Billions from the Exploitation of Raw Materials – the Swiss multinational corporation, Glencore Xstrata

MultiWatch (Ed)

Note by the Editors and the Translator:

This version is based on the book edited by MultiWatch, Milliarden mit Rohstoffen – Der Schweizer Konzern Glencore Xstrata, published in May 2014 by 'edition 8'. It does not take into accounts events that occurred after the German book went to press and therefore does not reflect the name-change of Glencore Xstrata to Glencore on 20 May 2014.
Published some ten months after the original German edition, the English version renders the source content as faithfully as possible. Although some errors in the original have been corrected here, any deviations are purely stylistic. As many links as possible to original English or Spanish publications used by the editors have been inserted in the end notes.
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On 2 May 2013 the merger of Glencore and Xstrata created one of the world's most powerful commodity trading companies. At the time, the new corporate giant was the world's biggest extractor of copper and the world's biggest exporter of thermal coal.
Glencore Xstrata has been making exorbitant profits and has presented itself as an enterprise that embraces sustainable and socially responsible practices. By contrast, people who have been adversely affected by mining activities associate the corporation with exploitation and the destruction of their environment and their human habitats. Open-cast areas of extraction are blighted by gigantic holes and miles of pipelines. Local communities have complained of the noise from blasts and of health risks due to air pollution and toxins that have seeped into their soils and drinking water supplies. Many host mining communities have been denied the right of consultation; protests by workers and local populations have been criminalised or violently suppressed.
Glencore Xstrata has variously been criticised that it has divided communities or co-opted government structures by contracting the police force, as in Peru, for example. In terms of its trade with agricultural products, it has been accused of profiteering from hunger. The corporation has also been subject to investigations into tax evasion.
This study of Glencore Xstrata by MultiWatch highlights areas of conflict; the focus is on people affected by mining activities, many of whom have been standing up against the destructive impact of raw-material extraction.

The **MultiWatch Association** is a forum of non-governmental organisations, labour unions and anti-globalisation movements. Its mission is to observe multinational corporations registered in Switzerland, to raise awareness of human-rights violations by multinational corporations and to campaign for stringent corporate accountability in terms of human rights.

www.multiwatch.ch (in German and French)

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Dedication:

MultiWatch dedicates this book to Glencore Xstrata miners engaged in a conflict with the multinational corporation, and to host mining communities whose health has been compromised by mining activities that have polluted the air they breathe and the water they drink. The book is further dedicated to anyone who has been adversely affected by mining activities or by the trade in raw materials and natural resources, and to all who are working together to enforce their rights.

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For media digests, responses and possible corrigenda, please visit www.milliardenmitrohstoffen.ch (in German).

Prologue

On 24 February 2014, MultiWatch Association, the editors of the book initially published in German, received a recorded letter from Glencore Xstrata. The commodity trading giant threatened immediate legal action unless, by 27 February, MultiWatch issued a written statement expressing agreement to refrain from using the original title of its new publication, both on the cover and throughout the entire book. Such legal action could have led to a temporary publication ban and to a lengthy and exhausting legal dispute. MultiWatch and edition 8 publishers therefore opted to avoid the contested wording even though the alternative title now being used provides a less effective illustration of the relationships between the extraction of raw materials and public outrage at controversial business practices. However, instead of a costly legal wrangle, MultiWatch has sought to engage Glencore Xstrata in a public debate, both on the impact of its mining activities and on how the commodity trader does business. The fact that a corporation worth many billions of dollars feels the need to threaten a human-rights group with meagre resources suggests that the enterprise is less willing to tolerate public criticism of its activities and their negative impact than it cares to admit.
Since its publication in May 2014, the corporation has claimed that the book distorts facts and contains lies and half-truths. However, as of March 2015, MultiWatch was still awaiting a response to its request for more precise information so that contested passages could be verified and corrected.

Introduction

On 2 May 2013 the merger of Glencore and Xstrata created one of the world's most powerful commodity trading companies. At the time, the new corporate giant was the world's biggest extractor of copper and the world's biggest exporter of thermal coal; its fleet of oil tankers was larger than the entire fleet of the British Royal Navy. The Chinese competition regulator therefore insisted that the multinational sell one of its vast copper mines before consenting to the merger. Glencore International plc came 14th in Fortune magazine's 2012 ranking of the world's top corporations; after the merger, Glencore Xstrata plc rose to 12th place.[2]

Glencore Xstrata plc. concentrates the entire value chain under a single corporate umbrella, including the extraction of raw materials, their storage, transport and trading. Its vast storage and transport capacities enable the multinational to transfer thermal coal and other minerals as well as agricultural products to wherever the best prices are on offer, or to provoke price hikes by holding back the goods. In 2013 the Swiss corporation, Glencore Xstrata AG, and several investment banks were sued for manipulating aluminium prices by warehousing vast quantities of the metal and restricting supplies.[3]

The history of the two companies, Glencore and Xstrata, is intimately linked with Marc Rich, the late commodities trader. Having traded until 1994 as Marc Rich + Co Holding AG, the company renamed Glencore AG managed to pursue its business largely unnoticed by the wider public. Nevertheless, the multinational has a reputation not only of being present in conflict areas avoided by its competitors in the natural resources sector, but also of generating much of its production in extremely corrupt countries.[4]

Having kept its business practices quiet for a long time, Glencore only disclosed its figures in the run-up to its 2011 stock market launch (IPO). In May 2011, Ian King, Business editor of The Times, described Glencore as a 'business with dubious morals', trading grain 'amid food riots' and having been 'accused of profiteering and environmental offences in numerous poor and war-torn countries.'[5] By contrast, Xstrata, a close Glencore associate and holder of 34% of Glencore's shares, has pursued an offensive PR strategy to present itself as an enterprise that embraces sustainable and socially responsible practices.

Good boy – bad boy?

Was the merger a 'marriage' between an intransparent multinational of dubious repute and an exemplar of sustainability? Not in the least. People who have been adversely affected by mining activities associate both Glencore and Xstrata with exploitation and the destruction of their environment and their human habitats. Gigantic holes gape in open-cast areas of extraction. Local communities complain of health risks from toxins that have seeped into their soils and drinking water supplies. Other keywords are air pollution, redirected rivers and expanding deserts/wastelands. Both companies are reputed to be hostile to trade unions. In Peru, as recently as late 2013, each and every founding member of a labour union was sacked. Even before the merger, there had been reports that both corporations had exerted pressure on unionists, had collectively dismissed workers and harassed striking miners.

Even Xstrata's efforts at image enhancement are highly problematic. Although it has managed to use its 'social investments' in mining areas both to improve its own public standing and to weaken manifest resistance against its mines, adversely affected local populations claim that these so-called development projects have often benefited only parts of their communities. Unsurprisingly, the beneficiaries see the corporation in a positive light. Preferential treatment of some members of these communities, occasionally in conjunction with pressure exerted on opponents to mining, has led to deep divisions within a number of communities; new and sometimes violent conflicts have erupted in certain mining areas. Both in Peru and the Philippines, for example, the corporation and its 'development projects' have substituted

or actually created parallel structures to state agencies controlled by multinational corporation, creating new dependencies among the host mining population. Access to schools or hospitals built by Glencore Xstrata is not based on what is due to local communities, but on the benevolence of a corporation whose actions contribute to a return to feudal conditions.
At the time the German version of this book went to print, the editors were unaware of Glencore or Xstrata having carried out any consultations according to international standards on new mining projects among host mining communities, nor of any such consultations having been conducted by government agencies, in the concession areas under consideration in this book. Such consultations would, however, be indispensable in areas where indigenous populations and their traditional ways of living are affected. As our examples from the Philippines and Peru will illustrate, local communities were only inadequately informed – if at all.
Especially in impoverished host mining communities, obstacles are high for those directly affected to provide evidence of negative environmental or human-health impacts. In reference to Glencore Xstrata's mining activities in Jujuy province, Argentina's Prosecutor General, Antonio Gustavo Gómez, stated that the investigation of alleged environmental offences by multinational mining corporations involves complications unrelated to the state of evidence. In 2012 Gómez noted, 'Nowadays, multinational corporations equate making money with pollution. The more pollution, the more money; the more money, the more corruption; the more corruption, the more impunity.'[6] Having initiated proceedings against an Xstrata subsidiary for water pollution, Gómez was removed from his post as Director of Environmental Investigations at the Public Prosecutor's Office. Meanwhile, opponents of mining activities in Argentina, Peru or Colombia continue to come under pressure; vilified as being 'anti-development' or even accused of terrorism, many have had charges brought against them.
In recent years, moreover, critics have warned that Glencore and Xstrata may have withheld tax from extracting countries, allegedly by effecting intragroup sales of extracted raw materials at prices below market value. In the context of internal transfer pricing, the market only begins to play when the same raw materials are sold on from a tax haven at a higher price. Any profits are therefore made in countries with favourable tax conditions; the loss of revenues suffered by extracting countries is enormous. Glencore and Xstrata have been accused of transferring undeclared natural resources past the treasuries of such countries. In Argentina, for example, investigations into tax evasion by Xstrata were ongoing at the time the German version of this book went to press.
One year after the Glencore and Xstrata merger in May 2013, it looked as though the corporation continued to do business as usual: even before the merger, Glencore Xstrata CEO Ivan Glasenberg asserted, 'We are not going to change the way we operate.'[7] While, at the time the German version of this book went to press, the new giant's senior management was Glencore-dominated, its PR strategy was Xstrata-inspired, with Glencore Xstrata's professional Communications Division continually repeating the message that the corporation supported sustainability and had contributed greatly to the economic development of poor countries. However, MultiWatch had received no reply to its enquiry regarding the corporation's specific policies to ensure compliance with its duty of care. On the other hand, the corporation's Swiss management did point out that Glencore Xstrata would engage in a 'constructive dialogue' with its opponents and detractors and would also hold regular meetings with members of the Swiss parliament.[8]

Strikingly similar conflicts
On the occasion of the first anniversary of the merger of the giant commodity corporation, MultiWatch directed its focus on Glencore Xstrata to outline several areas of conflict. Without claiming to be exhaustive, this book documents some of the most serious negative impacts of Glencore Xstrata's activities on the lives and human rights of people living in mining areas.

