries Review (EIR), a process initiated by the World Bank Group (WBG), to review the role of the extractive industries in poverty reduction. Given increasing concerns expressed by civil society, as well as changes in the focus of its own activities and in the industries themselves, the WBG senior management believed that a review of the WBG role in the extractive industries was urgently needed. The main objectives of the review were:

- To better obtain and understand the views of stakeholders about the best future role of the WBG in the extractive industries in promoting sustainable economic development and poverty alleviation.
- To identify where possible areas of consensus on the role of the WBG and the relevant issues, and to identify significant alternative or dissenting views in this respect.
- To focus and redesign, as needed, future WBG programs, projects, and processes in the sector given its ultimate objectives.”

As the major global trade federation in the extractive industries, the ICEM, though our regions, has participated in the regional consultations held in Eastern and Central Europe, Latin America, Southern Africa, North Africa and the Middle East and Asia. ICEM members attending the consultation provided moving oral testimonies on real experiences and provided concrete examples and insight on the impact of World Bank policies and on how the industry needs to improve.

In the process of drafting his final report and recommendations to the Bank, the leader of the EIR, Dr Emil Salim, established an Advisory Group of experts close to the industry. The ICEM was invited and participated in this group. Our main function again was to ensure that labour rights, though not at the expense of important economic, social and environmental concerns, were included in the EIR Report and Recommendations.

The Final Report and Recommendations, *Striking a Better Balance* was tabled at a Global Consultation Workshop of industry stakeholders in December 2003.⁴ The ICEM delegation included the President, Chair of the Mining Section and Union leaders from Brazil and Ukraine. This report contained pro-poor, pro-labour, pro-human rights language on a range of recommendations, including respect for and inclusion of core labour standards as loan conditionalities, small and artisanal mining, accident prevention and safety, good social plans and the establishment of Just Transition Funds for mine closure.

The key point of departure was the call for the Bank to phase out funding for fossil fuels. In welcoming the recommendations the ICEM expressed concern and opposition to any prescription that would negatively affect the coal and oil producing countries particular in the global south.

The World Bank Group’s response was a mixture of both good and bad news for workers in the extractive industries from poverty alleviation and sustainable development perspective.

No expressed commitment in the following areas:

- Adopting and implementing ILO core labour standards as part of future funding requirements;
- No serious increased commitment to supporting and development of coal other continued current minimalist funding (1%) than towards privatisation and sector restructuring programmes.

Possible support for

- Just Transition Funds to help provide adequate compensation, job creation and training to workers and communities before mine closure.

Support for:

- Small-scale mining in contributing to sustainable development and poverty alleviation;
- The establishment of steering group of nations, institutions, industry and civil society on framing a broader agenda on renewable energy and other clean fuels.

The Bank has undertaken to update its various safeguard policies to reflect recommendations on the rights of indigenous peoples, poverty alleviation and sustainable development indicators; consultation with target communities and use of toxic substances, including cyanide, in mining.

The Bank also agreed to a global workshop in 2005 to assess the extent to which the Bank has succeeded in moving the extractive industries towards a sustainable development path that contributes to poverty alleviation.

4.6.2 The Equator Principles

Private sector financing plays an important role in financing development throughout the world. In consultation with the IFC, twenty seven major banks have now adopted the Equator Principles aimed at promoting responsible environmental stewardship and socially responsible development. These principles are intended to serve as a common baseline and framework for the implementation of individual, internal environmental and social procedures and standards for project financing activities across all industry sectors, including mining, globally.

In adopting these principles, the banks undertake to review carefully all proposals for which project financing is requested. Loans above \$50 million will not be provided the borrower will not or is unable to comply with environmental and social policies and processes.

The Equator Principles cover the following principles:

- a) assessment of the baseline environmental and social conditions
- b) requirements under host country laws and regulations, applicable international treaties and agreements
- c) sustainable development and use of renewable natural resources
- d) protection of human health, cultural properties, and biodiversity, including endangered species and sensitive ecosystems
- e) use of dangerous substances
- f) major hazards
- g) occupational health and safety
- h) fire prevention and life safety
- i) socio-economic impacts
- j) land acquisition and land use
- k) involuntary resettlement
- l) impacts on indigenous peoples and communities
- m) cumulative impacts of existing projects, the proposed project, and anticipated future projects
- n) participation of affected parties in the design, review and implementation of the project
- o) consideration of feasible environmentally and socially preferable alternatives
- p) efficient production, delivery and use of energy
- q) pollution prevention and waste minimization, pollution controls (liquid effluents and air emissions) and solid and chemical waste management

It should be noted that these principles do not contain strong language protecting human and trade union rights. Again, these principles are voluntary and do not have any monitoring or enforcement mechanisms to ensure signatory banks are compliant. ABN AMRO, a signatory, has minority investments in a Turkish quartz mine, which was accused by the Mineworkers Union of Turkey for violation of collective bargaining rights.

