FIGHTING GLOBAL POVERTY

Fanning the Flames

The role of British mining companies in conflict and the violation of human rights

Fanning the Flames: The role of British mining companies in conflict and the violation of human rights

Preface

War is one of the chief causes of poverty. War can completely undermine a country's development prospects, destroying schools and hospitals and putting agricultural land out of use for years to come. Fully 80% of the world's 20 poorest countries have suffered a major war in the past 15 years, and the human legacy continues long after. Nine of the 10 countries with the world's highest child mortality rates have suffered from conflict in recent years.[1]

Yet not everyone is made poorer by war. Many companies thrive off conflict, whether through supplying military hardware to armed forces or running mercenary armies on behalf of combatant states. Others fuel conflict through their operations in war zones, such as oil companies in volatile countries like Colombia and Iraq, or through their continued trade in goods such as blood diamonds. Others again profit from financing the war effort.

This report forms part of War on Want's campaign to confront those companies which exacerbate or profit from war. The aim of the campaign is to expose the many different ways in which the corporate sector is involved in conflict, and to suggest public action to call such companies to account. The campaign complements War on Want's longstanding support for our partners in conflict zones: some of the world's bravest men and women, on the front line in the struggle for human rights.

The following pages examine the role of the mining industry in exacerbating conflict and human rights abuse across the world.

There is an established link between mining and conflict situations. In far too many cases, conflict arises when the forces of the state are called in to suppress community opposition to mining activities by foreign companies, often with brutal consequences. In other cases the presence of foreign mining companies exacerbates already existing tensions to the point of conflict.

This report focuses on the important part played by British companies in the international mining industry. All of the world's three largest mining companies are British, and along with other British companies they are involved in a number of conflict situations around the world. Yet the British government has failed to take action to address the role of these companies in exacerbating conflict situations, preferring to support their operations in spite of the local damage resulting from their presence. War on Want calls on the British government to take action to bring its mining companies to account for their role in fuelling conflict and human rights abuse around the world.

Sue Branford
Chair, War on Want

Executive summary

The global mining industry is enjoying an unprecedented boom period, with many companies posting record profits as a result of soaring commodity prices. The UK is doing particularly well: the three largest mining companies in the world are all British, while London provides much of the finance for the industry as well as hosting a major share of global metals trading. The British government has regularly championed the cause of British mining companies across the world.

Many developing countries, on the other hand, have experienced the negative side of mining. Armed groups have often enriched themselves through minerals extraction, doing deals with companies and using the revenues to fuel civil wars. Human rights violations have occurred where security forces paid to protect mining assets have attacked local communities and anti-mining activists. There is now an established pattern in country after country where local people have been forced off their land by mining projects, and those protesting have been intimidated, beaten or shot.

Lawyers have distinguished between three types of corporate complicity in such abuses. 'Silent complicity' is held to exist where companies fail to speak out against clear patterns of human rights violation in the areas where they are operating. 'Beneficial complicity' pertains when companies are the beneficiaries of human rights abuses committed by state forces – as in many of the cases described in this report. 'Direct complicity' occurs when a company provides assistance to a body which then commits a human rights violation.

In countries such as Colombia and the Philippines, anti-mining activists and local communities are faced with an ever-present threat from military and paramilitary forces. In both countries, protestors have been murdered for their opposition to corporate mining activities. Yet British companies continue to operate in such conflict zones, often benefiting from the intimidation caused by armed security groups.

In India, tribal peoples are trying to defend their lands and their livelihoods against the threat of operations by British mining companies such as Vedanta. The Norwegian government has now withdrawn its investments in Vedanta as a mark of concern at the company's Indian operations. According to the Council of Ethics which advises the government's pension fund, Vedanta "seems to be lacking the interest and will to do anything about the severe and lasting damage that its activities inflict on people and the environment."

Local communities face similar threats as a result of British mining companies' operations in other countries across Africa, Latin America, Asia and the Pacific island states. British companies have entered into partnerships with repressive regimes in Tibet and Uzbekistan, while local protests against UK mining activities in countries such as Bangladesh, Peru, Argentina, South Africa, West Papua, Indonesia and Papua New Guinea have met with varying degrees of human rights abuse.

War on Want believes that the UK government must acknowledge the harm being done to local communities in developing countries as a result of British mining companies' activities. Relying on voluntary codes of conduct and self-regulation to police the extractives industry has been shown to be ineffective, and the government must now take action to make mining companies accountable both nationally and globally. War on Want calls on the UK government to introduce new rights of redress in the UK and to support binding standards for corporate accountability at the international level. Only through such action will we be able to tackle corporate complicity in conflict and human rights abuse.

1. Boom time for the mining industry

"High commodity prices typically mean very interesting times and the current period is no exception."
Leigh Clifford, former Chief Executive, Rio Tinto[1]

It is boom time for the world's mining companies, with primary commodity prices soaring in recent years. BHP Billiton states that 2006 saw real annual average prices for copper, zinc, iron ore, coking coal, thermal coal, crude oil, natural gas and uranium all reach their highest levels since the 1970s, with China as the main driver of demand.[3] Anglo American states that gold prices were 31% higher in 2006 than in 2005, and that they have risen for six years in succession – an upward trend unseen since the deregulation of the gold market in 1971. Platinum prices were 28% higher and nickel prices were 59% higher in 2006.[4]

This commodity price boom has led to record profits for many mining companies. Rio Tinto states that the primary reason for its record profits in 2006 was "the effect of price movements on all major commodities", which increased earnings by a massive $3 billion.[5] Overall mining industry profits were already over eight times higher in 2005 than in 2002, according to the PricewaterhouseCoopers study *Mine: Let the good times roll.* The 40 companies analysed in the study made a net profit of $45 billion in 2005, "another spectacular year for the global mining industry". The rise is so great that the net profits of BHP Billiton and Rio Tinto alone in 2005 were greater than the profits of all the top 40 companies in 2002.[6]

Table 1: Profits for selected British mining companies[7]

Company	Profits for 2006	Profits for 2005
Anglo American	$5.5 billion	$3.7 billion
Rio Tinto	$7.4 billion	$5.2 billion
BHP Billiton	$10.5 billion	$6.3 billion
Xstrata	$4.9 billion	$2.2 billion
Vedanta	$934 million	$374 million
TOTAL	**$29.2 billion**	**$17.8 billion**

Huge profits have been made possible not only by rising commodity prices, but because of the rewriting of national mining laws offering foreign corporations an ever more favourable climate for investment. Over the past 15 years, dozens of developing country governments have reduced corporation taxes and royalties, offered incentives to foreign investors and privatised state-owned mining companies. Putting in place such policies to attract foreign direct investment (FDI) has been a standard element in 'advice' handed down to developing countries by the World Bank, IMF and other donors, despite the problems associated with such policies.

The Philippines, for example, adopted a Mining Act in 1995 which declared up to 40% of the country's land area open for private mining, allowing for 100% foreign ownership of mining firms and guaranteeing the flow of capital, profits and equipment out of the country while reducing taxes and royalties and providing tax holidays to companies. There is evidence that the law was written at the behest of companies and the World Bank and other international institutions.[8]

Similarly, Zambia has put in place a range of measures to attract foreign investment in mining. The mineral royalty rate for new investors is a mere 0.6%, compared to the world average of 3%. Foreign companies are exempt from customs duties on capital machinery and equipment as well as raw materials, for up to 20 years in some cases, and there are no restrictions on the amount of profits and dividends that can be repatriated. The UN's humanitarian news service reported in February 2007 that "Zambia has little to show for the boom" in copper prices, which last year reached about $8,000 per tonne on the London Metals Exchange, up from an average of $1,200 five years ago.[9] Since copper accounts for 80% of Zambia's foreign exchange earnings, the country is losing out massively as a result of its favourable tax treatment of companies.

There is indeed little evidence that such strategies have benefited developing countries. The UN's trade and development agency, UNCTAD, notes that $15 billion was invested in mining in Africa in 2004 as a result of the revision of mining codes. Yet according to UNCTAD, "while programmes designed to deregulate the mining sector can claim some success in attracting FDI in recent years, a positive developmental impact has failed to materialize." "Indeed," notes UNCTAD, "some of the largest recipients of FDI have also been those with the greatest capital flight", including natural resource giants Nigeria, Angola and the Democratic Republic of Congo.[10]

1.1 The British connection

The world's mining industry has a decidedly British face. London is the mining capital of the world, where many of the largest companies are headquartered, where a major proportion of capital investment in mining is raised and where the most active metals trading takes place. The three largest mining companies in the world are all British:

Xstrata Copper Chief Executive Charlie Sartain at the Asia Pacific Mining Conference, Philippines, June 2007

- **BHP Billiton** – the world's largest mining company, formed out of the 2001 merger of BHP and Billiton, with headquarters in London and Melbourne
- **Anglo American** – the world's second largest mining company, headquartered in London and comprising group members such as Anglo Platinum, De Beers and AngloGold Ashanti[11]
- **Rio Tinto** – the world's third largest mining company, again with headquarters in both London and Melbourne

In addition, several other major mining companies have strong UK connections:

- **Xstrata** – the world's fifth largest mining company, listed on the London Stock Exchange and with a registered office in London, although headquartered in the Swiss town of Zug
- **Vedanta** – headquartered in London and listed on the London Stock Exchange since 2003; owned by Indian billionaire Anil Agarwal
- **Monterrico Metals** – a London-based mining company operating exclusively in Peru, and since April 2007 a subsidiary of the Chinese Zijin Consortium
- **Global Coal Management** – operating in Bangladesh as Asia Energy, with further investments in South Africa and China
- **South China Resources** and **Central China Goldfields** – both British companies, despite their names, and working in Chinese-occupied Tibet

The British government has championed the cause of such mining companies by promoting 'favourable investment climates' within developing countries. Indeed, helping British companies secure access to cheap raw materials, including minerals and energy resources, is a longstanding foreign policy aim.[12] British officials have regularly taken the lead in furthering the interests of mining companies overseas; as stated in the Foreign Office's 2006/07 departmental report: "Heads of Mission around the world use their high-level access to help UK investors, and to market the UK's 'light touch' approach to regulation." Many of Britain's recent initiatives to promote more favourable investment climates have in effect been joint ventures with the leading mining companies.

For instance, at a joint press conference in 2005 Anglo American's Chairman Sir Mark Moody-Stuart and then UK Prime Minister Tony Blair committed themselves to supporting the new Investment Climate Facility (ICF) for Africa. Anglo American was the first private sector investor to contribute to the ICF, pledging $2.5 million; the British government was the first government to contribute, with $30 million pledged over three years.[13] Eventually launched in mid-2006, the ICF's objectives are to "build the environment for investment climate reform" and to "get the investment climate right" in Africa.

The ICF's nine-member board of trustees includes a number of corporate mining actors with UK links:

- Sam Jonah, president of AngloGold Ashanti, former chief executive of Ashanti Goldfields and now chair of a mining services company listed on the Johannesburg Stock Exchange
- Baroness Lynda Chalker, formerly UK Minister for Overseas Development, now running her own consultancy for private sector investors in Africa, called Africa Matters Ltd
- Lazarus Zim, former chief executive of Anglo American South Africa and now chairman of Kumba Iron Ore, which is linked to Anglo American subsidiary Kumba Resources
- Nkosana Moyo, Managing Partner of Actis, the investment fund supported by the UK's Department for International Development (DFID), and formerly of the World Bank's private sector promotion arm, the International Finance Corporation

DFID has spelled out its aims for the initiative in clear terms: "The ICF will help bring about more business friendly policies, laws and regulations across the continent", and "will help bring about a more effective dialogue on investment climate reform between governments and the business community". According to DFID, the ICF "will support projects such as streamlining business regulation" and "reforming customs administration and taxation and removing barriers to competition". Anglo American shares the same position, stating that the ICF "will aim to make Africa a more attractive environment in which to do business".[14]

The British government and Anglo American are also the leading figures behind Business Action for Africa (BAA), an international network of over 100 corporations and business organisations together with donor governments and international financial institutions. BAA was launched by Tony Blair in July 2005, alongside the Commission for Africa report, with Anglo American's Sir Mark Moody-Stuart as chair.[15] Other sponsors included De Beers, British American Tobacco, Unilever and Shell, with Rio Tinto and BHP Billiton also listed as members. In his speech to the opening conference, Moody-Stuart called on African governments to "give greater priority to removing impediments to doing business and improve the investment climate for domestic and foreign investors". As the BAA website quotes Moody-Stuart as saying: "Business Action for Africa really does the business for business."[16]

In addition to pressing for a more business-friendly investment climate, the British government also defends the idea that foreign investors should be entitled to essentially more rights than the local communities affected by their projects. One of the big debates of recent years is the extent to which local communities should be involved in decisions on mining projects, based on the internationally accepted principle of free, prior and informed consent.[17] Yet the British government has stated that "the idea of giving indigenous people or local communities a veto over projects is not… one that we would support". Rather, it supports the principle of "free prior informed *consultation* with affected communities leading to acceptance, before a project is approved" – a recommendation that communities should be consulted but not so as they might be allowed to stop a project.[18]

1.2 Losing out on the price boom

New mining laws have lowered corporation taxes and royalties almost everywhere, decreasing the revenue going to some of the world's poorest countries while increasing profits to the mining companies and their shareholders. Numerous countries have lost out significantly as a result:

- As Tanzania's gold exports rose from the late 1990s, six major mining companies earned total export revenues of

$890 million in 1997-2002 – yet the government received only $87 million (less than 10%) in taxes and royalties.[19]

- In Ghana, a calculation based on 2003 figures shows that mining companies exported $893 million worth of minerals while the government received just $47 million, or around 5% of that sum, in taxes.[20]
- Zambia earned just $5 million royalties in 2005 on copper exports estimated at $1.6 billion, according to a study by DFID.[21] The Zambian government stated in early 2007 that it had received just $71 million in taxes from mining companies for the five-year period of 2002-06, while the companies' profits topped $652 million.[22] Companies investing in newly privatised copper mines pay almost no taxes or royalties, and the government's share of the benefits from mining has halved since the start of the price boom in 2002. Even though copper prices have been much higher since the industry was privatised, the Zambian state has earned a quarter of what it earned when mining was still in national hands.[23]

UNCTAD's *World Investment Report 2007,* which focuses on the challenges posed to developing countries by oil, gas and mining multinationals, notes that in many of the above states, "stakeholders have expressed dissatisfaction with the share of revenues remaining in the country". Several developing countries are now seeking to recover lost ground by renegotiating the terms under which foreign investors can profit from mineral exploitation. In response to the Tanzanian government's attempts to secure a fairer distribution of revenues, AngloGold Ashanti has reportedly agreed to start paying tax on its massive Geita gold mine four years earlier than previously allowed under the country's tax holiday incentive scheme. Following the example of Latin American countries such as Chile, Peru, Bolivia and Ecuador, the governments of Zambia, Congo, Guinea and Indonesia are all said to be reviewing the generous terms extended to foreign mining companies in the past.[24]