The first part of the book retraces the history of the two original companies, including some key political decisions and developments that enabled the corporation to expand to its present size. Switzerland's role as a trading hub for raw materials and natural resources will also be examined.

The central part of the book is the chapter headed 'Conflicts in the context of Glencore Xstrata's Mining Activities'. It examines in some detail a number of mines operated by the corporation. Exploring the faultlines of several conflicts, it will demonstrate that the cases presented here are scarcely exceptional. In fact, conflicts are strikingly similar; miners and host mining communities in several extracting countries have expressed identical complaints about Glencore Xstrata's arrogant disregard for their rights and interests. A pattern seems to repeat itself as to how local communities have been kept inadequately informed or even neglected altogether, and how 'development projects' are used to 'purchase' their consent. Moreover, the corporation has displayed a similar attitude in the various locations where it operates, both in its dealings with labour unions and by playing down or denying any possible causal relations between its mining activities and environmental pollution.

The focus of this book is on the people who have been affected by mining activities, i.e. Glencore Xstrata's miners and host mining communities. It also includes those who have joined forces to fight for their rights to a fair hearing, to a healthy environment and human habitat, and to decent labour conditions. More and more of these people have begun to network and have also taken their protests to the corporation's headquarters in Switzerland.

The book has been co-authored by various contributors who decided to share their intimate knowledge of the cases being examined here; most of their writings are based on extensive field research. While individual chapters and sections of the book reflect the contributors' stylistic diversity, for ease of cross-referencing, the translator has made every effort to be consistent in her use of terminology.

A look at Glencore Xstrata is a study of the spectacular rise of a commodity group. The story of this giant corporation illustrates the workings of capitalist globalisation. It shows that both the sheer size and power of multinational corporations and their business practices, jeopardise basic democratic principles. A closer look at the corporation's numerous and diverse, yet essentially similar locations of activity reveals that resistance against the business practices of multinational corporations is on the increase. World-wide networking has made it stronger, more globalised and more resilient. Resistance will not go away.

MultiWatch
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Grassroots resistance affects those at the top – an object lession

No director could have thought up a more dramatic climax for their film or play: on 29 January 1992, two gentlemen in dark suits had to push their way into the 'Dallas Building' in Zug, the Swiss headquarters of the mighty commodity trading company, Marc Rich + Co. The two men were Rich's attorney, Leonard Garment, who was Richard Nixon's top legal adviser during the Watergate scandal, and William Bradford Reynolds, Assistant Attorney General at the U.S. Department of Justice under Ronald Reagan. The presence of these two highly influential and very expensive star lawyers confirmed rumours that Rich was about to enter into a deal with the Republican administration. He was hoping to be allowed to return to the country that, in 1983, had indicted him for tax evasion and other crimes, resulting in a potential prison term of 325 years. Rich was also hoping for his business empire to be able to return to 'business as usual' in the U.S.

Dramatic scenes in Zug, Switzerland, and Pittsburgh, PA, USA

Outside Marc Rich's glass tower in Zug, the two gentlemen were surprised to encounter a crowd of protesters holding aloft a huge effigy of Mother Jones, the emblem of the American labour movement. Among the protesters were left-wing political activists of Zuger Alternative, aluminium workers from West Virginia, trade-union functionaries and a detective who had been involved in unveiling the Watergate scandal. Also on the scene were TV journalists from NBC and ABC, who were taken by surprise by the encounter. They were pretty excited. Two weeks later, on 12 February 1992, NBC Dateline, the channel's prime news programme, presented a surprise interview with Marc Rich recorded on a skiing slope near St. Moritz shortly after the events in Zug. Rich cut a poor figure in this interview from which two things clearly emerged: the Bush administration would not be able to accede to Rich's requests and Rich would be unable to ignore to the 1,700 workers at the Ravenswood Aluminium Corporation (RAC) in West Virginia, who had been locked out for the past fifteen-and-a-half months.[9]

In Pittsburgh, PA, at 9:15am on 27 May 1992,[10] *the longest and final round in the Ravenswood negotiations was nearing its end. The corporation's two chief representatives, attorney Peter Nash, a former general counsel of the NLRB, the U.S. National Labor Board, and Richard Nixon's appointee, and Craig Davis, RAC CEO and president, had set the ultimatum that two workers accused of violence would not be reinstated. Davis was taken by surprise by the labour union's response that all locked-out workers or none would return. Having spoken on the telephone with the number two in Marc Rich's empire, Willy Strothotte in Zug, Davis accepted. Hearing of the decision, a horrified Jean Loyer, Marc Rich's crony and RAC co-chairman, also called Zug. Willy Strothotte was dismissed almost immediately. Swiss left-wing activists then known as Zuger Alternative made the sensation public even before members of Rich's staff at the 'Dallas Building' were informed.*

Successful rebranding

In subsequent months, Marc Rich came to accept that if he stayed in the driving seat, his empire would never be able to re-establish normal relationships with the U.S.; he therefore sold his 51% stake to the company's top executives. He also reinstated Strothotte who, on 1 September 1994, changed the name of Marc Rich + Co Holding AG to Glencore International AG. At the time the company, with operations in 40 countries and employing some 5,000 workers and staff, was aiming for a turnover of USD 25 to 30 billion from trading in crude oil, petroleum products, energy, iron and non-ferreous metals, metal ores, grain and sugar as well as from its involvement in petroleum extraction and processing, in alumina *refineries and aluminium smelters, coal and zinc mines, grain production and wood processing.*

The rebranding worked. For about ten years, international media were a great deal less interested in Glencore than they had been in Marc Rich + Co. It was only when Glencore went public some seventeen years later, in 2011, that the company made headlines again: not only did its top executives reap billions overnight, Glencore Xstrata CEO Ivan Glasenberg's residency in a small town on the shore of Lake Zürich also created millions in tax windfall for several neighbouring towns and villages. The new riches, however, did not meet with unanimous enthusiasm: in September 2013, voters in the small village of Hedingen near Zürich voted to donate some of the tax windfall from the Glencore IPO to communities made to suffer by Glencore's exploitative policies. Up until that point, Glasenberg had stayed out of the limelight. Now, in an attempt to restore his company's reputation, he wrote a letter to several municipalities. He was afraid that other villages might follow the example of Hedingen.

What do these events teach us? For one thing, they reveal the very close ties between private multinationals and government agencies. Secondly, they prove that resistance can indeed make a difference. Thirdly, they illustrate that resistance against multinationals can only be successful if global networks are established and public opinion becomes involved in a major way. Lesson number four is that we must remember that Marc Rich + Co and its successor do not merely trade in raw materials and natural resources, but also process them. Finally, we should not believe all the claims made by multinational corporations: before spring 1992, Marc Rich had denied any links between Ravenswood and the legal or natural person called Marc Rich.

Jo Lang

Glencore Xstrata – a giant commodity trading and mining corporation

From Marc Rich + Co via Glencore to Glencore Xstrata: 'A Giant Among Giants'[11]

Created in 1974, Marc Rich + Co emerged from a dramatic split from Phibro Corporation, which until 1971 was known as Philipp Brothers. In 1964 the world's biggest ore and metal trader of its day had set up its headquarters in Zug, Switzerland, and brought crude oil trading to Zug a few years later. From 1967 until 1973, Marc Rich from his office in Madrid, Spain, then under Francisco Franco's Fascist dictatorship, transformed Phibro into one of the world's biggest crude-oil traders. The 1974 split caused a rift between Phibro and Marc Rich + Co that rendered any mutual business unthinkable; there was even a ban on personal relationships between staff from the two companies. In his 1984 report on Zug, Swiss investigative journalist and author Niklaus Meienberg (1940-1993), called the goings-on 'Romeo and Juliet in Zug'.[12]
Trading in crude oil remained Marc Rich's most important business; he revolutionised it by 'inventing' the crude-oil spot market, i.e. the ability to trade oil freely and immediately and therefore independently of any long-term contracts. In terms of other raw materials and natural resources, Rich soon became one of the world's biggest metal traders. He was notorious for breaking international trade embargoes, which will be the subject of the next section.

Apartheid – Marc Rich + Co's 'most important and most profitable' business deal

Rich's dissociation from his company, after which Marc Rich + Co was renamed Glencore, coincided with the fall of South Africa's Apartheid regime. As he told his in-house biographer and historian, *Weltwoche* Business Editor, Daniel Ammann, Rich had done his 'most important and most profitable' business deals with South Africa. Ammann also reported that a former top executive estimated Rich to have made over 2 billion US dollars in net profits from his deals with Apartheid South Africa.[13] Moreover, while Rich was not the only one to break boycotts, he was the 'No 1 embargo buster' according to Shipping Research Bureau in Amsterdam, a Dutch anti-Apartheid non-governmental organisation.[14]
Apart from cash, the Apartheid regime urgently needed crude oil. Following the embargoes imposed in 1973 by Arab suppliers and by the U.N. In 1977, South Africa turned to Persia, which was to supply ninety percent of South Africa's oil until the fall of Shah Reza Pahlavi in 1979. That year, Iran joined the international boycott. Rich jumped into the breach by creating Minoil AG, a company headquartered in Zug, with which he maintained clandestine connections. In summer 1985, a group of left-wing activists then known as *Zuger Alternative* disclosed the fact that Minoil AG was part of Marc Rich + Co.[15] Minoil was dissolved in November 1985.[16]
A major portion of the oil that Rich had supplied to South Africa came from the Soviet Union. Marc Rich + Co also provided substantial support to the Apartheid regime by selling South African coal to countries including Spain, Chile, Turkey, Rumania and the People's Republic of China.[17]
Glencore Xstrata's CEO, South-African born Ivan Glasenberg, turned Rich into the world's biggest dealer in thermal coal of the late 1980s. Glasenberg did such a good job on behalf of the corporation, and on behalf of Apartheid, that he was made director of the corporation's Coal Department in 1989.

Chile and Jamaica – case studies

As Daniel Ammann writes in his 'court biography' of March Rich, *King of Oil*, Rich 'was a mediator who brought together business partners who officially wanted nothing to do with one another.'[18] There is some truth in the observation. However, Rich's motivation was not primarily that of brokering peace. Rather, that kind of business was particularly lucrative, both in the oil sector and beyond. One of the first deals, news of which reached the small Swiss town of Zug in the mid-1970s, was the sale of Chilean copper to Romania and the People's Republic of China. To the dismay of Zug's left-wingers, the deals had been set up by Marc Rich's trader Eddie Egloff, the eldest of many children in a local working-class family, on a visit to Chilean dictator Augusto Pinochet's copper mines. In 1990 Marc Rich, who was thenon the FBI's 'Most Wanted' list, made a tidy profit from selling American grain worth 260 million US dollars to the Soviet Union.