¹ Adapted from the Johannesburg Plan of Action

² “Over the top”, Editorial Comment, Mining Journal, London, March 8, 2002

³ Extract from MMSD, Breaking New Ground, p390

⁴ The full EIR Report is available at www.eireview.org or at www.worldbank.org.omgc.

SECTION FIVE: The ICEM - Responding to our Members

This final section of the report outlines the various activities that the ICEM Secretariat has undertaken in the period under review. It includes activity mandated by Congress, the Executive Committee and the Presidium and support for affiliates and regions as requested from time to time. We have a total of 144 affiliated mining unions in 85 countries in every continent across the globe. No other mining organisation has a network of this magnitude – a remarkable achievement.

5.1 HIV/AIDS

The rapid spread of the HIV/AIDS pandemic is having a major impact on the mining industry. Workers, their families, communities, enterprises and national economies are affected. Today the UN estimates that between 2001-2003 a total of 38 million people were infected with the virus; over 20 million have died since the first cases of AIDS were identified in 1981.¹ In several countries the infection rate in mining communities are considerably higher than that for the general population. The chief reason for this is the reliance on the centuries-old migrant labour system and company-provided single-sex hotels.

In Southern Africa, industry stakeholders at local and national level have begun responding in earnest to stop the spread through mass education, provide treatment and wellness programme for people with AIDS. It is beyond merely about health and safety in the workplace, but a public health and human rights issue. Several of our affiliates have placed the matter at the forefront of their advocacy programmes at local and national level, including partnerships with employer bodies, governments, NGO's and communities.

In 2000, the ICEM Africa region initiated a discussion amongst affiliates which culminated in a position paper for our affiliates to take forward at national level and in organised workplaces. This has been supported by two successful Global Workshops organised by the Secretariat. The main thrust of our strategy is:

- The training of stewards to negotiate HIV/AIDS agreements;
- Protect the rights of workers and to combat discrimination;
- Get access for all workers to decent work with a fair wage, social insurance and basic health care provision in the workplace and in the community;
- To include in future global agreements a provision that recognises the importance of tackling HIV/AIDS at the workplace levels using the ILO Code of Practice on HIV/AIDS and the World of Work.
- ICEM at the international level support union activities and to address broader community issues.
- The provision of appropriate and affordable drugs continues to be a very important issue as they can extend the life of HIV/AIDS sufferers and the quality of that life.
- In each country we establish a working group of all ICEM affiliates and develop country level action;

At a global level engagement with the pharmaceutical industry on the provisions of low-cost drugs continues. The ICEM has also contributed to the ILO Programme on HIV/AIDS at Work by consulting with our affiliate, the Mineworkers Union of Zambia on a project.

5.2 Small-Scale Mining

Almost 80-100 million people, a significant portion of which are women and children, are active or dependent on small and artisanal mining mainly in the developing world. The importance of artisanal and small-scale mining (ASM) and the difficulties that governments have had in addressing it has increasingly been recognized at the international level and individual donor governments. ASM has been the focus of a number of international meetings. In 1995, for example, the World Bank held a major conference in Washington on

artisanal mining, and in 1999 the ILO held a Tripartite Meeting on social and labour issues in small-scale mining. The Worker Group at this meeting was composed of ICEM members.

Following consultations among several stakeholders in 2000 in which the late Damien Roland represented the ICEM, CASM was formally launched in 2001. The DFID, Japanese Government and the World Bank sponsor it. At the EIR Global Consultation in Lisbon in December last year, the ICEM raised concerns about the lack of attention given to the sector. In response, the ICEM was subsequently invited to attend CASM workshops and meetings and to appoint a representative on its Strategic Management Advisory Group (SMAG). The functions of SMAG are to:

- Provide input on the relevant of CASM activities
- Advise in the development of the 5-year Strategic Plan
- Review progress reports
- Where necessary participate in CASM activities

In the context of our approach to sustainable development, workers in modern, large-scale mines cannot afford to ignore the challenges facing this sector from a social and environmental point of view. The organising skills and experience located within our affiliates must be brought to bear in countries where we have fellow comrades belonging to the ICEM. It goes to the heart of a developmental approach to international worker solidarity.