Yet even in cases where the system should guarantee developing countries a fair share in revenues from their own national resources, many companies avoid paying the tax they owe. Creative accounting practices can help companies undervalue the level of profits to reduce their tax burdens, and the extractive industries are known to pose a particular problem in this regard. Another PricewaterhouseCoopers study of 55 mining companies found that 46 of them paid a lower effective tax rate than the statutory rate applying in their headquarter country.[25] A detailed investigation for the UN of tax avoidance practices in Chile revealed that between 1993 and 2002 mining companies paid only 10% of their sales revenues in taxes while earning more than this in the form of tax credits from the government; Chilean taxpayers were effectively paying for the mining companies to operate in their country.[26]

1.3 The mining process: more cons than pros

Large-scale mining should theoretically have a number of positive impacts for developing countries, notably generating income through taxes, royalties and exports, providing employment and stimulating local economic development. In practice, however, these potential benefits are often overshadowed by the negative impacts of large-scale mining:

- **Environmental damage:** Water and air pollution, and disfigurement of the environment by creating giant waste dumps, are common features of mining operations. Huge quantities of often toxic waste are generated (producing one ton of copper creates 110 tons of waste, for example) and frequently dumped into river systems. Some 150 mining environmental accidents occurred between 1983 and 2002, of which 15 involved cyanide.[27] The US Environmental Protection Agency has said that water contamination from mining poses one of the top three ecological security threats in the world.[28]
- **Human rights:** As discussed more fully in the rest of this report, mining operations have long been associated with the most severe human rights violations, with mining companies accused of varying levels of complicity in those violations. Mining has also been responsible for the exacerbation of existing conflicts and the creation of community tensions.
- **Health:** Dust pollution can cause severe illness in miners, while the establishment of mining towns has been associated with rises in HIV/AIDS. Contaminated water from mining can cause water-borne diseases.
- **Industrial accidents:** The International Labour Organisation states that mining causes more fatal accidents among its labour force than any other industry.[29] In China, 5,900 coal miners lost their lives in 2005 alone – an average of 16 miners a day.[30] AngloGold Ashanti workers have suffered 80 fatalities in the two and a half years to June 2007; the company's large TauTona mine in South Africa was shut

down in early November 2007 after the latest in a long series of miners' deaths.[31]

- **Climate change:** Industrial mining is believed to consume a massive 7-10% of the world's energy production.[32] The World Bank's Extractive Industries Review noted that the extractive industries are "large contributors" to the problem of climate change.[33] Anglo American chairman Sir Mark Moody-Stuart has admitted that his company alone has an "energy use equivalent to that of Finland".[34]

Poverty tends to deepen in countries dependent on minerals extraction, while even the World Bank acknowledges that large-scale mining often exacerbates corruption and bad governance.[35] An UNCTAD study noted that the proportion of people living in absolute poverty in mineral-exporting countries rose from 61 to 82% in the period from 1981-3 to 1997-9.[36] The phenomenon of the 'resource curse' has been well analysed in recent years, with many academic studies showing that the more a developing country depends on mineral exploitation, the slower its rate of growth in average incomes. Many analysts conclude that large-scale mining cannot set countries on the path towards sustainable development. As Thomas Power, professor of economics at the University of Montana, has argued: "When mineral development occurs in a context of underdeveloped social, political and economic institutions, the non-renewable resource wealth tends to be squandered, the level of social conflict increases and nearly irreparable damage is inflicted on the environment."[37] Such conditions exist in many of the countries described in this report.

The World Bank is a major financer of large-scale mining, despite the fact that its analyses are often critical of the industry. The Bank's Extractive Industries Review, completed in late 2003, concluded overall: "Increased investments have not necessarily helped the poor; in fact, oftentimes the environment and the poor have been further threatened by the expansion of a country's extractives sector." The review outlined a number of adverse impacts from the operations of extractive industries in three countries undergoing structural adjustment: Peru, Tanzania and Indonesia. Among the impacts:

The Grasberg mine, Papua New Guinea
Picture: Rob Huibers/Panos Pictures

- “little revenue actually reached the communities” while “growth in the mining sector has had little impact on employment and incomes of the poor.”
- “increased social antagonism and conflict… There was significant social unrest associated with extractive industry investment.”
- “structural reform processes have exacerbated macroeconomic imbalances and increased vulnerabilities”. Importantly, these countries saw “decreasing tax revenues” as new mining investments began.[38]

In reality, mining employs few people, usually amounting to a tiny percentage of the workforce even in resource-rich countries. All too often large-scale mining displaces small-scale miners, depriving them of their living. Mining often increases social and income inequalities, and consequent social tensions, by establishing well-resourced ‘mining colonies’ next to extremely poor villages often made poorer by the effects of the mining operations. While all multinational companies trumpet their spending on social programmes for local communities in which they operate, these payments are usually marginal, and minuscule in comparison with their profits. In Ghana, for example, it is estimated that mining company projects in local communities amount to 0.5% of the value of the minerals extracted.[39]

2. Fuelling conflict and human rights abuse

The extraction of minerals or raw materials by companies has exacerbated conflict in numerous countries around the world. Armed groups have often enriched themselves through minerals extraction, doing deals with companies and using the revenues to fuel wars. Human rights abuses have occurred where the army or police are contracted to protect mining property, especially in situations of civil war. In other cases people have been forced off their land by mining projects, and those protesting have been intimidated, beaten or shot.

Human rights lawyers have distinguished between three types of corporate complicity in such abuses. 'Silent complicity' is held to exist where companies fail to speak out against clear patterns of human rights violation in the areas where they are operating. 'Beneficial complicity' pertains when companies are the beneficiaries of human rights abuses committed by state forces – as in many of the cases described in this report. 'Direct complicity' occurs when a company provides assistance to a body which then commits a human rights violation, even if the company did not itself wish the violation to happen: "it is enough if the corporation or its agents knew of the likely effects of their assistance".[40]

At a higher level, academic studies point to a strong correlation between dependence on natural resources and increased risk of conflict in developing countries – the other aspect of the 'resource curse' mentioned above:

- One World Bank study found that if 25% or more of GDP is derived from primary commodity exports, the risk of civil war jumps to around 30%.[41]
- Another study found that countries with a high dependence on commodities like minerals run a risk of civil war that is 40 times greater than countries with no primary commodity exports.[42]
- A US study of 50 conflicts in 2001 noted that in at least a quarter of them natural resource extraction had been a factor, either triggering the conflict or helping to pay for it.[43]

The World Bank's Extractive Industries Review found that "the large economic rents generated by extractive industries may help provoke or prolong civil conflict. Indigenous people are particularly vulnerable." It also recommended that a condition for the Bank to support mining projects should be "the absence of armed conflict or of a high risk of such conflict". It concluded that "under no circumstances" should the Bank support mining projects in conflict areas.[44]

Yet mining companies, including the largest British firms, not only remain active in countries experiencing conflict; they are deepening their exploration activities in many of them. Furthermore, British mining company projects are exacerbating – and sometimes creating – social conflicts in several countries. DFID has stated that "countries whose economies are dependent on natural resources such as oil and minerals, face a high risk of conflict".[45] Yet this has not stopped the UK government's strong support for British mining companies.

There is also an established correlation between the extractive industries and the human rights violations suffered by local communities, as described in this and successive chapters. In his interim report of February 2006, Professor John Ruggie, UN special representative on human rights and transnational corporations (TNCs), presented an overview of the 65 cases of corporate human rights abuse he had examined from 27 countries around the world. Ruggie noted: "The extractive sector – oil, gas and mining – utterly dominates this sample of reported abuses with two thirds of the total... The extractive industries also account for most allegations of the worst abuses, up to and including complicity in crimes against humanity. These are typically for acts committed by public and private security forces protecting company assets and property; large-scale corruption; violations of labour rights; and a broad array of abuses in relation to local communities, especially indigenous people." Ruggie concluded: "The extractive sector is unique because no other sector has as enormous and as intrusive a social and environmental footprint."[46]

UNCTAD's authoritative *World Investment Report* for 2007 also examines the particular challenges posed by multinationals from the extractive industries. The report draws attention to the threat of human rights violations at the hands of both public and private security forces protecting company assets. While UNCTAD notes that there have been many reported abuses by private security forces, including those guarding mining installations, it also highlights the issue of corporate complicity when companies rely on state forces to provide security: "While these forces may be under the control of a host-State entity, TNCs might still be held accountable for their behaviour when they support their actions either by paying their salaries, or providing intelligence or other services such as transportation."[47] Several of the examples described below fit this description.

2.1 Colombia: the advantage of a repressive regime

Colombia has major reserves of mineral resources, including the largest coal reserves in South America. It is also the continent's second largest producer of gold and mine nickel. Mining accounts for around 14% of the country's GDP, a proportion that has grown as Colombia has opened up the economy to foreign investment in mining. A new mining code developed with the World Bank was introduced in 2001, while current President Alvaro Uribe has privatised the state mining sector, lowered tax and royalty rates and otherwise implemented investment conditions that rank among the most favourable in the world.[48]

Colombia also has one of the most repressives regime in Latin America, with an appalling record of human rights abuse. The country's civil war has lasted for 40 years, causing three million people to become internally displaced and costing tens of thousands of lives. Colombia's security forces regularly target not only left-wing insurgents, but also trade unionists and other social activists demanding a more equitable distribution of the country's resources (around 3% of landowners in Colombia own 70% of the land). The UN High Commissioner on Human Rights has drawn attention to "human rights violations attributed to the direct action of public servants, particularly members of the security forces", noting that "other state institutions, such as the Attorney-General's office, have been associated with these actions or been involved in carrying them out".[49] Collusion between government forces and illegal paramilitary groups, who conduct the majority of the assassinations and human rights violations, is well established.[50]

Colombia also has a long history of paramilitary organisations linked to local elites clearing small farmers and miners off land in which multinational companies declare an interest, and intimidating those who oppose them. According to Colombian trade unions, the government's determination to guarantee foreign investment has resulted in the murder rate in the country's six mining departments being far higher than in non-mining departments, and the rate is increasing. Unionists state that between 1995 and 2002 there was a total of 6,626

Military presence, Colombia

murders in Colombia's mining municipalities, and that 68% of displacements in the country occurred in the areas of greatest mineral production. Some 42% of human rights violations against trade unionists occur in the mining and energy sector.[51] Colombia is quite simply the most dangerous country in the world to be a trade unionist, with 4,000 killed in the last 15 years – more than in the rest of the world combined.[52]

The British government has been a strong supporter of the Colombian regime, and provides military and intelligence aid to security forces responsible not only for human rights abuses but also for creating the conditions for favourable investment by British companies. British companies have invested over $16 billion in Colombia, according to Foreign Office figures, with mining and oil both key sectors.

AngloGold Ashanti has been actively exploring in Colombia since 1999. In the Sur de Bolivar region of northern Colombia, AngloGold Ashanti is the beneficiary of a brutal campaign by state security forces designed to intimidate communities and force people off their land to make way for mining operations. AngloGold Ashanti's subsidiary Kedahda is seeking to initiate operations in the San Lucas mountains above the town of Santa Rosa. Local community groups claim that 2,300 people have been displaced from their land and that communities have been subjected to arbitrary arrests, pillage, threats, the burning of houses and extrajudicial executions.[53]

A campaign of killings and intimidation attributed to the Colombian military's Nueva Granada battalion has swept the region. In September 2006, mining leader Alejandro Uribe was assassinated after leading peaceful opposition against AngloGold Ashanti mining in the region and seeking an investigation into the killing of another mining union leader the month before. Uribe was a leader of the Bolivar Department Miners' Association, which is linked to the Agro-Mining Federation of Sur de Bolivar (Fedeagromisbol), but the military has tried to suggest he was a guerrilla and a terrorist. In October 2006 another community leader, Leider de Jesus Castrillon Sarmiento, was also killed by the Nueva Granada battalion; this time the army claimed his killing was a "military error".[54]

In a statement put out just after Uribe's murder, Fedeagromisbol claimed that his killing was "part of a pattern of attacks, blockades, threats and killings carried out by members of the Nueva Granada Battalion who have clearly stated that the aim of the operations they are carrying out in the region is to guarantee the presence of the gold-mining multinational company AngloGold Ashanti (Kedahda S.A) which had been opposed by miners in the region, including Alejandro Uribe."[55] In response to War on Want's earlier report of these events, Anglo American dismissed the statements as "hearsay", although it admitted contracting with the Colombian army for protection duties. In a subsequent meeting, however, Anglo American representatives acknowledged that perceptions of AngloGold Ashanti being the beneficiary of human rights violations by the Colombian military were indeed "of concern".[56]

At 30 miles long and three miles wide, El Cerrejon, in Colombia's northern province of La Guajira, is the largest open-cast coal mine in the world. It was previously owned by the Colombian government and Intercor, a subsidiary of US multinational Exxon, but from early 2001 a three-company consortium involving Anglo American, BHP Billiton and Swiss company Glencore bought first the Colombian government's and then Intercor's shares in the mine, taking over its operation through a company called the Cerrejon Coal Company and splitting ownership three ways. Since Glencore's third was bought by Xstrata in March 2006, the mine is now owned and managed by three British-based companies.