Jamaica provides an excellent illustration of the power wielded in the 1980s by Marc Rich's empire. It was a time when the impoverished island was highly dependent on the extraction of bauxite and on its local processing plants that refine bauxite into alumina or aluminium oxide, the source material for aluminium. U.S. multinational Alcoa was closing down its Jamaican operation after the price of aluminium bottomed out in 1986. Clarendon Ltd., Rich's U.S. Affiliate, stepped into the breach, taking out a ten-year lease on Jamaica's annual production of 800,000 tonnes of aluminium from the right-wing government under Edward Seaga, who was Prime Minister at the time. Within two years, the price of aluminium per metric tonne doubled, to USD 2,430.

Seaga's controversial deals with Marc Rich were a major issue in the run-up to Jamaica's 1989 elections and contributed significantly to the country's slide to the left. As early as 1964, during his first term in office, Social Democrat Michael Manley had implemented a strict embargo against South Africa. In 1989 Manley accused Seaga of having sold off national resources and – worse still – of collaboration with one of the world's most notorious Apartheid collaborators. However, when the International Monetary Fund (IMF), issued an ultimatum demanding an interest payment of CHF 45 million (some USD 27 million) on Jamaica's debt at very short notice, the left-wing government found itself unable to break off with Marc Rich, on the contrary: with his country mired in debt, Manley was forced to accept an advance loan against future aluminium production of the same amount from Rich's Clarendon Ltd. As Eli Matalon, one of Manley's chief advisors, noted, 'Passing the IMF test, not the apartheid test, was the issue.'[19] Only if the corporation failed one of the tests would there have been serious consequences.

The case of 'Jamaica – Marc Rich – IMF' provides an excellent example of how international monetary policies play into the hands of multinational corporations.

Glencore – new name, old business practices

Since its complete name change and partial change in ownership in 1994, Glencore has incresed its size five times, and not just in terms of its turnover. The company has vastly extended its production areas, a trend intensified by its merger with Xstrata mining corporation in May 2013. With its 90 offices, 150 mines, metal works, oil extraction facilities and agricultural businesses, Glencore Xstrata's core business is extraction and production. At the end of 2012, Glencore and Xstrata employed some 190,000 workers in over 50 countries (including subcontractors); its turnover was USD 236 billion; profits amounted to USD 12.9 billion.

Although Glencore Xstrata has suppressed its historic involvement with Marc Rich, its business policies have essentially remained the same. In the context of Glencore's ruthless closure in January 2003 of its lead mine in the Pas-de-Calais in northern France, arch conservative French President Jacques Chirac called Glencore managers 'rogue bosses'.[20] In 2008 Glencore received the Swiss Public Eye Award for particularly irresponsible business practices and the German Ethecon Foundation Black Planet Award in 2012.

According to a study by Deutsche Bank of June 2011,[21] Glencore's main 'speciality' had been to act very swiftly if required, even in areas in which other mining companies had no wish to operate. The study also found that it had been the corporation's opportunistic approach which had created the major portion of its business. The Deutsche Bank report estimated that some 70% of Glencore's production facilities were located in extremely corrupt and/or high-conflict countries, including the Democratic Republic of Congo (DRC; copper), Colombia (coal), Kazakhstan (zinc) and Equatorial Guinea (new oil wells). Referring to the Swiss company headquartered in Zug, Tim Huff of the Royal Bank of Canada, which has major stakes in the mining sector, has been quoted as saying, 'With Glencore, places like Congo are not outside their comfort zone; they are its comfort zone.'[22]

Lobbying Saddam and the Swiss Federal Government

The most significant political shift since Marc Rich + Co became Glencore AG has been the end of the embargoes against South Africa and the countries of the former Soviet Union. However, Glencore remained keen to grasp any opportunities that presented themselves in the context of any other embargoes still in force, with the Oil-for-Food scandal one particularly controversial example. Having imposed sanctions in 1990 on Iraq for invading Kuwait, the U.N. Security Council in 1995 attempted to mitigate 'unintended negative consequences on the civilian population' by 'setting up the Oil-for-Food Programme,[23] which allowed Iraq to sell its oil and use the major portion of the revenues to purchase food and other humanitarian relief supplies.' When 'serious allegations of corruption surrounding the [...] programme' were made, the U.N. On 21 April 2004 appointed Paul A. Volcker as head of an Independent Inquiry Committee (IIC).[24] According to the Heritage Foundation and others, the IIC Report found that, from 1996 until 2003, the 'Saddam Hussein regime received illicit income of USD 1.8 billion' from 139 companies exporting oil to Iraq under the programme.[25] Glencore and Marc Rich + Co were among the chief oil companies involved; they were never brought to justice.

In Switzerland, the involvement in the Oil-for-Food scandal of two companies based in Zug and Geneva brought into focus a controversial aspect of domestic policy. In December 2003, Swiss money-laundering legislators crumbled under pressure from the two corporations, which enjoyed the support of a strong lobby from Zug and other commodity traders; the inclusion of proprietary trading with raw materials and natural resources fell by the wayside. Since then, business deals involving vast sums of money, impenetrable connections between businesses and trading partners as well as highly corruptible extracting countries have been above the suspicion of money laundering.

These days, such deals would not pass the Swiss legislator's muster quite so easily. There has been increasing criticism of Glencore and its fellow commodity conglomerates. Greater transparency was imposed on the occasion of Glencore's IPO in May 2011 and the Glencore Xstrata merger in 2013, the biggest 'jumbo merger' since that of Royal Dutch and Shell in 1907, also played its part. In April 2012 *Foreign Policy*, a prestigious US magazine, headlined Ken Silverstein's extensive and highly critical investigative report on the impending merger with the words, 'A Giant Among Giants'.[26]

Xstrata – sustainable mining corporation or clever self-promoter?

Until its merger with Glencore in May 2013, Xstrata had its headquarters in an unprepossessing office block on Bahnhofstrasse in Zug, Switzerland. Xstrata plc also had a registered office in London. Yet, who was this company, Glencore's 'smaller twin' with just a few dozen staff in Switzerland? From its foundation as Südelektra AG in 1926, Xstrata had developed into one of Switzerland's largest enterprises and was among the ten largest mining corporations in the world.[27] Its commercial success was based on a partnership with the discreet yet powerful Glencore corporation, coupled with a strategy of claiming to be socially and ecologically sustainable in order to enhance its standing, both with its investors and the general public.

Prior to the merger, Xstrata Holding employed some 70,000 people in over twenty countries in northern and southern America, Europe, Africa and Australia; the company structure reflected the natural resources extracted, i.e., Xstrata Copper, Xstrata Alloys, Xstrata Nickel, Xstrata Zinc, Xstrata Coal, and the less significant Xstrata Technology Services. In 2011 Xstrata generated a turnover of USD 33.8 billion and a profit of USD 5.8 billion; it was listed on the stock exchanges of London and Zürich.

From electricity supplier to mining corporation

Originally founded in Zürich as *Südamerikanische Elektrizitätsgesellschaft* (South American Electricity Corporation) or *Südelektra*, the company produced and supplied electrical energy in Latin America, especially in Peru. Along with other private power companies, it was nationalised in the 1950s. Retaining its official name, Südelektra subsequently turned its attention to banking and share trading. Marc Rich + Co Holding AG, later renamed Glencore, acquired the majority of Südelektra shares in 1990. This marked the beginning of a close association of the two companies, which not only enabled Marc Rich + Co to enter the capital market, but also allowed Südelektra to diversify and to invest in mining activities and in the acquisition of companies in the sector of raw-material extraction and production. Südelektra was renamed Xstrata in 1999, at a time when over 80% of its income was generated by the production of metals and alloys.[28]

Initially it looked as though Glencore was planning to acquire Xstrata and go public. Eventually, however, it was Xstrata, the multinational corporation, that took over several of Glencore's coal mines in Australia and South Africa as it made its Initial Public Offering in 2002. Shortly before the IPO, Michael Lawrence (Mick) Davis had become Xstrata's new CEO. A schoolfriend of Glencore CEO Ivan Glasenberg, Davis had previously been executive manager at BHP Billiton plc, the world's largest mining group at the time. 2002 therefore saw the beginning of a very close collaboration of CEOs Davis and Glasenberg. Subsequently, while Glencore continued to hold one third of the growing mining giant's shares, Xstrata expanded very rapidly.[29]

That is why many have regarded Xstrata as a Glencore spin-off, as a sapling nurtured in fertile Glencore ground. For many years, Glasenberg was on the Xstrata board and one man, Willy Strothotte, was Chairman of the Board of both Glencore and Xstrata until John Bond was elected to chair the Xstrata board in 2011. The two corporations benefitted mutually from each other's specialisations by cooperating via marketing agreements. One of them was a strategic deal done in 2009 when, unable to draw level with Xstrata's capital increase and incapable of maintaining its proportion of shares in the sister company, Glencore sold the coal mines of its Colombian subsidiary Prodeco to Xstrata as real value, only to buy them back one year later.[30]

Successful self-promotion

In the ten years to 2013, Xstrata made huge profits both from participating in joint-ventures and from the acquisition of hundreds of companies. However, Xstrata activities were also at the root of several serious conflicts, many of which had yet to be resolved at the time the German

version of this book went to press. As the case studies presented in this book will illustrate, human rights have been violated in a number of Xstrata's mining areas.
How did Xstrata deal with conflicts in its areas of extraction? The company attempted to increase local acceptance of its activities by providing new infrastructure and investing in 'social development projects', including the construction of roads, railways and other facilities primarily required to operate its mines. Xstrata also built public health and education facilities in areas where government authorities had been remiss in making such provision. In such areas, some of Xstrata's 'social investments' have secured local approval and support of its mining projects despite their destructive impact and have weakened local resistance. Where large corporations shoulder government responsibilities and pander to some parts of the host mining population, a frequent outcome is divided communities and social conflicts.
Xstrata also presented itself as a benefactor to investors and the general public, for example in its highly professional PR relating to Corporate Social Responsibility. Unlike Glencore, Xstrata was always keen to uphold a positive public image, underscoring the beneficial social impact of its activities. While Glencore kept its business out of the limelight, Xstrata under CEO Mick Davis embraced a proactive communication and PR strategy, for one thing because its stock-market listing required a degree of transparency and also to ensure the loyalty of its many institutional investors including pension funds, which a scandal might have driven away.[31]