5.3 The Rio Tinto Global Workers Network

The Rio Tinto Global Union Network has been actively working to highlight the problems workers have been experiencing with local management across the globe. The Network met in Paracatu in 2001 and the 4th Biennial Meeting took place in Salt Lake City in September 2003. The Network initiated by the CFMEU against the backdrop of local disputes with the company at Blair Athol coalmine, has grown and today represents workers in eight countries. The Network is currently co-ordinated by the United Steelworkers of America (USWA). The Chair is Terry Bonds, Regional Director of USWA District 12. CFMEU continues to produce the Rio Tinto Global Network Newsletter.

In February this year, after Australia's longest labour dispute (lasting 2049 days), 16 workers, dismissed by the Blair Athol coal mine, were returned to work by the Australian Industrial Relations Commission. Four workers were reinstated and the remaining must be given preference for reemployment. A four-year long protracted dispute over the dismissal of 190 workers at Hunter Valley No 1 and Mount Thorley in New South Wales, Australia, also ended in victory. Workers won a record 25 million Australian dollars in back pay.

In October 2002, management at Rio Tinto owned, Kennecott Utah Copper (KUC), attempted to force workers, represented by the multi-union Kennecott Co-ordinated Bargaining Council, to accept their "take it or leave it" final contract offer resulting in a bitter 8-month dispute. In mid 2003, the demand for copper resulted in a new round of negotiations during which an improved offer effective until 2009 was ratified by 80% of the workers. Subsequent to ratification, the company laid off workers for two days. Charges against unfair discrimination have been laid with the state and federal labour authorities.

In these disputes the Network demonstrated the importance and power of cross-border solidarity in the face of a powerful company by doing basic work like sharing information and sending messages of solidarity. Workers at the Salt Lake meeting forwarded a signed petition calling on the company to negotiate a global agreement with the ICEM. In addition, the unions resolved to engage local management on the Company's "The Way We Work"

philosophy, to launch a Human Rights Day Campaign on December 10th and to expand the network to Wales, France and the International Brotherhood of Boilermakers.

The KUC workers resolve to fight on was strengthened at the Salt Lake following a public meeting with workers and their families during which reports from other operations were highlighted by the Network Chair, e.g. workers in Zimbabwe earned the equivalent of US\$ 40 per month following the rapid devaluation of the local currency. In Zimbabwe, our affiliate, Associated Mineworkers of Zimbabwe, had called a strike protesting management’s refusal to negotiate a salary review with workers despite promises by Rio Tinto to offset the impact of high inflation and the devaluation of the Zim Dollar.

5.4 AngloGold Global Agreement

In September 2002, a global agreement between AngloGold, the NUM the ICEM was signed in Johannesburg. The agreement is the first in the global mining industry and the first with a company in the southern hemisphere. The agreement commits the company to uphold internationally accepted human and trade union rights, environmental standards and promote good relationships with local mining communities. At the time of signing, AngloGold was the world’s largest gold producer. Following the completion of the merger with Ghana’s Ashanti Goldfield in April this year, the new company has either controlling operations or interests in Ghana, Democratic Republic of Congo, Guinea Argentina, Brazil, Mali, Namibia, Tanzania, USA, Zimbabwe, Canada and Russia. Alaska, Columbia, Mongolia, Philippines, Laos Central America, China and Indonesia are new frontiers for expansion. The company employs more than 63 000 workers worldwide.

The global agreement was put to test by the NUM after local management at its Geita operations in Tanzania refused to allow access to a joint delegation of TAMICO and NUM officials to workers. Protests by the NUM to the CEO resulted in the access being granted and after a concerted organising drive 500 workers joined the union. The company has also agreed to facilitate an exchange programme between the NUM and workers in Mali. In Australia efforts to union workers Sunrise Dam operation ran into difficulties over firstly the scope of the agreement and secondly whether the CFMEU had jurisdiction on the gold mine in terms of demarcation rules as the union is recognised as a coal union.

5.5 Responding to Mine Fatalities

Mining particularly underground was and still is an extremely hazardous occupation. In the period under review, several of our affiliates informed the Secretariat of major mining disasters resulting in hundreds of fatalities mainly cause by underground rock bursts, equipment failure, explosions and flooding.