In August 2001, without warning, bulldozers demolished most of the neighbouring village of Tabaco, whose inhabitants were evicted and violently attacked by hundreds of armed security personnel to make way for mine expansion. This attack was followed up by another assault in January 2002, in which the rest of the village was destroyed. Anglo American and BHP Billiton have consistently denied responsibility for the destruction of Tabaco, arguing that their consortium owned 50% of the mine at the time of the attacks but did not run it. The OECD is now investigating possible breaches of its Guidelines for Multinational Enterprises in this and subsequent attempts to expand the mine.[57]

Currently, several other communities face displacement because of planned expansion of the mine. Community representatives say that villagers around the mine are being pressured to sell up their farmland for inadequate sums, told that they must agree to individual settlements or get nothing and intimidated if they hold out for collective negotiation. Sintracarbon, the national union of coal industry workers, has said that "these communities are being systematically besieged by the Cerrejon company".[58]

Protestors outside the Asia Pacific Mining Conference, Philippines, June 2007

The mine continues to rely on the Colombian security forces and private security groups to defend its operations, and people in the communities recount ongoing instances of harassment, theft of livestock and restrictions on freedom of movement at their hands.[59]

The contrast between the impact of the mine on local communities and the riches it brings the companies could not be starker. Despite royalties and taxes paid by the mine, the province of La Guajira suffers extremely high levels of unemployment and malnutrition, and there is no safe public water supply. Villagers close to the mine say their lungs suffer from the constantly falling coal dust, while they live in fear of the security forces working for the companies.[60] BHP Billiton figures show that it made a net profit from its Cerrejon involvement of $73 million for the last half of 2006 alone; the profit for the year to June 2006 was $97 million.[61] Xstrata's chief executive Mick Davis notes in the company's 2006 annual report: "Cerrejon has already outperformed the assumptions made at the time of the acquisition and the mine's exceptional resource base, the expansion currently under way and the potential for future growth – together with the recent resurgence in thermal coal prices – all give me great confidence that this transaction will secure significant additional value for our shareholders over the long-term."[62]

2.2 The Philippines: a new frontier

Armed conflict between government and left-wing guerrilla forces in the Philippines has led to increased militarisation and human rights abuses around mining installations. As reported in January 2007 by a fact-finding mission which had visited the country during the previous summer, "Militarization and conflict are widespread in the Philippines and human rights violations are committed by the military, private armies and rebel groups. Mining in these conflict areas has led to significant increases in militarization and an associated escalation of human rights abuses." The UK's former International Development Secretary Clare Short, who led the mission, stated that, despite having visited many places where destructive development had damaged the lives of the poor, "I have never seen anything so systematically destructive as the mining programme in the Philippines."[63]

Human rights organisations report that extrajudicial killings and 'disappearances' are on the rise in the Philippines, with hundreds of people killed in recent years, often by military personnel acting with complete impunity.[64] Many of those killed by the security forces are activists opposed to mineral exploration in their regions, and there are fears that individuals labelled as 'anti-mining' simply for their peaceful and legitimate criticism of mining projects or government policies are thereby targeted for execution by the military. Indigenous people are particular targets in this regard.[65]

Based on its 1995 Mining Act, the Philippines has declared much of the country open for mining operations – up to 40% of the country's land area is open to private mining rights. Of the government's 24 identified priority projects for seeking mining investment, 10 are in Mindanao. Despite recent peace talks, conflict between the government and groups such as the Moro Islamic Liberation Front (MILF) still plagues Mindanao, along with terrorism by groups such as Abu Sayyaf and Jemaah Islamiyah. The UN's Special Rapporteur on Indigenous People's Rights, Rodolfo Stavenhagen, has reported extensive human rights violations by the army in northern Mindanao in connection with mining and other economic development projects.[66]

Mining companies are set to invest hundreds of millions of dollars in exploration in the Philippines, principally Mindanao, which contains the bulk of the country's mineral wealth. Australia, for example, has recently doubled its development aid to Mindanao while up to 12 Australian mining companies are working there.[67] Anglo American is reported by the mining press to have "joined the rush to discover new Philippine mines" and has 12 pending applications for exploration permits in the country, seven of which are in Mindanao.[68] These seven applications are for projects in the Caraga region of north-east Mindanao, where BHP Billiton has also been active. This is an area where targeted political assassination of anti-mining activists is rife. Local media reported in late 2006 the 15th killing of an advocate of indigenous peoples' rights who had campaigned against destructive mining and logging in the area – the 35th in Mindanao as a whole.[69]

UK company exploration projects in Mindanao

Company	**Project**	**Location**
BHP Billiton	ACT nickel project	Caraga region
BHP Billiton	Pujada nickel project	Region XI
Xstrata	Tampakan copper/ gold project	Region XII
Anglo American	Boyongan copper project	Caraga region
Anglo American	Bayugo copper/gold project	Caraga region

These mining projects in Mindanao face considerable local opposition. For example, Xstrata's project at Tampakan in the south of the island is being opposed by the local Catholic Church, with one bishop warning of poisoning, livelihood displacement and environmental catastrophe once the mine goes into full operation.[70] BHP Billiton is locked in a battle against the local community in the Pujada bay region of Mindanao, in the south-east of the island, over its nickel exploration project (the area may contain 150 million tonnes of nickel ore). The Macambol community, comprising around 3,000 people dependent on fishing, has organised a campaign against mining and demanded that the Philippine government cancel mining permits. Their fears are that the local rivers and water will be polluted, that mining will destroy a local protected area and that rural livelihoods will be lost.[71] The local provincial government has also expressed opposition to mining in the area.[72] There is evidence that the exploration permits granted by the government to BHP Billiton in the area are unlawful in that not all the communities needing to give their consent under Philippine local government law have done so.[73] Yet BHP Billiton is pushing ahead with the project, which is set to begin commercial operations in 2010.

There is major local opposition to other mining projects elsewhere in the Philippines. The Cordillera region accounts for 25% of the Philippines gold ore reserves and 39% of its copper ore. Anglo American subsidiary, Cordillera Exploration Inc, is exploring across many thousands of hectares in a number of the region's provinces, and has provoked widespread opposition from local communities. Leaders of the campaign against Anglo American's presence believe that their vocal opposition to the project, as well as criticism of the government's mining policies, is enough to subject them to death threats, and there have been murders linked to mining activities.[74]

Community and tribal groups together with the Cordillera Peoples Alliance are contesting Anglo American's entry into the area, which was granted by the Philippine government. One of the tribes opposed to the company's presence, the Buaya in Kalinga province, has said that Cordillera Exploration commenced mining activities in the area as early as the end of 2005. The Buaya accuse Cordillera Exploration of illegal intrusion since they have not given prior consent for the company to operate in the area.[75] The local population fears a loss of farmland, forests and rivers as a result of the mining. They also believe that "any intrusion of destructive projects, such as corporate mining, will disrupt their territorial integrity and in the long run, their cultural identity."[76]

The island of Sibuyan is known as the Galapagos of Asia for its unique ecology. Despite protests by islanders and environmental groups, Sibuyan Nickel Property Development Corp (SNPDC) is about to start nickel exploration on the island. SNPDC's Australian partner, Pelican Resources Limited, signed an agreement in September 2007 which gives BHP Billiton the rights to 500,000 tonnes of nickel from the project over a period of five years. Under the terms of the agreement, BHP Billiton will fund the exploration and drilling evaluation programme.[77]

On 3 October 2007 a large group of islanders took part in a demonstration against the project. In the course of the demonstration one of the protest leaders, Councillor Armin Marin, was shot dead by SNPDC's chief of security, who has subsequently been charged with murder. Councillor Marin was a prominent campaigner in the community, and environmental groups have reiterated their calls for the nickel exploration project to be halted in the wake of his death.[78]

2.3 Tibet: profiting from occupation

Tibet has been under illegal occupation since China invaded in 1950. Since then a brutally repressive regime has consistently crushed dissent and opposition, suspected separatists are routinely imprisoned and hundreds of political prisoners reside in Tibetan jails. Under the occupation, the Tibetan people have been denied their right to self-determination, including the right to own, develop and control the use of their land and resources. Yet two British mining companies are among those who in the last year have become active in drilling in Tibet.

Central China Goldfields (CCG), based in London, has two projects in Tibet. The Nimu copper/molybdenum project, located 120km west of the capital, Lhasa, is a joint venture with Chinese companies which commenced drilling in April 2007. CCG describes the project as a "potential jackpot". It is also exploring for copper, gold and molybdenum deposits in the De Ming Ding area, 60km east of Lhasa.

CCG's website states that "it is the company's goal to work in harmony with the local communities in which we operate", although it fails to say how this is to be achieved when the country is under occupation.[79] CCG is listed on the London Stock Exchange and its chairman, Nigel Clark, was until recently managing director of the British Chamber of Commerce in China. Clark currently chairs the China International Mining Group, which describes itself as "an informal association which promotes Western interests in the mining industry in China, working with review groups on Chinese mining legislation and related tax issues".[80]

South China Resources (SCR), also based in London, is exploring for copper in its Zhunuo project, again a joint venture with Chinese companies. It describes the project as being "located in one of the last mineral exploration frontiers of the world"; the deposit may amount to 3-5 million tonnes of copper. The company also fails to mention on its website the fact that Tibet is occupied by China. SCR's newly appointed executive director David Tyrwhitt is described by the company as having "spent the last 5 years in Tibet seeking out opportunities for global scale mining projects in the province".

2.4 Uzbekistan: Oxus Gold

British company Oxus Gold and the government of Uzbekistan share equal ownership of Amantaytau Goldfields, which is developing a number of mining operations. The first mine constructed had produced more than 430,000 ounces of gold up to the end of June 2007, according to Oxus. "The potential is huge," and "this is the lowest cost in the mining industry," Oxus directors have said.[81] The company is also conducting explorations in the Kyzylkum region of central Uzbekistan.

Oxus's partner, the Uzbek government, is one of the most repressive regimes in Asia. In May 2005, government forces shot hundreds of unarmed protestors in the city of Andijan, for which no one has ever been held accountable. Since the massacre, the Uzbek government has engaged in a fierce clampdown on independent journalists, human rights activists and civil society groups. Uzbekistan's appalling human rights record has been well documented, and includes widespread torture and the banning of all opposition.[82] Gold is Uzbekistan's second largest foreign exchange earner, and the partnership between Oxus and the Uzbek government is of no little significance to the regime.

Despite acknowledging the human rights situation in the country, and the fact that torture continues to be a "particular concern", the Foreign Office has continued to support Oxus in its partnership with the Uzbek government. The Uzbek-British Trade and Industry Council, involving government ministers from Uzbekistan as well as members of UK Trade and Investment and the London Chamber of Commerce, met in Tashkent in April 2006 to discuss cooperation in mining and other industries. The Uzbek embassy in the UK noted of the meeting: "The British side expressed interest in further expansion of mutual beneficial relations in oil and gas sector, mining, pharmaceuticals, agriculture and tourism."[83]

Tony Blair personally intervened in support of Oxus by writing, in January 2006, to the president of neighbouring Kyrgyzstan in support of the company's Jerooy gold mining project in that country. Kyrgyzstan's President Bakiyev had revoked Oxus's licence to develop the mine, calling the company's operations in the country "irrresponsible and unlawful", and publicly rebuffed Blair's efforts to intervene.[84] The Foreign Office backed Oxus, retorting that: "The revocation of Oxus Gold's licence to develop the Jerooy gold mine has further damaged the credibility of Kyrgyzstan among foreign investors."[85]

The British government has been a *de facto* supporter of the Karimov regime in Uzbekistan, seeing it as an ally in the 'war on terror', and has consistently played down its human rights violations. Britain's former ambassador to the country, Craig Murray, repeatedly informed the Foreign Office about the Uzbek government's human rights record and practice of torture, but was eventually dismissed for his pains. Murray has also revealed that the British security services connived closely with Uzbek authorities and used information extracted under torture.[86]

2.5 Bangladesh: Asia Energy

British company Global Coal Management is seeking to develop an open pit coal mine at Phulbari in Bangladesh, through its wholly owned subsidiary Asia Energy. In order to extract the roughly 500 million tonnes of coal estimated to exist in the area, company literature states that "approximately 40,000 people, including residents of part of eastern Phulbari township, will need to be progressively relocated", with about 100 villages affected.[87] Other reports by local campaign groups suggest many more would have to be relocated. Massive strikes and protests have been held against the mine for years, both locally and in the capital Dhaka, which culminated in the Bangladeshi government being compelled in August 2006 to sign an agreement suspending all company operations. This followed the killing of at least three people by law enforcement personnel who opened fire on a local demonstration against the proposed mine, injuring over 100 others. Recent reports, however, indicate that GCM is still pressing to develop the mine and that the military-backed interim government in Bangladesh may allow the company to resume operations.[88]

GCM has stated that no one will be forcibly relocated and that people will be fully compensated and provided with an alternative livelihood and housing.[89] Yet some local people have reportedly been forced to leave their homes already without any compensation.[90] GCM claims there will be numerous benefits to the local community, such as 2,000 new jobs and "the transformation of part of north-west Bangladesh into a mining and industrial zone". It also claims that the Bangladeshi government will receive $200 million a year in taxes and royalties, and that the mine will boost growth in a poor region.[91]

Yet with 75% of the local population reliant on agriculture, there is concern that the job creation envisaged will not be sufficient to offset the losses. Other reports suggest that all houses, schools and businesses within a 6.5km^2 area of the mine will have to be demolished. Many local people also fear that tens of thousands of them may be directly affected by the mine's dumping 'overburdens' of pollutant material into surrounding rivers or land.[92]

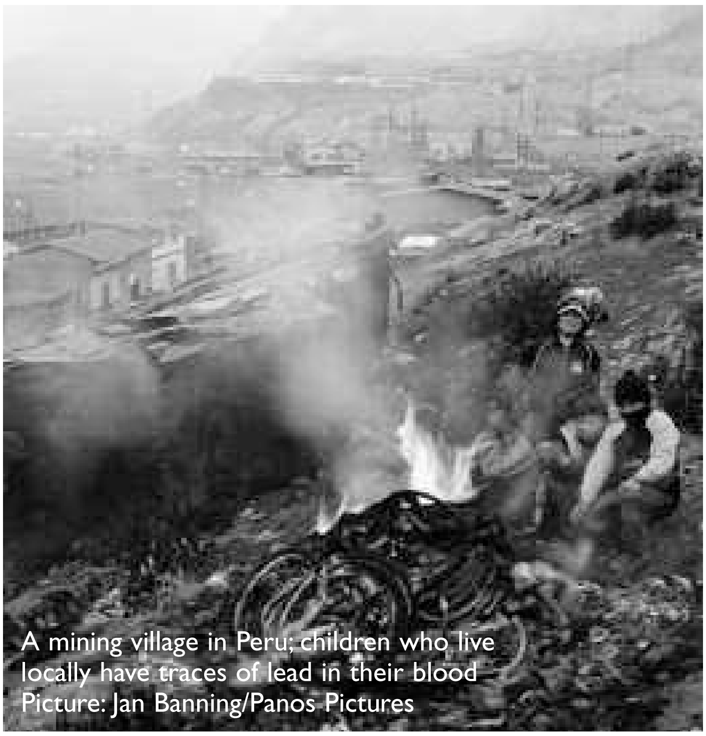
The UK government has backed the Asia Energy project from the beginning. It has urged the Bangladeshi government to restart it, arguing that the Phulbari mine is essential to the country's energy needs. Roger Moody, director of mining consultancy Nostromo Research, notes that during his visit to Dhaka in 2006 he was "informed by highly reliable sources that DFID had applied exceptional pressure (it struck me as nothing less than a threat) on a leading Bangladesh-based development NGO, to modify, if not abandon, its opposition to the Phulbari mine or jeopardise its UK-government funding". The *Observer* subsequently reported that DFID in Bangladesh had put pressure on the head of the ActionAid office in the country to drop its opposition to the mine, claims which DFID has denied.[93]

2.6 Peru: Monterrico Metals

The Rio Blanco copper project, located 2,500 metres above sea level on Peru's remote northern border with Ecuador, is expected to become Peru's second largest copper mine when it opens in 2008. It is run by Minera Majaz, a wholly owned subsidiary of British company Monterrico Metals, which is itself a subsidiary of the Chinese Zijin Consortium since April 2007.