Sustainability discourse provides competitive edge

Xstrata turned the carefully groomed image of a sustainable company into a competitive advantage. From 2004 onwards, Xstrata's annual sustainability reports focused on its corporate HSEC, or Health, Security, Environment and Community policy. However, no matter how much Xstrata claimed to achieve the highest standards in terms of health, security, social responsibility and the environment, none of them were legally binding, nor could the company be held to account for failures of implementation. And while Xstrata further polished its public image by endorsing of a long list of industry principles and voluntary initiatives enabling it to claim a leadership position as an exemplary mining company, no obligations ever arose from these endorsements.[32]
None of the efforts Xstrata claimed to have made were legally binding, nor was its compliance with any of the standards independently verified or legally enforceable. The company paid lip service [to sustainability] in order to create a more positive public image.[33] All the while, a wide gulf yawned between Xstrata's positive self-portrayal and facts on the ground in the extraction areas.
CEO Mick Davis' statement illustrates the chief objective of any Xstrata activities, including its sustainability policies:

> We believe that operating to leading standards of health, safety and environmental management, contributing to the development of sustainable communities, and engaging with our stakeholders in two-way dialogue regardless of our location enhances our corporate reputation and is a source of competitive advantage.[34]

Even if, at first glance, Xstrata seems to have accorded great value to sustainability, the real point was the mining giant's public image. Although Xstrata's mining activities repeatedly had disastrous consequences for its workers and host mining communities, its sustainability strategy was very successful in pushing the company to the top of various sustainability indices. The conclusion may be drawn that Xstrata knew exactly how to make itself look good.

Glencore Xstrata: Facts and Figures as of End 2012 *(in billion US dollars)*[35]

Turnover:	*236.0*
Gross profit:	*12.9*

'A global network of over 90 offices located in over 50 countries'. Production/extraction included more than 150 mines, mining operations, offshore oil platforms, and agricultural and food businesses. The corporation employed 190,000 staff including staff employed by temporary agencies.

Large institutional shareholders included Qatar at no. 1, as well as Swiss banks Credit Suisse at no. 4 and UBS at no. 8. Top-level executives controlled 35.7%; CEO Ivan Glasenberg owned 8.3% of shares.

GlencoreXstrata Annual Report 2013, First Semester *(in billion US dollars)*[36]

Turnover:	*121,393*
Gross profit:	*6,002*

	Trade	***Production***	***Total***
Metals and minerals:	*0.721*	*3.153*	*3.874*
Energy products:	*0.519*	*1.566*	*2.085*
Agricultural products:	*0.123*	*0.003*	*0.126*
Deductions:*	*0.041*	*0.042*	*0.830*
Total	***1.322***	***4.680***	***6.002***

**Corporate and other*

Background – neo-liberal restructuring

The trade in strategic raw materials and natural resources is a highly monopolised business controlled by a small number of giant corporations. This section addresses some policy decisions and economic developments that have enabled such corporations to attain current levels of power.

Carte blanche to corporations

As Karl Marx already pointed out in the 19th century, the accumulation of capital is based on an expanding, intensifying world market.[37] Since the 1990s, however, world-market integration has reached a new level, for which the term globalisation is commonly used. It has been occurring in a context of imposing a neo-liberal project to the benefit of multinational or global corporations and large banks. World-market integration has promoted and strengthened the centralisation and concentration of global capital, producing transnational networks of innovation, production and distribution. While natural resources are being extracted all over the world, this primarily occurs in the southern hemisphere. Labour intensive processes, however, tend to be located in low-wage countries. Control of technologies including research and development, as well as the appropriation of the lion's share of profits, however, occur in capitalist centres.

It is a development that arose from various neo-liberal re-structuring processes from the 1970s onwards. On the one hand, the United States attempted to re-establish its hegemony by fostering exchange-rate flexibility and radically de-valuing the US dollar, enabling it to retain its position as a key currency. On the other hand, global de-regulation was a response to social conflicts and strikes in the late 1960s and early 1970s, in the hope that, once restrictions on commerce, investments, capital transfer and foreign exchange trading were lifted, large corporations would be able to invest, produce, sell and accumulate anywhere in the world with a minimum of impediments.

However, in macroeconomic terms the neo-liberal project has been anything but a success, quite the opposite. Neo-liberal development has brought stagnation of investment and excessive accumulation of vagabond profits; it has created cyclical bubbles as well as economic and financial crises. The neo-liberal system is not geared towards economic development, let alone sustainability. Rather, in a bottom-up redistribution, it is geared toward unfettered profit maximisation and the appropriation of profits by the wealthy. In this sense, neo-liberalism is not a purely economic project but amounts to top-down class warfare with dramatic negative effects on the environment and on the welfare and well-being of the vast majority of people. In its core, neo-liberalism uses state governments and international financial institutions to meet and fulfill the needs and desires of multinational corporations and large financial institutions. The current global economic crisis opened a new chapter in this project.

Structural adjustments in the southern hemisphere

Neo-liberal restructuring had a particularly savage impact on peripheral countries. Military dictatorships in Central and Latin America resorted to violence and terrorism to shatter trade unions and other organised social movements. Take Chile in 1973, for example, where a bloody military coup brought about Augusto Pinochet's dictatorship. It swept aside the Allende's government strategy of industrialisation to substitute imports and reduce Chile's foreign dependency and instead gave 'carte blanche' to foreign multinational corporations. As well as boosting exports of natural resources, the government also established special economic zones (SEZs), clearly defined, duty-free production sites where national legislation is overridden in favour of minimum taxation; trade unions and their activities are generally banned. Moreover, host countries commonly provide the infrastructure at ridiculously low rates, if not completely free of charge.

In what many refer to as a neo-colonial development, SEZs have intensified existing dependencies, especially since the huge debt crisis of the 1980s triggered by the high-interest rate policy of the U.S. from 1979 onwards, which suddenly rendered previously cheap credits vastly more expensive, or even unaffordable. The World Bank provided international credits forcing debtor countries to accept 'structural adjustments' primarily designed to secure interest payments to large banks, yet pushing vast numbers of people into poverty and extremely precarious circumstances. Nevertheless, there has been repeated mobilisation against these mechanisms, most visibly so in Latin America, where the electorate began to turn its back on neo-liberal policies in the late 1990s, electing more progressive governments instead.

Oligopolisiation and investment protection

Multinational corporations and their strategies are designed not just to secure advantages in their respective countries of domicile, but also their global privileges for the long term by acquiring strategic resources including scientific and technological know-how. They exploit raw materials or trade in resources and 'commodities', selecting the cheapest locations and production processes, and making sure they are in control of the global sales of their products. It is due to such activities that foreign direct investment has greatly increased over the past two decades or so, accompanied by mergers and takeovers. In the same period, the number of transnational corporations has risen to well over 80,000, not all of which wield the same degree of market power. At the core have been around 150 multinational corporations which control approximately 40% of the global economy.[38]

As a result of such processes of concentration of power, oligopoles have emerged in key markets, increasing their market dominance and making it easier for them to restrict access to knowledge and technology. Also, the greater the number of multinational corporations that operate on a global scale, the greater the global competition they face. On the other hand, many corporations still focus their activities on specific areas and actual economic and trade blocs along continental lines continue to exist in the global economy.

In terms of a new global legal situation, key corporate investment rights and protections were written into the North-American Free Trade Agreement (NAFTA), which came into effect in 1994. Its Chapter 11 constitutes one of the most investor-friendly agreements ever ratified, allowing corporations to take legal action against NAFTA countries if they consider government decisions or regulations to affect their investment in contravention of these new NAFTA rights. One such perceived contravention could be expropriation, which corporations have defined very broadly to include future loss of profit. No consideration is given to valid reasons why a country would opt for expropriation, such as the environment or human health. Their only goal is to protect corporate investment. Since then, arbitration schemes of this kind have been included in most bi- and multi-lateral as well as global agreements. They are therefore of crucial importance and constitute 'hard' law insofar as any verdicts by the World Bank Group's International Centre for Settlement of Investment Disputes (ICSID) are legally binding and have forced many NAFTA countries to make exorbitant indemnification payments to Multinational corporations.[39] This state of affairs stands in stark contrast to guidelines and recommendations on human rights or environmental protection. Here, corporations are expected to comply with voluntary, not legally enforceable agreements such as the United Nations Global Compact (UNGC).

Creating optimum locations and accumulation by expropriation

The above-mentioned globalisation process benefits multinational corporations to such an extent that they can achieve 'extra' or 'super profits'. Site 'optimisation' increases exploitation rates. In terms of wages and salaries, local workers are pitted against each other in fierce competition and multinational corporations successfully instrumentalise national governments.

Competing states[40] jockeying for national economic development have eliminated wage settlements, cut back welfare provisions, restricted trade unions and granted corporate tax relief. As a consequence, many national governments have become actual enforcement agencies on behalf of corporations. Political stakeholders are resorting to greater or lesser repression to manage the economic, social and ecological impact of neo-liberal policies. The general tendency has been a restriction of democratic rights while extending surveillance to redistribute [wealth] from wages to profit.

'Super profits' are generated by intensifying wage-earner exploitation, not least through location optimisation, wage restrictions, deteriorating labour conditions, precarisation, and labour intensification. Such vast profits are also created by an increase in 'accumulation by expropriation',[41] which plays a critical role in southern-hemisphere countries with dependent economies and restricted sovereignties. Multinational corporations have made huge profits by appropriating and capitalising the value of resources in those countries, in particular land, water, mineral deposits, organic matter and knowledge. Local expropriations have been exacerbated by patent extensions and the privatisation of public goods and infrastructure. Privatisations do not create surplus value but constitute the appropriation of public property or of value produced by others. However, accumulation by expropriation also affects the centres, especially if we consider the impact of privatisations in terms of price increases and deteriorating services, the continual rise of housing costs and rents, or the expropriation of small savers due to investments made by pension funds. Major speculators have been able to generate their exorbitant profits only by expropriating the mass of small-scale savers.