Disasters Reported by affiliates.

	Mine	Cause	Lives lost
Aug, 2001	Zasiadko, Donetsk Region, Ukraine	Explosion	36 ²
Sept, 2001	Brookwood, Alabama, US	Methane explosion	13
Feb, 2002	Jasmos, Poland	Underground explosion	10
Apr, 2003	Tautona, Carletonville, South Africa	Rock burst	5
Apr, 2004	Taizhina, Kusbass, Russia	Methane explosion	44
Jun, 2004	Sinjidi, Balochistan, Pakistan	Methane explosion	15

In each of these tragic incidents, a message of condolence to the colleagues and family of the deceased miners were sent to our affiliates. In the case of Ukraine, Russia and Pakistan Convention 176 has not been ratified.

The death of 63 miners following an underground explosion at the Luling Coal mine in China in May 2003, prompted a letter to the Premier Hu Jintao copied to his Belgian Ambassador, expressing condolences and concern over the injury and high fatality rate in their coal industry. Citing tripartite conclusions reached at the 2002 ILO meeting, regarding mine safety and C176, the letter offered to place the mine health and safety expertise of the ICEM at the disposal of the Chinese authorities in a joint project. In a reply the Chinese government, through the Belgian Embassy, expressed appreciation and support for the proposals.

Following discussions with the ILO and the ICMM, an initial tripartite meeting will take place in China following the World Mining Conference. The main aim of the meeting is to explore possibilities for a future joint venture in mine health and safety.

5.6 Protests against mine closures, anti-union tactics, violation of basic rights

Several of our affiliates bore the brunt of ill planned mine closures, job losses and attacks on basic union rights. We have received requests for support from Zambia, Turkey, Poland, South Africa, Spain and Peru to support local campaigns and publicise union action amongst our worldwide members and the media. The ICEM also wrote to the CEO of Drummond Coal protesting the company's aggressive tactics used against workers in Columbia. The Uribe government has decided to privatise the country's state-owned mining industry. Eight unions, including our affiliate Sintracarbon, agreed to unite for and form a common front against this unpopular policy. The mining majors have their sights on the lucrative mineral industry.

Our affiliate, Independent Miners Trade Union, with full ICEM support, including visits by the President and General Secretary, has been campaigning vigorously to reverse what is described as a catastrophic spiral of underinvestment in Ukraine's coalmines since the break-up of the former Soviet Union. Productivity has fallen accompanied by investment cutbacks in equipment and safety. Non-payment of wages has been another serious problem. Over the past eighteen months, the unpaid coal miners and their families have not only endured severe hardship because of non-payment of their due wages but also heavy-handed illegal actions at the hands of the government. Despite the government's ratification ILO Convention No. 95 on Protection of Wages, they have accumulated a debt of more than one and a half billion hryvnias owed to the workers (Eur 263 000 000).

The government has waged a brutal campaign to break the back of the union suppressing the most basic democratic principles of workers' right to organise and to freedom of association in violation of the ILO Conventions 87 and 98. Despite this vicious anti-union campaign, our affiliate is determined to win their struggle. We salute them and we assure them of our fullest support.

Joint national action by the major trade union centres representing coal miners in India have pressurised the government to increase minimum wages and attend to an improvement in the social welfare of workers.

In South Africa, struggle against massive job losses in mining received a major boost when the union saved 500 jobs at Billiton's coal operations. A further 4000 jobs at Harmony were saved when the union went on strike protesting the company's breaching of an agreement reached previously to save jobs.

5.7 ILO Tripartite Meeting on the Evolution of Employment, Working time and Training in the Mining Industry

The Evolution of Employment, Working Time and Training was the theme of a Tripartite Meeting held in October 2002. The ICEM delegation consisted of the ICEM President, Mining Section chair, leaders from our mining affiliates in Germany, Canada, Bulgaria, Ukraine, India, Peru, Chile, Russia, Philippines, Ghana, Ivory Coast and Zambia. The Mining Energy and Chemical Workers Union of China also attended. The large number of jobs lost in mining over the past five years, made this meeting important in the ILO context. This decline in employment is likely to continue despite the increase in the number of contractors in the industry. In addition to these issues, two other important contemporary issues were discussed. These were the spread and impact of HIV/AIDS and the notion of sustainable development.