Thousands of local farmers are fiercely opposed to the exploration of the mine and have long demanded that the company halt all activities. They argue that mining will contaminate the rivers in the nearby Huancabamba valley and harm the essential drinking water supplies and agricultural activities on which 120,000 people rely for their daily survival.[94] A local referendum held in September 2007 across the three districts affected returned a 95% vote against the mine.[95]

In August 2005, 4,000 people marched on the Rio Blanco mining camp. Some 300 Peruvian police officers used rifles and tear gas to repel them and pursued some protesters for hours through forest paths. One protestor was killed and 40 injured. The following month, hundreds of farmers held a further two days of protests.[96]



A mining village in Peru; children who live locally have traces of lead in their blood
Picture: Jan Banning/Panos Pictures

According to the Peruvian Ombudsman's Office, the company has been acting illegally by failing to obtain sufficient legal permission from local farmers and landowners to carry out the exploration activity. This position is contradicted by that of the Ministry of Energy and Mines, which gave the green light to Monterrico to proceed with exploration.[97]

Monterrico says that it is "committed to community consultation and sustainable development" and that protestors can come to community meetings to express their views. But communities state that there has been no adequate consultation process. Some activists claim that the very act of engaging in consultation is to take their lives into their hands. Conservationist Alejandro Zegarra-Pezo, for example, has stated that he has been targeted for assassination and that "there have been many other assassinations of similar people, assassinated for the simple democratic act of verbally opposing and demonstrating against open pit mining exploitation in northern Peru".[98] In late 2006 and early 2007, there were reports of death threats and assassination attempts on anti-mining activists.[99]

There are also reports of company involvement in human rights violations. In March 2006 Monterrico's Social Responsibility Manager allegedly led a violent attack on community leaders organising a peaceful forum on mining and sustainable development in the city of Huancabamba.[100] The company relies on the Peruvian police for protection, and specifically its special police force, DINOES, which is implicated in human rights violations.[101]

Monterrico's chairman is none other than the former British ambassador to Peru. Richard Ralph took up the engagement in August 2006, just four months after leaving his post as ambassador – during which time he had strongly backed the Rio Blanco project.[102] In November 2005, he was reported as saying that UK mining industry norms are "among the most rigorous in the entire world", and that the British government would guarantee the protection of the environment if the Rio Blanco project went ahead. He also claimed the project was a major beneficial investment for Peruvians: "In the villages I have heard about the conflicts, of the problems of mistrust and it is obvious that there are some places where the people have developed confidence in mining, and in other places, no. The important thing is that the mines are bringing jobs."[103]

2.7 Argentina: Xstrata

Xstrata is the world's fifth largest mining company by market capitalisation, with a registered office in London and listed on the London Stock Exchange. The company gained media attention in 2006 when its chief executive Mick Davis was found to be the highest paid in Britain, earning almost £15 million in the previous year.[104]

Local opposition to three of Xstrata's other projects is mentioned elsewhere in this report: at Tampakan, Mindanao; at the El Cerrejon mine in Colombia; and in the Bushveld complex in South Africa, with Anglo Platinum. Xstrata also faces a local campaign against its proposed construction of a hydro-electric dam on the Cuervo River in southern Chile, which could threaten to destroy a pristine wilderness area.[105]

Xstrata has long been accused of polluting land, water and air around its Alumbrera copper and gold mine in north-west Argentina – the largest in the country. Xstrata, which has a 50% controlling interest in the company which operates the mine, reported pre-tax earnings of $915 million in 2006 from Alumbrera, more than doubling its figure of $432 million for 2005.[106] Various spillages of contaminated water have occurred in recent years, allegedly poisoning local water supplies.[107] The Public Auditor-General of Argentina has also stated that the system of oversight and controls of mining activity in this region of Argentina is inadequate to guarantee that corporations will comply with environmental standards.[108]

In October 2006, people protesting peacefully outside an international conference between government officials and mining representatives in the town of Andalgala were subjected to an attack from local police including beatings, tear gas and rubber bullets. A member of the Argentine congress was also hurt in the police assault, and filed a formal complaint to the local prosecutor.[109] Meeting in the same town a year earlier, a coalition of communities affected by mining had published a declaration of opposition to large-scale mines such as at Alumbrera, calling on state authorities to effect "the immediate stoppage of all large-scale mining operations currently in progress, regardless of the stage of operations; and the suspension of new permits, concessions and claims issued under the current legal regimen".[110]

3. Vedanta

"The Group is committed to managing its business in a socially responsible manner. The management of environmental, employee, health and safety and community issues in respect of our operations is central to the success of our businesses."[111]

Vedanta Resources plc is based in London, listed on the London Stock Exchange and owned by the Indian billionaire Anil Agarwal, who is ranked 42nd on the *Sunday Times* Rich List for 2007. With principal operations in India and additional activities in Zambia, Armenia and Australia, Vedanta enjoyed revenues of $6.5 billion in the year to March 2007. The company has also enjoyed good connections within both the British and Indian establishments: Vedanta's first board of directors included a former UK High Commissioner to India and several senior figures within the Indian government, including current finance minister P Chidambaram.[112]

3.1 Community rights in India

The Indian government's expansion of the mining sector has provoked massive popular opposition, especially among tribal peoples forced off their land or threatened by eviction. The state of Orissa is rich in mineral assets and is currently the site of various conflicts which have often turned brutal. In January 2006 there were demonstrations by local tribes against the construction of a Tata steel plant in the east of the state, during which police shot dead 12 protestors.[113]

Thousands of tribal people in the Kalahandi district of Orissa are locked in a struggle with Vedanta subsidiary Sterlite Industries (India) Ltd over its dual bauxite mining and aluminium refinery project near the town of Lanjigarh. Local communities fear that the project will damage the fragile ecosystem of the Niyamgiri mountain forest, which they depend upon for their livelihoods and to which they have a deep spiritual and cultural attachment. A Supreme Court committee charged with investigating the situation has accused the company of obtaining environmental clearance for the project by concealing evidence of its potential impact on the forest. The committee noted that the Niyamgiri hills are "a proposed wildlife sanctuary, having dense and virgin forest, residence of an endangered Dongaria Kandha tribe and source of many rivers/rivulets", and that the project only obtained approval as a result of this concealment of evidence and a violation of forestry conservation guidelines.[114]

Vedanta claims the project has met with minimal protest, yet thousands of people have taken part in demonstrations and public meetings, and the Supreme Court has been petitioned in opposition to Vedanta. This opposition takes place despite a climate of fear and intimidation, alongside a rise in violent crime in the area. Community leaders state that their movements are closely monitored by individuals whom they call 'company men', since they appear to be acting in Vedanta's interests.[115]

In March 2005 the villages of Borbhata and Kinari at the foot of the Niyamgiri mountain were displaced to make way for Vedanta's aluminium refinery. Those who refused to leave their homes were threatened and their homes bulldozed. The Supreme Court committee heard evidence that many of those evicted were beaten, and that "the District Collector and the company officials collaborated to coerce and threaten them". According to this testimony, "An atmosphere of fear was created through the hired goons, the police and the administration. Many of the tribals were badly beaten up by the police and the goons. After being forcibly removed they were kept under watch and ward by the armed guards of Vedanta and no outsider was allowed to meet them. They were effectively being kept as prisoners."[116]

Vedanta disputes these findings, and claims that the displaced community has received "the best package offered by any company so far".[117] However, the Supreme Court committee's fact-finding team concluded that the rehabilitation package was "not in the interest of sustainable livelihood of the local communities as no land has been given for grazing purposes, raising agricultural crops and carrying out other income generating activities". The committee further recommended: "The allegations about the improper rehabilitation and the forceful eviction need to be looked into carefully through an impartial and unbiased agency."[118]

A final ruling from the Indian Supreme Court on whether the mine can go ahead is expected in the near future. After a series of hearings the project, which is supported by both the state and central governments, has effectively been given the green light, but with a number of environmental and financial conditions attached. The community has expressed its profound disappointment at this verdict, claiming that the tribe will be destroyed if the mine goes ahead.[119]

The Lanjigarh project is not the only conflict facing Vedanta in India. At Mettur in Tamil Nadu, people have accused Vedanta subsidiary MALCO of grabbing their land and paying no compensation, while residue discharged from the company's aluminium plant poisons agricultural land, contaminates water resources and kills animals. Emissions from Vedanta's plant and coal-fired power station have also caused severe health problems for local people, many of whom complain of serious respiratory, skin and eye diseases, stomach disorders, chest and limb pains.[120]

At a copper smelter complex at the town of Tuticorin in Tamil Nadu state, operated by Vedanta's subsidiary Sterlite, a Supreme Court monitoring committee discovered "mountains" of slag and phosphogypsum open to the wind and rain. Yet Vedanta ignored an order to remove these hazardous wastes, and in July 2005 the committee recommended closure of the unit for non-compliance.[121] In March 2007 India's State Pollution Control Board also ordered Vedanta to stop construction activities for its proposed aluminium complex in the Jharsuguda district of Orissa, as the company had not obtained environmental clearance from the Ministry of Environment and Forests.[122]

One non-governmental investigation from 2005 found that virtually all Vedanta's bauxite miners are contract labourers. At one site, at Mainpat in Chhattisgarh state, male workers earned just over 60 rupees (roughly 80p) for delivering one tonne of ore; women earned even less. The workers live in small thatched hovels perched over the quarry, deprived of electricity and adequate water. The company is reported as providing no medical facilities, while silica-laden dust blows into workers' homes day and night.[123]

3.2 Konkola Copper Mines, Zambia

Zambia has a long history of copper mining, which until the 1990s was controlled by the Zambian government. As noted earlier in this report, development agreements negotiated with foreign mining companies under pressure from the IMF and World Bank mean that the country is not receiving a fair share of its copper wealth. Zambia also suffers from many of the

Tribal women at a protest against Vedanta, India
Picture: Stuart Freeman/Panos Pictures

other problems associated with mining, including a "soaring" accident rate which killed at least 71 miners in the country during 2005.[124]

Vedanta owns 51% of shares in Konkola Copper Mines (KCM), Zambia's largest copper producer, and is seeking to increase its ownership still further. KCM runs three mines, a smelter, a refinery and a tailings leach plant, and the company has faced longstanding criticism for sulphur dioxide emissions from its operations – not just on health and environmental grounds, but also because of the negative impact of such emissions on local agriculture. Zambia's Ministry of Agriculture and Cooperatives has also complained that sediment and silt discharged from KCM's Nchanga plant has flooded fields and prevented local farmers from growing their crops, leading to tens of thousands of dollars' worth of losses.[125]

In November 2006, a toxic leak from the Nchanga plant contaminated local rivers and ran into one of Zambia's largest waterways, the River Kafue. Local residents who drank from the river suffered diarrhoea, eye infections and skin irritations, and may face serious long-term health problems as a result of exposure to copper, cobalt and manganese at many thousands of times the recommended levels. Zambia's Environment and Natural Resources Minister accused KCM of negligence, saying that the leak was "not accidental" but "a result of the failure by the current mine owners to implement the KCM Nchanga Mine Environment Plan". Official inspections carried out in mid-2006 showed that KCM was failing to observe the remedial measures outlined in this environmental plan, and the government had already given KCM an end of year deadline to comply.[126]

This was not an isolated incident: KCM has been responsible for several tailings pipe bursts, resulting in some communities facing polluted water for over a year. The Zambian government's Environmental Council has said that "this is a clear indication of poor corporate social responsibility by KCM management in their environmental management". The Environmental Council reserved the right to prosecute KCM directors in an individual capacity if they were found to have been negligent in their duties.[127]

3.3 Tax charges in Armenia

Vedanta's former subsidiary the Ararat Gold Recovery Company (AGRC), which controls the Zod gold mine in eastern Armenia, was in early 2007 placed under a criminal investigation with the state prosecutor's office. Evidence had been uncovered that the company was disposing less mine waste than required, undervaluing reserves, mining more than planned and underreporting the amount of ore extracted. The Armenian Environmental Ministry's Ecological Inspectorate had charged AGRC in 2004 with underreporting 900kg of gold to evade millions of dollars in tax; what followed was an out of court settlement in which Vedanta paid a $500,000 fine. In 2005, the Inspectorate claimed to have uncovered a further 1.3 tons of hidden gold. The mining press has reported that this amounted to "short-changing the government and its tax budget". In its 2005 findings, AGRC was also found guilty of serious violations of safety regulations, which resulted in five workers being killed in recent years. Earlier that year, the company had sacked several hundred workers after they demanded safer working conditions and higher wages.[128]

STOP PRESS

On 7 November 2007, the Norwegian government announced that it had dropped Vedanta from its global pension fund as a result of the "unacceptable risk of contributing to severe environmental damages and serious or systematic violations of human rights by continuing to invest in the company". The Council of Ethics which advises Norway's Ministry of Finance had provided an internal assessment of Vedanta's operations in India, which concluded that: "The allegations levelled at the company regarding environmental damage and complicity in human rights violations, including abuse and forced eviction of tribal peoples, are well founded. In the Council's view the company seems to be lacking the interest and will to do anything about the severe and lasting damage that its activities inflict on people and the environment." The government's global pension fund had previously held around $13 million worth of shares in Vedanta, and instructed Norges Bank to complete its divestment by the end of October 2007.

4. Anglo American

"Since our founding almost 90 years ago, we have established a proud tradition of not only delivering market-beating returns for our shareholders, but of benefiting the broader communities in the countries in which we operate."
Anglo American's *Report to Society 2006*

Anglo American is the world's second largest mining company. A UK-based corporation listed on the London Stock Exchange, Anglo American operates in 60 countries, most of them in the global South. The Anglo American group includes Anglo Platinum (the world's largest platinum producer), De Beers (the world's largest diamonds producer), and AngloGold Ashanti (one of the world's largest gold producers) – although Anglo American's plans to reduce its holding in AngloGold Ashanti from 42% to 17% mean that the latter will no longer be included within the Anglo American group. It also owns businesses in coal, base and ferrous metals, industrial minerals and paper. Anglo American's global operations bring the company massive profits: its net profits rose by 76% in 2006 to $6.2 billion, up from $3.5 billion the previous year.[129]

Anglo American prides itself not only on its profits and "market-beating returns" to shareholders but also on its corporate social responsibility (CSR) record. To this end, Anglo American has made much of its 'good citizenship business principles' and its involvement in various voluntary CSR schemes: "As a Group, we have become signatories to a number of international initiatives which, we believe, make a major contribution to building more sustainable futures. These include the Global Compact and the Extractive Industries Transparency Initiative, the International Council on Mining and Metals (ICMM) and the World Business Council for Sustainable Development."[130]

For communities living with the impacts of Anglo American's activities, such voluntary initiatives mean very little. The human rights crises facing opponents of Anglo American in Colombia and the Philippines have already been described earlier in this report. The following examples from Africa underline how local communities see Anglo American's mining operations as a threat to their livelihoods, and often suffer heavy consequences as a result of voicing opposition to the company's activities.