In sum, three strategies have enabled multinational corporations and large financial institutions to generate 'super profits' in a neo-liberal regime: firstly, increasing direct exploitation in the workplace; secondly, wage earners' 'secondary' exploitation in the private realm, e.g. In terms of housing and credit costs; thirdly, there is 'looting' by expropriation.[42] These mechanisms not only explain the 'super profits' made by major banks and multinational corporations, but also the massive redistribution of wealth in their favour.

Switzerland – a trading hub for natural resources

Given the scarcity of most natural resources, including energy, mineral deposits and agricultural products, their extraction and production, as well as the trade in such resources can lead to vast speculation gains. Moreover, demand for natural resources is likely to increase over the next few years and decades. At the same time, the extraction, production and trade of these commodities carry high risks and require vast sums of capital. The thicket of activities and instruments on and off the stock exchange is becoming ever more complex and impenetrable. In particular, increasing amounts of volatile capital from surplus profits that were not invested due to large profit expectations, low interest rates and investment restrictions, have in recent years found their way into natural resources, mining and fertile land. The massive redistribution in favour of profits has drawn a lot of 'sharks' to this big pond, including banks, hedge funds, arbitrageurs and swap dealers, who operate alongside key corporate figures.[43]

The commodity sector in particular has seen a significant increase in centralisation and concentration; far fewer and much larger companies now control an ever greater proportion of added value. Extracting and producing natural resources and trading in these commodities is not, therefore, an apolitical business. All these activities, including the rush for land and prospecting licenses, rely on connections to and often rather cosy relations with more or less legitimate governments, autocrats or despots. Corruption has been rife, or at the very least common business practice.

Some 500 commodity firms dealing with virtually any raw material are domiciled in Switzerland. In what is euphemistically called the 'Swiss Commodity Trading Cluster', these firms cover the entire business chain from extraction and production through to shipping and sales. Their business has enjoyed the wholesale protection of the country's economic and political elite, and of the Swiss executive (Federal Council) in particular. In recent times, this modus operandi has been viewed rather more critically, which has also created some notoriety for the city of Geneva and the towns of Zug and, albeit to a lesser degree, Lugano.

The 2013 Background Report: Commodities published by the Swiss Federal Council estimates around five hundred companies and some 10,000 employees to be active in the industry, contributing some 3.5% to Switzerland's GDP. Despite some disagreement on turnovers and profits, the report notes net revenues of just over CHF 20 billion and transit or merchanting revenues of CHF 763 billion for 2011, a sum far greater than the Swiss GDP of around CHF 580 billion.[44,45] In other words, the sector has overtaken revenues from tourism and Swiss banks' financial services. Regardless of any specific figures, Switzerland has been 'one of the world's most important centres of international commodity trading'.[46]

The world's largest companies in terms of revenue or turnover have registered offices in Switzerland. The country has a regime of low taxation for corporations and offers a 'stable and predictable political, economic, and legal environment'.[47] This, and the virtual absence of any regulations as well as a highly skilled and qualified workforce no doubt make it attractive to global corporations.

The lack of transparency in international commodity trading has made it very difficult to obtain exact figures. According to a study published by the Center for Global Development, Switzerland is 'the leading hub for global commodities trading' and a safe haven for tax evaders. In 2007-2010, it attracted annual capital flows from developing countries estimated to range from at least USD 8 billion and over USD 100 billion.[48]

Another advantage of having a registered office in Switzerland is the country's investment protection treaties with numerous other countries. They not only afford great legal security to commodity traders, but also enable them to take legal action against countries whose policies they consider to have an adverse impact on their investment (see also section, 'Bolivia – pressure and threat of legal action in the interests of the corporation', pp. 75-76).

Switzerland's rise to commodity-trading eminence began after World War II. The rise accelerated and intensified from the beginning of the 21st century, when Swiss markets began to diversify from chemical and mechanical engineering industries to banking services and trading in natural resources. In 2012, for example, 75% of Russian crude oil, 33.3% of the world's agricultural resources, 60% each of metals and coffee, 50% of sugar and approximately 35% of grain, rice and oilseeds were being traded on the Swiss hub.[49] Berne Declaration, a Swiss non-governmental organisation, has estimated that, all in all, 'companies operating in Switzerland have at least a 15-25% share by value of the global trade in commodities.'[50] Other traders alongside second-ranked Glencore Xstrata were top-ranked Vitol, followed by Trafigura, Mercuria and Cargill, which come third, fourth and tenth.[51] Commodity trading companies based in Switzerland have been associated in three lobbying organisations, i.e. the Geneva Trading and Shipment Association (GTSA, with over 80 members including banks, insurance companies and traders), the Zug Commodity Association (ZCA) and the Lugano Commodity Trading Association (LCTA).

Deals on paper for raw materials vastly exceed physical trading. Even though Swiss stock exchanges at the time the German book version went to press played a minor role in this market, it is quite conceivable that the wish to obtain a larger share of this particular cake. Globally speaking, there are some 50 exchange markets for about 90 different commodities, China being the leader in agricultural resources. However, it is not only the trade in raw products, i.e. the merchanting companies themselves, that are relevant. Companies providing related services such as insurance and shipping, inspection, security and product testing, consulting, financial and legal services, etc., are as important. Geneva in particular offers all of these services. If it has been challenging to ascertain where the huge profits go, any details on financial and funding streams, financial transactions including taxation, and supply chains are equally opaque. Transparency is anathema to these large corporations and trading hubs. However limited their impact, urgent calls for transparency may therefore be a starting point of criticism against corporations and trading places. Other major issues have been the extremely imbalanced appropriation of surpluses, the power gaps and concentration of power, the restriction of social, political and labour rights as well as environmental degradation and pollution.

Switzerland's regulation of this sector has been woefully inadequate. And, rather than providing clear and binding guidelines and regulations, the Swiss Federal Council's first Background Report on Commodities of 2013[52] merely lists seventeen voluntary recommendations; it also expresses the intention to keep a closer eye on trading. We expect little more than an admission that minimal action is required and, in particular, attempts to co-opt non-governmental organisations (see the Report's Recommendations no. 16 and 17), which some of them will accept.

In conclusion, it can be said that the extreme de-regulation under neo-liberalism has produced a few almost infinitely powerful multinational corporations, one of which is Glencore Xstrata. In terms of transnational capital, Switzerland holds a key strategic position. Social responsibility, economic compensation, sustainable development and democracy have more or less fallen by the wayside. The only objective has been to generate exorbitant profits; the outcome has been extreme global re-distribution leading to deeper social, political and ecological crises.

If there is to be any chance of meeting these challenges, a comprehensive strategy of democratisation must be embraced, the market power of multinational corporations must be curbed and global markets re-regulated.

Conflicts related to Glencore Xstrata's mining activities

Industrial disputes

Both Glencore and Xstrata had a reputation of being anti-unionist even before their merger. While Xstrata's sustainability reports painted the picture of a socially responsible company, the reality in the mines operated by both companies has been a very different one.

As recently as November 2013, a Glencore Xstrata subsidiary in Peru dismissed every member of a newly created trade union only to re-hire soon after the workers who, under company pressure, had relinquished their union membership. This is by no means a singular event. In Colombia, a Glencore subsidiary threatened to dismiss unionised workers, offering financial incentives to those who would leave the union. In Australia, the trade union was completely sidelined during the preliminary stages of a new collective agreement when the company management held meetings with the workers without informing union representatives.

In many industrial disputes in Colombia, the corporation has frequently shown no willingness, or too little by trade union standards, to make concessions; the corporation seems to have been willing to risk escalation. 2013/2014 saw the longest-running strikes in the history of Glencore's and Xstrata's Colombian coal mines. In an attempt to have the strikes declared illegal, subcontractors of Prodeco, a Glencore subsidiary, filed several lawsuits against the union. Even though they were dismissed by the court of first instance, the union faced high legal costs. The corporation's strategy and the fact that, having won its case in the final judgment, it proceeded to dismiss the union leaders indicates that the intention had been to weaken. If not destroy, the union. Many Colombian union members involved in industrial disputes have received death threats from paramilitaries. At the time the German version of this book went to press, MultiWatch had no knowledge of the corporation's distancing itself from such threats or of having taken any steps to protect its workers; nor had the company replied to MultiWatch enquiries relating to these incidents.

In various countries, state security forces forcibly removed picketing miners or dispersed protest rallies held by miners and their supporters outside Glencore and Xstrata subsidiaries. At the South African Lonmin platinum mine, of which Xstrata holds 25% , security forces shot 34 striking miners dead in 2012.[53]

In extracting areas, more and more work has been outsourced to subcontractors, whose loan and temporary workers often do the same jobs as permanent staff but on significantly worse terms and with no or far diminished job security. Moreover, workers employed by a subcontractor find it harder if not impossible to unionise alongside permanent staff. Colombian miners, for example, have therefore insisted on direct contracts for all workers, including secure jobs as well as equal pay and equal terms for equal work. As examples from the Congo and South Africa will illustrate, miners have had to work in extremely hazardous conditions.

Again and again, workplace health and safety has been an issue in industrial disputes. A miner's work is harsh and dangerous; many miners have lost their health and even their lives. Glencore published figures on this sad issue in 2011. According to its first Sustainability Report for 2010,[54] *56 people employed by Glencore or its majority-owned operations suffered fatal workplace accidents. A mining expert stated that 'Glencore is one of the most dangerous mining companies listed in London, when you compare it with others in the sector.'*[55] *According to Glencore Xstrata, 26 workers died in the first year after the 2013 merger.*[56]

Colombia – Glencore subsidiary Prodeco's tough action against trade unions

Labour policies pursued by Glencore and its subsidiaries (see box p. 28) in recent years have rendered the unions' work significantly more difficult; several trade unionists have come under pressure. Moreover, due to a complicated corporate structure (see also section, 'The giant corporation's power and influence', pp. 63ff), it has been almost impossible for all the workers employed by subcontracting companies to become members of one single union; workers have only ever been able to conduct tariff negotiations with individual subcontractors. According to the union, whenever any collective bargaining was undertaken, the corporation would delay negotiations until the workers decided to strike or arbitration had to be requested. On many occasions and sometimes successfully so, the corporation has used legal action for strikes to be declared illegal; at the time the German version of this book went to press, several important arbitration proceedings remained blocked.