The meeting agreed the social, environmental and economic challenges facing mining be brought into balance so that a safe, healthy, humane and productive industry can be sustained. A major employment issue is workers leaving the industry, an ageing workforce and the rise in contract work. Governments, employers and trade unions must be involved in taking forward the ILO Decent Work Agenda. The ILO Governing Meeting in March 2003, adopted two resolutions on Mining Finance and Development and A Future Work Plan for the ILO, and the conclusions. The ICEM has initiated a process to follow-up on these areas we regard as vital in improving the lives of our members.

The main priority areas for the ILO are:

- *undertaking research into the relationship between working time and health and safety;*
- *collecting and disseminating examples of good practice in the downscaling and closures and measures that cushions the negative socio-economic effects;*
- *continue the work on promoting health and safety in small mining;*
- *developing networks and promoting social dialogue on sustainable development including the outcomes of the UN World Summit;*
- *accelerate action to promote the ratification and implementation of Convention 176 on Mine Health and Safety and*
- *the Code of Practice on HIV/AIDS.*

5.8 International Mining and Maritime Solidarity Conference

Trade union members and leaders representing more than 2.7 million members in the mining, energy and maritime industries from Australia, New Zealand, Germany, South Africa, USA, Canada, Japan and France, met in September 2002 in Newcastle, Australia. The conference discussed the impact of globalisation on our members, their families and societies with the aim of developing practical and effective responses.

The conference adopted a *Solidarity Compact* committing affiliates and the international to work together to:

- *educating the rank and file to understand the importance of international solidarity for all workers;*
- *organising focused exchange programmes between union members nationally and internationally to share experiences and ideas on specific company issues;*
- *further exploring alliances between unions nationally and internationally;*
- *promoting women in the mining, energy and maritime industries and in our unions*
- *strengthening our organising efforts to expand our membership base by organising the unorganised workers and by bringing more affiliates into our respective international federations;*

- *highlighting and popularising our local struggles and victories to inspire fellow workers around the world;*
- *exploring fully the idea of a Global Workers Charter as a global organising tool that includes the key international treaties on human and trade union rights;*
- *organising regular international days of action around particular disputes and themes;*
- *forming alliances and joint actions with social movements on issues of mutual concern.*

Conference urged all like-minded unions in our industries to join this campaign and asked the ICEM and ITF to facilitate development and cooperation with national and international organisations with respect to this strategy. The next biennial conference is planned for May 2005 in San Francisco.

5.9 Union Building Projects

Mining in Africa is growing. The development of a strong, vibrant union base must accompany this growth. The ICEM's Shop Stewards Development Programme is in its fourth year and has grown. This programme focuses on building leadership skills to build and maintain unions and to service members. There is also a strong emphasis on development of women.

Our presence in Central and West Africa is also growing. In the DRC e.g. there are several unions present in the mining sector. Our strategy is aimed at building local co-operation. Our affiliates have united under one committee co-ordinated by a Project Leader acting as a national contact person supervised by the Regional Office. Fourteen new mining affiliations from the DRC (12), Kenya and Eritrea were accepted.

5.10 Field Work

Several invitations from our mining affiliates were received and accepted. Amongst these were the Balkans Mining and Energy Network (2001 and 2002), Rosugleprof Coal Conference (2001), NUM Central Committee (2002), IGBCE Study visit (2002), the EMCEF Miners Conference (2003 and 2004), EPS Serbia (2003), Swedish Metall Miners Committee (2003), Czech Miners OSPHG (2003). The ICEM also participated in a United Nations Environment Programme (UNEP) Conference on Mining, Finance and sustainability in January 2002.

6. Conclusion

Finally, this conference no doubt will reflect on the challenges we face today. Mineworkers display a unique passion for their industry. This passion is rooted in a sense of solidarity given the difficult conditions under which they work. In today's global mining industry, this solidarity must also be extended to assisting in building capacity of our affiliates to engage governments, corporations and civic organisations in the development and implementation of good mining policy at a national level. As corporations and governments share and learn from each other, there is no reason why similar projects and programmes could be undertaken by our affiliates to improve mining globally and arrest the race to the bottom. There exists ample expertise on what is good mining policy within and across our affiliates that could easily be shared. Our vision for *safe, humane and productive industries that respects people and the environment* must become our clarion call to action over the next four years.

¹ UNAIDS 2004 Report on the Global AIDS Epidemic. Bangkok. 2004.

² At the time of writing to the Miners' Independent Union, the three-year death toll had reached 250 workers