4.1 AngloGold Ashanti

AngloGold Ashanti operates in six African countries. The company's mining activities in Ghana have had a devastating impact on communities around the Obuasi gold mine, one of Africa's largest. Numerous local rivers and streams previously used for drinking water, fishing and land irrigation have been polluted as a result of mining activities. New pollution is also occurring at Obuasi as a result of its 'cyanide containment lakes'. Villagers claim that after heavy rain in November 2005 the company opened a pipe from its 'containment lake', flooding several houses and a large school in Abenpekrom village with water believed to contain cyanide and other dangerous elements. AngloGold Ashanti claims to have provided "appropriate compensation" for the spillage, but months after the incident villagers had not been given any compensation.[131]

A climate of fear pervades many of the villages around the mine, where police and company security officials have adopted brutal methods to protect company interests. Swoops are often conducted in the villages to intimidate or track down 'illegal' miners. There have been several cases of such miners being shot on the company concession area or having died after being held in custody by police working for AngloGold Ashanti, yet no compensation appears to have been provided.[132]

Such actions have been condemned by Mary Robinson, former UN High Commissioner for Human Rights, who described herself as "deeply concerned" at the "range and severity of human rights problems that continue to affect this sector". In a statement on human rights issues in Ghana's mining industry, Robinson noted: "In a number of cases, security forces working around mine sites have used violent methods to displace community members from mining areas. In other cases, mining companies' destruction of communities' water and land resources constitute a violation of communities' right to maintain a sustainable livelihood." Robinson pledged to raise the issues with AngloGold Ashanti in person during her visit to Ghana.[133]

Gold mining has recently overtaken cotton as Mali's major source of export revenue, and the country is now Africa's third largest gold producer. Two of AngloGold Ashanti's mines, at Morila and Sadiola, account for the bulk of Mali's gold production. While these mines have earned AngloGold Ashanti tens of millions of dollars in recent years, the company has invested little in the communities surrounding the mines. The small sums spent on these so-called 'community development' projects have also included payments to the local gendarmerie; indeed, the highest single payments in 2002 and 2003 at the Morila mine were to the local gendarmes.[134]


Workers at the Obuasi gold mine in Ghana
Picture: Jacob Silerberg/Panos Pictures

The mines brought with them rising cases of HIV/AIDS, violations of workers' rights and, in villages near the Sadiola mine, high incidence of lung diseases and miscarriages.[135] Land was expropriated with minimal compensation, reducing the area available for farming and growing cotton. Although some jobs have been created by the mines, interviews with local people showed that "it had become more difficult to make a living after the mines were established" and that the majority of people in local communities "today live an economically and physically less secure life than they did before the mining era started".[136]

The Democratic Republic of Congo (DRC) has suffered years of civil war and paramilitary violence, at the cost of many millions of lives. In June 2005, a report by Human Rights Watch detailed how AngloGold Ashanti had developed links with a "murderous armed group" in the DRC in order to gain a foothold in the area. AngloGold Ashanti admitted that its employees had paid money to the militia group FNI on more than one occasion, but "regretted" these payments and subsequently conducted a review of its exploration activities in the DRC to determine whether its "activity could be conducted with integrity, that is, in compliance with the company's values."[137] Two years on, AngloGold Ashanti is not only still operating in the country but has been stepping up its activities. Yet according to the Group of Experts report submitted to the UN Security Council in January 2007, there is still a clear correlation between natural resource exploitation in the DRC, especially of gold, and the activities of "illicit armed actors".[138]

4.2 Anglo Platinum in South Africa

Anglo American speaks proudly of its relationships with local communities in the areas where it operates. It draws particular attention to its approach to resettlement of local inhabitants in order to make way for its mining operations: "In undertaking resettlements, we work on the basis of informed consent and only where there is no realistic alternative."[139] Yet in South Africa, local communities have not been properly consulted about the presence of the company, and are facing severe repression for challenging Anglo American's encroachment onto their land.

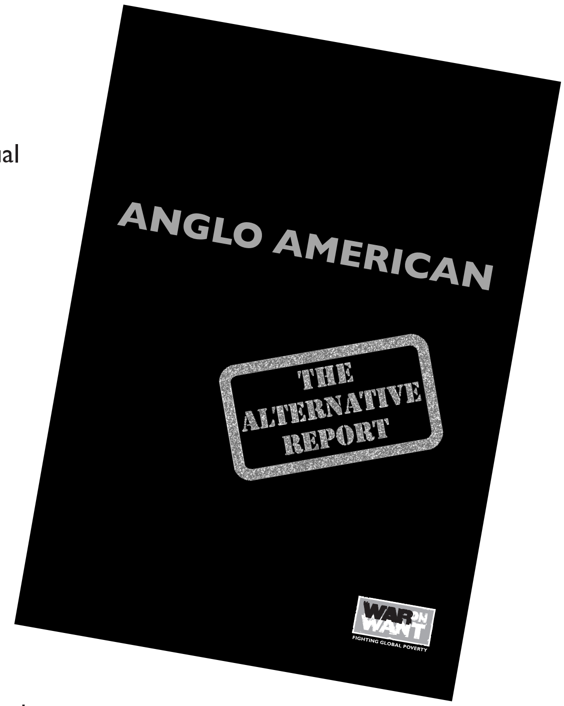
Anglo Platinum's activities in South Africa centre on the Bushveld Mineral Complex, which contains one of the richest ore deposits on earth. The complex is the site of several ongoing struggles between Anglo Platinum and local communities.[140] Poor black farmers from the village of Maandagshoek near Anglo Platinum's mine at Modikwa are trying to stop the company's encroachment onto land used for farming as the mine is expanded. In June 2006 Anglo Platinum sent a drilling team onto the community's farming land near the Modikwa mine and was confronted with over a hundred protestors. The following day police officers returned to arrest the community leaders and ordered the crowd to disperse. The crowd became restive and the police opened fire. Some 20 people were reportedly taken to local hospitals, eight of whom had rubber bullet wounds and one who had been hit in the arm by live ammunition.[141]

Communities near Anglo Platinum's Mokopane mine have taken a class action to the High Court in Pretoria. Anglo Platinum intends to expand the mine, which would deprive around 5,000 people of the farming and animal grazing land on which they have depended for generations. There have been several cases of beatings and arrests of community members by the police, whom community lawyer Richard Spoor accuses of acting as the "attack dogs" of the company.[142] In November 2006, a convoy of 23 police, private security and company vehicles drove through local villages in a show of force seen by communities as an act of intimidation reminiscent of the apartheid era.[143]

To make way for Anglo Platinum's new Twickenham mine, people from various villages were effectively forced off their land and relocated, often with little or no compensation, to a 'new village' built by the company at Magobading. Villagers who previously depended on farming for their livelihoods now have no farming land and very little access to water and sewerage services. In January 2007, community protests at the mine resulted in police beatings and the arrest of 15 people. According to Jubilee South Africa, "This brutality is not an isolated incident but a pattern of abuses."[144] Community members have continued demonstrating and have made repeated attempts to discuss their plight with Anglo Platinum, but the latter has consistently refused to engage with representatives of the local community.[145]

War on Want and Anglo American

In August 2007 War on Want published an 'alternative report' on Anglo American, the latest in a series contrasting the 'corporate social responsibility' rhetoric of individual companies with the actual impact of their operations on the ground. The report was sent to Anglo American prior to publication, and the company put out its own response. We published this response on War on Want's website alongside our original report, and subsequently replaced it with Anglo American's updated response, which remains on our website still.



War on Want's report highlighted serious human rights issues surrounding Anglo American's operations, several of which are also described in the current publication. In its response, Anglo American claimed that War on Want's report was "inaccurate or disingenuous", and attempted to dismiss much of the evidence of human rights abuse suffered by local communities living near its operations, although it acknowledged that Anglo American and its associate companies had made errors in several of the cases described.

War on Want met with Anglo American and AngloGold Ashanti representatives in October 2007. We were able to confirm that our original report had been correct in the substance of its findings, even though the company representatives continued to cast doubt on some of the community testimonies published in the report. We were also able to agree that the mining industry faces significant challenges in respect of its operations in conflict situations or 'fragile states'. The current publication aims to show just how widespread such challenges are.

5. Rio Tinto

"Wherever we work, we are committed to minimizing the environmental effects of our activities and to ensuring that local communities benefit as much as possible from having Rio Tinto as a neighbour." Leigh Clifford, Rio Tinto Chief Executive, 2000-07[145]

Rio Tinto is the third largest mining company in the world by market capitalisation, with operations involving coal, copper, diamonds, gold, uranium and other minerals. Based in London, it operates in 40 countries and employs 32,000 people. It is the largest supplier of industrial minerals in the world, the third largest diamonds producer, the second largest exporter of iron ore and the fourth largest copper producer.

The company is making massive profits. For 2006, it announced record net earnings for the third consecutive year of $7.4 billion, following $5.2 billion made in 2005. The primary reason was "the effect of price movements on all major commodities", which increased earnings by $3 billion, the company states.[147] Rio Tinto ranked as the 10th most profitable company in the world – in any sector – in the Fortune 500 global company ranking for 2005.[148]

Rio Tinto is known for its connections with the British establishment and with the government. Its non-executive directors include a number of former ambassadors and senior Foreign Office personnel, as well as others with specific government positions. Paul Skinner, Rio Tinto's chairman, is even a member of the Defence Management Board (DMB) at the Ministry of Defence, a high-level committee whose role is to deliver the aims set by the UK's defence policy, including to "achieve success in the military tasks we undertake, at home and abroad".

5.1 The Grasberg mine, West Papua

The Grasberg mine in West Papua, Indonesia has been probably the most heavily criticised mine in the world in recent years, featuring as the subject of a series of revealing media reports,

The Grasberg mine, Papua New Guinea
Picture: Rob Huibers/Panos Pictures

particularly in the USA. The mine is a joint venture between Rio Tinto and US corporation Freeport-McMoRan, and represents the largest gold deposit and third largest copper deposit in the world. It is protected by Indonesian military and police forces involved in well documented human rights violations in suppressing West Papua's independence movement. The conflict in West Papua has caused over 100,000 deaths over the past decades.

Serious human rights violations have occurred near the mine, and the companies have regularly been accused of complicity in them owing to their reliance on the military and police to provide security for company operations. Indonesia's National Commission on Human Rights notes that in the mid-1990s the Indonesian security forces indulged in indiscriminate killings, torture and disappearances of local people in their safeguarding of mine operations and their campaigns against West Papuan secessionists.[149] Investigations in 2005 revealed that the Grasberg mine had paid Indonesian military and police officers nearly $20 million over the previous seven years. Individual commanders had received tens of thousands of dollars, while hundreds of thousands of dollars went to the Police Mobile Brigade, a paramilitary force known for human rights abuses, as well as an Indonesian general accused of human rights abuses during Indonesia's occupation of East Timor.[150] In February 2006, security forces attempted to evict hundreds of local people panning for gold in a nearby tailings deposit, which escalated into a conflict in which three local people were shot.[151] Regular protests against the mine have often resulted in conflicts with the police, both near the mine itself as well as in Jakarta, and it has been suggested that the paid security arrangements for the Grasberg mine themselves "create incentives for the military in the area to cause security disturbances so they can reap the financial benefits when they are called in to assist".[152]

The Grasberg mine has resulted in massive environmental destruction, especially for the Kamoro indigenous people living downstream of it. The mine dumps an incredible 230,000 tonnes of waste a day, including toxic metals, into Indonesia's river system and will dump up to 3.5 billion tonnes during the lifetime of the project.[153] According to Walhi, a leading Indonesian environmental group, the mine has already disposed of one billion tons of tailings into the local river system, despite riverine disposal being expressly prohibited under Indonesia's water quality control regulations; this has resulted in copper concentrations in local rivers being up to double the Indonesian legal fresh water limit.[154] Walhi also notes satellite analysis showing that the total land area contaminated by tailings from the mine covers 35,820 hectares, an area roughly the size of the Isle of Wight, while the total sea area contaminated amounts to 84,158 hectares.[155]

Papuans, of whom around 40% live in poverty, have never been involved in any agreements with the company and have seen few benefits from its operations to set against the loss of their ancestral lands and the human rights abuses suffered by the local community. In the words of Dr Aloysius Renwarin, chair of the Institute for Human Rights Study and Advocacy in Jayapura, West Papua: "When the community protests, they are always faced with security forces (military and police) paid to protect the company, and human rights violations often result. These human rights violations in the mining area show no signs of abating, dating from the arrival of the company up to the present-day."[156]

By contrast, Rio Tinto is doing well from the project: it earned $122 million from Grasberg in 2006, and $232 million the year before.[157] The company has been reluctant to become publicly involved in answering criticisms about the mine's operations, often directing inquiries back to Freeport.[158] This is despite the intertwining of staff: Leigh Clifford, Rio Tinto's Chief Executive from 2000 until 2007, was also a director of Freeport from 2000 to 2004.

5.2 Kelian gold mine, Indonesia

Rio Tinto closed its Kelian gold mine in Indonesia's province of East Kalimantan in 2005 after 13 years of operation. The Indonesian Commission on Human Rights has stated that in the 1990s arrests and detentions of people protesting against the mine took place on a number of occasions, and that some Kelian staff had raped members of the local community. Local communities also alleged that mine security guards beat up and shot at local people mining on the concession, and that mobile police forces sowed fear into villagers to prevent them protesting.