Unionised workers made redundant

In March 2006, OMC workers had joined Sintramienergética, the National Union of Workers in the Mining Industry, Petrochemical, Agrofuel and Energy Industries. Shortly thereafter, Glencore cancelled its cooperation with its subcontractor, Operadores Mineros del Cesar (OMC), on the pretext of poor profitability, hiring new workers instead. In early August 2007, 117 dismissed OMC workers and their families barricaded entrances to the Hierbabuena mine in La Jagua. In mid-August, a unit of the Colombian National Riot Squadron[57] removed the protesters and barricades in a violent operation that left 25 injured.[58] Three years later, the workers of another Glencore subsidiary, Consorcio Minero Unido (CMU), joined Sintramienergética, submitting a list of demands to be met by the collective agreement. CMU threatened to dismiss the workers, refusing to pay their lunch allowance. At the same time, it offered financial incentives for workers to leave – or not join – the union.[59] At the time the German version of this book went to press, the arbitration procedure had stalled; no agreement had been achieved between CMU and the union.

Workers on 98-day strike

Unlike CMU, Carbones de La Jagua (CdJ) signed a collective agreement with Sintramienergética on 17 July 2008, when unionised workers were about to call a strike. Even though the agreement failed to include some union demands, such as that all its subsidiaries should be treated as one company, it was better than entering into a debilitating strike that would likely be repressed and result in injured workers. Four years later, however, re-negotiations of the agreement produced no results; unionised workers went on strike on 19 July 2012. Deeming the strike to be illegal, Glencore's subsidiaries filed a total of three law suits on trumped-up charges of violence and third-party stoppage, two of which were rejected by Valledupar District Court, which dismissed the third suit altogether. Nevertheless, these legal wrangles cost the union dearly, in terms of lawyer fees, for example, and Sintramienergética was convinced that the corporation was intent on draining its resources.[60] During the strike, Glencore refused to enter into negotiations or made demands deemed unacceptable by the union, which viewed CMU as a Glencore unit and had requested the Colombian Ministry of Labour to make an official pronouncement on the fact (on the artificial splitting of the company, see section, 'How the corporation avoids tax', pp. 70ff). Nevertheless, the corporation insisted that the CMU strike should be lifted. As the corporation was unwilling to make adequate concessions, the arbitration process initiated by the Ministry of Labour brought no agreement between the two parties.

The strike having been declared illegal by the Supreme Court on 10 April 2013, Sintramienergética eventually broke it off after 98 days. Its concern was that the Supreme Court would overrule the judgment by the court of first instance, which would have enabled Glencore to forcibly break up the strike and to dismiss all workers involved. Moreover, by that time, the Ministry of Labour had at long last convened the obligatory court of arbitration. However, no verdict had been reached by the time the German version of this book went to press. Delays resemble other procedural delays during previous Glencore arbitrations, including another case involving Glencore subsidiary CMU, where a verdict was made after two long years of delays by the corporation, against which CMU immediately lodged an appeal.[61]

Glencore Xstrata in Colombia
In northern Colombia's La Guajira department, Glencore Xstrata owns one third of the El Cerrejón open-cast coal mine. Through its subsidiary, C.I. Prodeco S.A., the company also owns four open-cast coal mines in Colombia's Cesar department and holds stakes in the rail transport company (Ferrocarriles del Norte de Colombia) and in the port of Zúñiga in the Magdalena department. Prodeco also used to own the coal shipping port or terminal of Santa Marta, which closed in 2013 and was replaced by new facilities at Puerto Nuevo operated by Prodeco's subsidiary, Sociedad Portuaria Puerto Nuevo S.A. Moreover, through its subsidiary Dowea SAS, Glencore Xstrata has a stake in a copper concession called Pantanos-Pegadorcito in Antioquia.

El Cerrejón Coal Mine
El Cerrejón is the world's largest open-cast coal mine; with a concession area of 690sqkm/266sqmi, it is bigger than Lake Geneva (581sqkm/224sqmi). Coal has been mined in about one third of the concession area; in 2012 exports amounted to 32.8 million metric tonnes. According to Sintracarbón, the National Union of Workers in the Coal Industry, at the time the German version of this book went to press, the National Union of Workers in the Coal Industry, El Cerrejón employed 4,300 full-time workers, some 350 temporary workers and 6,000 workers employed by subcontractors.
Glencore International AG acquired its first stakes in El Cerrejón in 1995. In 2002, Anglo American plc, BHP Billiton plc and Glencore plc each held one third of the mine. In 2006 Glencore plc, Xstrata's largest shareholder, sold its share to Xstrata, which means that it retained its indirect stake in the mine. Extension Project P40, due to be implemented by 2015, intends to increase extraction within the existing area by one quarter, to some 40 mi tonnes. The project will also involve increasing railway capacity and extending Puerto Bolívar, the terminal for steam coal. In November 2012, protest actions and rallies caused El Cerrejón to put on hold P500, another expansion project which would have required the redirection of 26km/16 miles of the Ranchería river.

The Prodeco Group coal mines
In the Cesar department, coal has been mined by four subsidiaries of the Glencore Xstrata-owned Prodeco Group: three mining companies (Carbones El Tesoro, Consorcio Minero Unido and Carbones de La Jagua) united in the La Jagua project were each operating coal mines in the municipality of La Jagua de Ibirico, while C.I. Prodeco S.A. worked the Calenturitas mine in the municipality of El Paso. Glencore International AG acquired these mines between 1995 and 2007; what is in effect Colombia's third largest coal extractor extracts over 14 million metric tonnes of coal annually.

A little less than six months after the end of the 98-day strike, the Supreme Court found against the court of first instance: the strike was to be deemed illegal as there had indeed been violence on the first day of the strike. Because Glencore had used the services of a lawyer who had been a Supreme Court judge until a short time previously, the union in turn accused the corporation of having exerted undue influence.[62]

Following the Supreme Court finding, Glencore subsidiary CdJ initiated the dismissal of trade unionists who had been involved in the strike. CdJ releasted 21 workers from their duties, paying them only the minimum wage. CdJ also submitted an application to the Ministry of Labour for the dismissal of these 21 and another seven workers on sick leave. Among the trade unionists threatened by CdJ's dismissals were the president, the media officer, the treasurer and the education secretary of the union's La Jagua branch.[63] In other words, if effected, the dismissals would have removed the union from the company.

In the course of the industrial dispute, some Sintramienergética leaders had received death threats. In early April 2013, shots were fired at the union's office in Valledupar; the paramilitary group called *Los Rastrojos*[64] issued a communique which declared the union a military target.[65] Another death threat by the paramilitary organisation against a union leader in August 2013 praised the progress and wealth created by multinational corporations such as Glencore.

Although paramilitary forces virtually sided with the multinationals, MultiWatch is unaware of Glencore ever publicly condemning such threats, nor of initiating any protective measures for the benefit of its workers. At the time the German version of this book went to press, the corporation had not replied to any MultiWatch enquiries in this matter.

Colombia – lack of health care, outsourcing of work at El Cerrejón

Further north in Colombia, at El Cerrejón, the world's largest open-cast coal mine, of which Xstrata owns one third (see p. 28), an industrial dispute also came to a head in 2013. On 7 February, Sintracarbón, the National Union of Workers in the Coal Industry, decided to go on strike for the first time in twenty-two years when the El Cerrejón Consortium had failed to meet union demands after two months of negotiations. The union list included a pay rise of 7% and increased investments in environmental protection as well as insurance cover and the provision of proper health safeguards, in particular the recognition of the great dangers associated with work in a coal mine. The union also called for the pay rise to apply to some 6,000 temporary workers employed by El Cerrejón subcontractors.[66] During the negotiations, both the union's chief negotiator and the president of Sintracarbón received several threats by text message and armed persons lurked near their homes.[67] At the beginning of March 2013, after exactly one month of striking, a new wage agreement was reached which, however, only covered permanent employees. Moreover, subcontractors had summarily suspended their contracts during the strike. Their temporary workers therefore remained locked out for several weeks.

Frequent work-related illnesses

Occupational health and safety is a recurrent theme in practically all industrial disputes at Colombian coal mines; work-related illnesses are not uncommon. Many of the men driving 360-tonne lorries, for instance, suffer from back problems: every time an excavator tips its bucket containing many tons of coal onto the lorry, the driver's cabin is lifted up before it crashes back down to the ground. Extremely high loads of coal dust in the air have made respiratory ailments among mine workers a common occurrence (for further details on air pollution and associated illnesses, see sections, 'Environmental Conflicts', pp. 38ff, and 'Social Conflicts', pp. 52ff).

As early as 2009, issues of occupational health and safety, in particular work-related illnesses, were on the agenda at Sintracarbón's collective bargaining negotiations with El Cerrejón. For lack of on-site health centres, some 300 affected workers had to travel long distances to get treatment. The company refused to reimburse their expenses. Instead, to get rid of the problem, El Cerrejón negotiated severance payments with affected workers.[68]

Outsourcing of work on worse terms
Likewise, and also in 2009, impediments to the unionisation of workers employed by subcontractors led to a dispute between newly-founded trade union Sintrans and Sotrans, a haulier company. Sintrans had succeeded in unionising around 80% of Sotrans drivers. The haulier subsequently refused to enter into negotiations with the union, instead laying off two trade unionists and failing to extend the unionised workers' fixed-term contracts.
A similar fate befell Sintrachaneme, the union of workers employed by Chaneme Comercial, Colombia's second-biggest manufacturer and supplier of equipment, machinery, tyres, vehicles and vehicle parts, primarily to the construction, infrastructure, mining and transport industries. Most unionised workers caved in under Chaneme's pressure to leave the union. Sintrachaneme subsequently became a minority union and was unable to negotiate or sign collective agreements.[69] The editors of this study are not aware that El Cerrejón intervened with any of its subcontractors to promote respect of trade-union rights. At the time the German book version of this report went to press, a wide gap remained between the terms for El Cerrejón's permanent employees and those for workers on its subcontractors' payrolls. Extractors and producers have not only been saviung labour costs by outsourcing to subcontractors, they have also been shirking their responsibility for the conditions in which large numbers of employees have been working. It is the temporary workers who pay the price, not only in terms of lower wages and poorer conditions, but also by being placed in direct competition with permanent employees.