During the construction of the mine in the 1980s, over 440 indigenous Dayak villagers were forcefully evicted from their lands and another 4,000 people suffered some form of destruction of their assets, but they have never been given adequate compensation or housing as promised by Rio Tinto. The Kelian river was also polluted, depriving some communities of their drinking and bathing water while the company took over land previously used by villagers for small-scale farming. During its operation, the mine dumped 100 million tonnes of waste rock into the environment, much of which has been contaminated.[159]

Rio Tinto has publicly acknowledged that human rights abuses occurred at the Kelian mine, but says that any compensation claims have been settled and that it is rehabilitating the previous mine site. Yet UNCTAD in its *World Investment Report 2007* singles out Kelian as an example of where compensation was inadequate and where the communities whose lands had been expropriated experienced a dramatic fall in their living standards. Rio Tinto, on the other hand, is still profiting from the mine: company accounts show that Kelian generated earnings of $13 million in 2006.[160]

5.3 Panguna, Papua New Guinea

Rio Tinto's Panguna copper and gold mine on the island of Bougainville in Papua New Guinea (PNG) produced 180,000 tonnes of copper a year to rank as the world's third largest copper mine. It also excavated 300,000 tonnes of ore and water every day from 1972 until it was closed in 1989 during the war between secessionist rebels and government forces.

Rio Tinto is currently faced with a legal case against the company being brought in the USA by Bougainvillians. This claims that Rio Tinto conspired with the PNG government to suppress civil resistance to an environmentally devastating operation, and that subsequent actions led to thousands of deaths. The suit, filed in 2000, claims that Rio Tinto and the PNG government brought in troops to reopen the mine once it had been closed by local villagers, and that Rio Tinto provided transport for the troops and played a role in instituting a military blockade of the island, which lasted for almost 10 years. Rio Tinto is also accused of improperly dumping waste rock and tailings, emitting chemicals and air pollutants, and destroying villages and rainforest in order to establish the mine.

In April 2007, a US Court of Appeals in San Francisco ruled that the Bougainvillians' claim could be heard. However, that decision was again overturned in August 2007, granting Rio Tinto a full review before the US federal appeals court. Currently, as the international mining industry seeks new exploration frontiers, there are signs that the PNG government may soon lift the moratorium on mining in Bougainville.[161]

6. BHP Billiton

"We are proud of our record of governance and of our commitment to adopt the highest ethical standards wherever we do business."
Don Argus, Chairman, BHP Billiton[162]

BHP Billiton is the largest mining company in the world, ranked by market capitalisation. Based in the UK and Australia, it is one of the world's largest producers of coal, copper, silver, lead, uranium and primary aluminium. In the last half of 2006 alone, BHP Billiton made record profits of $6.2 billion; and in the previous year, from July 2005 to end June 2006, it made $10.5 billion.[163] Chairman Don Argus has said that "the 2006 year was the most successful in BHP Billiton's history", with profits to shareholders increasing by 63%.[164] Company information states that stronger commodity prices increased the company's pre-tax earnings by $3.9 billion (more than a third of total earnings) in the last half of 2006.

BHP Billiton's involvement with Anglo American and Xstrata in the El Cerrejon coal mine in Colombia and its exploration activities in Mindanao have been considered above. This section looks at some of its other projects in Papua New Guinea, Surinam, Chile, South Africa and India.

6.1 Ok Tedi, Papua New Guinea

BHP Billiton is being sued for civil damages exceeding $4 billion by villagers living on the Ok Tedi river in Papua New Guinea (PNG). A lawsuit has been filed on behalf of 13,000 villagers seeking compensation for the destruction of their traditional lands along 38km of the river. Some experts have said it will take 300 years to clean up the toxic contamination of the area near the Ok Tedi copper mine, as tonnes of copper, zinc and other heavy metals have been dumped into the Fly river. The PNG government currently owns 30% of the mine, which accounts for more than a quarter of the country's export earnings.[165]

BHP Billiton held a 52% share in Ok Tedi until it divested in 2002, prompted not least by the environmental catastrophe around the mine. The company claims that it settled

BHP Billiton protestor, Philippines, June 2007 compensation arrangements fairly when it exited the project, but the indigenous clans who signed the 'mine continuation agreements' with BHP Billiton claim that they were pressured and deceived into signing papers that provided minimal compensation for massive damage.[166]

In its 2007 *World Investment Report*, UNCTAD singles out the Ok Tedi mine as an example of the social impacts of corporate impacts on indigenous peoples. UNCTAD describes the damage caused to the 50,000 people living downstream of the mine, which it says destroyed almost 2,000km^2 of lowland rainforest. In addition to the contamination of their lands and disruption of their subsistence activities, the report notes that indigenous peoples have suffered from chronic illnesses as a result of the pollution, including rashes and sores.

UNCTAD notes that the settlements originally reached with the communities have failed to resolve the situation. One report by a law professor at the University of Papua New Guinea has argued that BHP Billiton's agreements were actually "a legal device to lock in and keep the affected communities from pursuing individual or separate lawsuits for environmental damage and resultant loss and nuisance… to control and minimize the extent of liability to levels it knows it can afford".[167]

6.2 The Bakhuys project, Surinam

A BHP Billiton subsidiary has since 2003 been exploring for bauxite in the Bakhuys mountains in the western part of Surinam. However, the exploration permits were issued by the Surinam government without prior notification or agreement with the affected communities, the indigenous Lokono people, for whom the mountains are traditional territory and their source of livelihood. BHP Billiton reportedly failed to conduct an environmental and social impact assessment for the exploration work, while the Lokono have been excluded from the exploration area – in violation of company policies and international human rights standards.[168]

Hundreds of kilometres of roads have been built or upgraded in the concession area, which consists of 2,800km^2 of primary tropical rainforest. Around 1,000km of paths have been cut to enable mining machines to reach drilling sites, and around 7,000 boreholes have been drilled. BHP Billiton apologised in 2005 for failing to assess the impact of its exploration, and adopted new corporate policies on stakeholders and community development, pledging also to work with conservation groups at other potential bauxite deposits in Surinam. Yet according to Robert Goodland, an environmental adviser at the World Bank for 25 years, the Bakhuys project will continue to represent all that is wrong about large-scale mining:[169]

"The Bakhuys bauxite mine project is a classic case of asymmetric power. Unsustainable mining confronts sustainable traditional societies. Rich and powerful multinationals will impose potentially severe impacts on inexperienced, weak, largely illiterate and poor Indigenous Peoples… Practically all the benefits will accrue to two stakeholders, namely the multinationals as they will reap a saleable commodity (bauxite) and the government as they will reap taxes and royalties. These two stakeholders will gain substantial benefits, but bear no adverse impacts. The Indigenous Peoples, on the contrary, will bear practically all the negative impacts and few, if any, of the benefits..."

6.3 The Escondida mine, Chile

One of BHP Billiton's largest and most profitable operations is the Escondida copper mine in northern Chile. With 57% owned by BHP Billiton (and 30% by Rio Tinto), Escondida is the world's largest copper producer, located in the Atacama desert. BHP Billiton made net profits of $1.4 billion in the last half of 2006 alone from Escondida; in the year from July 2005-June 2006, net profits were $2.6 billion. Rio Tinto made profits of $1.25 billion from Escondida in 2006, on top of $602 million in 2005.[170]

Chileans have not been so lucky. In early 2007, BHP Billiton was accused by Chile's national water body, the Direccion General de Aguas (DGA, or General Water Directorate) of illegal over-extraction of water at Escondida. Local farmers have said the company has been taking extra water from the Loa river, northern Chile's only perennial waterway and a lifeline in this area, and the DGA ordered meters to be installed to measure the mine's usage. In October 2007, the environmental commission for the region unanimously rejected Escondida's application to extract further water supplies for the mine.[171]

6.4 Manganese poisoning, South Africa

Another legal claim faced by BHP Billiton concerns compensation in South Africa for workers whose health has allegedly been severely damaged by manganese poisoning. The case centres on the Metalloys plant in Meyerton, south of Johannesburg, which is run by BHP Billiton subsidiary Samancor Manganese (60% owned by BHP Billiton and 40% by Anglo American).

BHP Billiton has reportedly failed to pay compensation to former workers or to acknowledge that a number of them have contracted the disabling disease manganism, despite accusations that Samancor has been aware of manganese poisoning since the 1960s. The company has consistently dismissed workers' health claims as "unfounded", despite members of a retrenched workers' committee which comprises 300 former workers saying they suffer from a variety of respiratory and other ailments. The committee claims that of the 50 of its members who have died since they were laid off, many deaths were caused by exposure to manganese. The South African NGO Groundwork reports that of 509 Samancor workers who underwent medical tests in 1999, most were found to be suffering from manganese poisoning.[172]

At the same time, BHP recorded an operating (pre-tax) profit of $105 million in the last half of 2006 and $132 million in July 2005-June 2006 from its manganese operations, including Samancor. Anglo American recorded an operating profit of $52 million from Samancor in 2006.[173]

6.5 Exploration in India

BHP Billiton has submitted applications to explore two bauxite deposits in the Indian state of Orissa. As described earlier in this report, the context is one of bitter local community opposition to new bauxite mining, especially among tribal peoples fearing displacement, and environmental concerns about forest and river destruction. An Indian Supreme Court fact-finding team has also expressed opposition to any mining in Karlapat, one of the areas targeted by BHP Billiton, which is located near Vedanta's exploration area at Lanjigarh. The Karlapat mines are estimated to hold over 150 million tonnes of bauxite.[174]

7. Conclusion and recommendations

This report has provided an overview of some of the conflict and human rights crises in which British mining companies are operating across the world. Under the typology described in chapter 2, many of the companies can be considered complicit in these crises insofar as they have benefited directly from the intimidation and human rights violations suffered by local communities opposed to their activities. In cases where the companies have themselves paid for the services of private or state security forces which have committed human rights violations against anti-mining activists, their complicity may be greater still.

War on Want believes that companies must be made accountable for their complicity if these abuses are to be stopped. Yet rather than calling British companies to account for their involvement in situations of conflict, the British government has offered them extensive support in country after country, irrespective of the harm which might be caused to local communities as a result of their operations.

This support for multinational corporations against the needs of host communities in developing countries is complemented by the British government's promotion of the voluntary approach of 'corporate social responsibility' (CSR) as an explicit means of avoiding legally binding corporate accountability. The British government has consistently championed voluntary codes of conduct for industry and opposed the introduction of international frameworks of regulation, arguing that these "may divert attention and energy away from encouraging corporate social responsibility and towards legal processes".[175]

The failings of this approach have been spelled out clearly by Professor John Ruggie, UN special representative on human rights and transnational corporations, in his February 2007 report to the UN Human Rights Council. Having surveyed existing instruments of corporate accountability in national and international law, Ruggie drew attention to the "large protection gaps for victims" which exist as a result of the international community's reliance on voluntary initiatives. He concluded: "This misalignment creates the permissive environment within which blameworthy acts by corporations may occur without adequate sanctioning or reparation. For the sake of the victims of abuse, and to sustain globalization as a positive force, this must be fixed."[176]

Human rights and development organisations have campaigned for years to achieve international regulation of companies in the extractive industries, in light of the massive damage they cause to local communities and the environment in which they work. Yet the British government has rejected calls from civil society groups for binding measures to ensure the transparency and accountability of such companies. Despite a concerted campaign for the government to support mandatory disclosure of payments from oil, gas and mining corporations to host governments, Tony Blair launched the Ethical Industries Transparency Initiative (EITI) in 2002 as a voluntary scheme only. The EITI is held up as one of the most successful of the many multi-stakeholder initiatives supported by the British government, yet one recent analysis has found that in the five years since its inception, "virtually no progress on publishing payments from mining companies to governments under EITI has been made to date".[177]

Mining companies have also embraced a number of CSR schemes themselves. In 1998, eight major mining companies set up the Global Mining Initiative, which in turn spawned the Mining, Minerals and Sustainable Development project and set up the International Council on Mining and Metals (ICMM), currently the industry's flagship CSR project. The ICMM includes Anglo American, Rio Tinto, BHP Billiton, Xstrata and AngloGold Ashanti amongst its members, and has a team of 10 staff at its London headquarters. The ICMM is itself a participant in the Initiative for Responsible Mining Assurance (IRMA), a multi-stakeholder initiative set up in July 2006 "to develop and establish a voluntary system to independently verify compliance with environmental, human rights and social standards for mining operations".

In response to years of criticism of human rights violations carried out by security forces contracted to protect oil, gas and mining operations around the world, a further multi-stakeholder initiative led by the UK and US governments published the Voluntary Principles on Security and Human Rights in December 2000. Several mining companies are currently involved as participants in the Voluntary Principles process, including Anglo American, AngloGold Ashanti, BHP Billiton and Rio Tinto, yet the initiative has come under increasing criticism from civil society groups for failing to set meaningful criteria for companies' participation. NGO participants in the Voluntary Principles have also expressed frustration at what they perceive as a lack of commitment from the British government in taking the process forward, and the initiative was only just saved from outright collapse on the eve of its 2007 AGM.[178]

Despite this plethora of voluntary schemes, abuses of local communities' rights remain widespread, and are deepening in the 'frontier' areas of exploration. Moreover, some companies have been candid in their acknowledgement that CSR is for them essentially an exercise designed to see off criticism which could otherwise damage their reputations.

Speaking to the London Business School in late 2006, Rio Tinto Chairman Paul Skinner conceded that the mining industry "has not always had a good reputation for conserving the world's natural resources", and that mining companies had been seen as "destroyers of the environment" and "a threat to indigenous people". Skinner went on to explain the industry's "repositioning" of itself over the past 10 years as a strategy for dealing with the reputational risk it faced and thereby of gaining greater access to resources. Sir Mark Moody-Stuart reminded Anglo American's 2006 AGM similarly of the importance of "risk management" through engagement in initiatives such as the EITI and ICMM.[179]

Unless and until the British government acknowledges that its reliance on self-regulation and the voluntary approach of CSR has failed to prevent corporate complicity in abuses, British companies will be able to engage with impunity in conflict and human rights situations such as those described in this report. War on Want believes that companies must be made accountable for their actions around the world, and calls on the UK government at the national level:

- to introduce an effective right of redress in the UK to enable local communities to seek justice for abuses suffered as a result of British companies' operations around the world

- to expand the reporting requirements introduced in the Companies Act 2006 so that all British companies in the extractive industries have to report on their social and environmental impacts[180]

In relation to the final report which Professor John Ruggie is to submit to the UN Human Rights Council in June 2008, War on Want calls on the UK government:

- to support moves to develop binding international standards for corporate accountability, including an effective complaints mechanism for victims of corporate human rights abuse

At the EU level, War on Want calls on the UK government:

- to support the recommendations on corporate accountability in the report by the European Parliament's Rapporteur on Corporate Social Responsibility, Richard Howitt MEP, adopted by the European Parliament in March 2007[181]

War on Want is also concerned at the lack of parliamentary scrutiny of British mining company operations. In this respect we call on the relevant Select Committees of the House of Commons – including the International Development Committee and the Foreign Affairs Committee – to conduct their own inquiries into the impact of British mining companies around the world and the UK government's role in supporting those companies.

All readers are urged to raise their concerns at the abuses described in this report, and to call for the measures recommended above, by writing to Rt Hon David Miliband MP, Secretary of State for Foreign and Commonwealth Affairs, Foreign and Commonwealth Office, King Charles Street, London SW1A 2AH.

References

[1.] *International cooperation at a crossroads: Aid, trade and security in an unequal world*, UNDP Human Development Report, 2005; chapter 5

[2.] L Clifford, 'Who is Rio Tinto and what do we do?', speech to Engineers' Breakfast, Tuczon, Arizona, 10 November 2006

[3.] 'BHP Billiton results for the half year ended 31 December 2006', BHP Billiton news release, 7 February 2007

[4.] 'Anglo American announces record earnings of $5.5 billion, up 46%', Anglo American news release, 21 February 2007

[5.] 'Record growth in earnings, investment and dividend', Rio Tinto news release, 1 February 2007

[6.] *Mine: Let the good times roll – Review of global trends in the mining industry*, PricewaterhouseCoopers, June 2006

[7.] *Anglo American: Delivering our strategic goals*, Anglo American Annual Report 2006; *Supplying Essential Resources*, Rio Tinto 2006 Annual Review; 'BHP Billiton results for the year ended 30 June 2006', BHP Billiton news release, 23 August 2006; *Xstrata Annual Report 2006; Vedanta Resources plc Annual Report 2007* (where '2006' represents year ending 31 March 2007, etc)

[8.] W Balane, 'Government asked: Stay as regulator, stop being promoter of mining', MindaNews, 6 September 2006

[9.] 'Zambia: Mineral tax increase holds no benefit for citizens', IRIN news, 21 February 2007

[10.] *Economic Development in Africa: Rethinking the role of foreign direct investment*, UNCTAD, 2005

[11.] On 1 October 2007 Anglo American announced plans to reduce its holding in AngloGold Ashanti from 42% to 17%, and AngloGold Ashanti will no longer be included within the Anglo American group in future reports; for more information on the company as a whole, see *Anglo American: The Alternative Report*, War on Want, August 2007

[12.] For an analysis of the British government's declassified planning files relating to the importance of securing raw materials, see M Curtis, *Web of Deceit: Britain's real role in the world*, Vintage, 2003, chapters 9, 10 and passim; and M Curtis, *Unpeople: Britain's secret human rights abuses*, Vintage, 2004, chapter 8

[13.] 'Africa opening for business: Prime Minister confirms UK support for Africa's Investment Climate Facility (ICF)', DFID news release, 17 November 2005

[14.] 'New investment facility for Africa is key to success', DFID news release, 1 June 2006; 'Anglo American announces investment in Africa', Anglo American news release, 17 November 2005

[15.] In July 2004, Gordon Brown and Unilever chairman Niall Fitzgerald had already set up a Business Contact Group to provide private sector input into the Commission for Africa, with members including Anglo American, Rio Tinto and De Beers along with Shell, Diageo and others; see *The Commission for Africa and corporate involvement*, Corporate Watch, June 2005

[16.] M Moody-Stuart, statement to BAA conference, 5-6 July 2005

[17.] "Substantively, the principle of free, prior and informed consent recognizes indigenous peoples' inherent and prior rights to their lands and resources and respects their legitimate authority to require that third parties enter into an equal and respectful relationship with them based on the principle of informed consent." *Preliminary working paper on the principle of free, prior and informed consent of indigenous peoples in relation to development affecting their lands and natural resources...* UN document E/CN.4/Sub.2/AC.4/2004/4, 8 July 2004; the principle is affirmed throughout the Declaration on the Rights of Indigenous Peoples adopted by the UN General Assembly on 13 September 2007

[18.] 'United Kingdom position on the World Bank response to the Extractive Industries Review', DFID, 17 August 2004; emphasis added

[19.] *Economic Development in Africa: Rethinking the role of foreign direct investment*, UNCTAD, 2005

[20.] ibid.

[21.] M Peel and R Bream, 'Bars to a copper bonanza', *Financial Times*, 22 December 2006

[22.] 'State gets $71 million tax from mines', *Times of Zambia*, 22 February 2007

[23.] *A rich seam: Who benefits from rising commodity prices?*, Christian Aid, January 2007

[24.] *World Investment Report 2007: Transnational Corporations, Extractive Industries and Development*, UNCTAD, October 2007; T Burgis and B Jopson, 'AngloGold tax deal in Tanzania', *Financial Times*, 30 September 2007; 'What's mined is yours: Prospecting for riches in the tax code', *The Economist*, 4 October 2007

[25.] *Effective tax rates comparison: Global mining industry 2005,* PricewaterhouseCoopers, December 2005

[26.] M Riesco, G Lagos and M Lima, *The 'Pay Your Taxes' Debate: Perspectives on Corporate Taxation and Social Responsibility in the Chilean Mining Industry*, UNRISD, October 2005

[27.] *Striking a better balance: Vol.1 – World Bank Group and extractive industries,* World Bank, December 2003

[28.] *Mining in the Philippines: Report of a fact-finding trip to the Philippines*, Columban Fathers, 2007

[29.] 'Mining an open pit of disputes', IPS News, 9 September 2006

[30.] *Mine: Let the good times roll – Review of global trends in the mining industry*, PricewaterhouseCoopers, June 2006

[31.] 'New AngloGold Ashanti CEO to tackle mine deaths', Reuters, 3 August 2007; 'AngloGold shuts mine; S Africa miners strike looms', Reuters, 2 November 2007; R Moody, *Rocks and Hard Places: The Globalization of Mining*, Zed Books, June 2007

[32.] *Dirty Metals: mining, communities and the environment*, Earthworks and Oxfam America, 2004

[33.] *Striking a better balance: Vol.1 – World Bank Group and extractive industries, World Bank*, December 2003

[34.] M Moody-Stuart, speech to Anglo American AGM, 25 April 2006

[35.] "Mineral-dependent economies are often more prone to governance and corruption issues than non-mineral-dependent economies." See the 'Mining and poverty reduction' section of the World Bank website: www.worldbank.org

[36.] *Least Developed Countries Report 2002,* UNCTAD, 2002, cited in Earthworks and Oxfam America, *Dirty Metals: mining, communities and the environment*, 2004

[37.] T Power, *Digging to development? A historical look at mining and economic development*, Oxfam America, September 2002; the report contains an overview of further academic and World Bank studies.

[38.] *Striking a better balance: Vol.1 – World Bank Group and extractive industries*, World Bank, December 2003

[39.] *A rich seam: Who benefits from rising commodity prices?,* Christian Aid, January 2007

[40.] A Clapham and S Jerbi, 'Categories of Corporate Complicity in Human Rights Abuses', in *Hastings International and Comparative Law Journal*, vol 24, 2001, pp339-349; this three-fold typology has been adopted by the Office of the UN High Commissioner for Human Rights in its online Human Rights and Business course, which argues that examples of direct rather than simply beneficial complicity

could include cases “where a company provides information, funding or equipment to a government that it knows will be used to violate human rights”; see www.unssc.org

41. P Collier and I Bannon, *Natural resources and violent conflict: options and actions*, World Bank, 2003

42. P Collier, *Economic causes of civil conflict and their implications for policy*, World Bank, 2000

43. Cited in *Unearth justice: Counting the cost of gold*, CAFOD, May 2006

44. *Striking a better balance: Vol.1 – World Bank Group and extractive industries,* World Bank, December 2003

45. *The causes of conflict in Sub-Saharan Africa: Framework document*, DFID, October 2001

46. *Interim report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises*, UN document E/CN.4/2006/97, 22 February 2006

47. *World Investment Report 2007: Transnational Corporations, Extractive Industries and Development*, UNCTAD, October 2007

48. P Harris, ‘Colombia gold again luring miners’, *Toronto Globe & Mail*, 4 January 2006

49. *British military aid to Colombia*, War on Want and Justice for Colombia, 2004

50. C Pier, ‘A pact with the devil’, *Baltimore Sun*, 2 April 2007; *The ‘Sixth Division’: Military-paramilitary Ties and US Policy in Colombia*, Human Rights Watch, September 2001

51. ‘To the spoilers the victory: Colombia privatises the mineral industry with World Bank support’, joint statement of Colombian trade unions, 29 October 2003

52. C Pier, ‘A pact with the devil’, *Baltimore Sun*, 2 April 2007

53. ‘Army displaces over 2300 campesinos in Sur de Bolivar, Colombia’, Santa Rosa joint press statement, 25 September 2006; ‘Colombian miners demand justice after assassination’, Ekklesia, 29 September 2006

54. *Colombia: Killings, arbitrary detentions, and death threats – the reality of trade unionism in Colombia*, Amnesty International, July 2007; ‘Community leader killed by Colombian army while fishing’, Human Rights First, 9 November 2006

55. Cited in *Colombia: Killings, arbitrary detentions, and death threats*, as above

56. *Response to Allegations made in War on Want’s “Anglo American – The Alternative Report.* Anglo American, 13 August 2007; available at www.waronwant.org; War on Want meeting with representatives of Anglo American and AngloGold Ashanti, 12 October 2007

57. J Roberts and A Trounson, ‘Miner accused of evicting townsfolk’, *The Australian*, 3 July 2007; G Leech, ‘Generating Power and Poverty’, *Colombia Journal*, 11 November 2002

58. ‘Colombia special’, 24 February 2007, www.minesandcommunities.org

59. S MacNeil, ‘Sintracarbon takes a stand’, *Colombia Journal*, 19 February 2007

60. See, for example, A Chomsky and C Forster, ‘World’s largest open-pit coal mine forces Afro-Colombians to abandon their lands’, 9 August 2006

61. ‘BHP Billiton results for the half year ended 31 December 2006’, BHP Billiton news release, 7 February 2007

62. ‘Xstrata preliminary results for year ended 31 December 2006’, Xstrata news release, 6 March 2007

63. *Mining in the Philippines: Report of a fact-finding trip to the Philippines*, Columban Fathers, January 2007

64. *Scared Silent: Impunity for Extrajudicial Killings in the Philippines*, Human Rights Watch, June 2007; *Philippines: Political killings, human rights and the peace process*, Amnesty International, August 2006

65. *Mining in the Philippines: Report of a fact-finding trip to the Philippines*, Columban Fathers, January 2007; J Dela Cruz, ‘Five years down the drain for indigenous peoples’, Bulatlat, July 2006

66. *Report of the Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people...Mission to the Philippines*, UN document E/CN.4/2003/90/Add.3, 5 March 2003

67. A Estabillo, ‘Australia to increase aid to RP’, MindaNews, 20 July 2006

68. ‘Anglo American seeks Philippine mining permits’, *Creamer Media’s Engineering News*, 27 January 2007

69. B Serrano, ‘Indigenous people’s rights activist slain’, *Philippine* Star, 6 September 2006

70. ‘South Cot diocese: Still no to mining’, MindaNews, 23 January 2007

71. See the Macambol Campaign at www.macambol.org

72. ‘Mt Hamiguitan range, Pujada Bay: On the verge of destruction?’ Tan-awan, 22 January 2007

73. ‘Locals say no to BHP Billiton’s Pujada Bay nickel mining activities’, Mineral Policy Institute, 24 November 2005

74. N Mathiason, ‘Fresh allegations tarnish glittering year for Anglo’, *Observer*, 22 April 2007

75. The Buaya had earlier given their consent for exploration to go ahead but withdrew it saying that the consultation had not provided enough information on the likely effects of mining on the area; see ‘Kalinga’s Buaya tribe rescinds earlier endorsement and is now set to oppose CEXCI exploration permit application’, Cordillera Peoples Alliance, 17 September 2005

76. ‘Struggle against destructive mining heightens in Apayao’, Cordillera Peoples Alliance, 13 October 2006

77. *MOA And Offtake Agreement Signed For Romblon Nickel Project, Philippines*, Pelican Resources Limited news release, 21 September 2007

78. M Ramos and T Burgonio, ‘Anti-mining activist shot dead by guard’, *Philippine Daily Inquirer*, 5 October 2007; J Aning, ‘Mining exec explains killing’, *Philippine Daily Inquirer*, 6 October 2007

79. ‘About Central China Goldfields plc’, www.ccgoldfields.com

80. ‘Directors’, www.ccgoldfields.com

81. S Shah, ‘Oxus opens gold mine in Uzbekistan’, *Independent*, 20 September 2004; ‘Oxus gold plc output in Uzbekistan to reach 500,000oz by 2008’, 22 September 2004, www.uzbekembassy.org

82. *Myths and Reality: An analysis of the Uzbek government’s June 30, 2006 Aide-Memoire*, Human Rights Watch, October 2006

83. ‘Uzbek-British trade and industry council meets in Tashkent’, 27 April 2006, www.uzbekembassy.org

84. S Shah, ‘UK: Kyrgyzstan President’s attack sends Oxus shares crashing’, *Independent*, 4 February 2006

85. Kyrgyzstan country profile, www.fco.gov.uk

86. C Murray, *Murder in Samarkand*, Mainstream, 2007

87. Asia Energy, Annual Report 2005, www.asia-energy.com

88. ‘Government to consider renegotiation with Asia Energy after coal policy finalised’, *New Age* (Bangladesh), 5 October 2007; ‘Controversial coal policy should be reviewed before approval’, *New Age*, 18 February 2007

89. S Khan, ‘Phulbari coal mine: AEC plan requires shifting of 50,000 people, *Daily Star*

(Bangladesh), 8 July 2005

90. 'Thousand protest "open pit" coal mining in Phulkbari', *Daily Star*, 26 September 2005

91. Asia Energy, 'Phulbari project', www.asia-energy.com

92. 'Thousands protest "open pit" coal mining in Phulbari', *Daily Star*, 26 September 2005

93. R Moody, 'Bangla Nagar: August 26, 2006', 28 August 2006, www.minesandcommunities.org; J Doward and M Haider, 'The mystery death, a town in uproar and a $1bn UK mines deal', *Observer*, 3 September 2006

94. 'Disinvest from Monterrico Metals', Netwerk Vlaanderen, 23 March 2006; 'One dead in new mining conflict in Peru', Oxfam America, 5 August 2005

95. 'Revolt in the Andes', *The Economist*, 20 September 2007

96. 'Peru copper protests flare up again', Reuters, 8 August 2005; 'Water behind deadly clash at Monterrico Peruvian mine site', Environmental News Service, 9 August 2005; 'Peru farmers hold new protests against Rio Blanco', Reuters, 30 September 2005

97. 'Dossier project Rio Blanco, Minera Majaz, Monterrico Metals', Catapa, 2 April 2007; 'Minera Majaz does not tell the truth', Muqui Network, 22 January 2007; *Mining and development in Peru*, Peru Support Group, March 2007