Peru – prohibiting unionisation in Espinar
In late November and early December 2013, a few days after Sitramina, *Sindicato de trabajadores funcionarios de la compañia minera Antapaccay*, had registered with the authorities, 35 employees at the Tintaya Antapaccay mine in Peru's Andean province of Espinar (see box p. 43) received notice to leave by the end of November. All of the 35 sacked employees were members of the newly-formed union.
A few days later, a lawyer for the mining company visited the men who had been laid off. He offered them their jobs back but only if they signed a written declaration stating their irrevocable resignation from the union. The pre-printed form also stated that the undersigned worker had believed the association to be a club and had never intended to join a trade union.[70]
28 of the 35 unionised workers signed the form and were allowed back to work; two accepted their dismissal while the remaining five refused to back down nor accept the company's arrogant anti-unionist position.
Shortly before Christmas, the company lawyers, on behalf of the former union members, sent a letter to the authorities requesting the cancellation of the trade union as its membership had dropped below the legal minimum number of twenty. Soon afterwards, the five laid-off workers filed a constitutional complaint with the Supreme Court of Justice in Cusco,[71] demanding their reinstatement and calling for trade-union rights to be respected. At the end of February 2014, a labour inspector from the Peruvian Ministry of Labour and Promotion of Employment established that the company's anti-unionist approach had breached trade union rights.[72]
According to employees, the working relationship had deteriorated from the moment Xstrata acquired the mine. The Xstrata management board had communicated to its 450 members of technical and administrative staff that they would henceforth be categorised as *trabajadores de confianza*, 'particularly trusted staff members'. The change in status meant that, despite being members of the newly-formed union, they were no longer admitted to collective negotiations on wages and labour conditions. In 2013, however, Peru's Supreme Court specified that no intermediary hierarchical levels must exist between 'particularly trusted member of staff' and the management board; they were also to be given access to confidential company documents and be entrusted with tasks for discussion with the management board itself.[73] It is difficult to accept that 450 employees in Tintaya should have had to report directly to the Board. At the

end of 2013, however, the company used their positions as 'particularly trusted staff members' as an excuse to make them redundant.
The mining operator's conduct suggests that the company will not tolerate any new trade unions. It has therefore ignored international conventions regarding workers' freedom of association and freedom to organise. Shortly before the lay-offs, the Group's 2012 Sustainability Report underscored the respect accorded by Glencore Xstrata to its workers' rights to freedom of association and collective representation. In this context, the claim appears cynical.

Glencore subsidiary Perubar would rather close mine than recruit permanent workers
Glencore Xstrata has also ruthlessly opposed trade unions at other mines in Peru. In 2008, Perubar, which was 85% owned by Glencore, unceremoniously closed the Rosaura mine in Chicla, Lima province, suspending work and laying off all its workers. A total of 500 workers from four temporary agencies found themselves without work overnight. The company justified the closure with a drop in commodity prices.
By contrast, the National Women Miners Organisation[74] believed that Perubar was pushing for more flexible labour conditions, recruiting only through subcontractors in order to escape legal obligations in terms of labour laws and social contribution payments. At the time the Rosaura mine was closed, negotiations had been underway regarding a trade-union action against Perubar for breaching employment law in terms of temporary workers employed by third-party companies. In this context, the mass redundancies resulting from the closure of the mine were a *fait accompli*. Moreover, the closure almost prevented a new trade union from being formed: in 2008, final preparations were underway to found a national trade union of mine workers employed by subcontractors of the Rosaura mine. Although the Founding Congress could not take place as planned in December 2008, the workers did not give up and the new trade union, Sintramin,[75] was officially registered five months later.
Sintramin still presents itself as a militant trade union and is party to the case against Perubar. In 2008, the trade union brought an industrial tribunal action in Peru for improper mass redundancies. The judgment of the first instance issued on 26 August 2013 did find that pressure had been put on the workers to consent to their dismissals. However, by accepting their social contribution payments, they had signalled their consent to being made redundant.
The trade union appealed because, in an earlier judgment, Peru's Supreme Court of Justice had established that accepting social contribution payments could not be deemed the same as accepting redundancy. At the time the German version of this book went to press, Sintramin was reserving the right to take the case to the Inter-American Court of Human Rights.
In 2010, the closed Rosaura mine was sold to Los Quenuales, which also belongs to Glencore, for USD 12 million.[76] Since then, Perubar's sole business has been the storage and shipment of minerals in the Peruvian port of Callao. As one of four members of the Callao Transport Consortium,[77] Perubar has been involved in a project costing USD 102 million to expand the mineral terminals.[78]

Argentina – work contracted out at the lowest wages at El Aguilar
Since its acquisition by Glencore in 2005, there have been repeated industrial disputes at El Aguilar. Trade unions have been particularly critical of workplace health and safety; they are also opposed to jobs being contracted out. In April 2012, four workers died in a lorry accident. The Argentinian trade union, *Asociación Obrera Minera Argentina* (AOMA), subsequently called for the dismissal of those responsible and severely criticised the awarding of contracts to third parties, many of them micro-businesses lacking adequate safety standards.[79]
In January 2010, El Aguilar workers went on a two-day strike and set up a roadblock to call for changes in relation to shift plans and long shifts involving fourteen consecutive ten-and-a-half-

hour days. Negotiations did ensue but failed to produce a result. In April 2010, the workers discovered that the company was maintaining its previous shift plans and had hired new workers at equally unsatisfactory terms.[80]
The miners at El Aguilar had also gone on strike in 2005 and 2008. Their protest rallies not only criticised the outsourcing of work and wage dumping imposed on Peruvian workers, they also called for a wage increase of 35%. Until then, some of the wages had been below those paid by temporary companies. The strike in April 2008 ended after the miners were assured of a wage increase of between 21 and 28%.[81]

South Africa – massacre at Lonmin's Marikana mine in context
Xstrata owns almost 25% of Lonmin's Marikana mine in South Africa. In the summer of 2012, security forces responded to a strike with great violence, committing the worst massacre inflicted on black workers in recent South African history.[82]
On 10 August 2012, Marikana mine workers had gone on strike demanding an almost three-fold pay increase of their monthly wage of SARd 300, or some USD 500. On the seventh day of the strike, security forces opened fire on the 3,000 striking workers, shooting 34 miners dead and leaving another 78 with injuries, many of them serious.[83] Well over two-hundred striking workers were taken into custody and, because they had been on the site of the shooting, were charged with the murder [of their own colleagues]. The official position was that the security forces had acted in self-defence.
To investigate events, South African president Jacob Zuma set up the Marikana Commission of Inquiry chaired by the Hon. Judge Ian Gordon Farlam, a retired judge of South Africa's Supreme Court of Appeal.[84] The hearings brought to light a great number of inconsistencies in the official declarations, revealing a great deal of economic and political scheming in the days and weeks prior to the massacre.[85]
The theory of self-defence can no longer be maintained. Video recordings, statements by those involved and the course of the clashes made it clear immediately after the massacre that no striking miners had attacked police. This is further corroborated by the fact that most of those were killed had been shot from behind while they were running away. Statements from police before the Farlam Commission and incriminating emails from the highest level of the security forces underline their active approach. According to this information, 16 August had been set as 'D-Day' against the striking miners. The police were handed weapons and enough ammunition; operations management ordered four mortuary cars as a precaution. Evidently, someone knew that blood would flow that day.
In the six days prior to the massacre, there had been a heated exchange between top level policy-makers, the Minister for Mining and leading high-ranking members of the security forces. South Africa's Deputy President Cyril Ramaphosa had been head of the National Union of mineworkers (NUM) during Apartheid. One of South Africa's wealthiest men, he holds a 9% share in the Lonmin Group. From the very beginning, Ramaphosa demanded robust action against the striking workers to prevent any escalation to strikes in the economically crucial mining sector. Two days prior to the massacre, Barnard Mokoena, Lonmin's deputy CEO, had discussed action against the strikers with the North West police chief, Lt-Gen Zukiswa Mbombo, emphasising that Lonmin would not enter into wage negotiations and that any strikers would have to be arrested. In full awareness of the 'D-Day' plans, he instructed the police to intervene.[86]
During the Investigation Commission's hearings, striking miners reported that police officers had driven past in two company buses before the Massacre. They also attested that those arrested had been held at the mine site where they were submitted to criminal identification. 'It looked as though the police were not answerable to the government but instead to Lonmin,' one of the arrested workers stated. According to the *Daily Maverick*, 'The new findings are making

it clear that Marikana was at the centre of the country's political system, and suggest that the 34 miners had to die in the interest of money and power.'[87] At the time the German version of this book went to press, the editors were unaware of any comments Xstrata might have made on the events at Marikana. In his well-researched article, 'Marikana: 20 years in the making', published shortly after the massacre, Professor Philip Frankel, a political scientist, pointed out that the miners' demands for higher wages during the Marikana strike was the final straw that broke the camel's back.[88]

Glencore Xstrata in South Africa

According to its own reports, Glencore Xstrata holds major stakes in 24 mines and 10 processing plants in South Africa. It no longer lists former Xstrata holdings in the Mototolo mine, nor in Lonmin plc, for example.

The corporation's predominant activities are in two sectors, i.e. coal and coal products used in steel-processing plants, as well as the extraction of chromium, platinum and vanadium and their use in steel production. Moreover, a considerable amount of gold is being extracted from its chromium mines.

Glencore Xstrata's presence is concentrated in South Africa's north-western provinces of North West, Gauteng and Mpumalanga. They are part of the 'Bushveld Igneous Complex', an area of some 112,700 sqkm/43,500 sqmi, which contains the world's largest reserves of platinum-group metals (PGMs).

Coal mines

Glencore Xstrata owns various coal mines, including the Tweefontein complex, as well as several companies specialised in extracting and processing coal. Some 75 miles north, near Middelburg, are the five mines of Shanduka Coal, previously a Glencore subsidiary and now part of Shanduka Group.[89]

Extraction of gold, chromium, platinum and vanadium

South Africa, one of the world's most significant suppliers of mineral ores, supplies over 75% of the world's free chromium reserves. Glencore Xstrata owns or part-owns nine mines where such ores are extracted; it also owns ten ore-processing sites.