98. 'Water behind deadly clash at Monterrico Peruvian mine site', Environmental News Service, 9 August 2005

99. 'Oxfam America denounces death threat against rights advocate in Peru', Oxfam America, 22 March 2007; 'Dossier project Rio Blanco, Minera Majaz, Monterrico Metals', Catapa, 2 April 2007

100. 'Disinvest from Monterrico Metals', Netwerk Vlaanderen, 23 March 2006; 'London calling has a tiff with DFID… and a bouquet for Rio Tinto', Nostromo Research, 22 March 2006

101. 'Dossier project Rio Blanco, Minera Majaz, Monterrico Metals', Catapa, 2 April 2007

102. *Mining and development in Peru*, Peru Support Group, March 2007

103. 'British ambassador to Peru guarantees environmental protection in Rio Blanco mining project', *La Hora*, 11 November 2005

104. J Finch and J Treanor, 'Britain's soaring boardroom pay revealed', *Guardian*, 2 October 2006

105. B Witte, 'Xstrata Chilena hydro environmental study insufficient', *Santiago Times*, 25 March 2007; B Witte, 'Chile's anti-dam campaign picks up speed', *Santiago Times*, 20 March 2007

106. 'Xstrata preliminary results for year ended 31 December 2006', Xstrata news release, 6 March 2007

107. 'Legal demand to suspend the use of Alumbrera's mineral pipeline', *Primera Fuente*, 22 March 2007

108. 'National Public Auditor of Argentina considers control of mining activity in Catamarca "insufficient"', *Diario El Ancasti*, 20 March 2006

109. 'The fight for gold: Police violently repress peaceful protest at international mining conference in Andean region of Argentina', Centre for Human Rights and Environment, 4 October 2006

110. 'Declaration of Andalgala', 14 August 2005

111. 'Corporate and social responsibility', www.vedantaresources.com

112. 'Niyamgiri calling – from the "Mountain of law"', 5 May 2006, www.minesandcommunities.org

113. M Dummett, 'Battle Over Indian Steel Mills', BBC News Online, 22 February 2006

114. *Report in IA No 1324 regarding the alumina refinery plant being set up by M/s Vedanta Alumina Limited at Lanjigarh in Kalahandi district, Orissa*, Central Empowered Committee, 21 September 2005

115. *Vedanta Cares?, Busting the myths about Vedanta's operation in Lanjigarh, India*, ActionAid, 2007; F Padel and S Das, *Anthropology of a Genocide: Tribal Movements in Central India against over-industrialisation*, paper for South Asia Anthropologists' Group, Goldsmiths College, London, July 2006

116. *Report in IA No 1324 regarding the alumina refinery plant being set up by M/s Vedanta Alumina Limited at Lanjigarh in Kalahandi district, Orissa*, Central Empowered Committee, 21 September 2005

117. Vedanta response to ActionAid, 30 July 2007

118. *Report in IA No 1324 regarding the alumina refinery plant being set up by M/s Vedanta Alumina Limited at Lanjigarh in Kalahandi district, Orissa*, Central Empowered Committee, 21 September 2005

119. 'Supreme Court Sets Conditions for Vedanta Mine', Reuters, 26 October 2007

120. *Ravages through India: Vedanta Resources plc Counter Report* 2005, Nostromo Research and India Resource Centre, 2005

121. C Alvares and S Devotta, *Report of SCMC Sub Committee's visit to Tamil Nadu during July 17-18, 2005, Tuticorin, 17 July 2005;* Show Cause Notice to Sterlite Industries, Tuticorin, Supreme Court Monitoring Committee on Hazardous Wastes, New Delhi, 2 May 2005

122. 'Vedanta asked to stop construction', *The Hindu*, 11 March 2007

123. *Ravages through India: Vedanta Resources plc Counter Report 2005,* Nostromo Research and India Resource Centre, 2005

124. J Range, 'Zambia's miners pay high price for copper boom', Dow Jones newswire, 12 October 2005

125. *Undermining Development? Copper mining in Zambia,* ACTSA, Christian Aid and SCIAF, October 2007

126. 'KCM negligence blamed for Kafue river pollution', *Times of Zambia*, 15 November 2006; 'Konkola copper mines pollutes Kafue river', *Times of Zambia*, 8 November 2006

127. A Fraser and J Lungu, *For Whom the Windfalls? Winners & losers in the privatisation of Zambia's copper mines*, CCJDP and CSTNZ, Lusaka, January 2007

128. J Helmer, 'Armenia may start prosecution of Vedanta-controlled Zod gold mine', *Mineweb*, 28 February 2007; 'Indian gold firm facing uncertain future in Armenia', 16 February 2007; 'London Calling dissects a distinctly dodgy deal', Nostromo Research, 24 June 2006

129. *Anglo American: Delivering our strategic goals*, Anglo American Annual Report 2006; for more on the company as a whole, see *Anglo American: The Alternative Report*, War on Want, August 2007

130. *A Climate of Change*, Anglo American Report to Society 2006

131. *Gold Rush: The impact of gold mining on poor people in Obuasi, Ghana*, ActionAid, October 2006

132. 'Ghana: Campaign to stop the violence in mining', press statement by the National Coalition on Mining, Accra, Ghana, 4 May 2006

133. Statement by Mary Robinson on human rights issues in Ghana's mining sector, 22 November 2006; see website of the Ethical Globalization Institute: www.realizingrights.org

134. *Hidden treasure? In search of Mali's gold-mining revenues*, Oxfam America,

February 2007
135. *Gold mining and human rights in Mali*, International Federation of Human Rights, February 2007
136. *Socio-economic effects of gold mining in Mali: A study of the Sadiola and Morila mining operations*, Chr. Michelsen Institute, Bergen, 2006
137. *The Curse of Gold: Democratic Republic of Congo*, Human Rights Watch, June 2005; 'Human Rights Watch Report on AngloGold Ashanti's Activities in the DRC', AngloGold Ashanti news release, 1 June 2005; 'AngloGold Ashanti review of exploration activity in the Democratic Republic of Congo', AngloGold Ashanti news release, 21 June 2005
138. *Interim report of the Group of Experts on the Democratic Republic of Congo, pursuant to Security Council resolution 1698 (2006).* UN document S/2007/40, 31 January 2007
139. *A Climate of Change*, Anglo American Report to Society 2006
140. *Rustenburg Platinum Research Study: A review of the corporate social responsibility programmes of the platinum mining industry in the North West Province of South Africa*, Bench Marks, South Africa, June 2007
141. R Morris, 'Police open fire on platinum protesters', *Business Report* (South Africa), 12 June 2006; R Moody, 'Black Friday at Monday's corner', Nostromo Research, 25 June 2006; for Anglo Platinum's account of events, see 'Richard Spoor's claims are inaccurate, potentially defamatory and one-sided', *Business Report*, 15 June 2006
142. Richard Spoor open letter to Sir Mark Moody-Stuart, 25 February 2007, reproduced at www.minesandcommunities.org; see also E Momberg, 'Mining company, community in bitter dispute over relocation compensation', *Sunday Independent* (South Africa), 28 January 2007
143. 'Limpopo communities continue plowing despite massive police presence, showing defiance of Anglo-Platinum', Jubilee South Africa press statement, 28 November 2006
144. 'Jubilee SA outraged at police beatings and arrests of demonstrators at Anglo Platinum's Twickenham mine', Jubilee South Africa press statement, 4 January 2007
145. 'Magobading community in Limpopo province blockades road into Hackney shaft at Twickenham mine', Jubilee South Africa press statement, 4 January 2007; Richard Spoor, 'Re: Anglo-American Platinum Corporation Ltd and two others: Threatened interdict', letter to Brink Cohen le Roux, 10 July 2006, reproduced at www.minesandcommunities.org
146. L Clifford, 'Who is Rio Tinto and what do we do?', speech to Engineers' Breakfast, Tuczon, Arizona, 10 November 2006
147. 'Record growth in earnings, investment and dividend', Rio Tinto news release, 1 February 2007
148. L Clifford, 'Mining – what's changed and what will change?' First Annual Lacy Lecture, University of Arizona, 10 November 2006
149. *Undermining Indonesia: Adverse social and environmental impacts of Rio Tinto's mining operations in Indonesia*, Walhi, Jakarta, 2003
150. J Perlez and R Bonner, 'Below a mountain of wealth, a river of waste', *New York Times*, 27 December 2005; *Paying for Protection: The Freeport mine and the Indonesian security forces*, Global Witness, July 2005
151. 'Thirty nine years of Freeport-Rio Tinto is enough', Report by United Front for the struggle of West Papuan people, 27 February 2006
152. *Too high a price: The human rights cost of the Indonesian military's economic activities*, Human Rights Watch, June 2006
153. 'Ban toxic mine dumping, urges open letter to mining sector in The Australian', Oxfam Australia, 12 February 2007; 'NY City Comptroller wants Freeport environmental study', Planet Ark US, 6 December 2006
154. *The environmental impacts of Freeport-Rio Tinto's copper and gold mining operation in Papua*, Walhi, Jakarta, 2006; see also 'The failure of Indonesia's mining industry', JATAM, 13 January 2006
155. *Undermining Indonesia: Adverse social and environmental impacts of Rio Tinto's mining operations in Indonesia*, Walhi, Jakarta, 2003
156. Foreword to *The environmental impacts of Freeport-Rio Tinto's copper and gold mining operation in Papua*, Walhi, Jakarta, 2006
157. 'Record growth in earnings, investment and dividend', Rio Tinto news release, 1 February 2007
158. *Rio Tinto: revisiting the principles*, Ecumenical Council for Corporate Responsibility, April 2006
159. *The closure of the Kelian gold mine and the role of the Business Partnership for Development/World Bank,* Forest Peoples Programme, April 2003*; Undermining Indonesia: Adverse social and environmental impacts of Rio Tinto's mining operations in Indonesia*, Walhi, Jakarta, 2003
160. 'Kelian', 1 December 2004, www.riotinto.com; 'Record growth in earnings, investment and dividend', Rio Tinto news release, 1 February 2007
161. J Atwood, 'Mining to restart on Bougainville?' Dow Jones newswires, 6 December 2006; 'MRA wants to see reactivations plans for mining on Bougainville', *The National*, 29 May 2007
162. 'BHP Billiton Limited annual general meeting', 29 November 2006
163. 'BHP Billiton results for the half year ended 31 December 2006', BHP Billiton news release, 7 February 2007
164. 'BHP Billiton Limited annual general meeting', 29 November 2006
165. 'PNG villagers sue BHP, Ok Tedi miners', *Sydney Morning Herald*, 19 January 2007
166. 'Cracks in the façade of BHP's exit from Ok Tedi mining disaster appear', Mineral Policy Institute, 22 January 2007; 'Ok Tedi Sustainable Development Program', www.bhp.billiton.com
167. 'BHP: The quiet deceiver', Mineral Policy Institute media background briefing, 11 November 2003
168. *A submission to the Special Representative of the Secretary-General on human rights and transnational corporations and other business enterprises*, Forest Peoples Programme and Tebtebba Foundation, 29 December 2006
169. R Goodland, *Suriname Environmental and Social Reconnaissance: The Bakhuys Bauxite Mine Project,* Association of Indigenous Village Leaders in Suriname (VIDS) and North-South Institute, Canada, 2006
170. 'BHP Billiton results for the half year ended 31 December 2006', BHP Billiton news release, 7 February 2007; 'Record growth in earnings, investment and dividend', Rio Tinto news release, 1 February 2007
171. M Hawthorne, 'Chipe goes to Chile but can't make the mine', *The Age* (Australia), 27 March 2007; H Fazio, 'Chilean workers stake a claim to mine profits', *IRC Americas*, 14 September 2006
172. A Townsend and M Hollingsworth, 'Lawyer pursues BHP Billiton over "living death" poisoning', *Independent on Sunday*, 26 November 2006; 'Manganism – the skeleton in Samancor's closet', SA Mining, April 2006; 'Second ex-Samancor worker to be buried in two weeks', University of KwaZulu Natal, January 2005; *Poisoned spaces: Manufacturing wealth, producing poverty*, Groundwork, Pietermaritzburg, 2006
173. 'BHP Billiton results for the half year ended 31 December 2006', BHP Billiton

news release, 7 February 2007; 'Anglo American announces record earnings of $5.5 billion, up 46%', Anglo American news release, 21 February 2007

[174] 'Billiton not to go for contract mining', *The Hindu*, 26 March 2007; 'SC team opposes mining in two areas in Orissa', 12 January 2005, www.minesandcommunities.org

[175] *DFID and corporate social responsibility*, DFID, 2003

[176] *Business and Human Rights: Mapping International Standards of Responsibility and Accountability for Corporate Acts*, Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, UN document A/HRC/4/035, 9 February 2007

[177] D Doane and A Holder, *Why corporate social responsibility is failing children*, Save the Children and CORE, 2007; according to the report, the German government has called for an introduction of binding regulations into the EITI in recognition of the failings of its voluntary approach. See also *Eye on EITI: Civil Society Perspectives and Recommendations on the Extractive Industries Transparency Initiative*, Publish What You Pay and Revenue Watch Institute, October 2006

[178] P Davis, 'Voluntary Principles on Security and Human Rights – An uneasy truce, for now', *Ethical Corporation*, 9 July 2007; *Oil and Mining in Violent Places: Why voluntary codes for companies don't guarantee human rights*, Global Witness, October 2007

[179] P Skinner, 'Sustainable development in the mining business', London Business School Stockton Lecture, 24 October 2006; M Moody-Stuart, speech to Anglo American AGM, 25 April 2006

[180] At present, only 'quoted' companies listed on the London Stock Exchange etc are required to meet the Business Review reporting requirements introduced in the Companies Act; see *Act Now! A Campaigner's Guide to the Companies Act,* CORE and Trade Justice Movement, September 2007

[181] R Howitt, *Report on corporate social responsibility: a new partnership*, EU document A6-0471/2006, 20 December 2006

Published November 2007

Written and researched for War on Want by Mark Curtis

War on Want
Development House
56-64 Leonard Street
London EC2A 4LT
Tel: +44 (0)20 7549 0555
Fax: +44 (0)20 7549 0556
E-mail: mailroom@waronwant.org
www.waronwant.org

Printed on recycled paper

War on Want

War on Want fights poverty in developing countries in partnership and solidarity with people affected by globalisation. We campaign for workers' rights and against the root causes of global poverty, inequality and injustice.

Cover picture: Philippine troops leaving Mindanao, September 2007

This report has been produced with the financial assistance of the European Union. The contents of the report are the sole responsibility of War on Want and can under no circumstances be regarded as reflecting the position of the European Union.

FIGHTING GLOBAL POVERTY