Since September 2008, Glencore Xstrata has held a 24.9% stake in Lonmin; it has made several failed attempts to obtain the majority of Lonmin shares. Gary Nagle and Paul Smith, two of Glencore Xstrata's key figures, joined the Lonmin Board in September 2013. The platinum company made headlines in the summer of 2012, when a strike at its Marikana mine was violently crushed, leading to protest rallies by miners all over South Africa *(see pp. 45ff).*

IPO in Johannesburg

Since 13 November 2013, Glencore Xstrata shares have been listed at the stock exchanges of Johannesburg as well as London (main listing) and Hongkong. After British American Tobacco and SABMiller, a multinational brewing company, the Swiss corporation is the third largest company on the South African stock exchange. Glencore achieved a favourable position for increased activities in Africa from this IPO.

Since Apartheid, nothing has changed in the mining sector. It continues to revolve around migrant workers, whose wages are even lower and whose recruitment, transport, accommodation and employment agency are controlled by mafia-style groups. Labour conditions are dire. Between 2005 and early 2014, thirteen workers had died in the Lonmin mines; many others were suffering from pulmonary diseases; accommodation was miserable

with eight men to one room and just four toilets for 200 people. In 2011, following an industrial dispute, Lonmin laid off 9,000 workers, replacing them with temporary workers soon thereafter.[90]
Lonmin's social and environmental corporate practices have been questionable since before it refused to negotiate wages in Marikana.[91] A Lonmin statement referring to Frankel's article maintained that the company was exceeding many of its labour and social-plan targets and claimed that poor living conditions were due to complex factors including a lack of infrastructure and the town's rapid urbanisation.[92]

South Africa – HIV-positive workers sacked at Xstrata's coal mines
In its 2010 Sustainability Report, Xstrata promised to employ local workers in 65 to 100% of the jobs in its South African operations. Members of affected local communities denied that this had happened, claiming that, on the contrary, Xstrata was continuing to employ temporary migrant workers. Their influx had created a slum area spreading from the village of Tlhabane to the mine. The situation led to extreme social tension and several xenophobic attacks.
Xstrata boasts of having assumed its social responsibility, in particular with regard to its HIV/AIDS programme. In 2010 the corporation claimed that 100% of its targets had been achieved; that all employees and temporary workers were aware of their HIV status and that anyone diagnosed with HIV was receiving the required supervision and care.[93] The trade union NUM was of quite a different view: in February 2011, twelve workers were laid off at the Tweefontein coal mine in Mpumalanga after testing positive in a supposedly anonymous and confidential HIV test.[94] At other mines including Tlhabane, these lay-offs had serious consequences. Although all workers had access to health facilities associated with the mines for HIV tests and any treatment required, following the events in Tweefontein they went to government-run health facilities. Their fear was that, if they were found to be HIV-positive, their medical notes might be handed over to the corporation and they might lose their jobs. As a consequence, completely overstretched government-run health services ran out of medicines. The fact that incoming temporary workers were making increased use of government-run health services led to further tensions with village residents, some of whom alleged that 'the foreigners' were challenging the local population's right to health provision and were taking away their medication.[95]

Zambia – low wages and redundancies after strike
Wages in Zambia have been extremely low and, according to the Miners Union of Zambia (MUZ) representing more than 10,000 workers, rocketing food and energy prices have become a crushing burden for miners. As a result, wage negotiations have given rise to repeated disputes between the trade union and Mopani, a Glencore Xstrata subsidiary. At the end of November 2013, just one week after Zambia's largest copper extractor, Kansanshi Copper, had granted its workers a wage increase of 25%, Mopani and MUZ announced an 8% wage increase for 2014 against the trade unions' call for a 30% raise.[96] Mopani had argued that downward pressure on global copper market prices did not warrant a substantial wage increase.
As a result of its concession to Mopani, the union came under pressure from its own membership. Hearing of the outcome of the negotiations, miners demanding the immediate resignation of the union management for failing to properly represent its workers barricaded the meeting room to prevent union leaders from leaving.[97]
In January 2012, wage issues had already led to disputes at Mopani, whose mine workers refused to accept a 12% raise. When they went on strike, Mopani laid off 19 strike leaders, accusing them of having incited other workers to protest.[98]

Congo – a web of tyranny and structural failures

After the collapse and subsequent privatisation of nationalised mining in the 1990s, the industrial extraction of natural resources in the Congo almost came to a standstill. When the country's treasury went bankrupt after years of civil war, President Joseph Kabila passed a law in 2002 that permitted informal mining. Since then, informal copper extraction by small-time miners has increased by 70-90%. In the process, many of the roughly two million small prospectors have been eking out a barely legal existence. They are either unlikely to have a permit or go prospecting in the concession area of private joint-venture companies, which impose their own extremely stringent conditions on the miners. In Katanga, one third an estimated 150,000 small prospectors are children.

According to Glencore's 2011 Annual Report, the Tilwezembe mine was dormant. Prior to its acquisition by Glencore in 2008, it had been operated on an industrial scale by Katanga Mining Limited (KML). After its closure, the mine was occupied by informal prospectors in mid-2010; it has been exploited by workers of all ages ever since. Although a prospector working in the mine can make earnings of around USD 200 per month, five times Congo's average wage, the work is exceptionally dangerous. Moreover, middlemen exploit and put pressure on workers who, lacking lights, ladders or safety gear, must negotiate shafts of a depth of 25-80 metres or 92-262.5 foot. Figures concerning deaths, injuries and illnesses relating to this work were unavailable at the time the German version of this book went to press. Witnesses reported that masterminds within trade intermediary Misa Mining's sphere of influence had 'disappeared' the bodies of miners who died an accidental death.

Glencore's apparent lack of control over this informal business is a sham. The relief organisations, Swiss Catholic Lenten Fund and Bread for All, were able to prove that the corporation had been using 'indirect' channels to buy minerals from Tilwezembe.[99] In the concession area, vast numbers of overseers and dealers have been keeping a close eye on the work of small prospectors, who are continually exposed to gross arbitrariness, exploitation and police violence. They never know how much they will be able to take home after a day's work as they have to sell their pickings at extremely unfavourable terms to Misa Mining middlemen, who systematically force prices down, weigh ore incorrectly, underestimate mineral contents, ignore stock-market values and manipulate exchange rates. Many unlucky prospectors have had to leave empty-handed.

Very little is known about Misa Mining. The company is part of the Lebanese Bazano Group, and a close business partner and part-owner of several Glencore affiliates. At the time the German book version went to press, Bazano was buying the cheap ore from Misa Mining for shipment to Mopani, Glencore's affiliate in Zambia. Glencore has contested this version confirmed by numerous witnesses and suppliers, claiming instead that a monitoring system guarantees Glencore companies do not process illegal ore.

Labour conditions in industrial mines

In comparison with the informal sector, labour conditions in industrial mining in Glencore subsidiary mines in Katanga are somewhat better. Thanks to safety equipment and training sessions, fewer accidents happen. Most employees have contracts and regulated working hours. And yet, labour conditions under the international corporation have clearly been worse than under its predecessor, Gécamines,[100] with badly paid overtime – if at all, disregard for agreed work schedules and safety equipment failing to be replaced until is completely worn out. Workers have lacked protection from the cold; air pollution in the shafts has caused respiratory ailments.

In its Sustainability Principles, Glencore affiliate KML places great emphasis on according equal treatment to local and international employees. In actual fact, however, they live in parallel universes. Almost all company executives are young, white and male. KLM seems to be making no effort to make it easier for local employees to attain executive positions. It is a practice locals perceive as colonialist and humiliating.

Forced eviction of informal workers

On 21 June 2010, there were violent clashes between members of the police force and miners near Luilu and Tshamundenda, an area for which Gécamines has the extraction permits. It is adjacent to property whose concession is operated by Glencore subsidiary KCC. Without prior consultation with the informal mine-worker cooperatives, Gécamines decided it would no longer tolerate uncontrolled mining on its property.[101] According to a number of eyewitness reports, several hours of violence ensued when the miners were evicted. KCC was involved insofar as the company reportedly brought in its own security personnel and equipment, in particular an off-road vehicle. KCC was also reported to have played a major role in calling in public security forces. The clashes claimed three fatalities; several people were injured on both sides.[102]

Xstrata mines in Australia – labour and trade-union rights violated

Surprisingly similar disputes between trade unions and Xstrata have been going on for years at the corporation's various mines in Australia. CFMEU, the Australian Construction, Forestry, Mining & Energy Union, achieved a preliminary climax in its struggle when it brought an OECD action[103] against Xstrata in October 2010. Representing some 13,000 of over 16,500 workers in the coal industry, CFMEU accused the corporation of having breached guidelines for multinational enterprises by attempting to weaken or restrict wage negotiations, of having repeatedly attempted to impede or reduce the presence and activities of trade unions and of circumventing negotiations whenever possible.[104]

While infractions denounced by CFMEU occur in many Xstrata mines, the Newland, Tahmoor and Ulan coal mines have been particularly badly affected. In 2010, the union launched a public awareness campaign across the municipalities in the catchment area of the Xstrata mines to draw attention to labour law infractions. Stickers and posters with crossbones for the 'X' in Xstrata and warnings such as 'COMMUNITY HAZARD' were everywhere.[105]

CFMEU had taken Xstrata to court on previous occasions. In the case of the Newland coal mine, the trade union had accused the multinational enterprise of coercing new workers into signing individual labour contracts which were not subject to collective bargaining, thereby undermining collective bargaining and trade union representation and attempting to weaken the union. Xstrata lawyers countered these accusations citing the so-called 'opt-out' clause, i.e. the option for workers to pull out of a collective agreement at any time. This view was upheld by the Federal Court of Australia.[106]

The trade union was more successful with its action against the wrongful redundancy of ten workers from the Ulan coal mine. In six out of ten cases, the labour tribunal upheld the claim that Xstrata had failed to make any attempts to give alternative employment to workers deemed redundant.[107]

New wage agreement without the trade union?

Xstrata's conduct had contributed significantly to the heightening of a dispute with trade unions during negotiations for a new collective agreement at the Tahmoor coal mine. When the previous agreement expired mid-2009, Xstrata began to organise staff meetings, failing to inform the trade union as it legitimate negotiating partner. However, Xstrata's subsequent new draft collective agreement was rejected by a large number of the workforce and the company's aggressive approach met with fierce criticism. In June 2010, 240 workers went on strike: they refused to accept deteriorating terms proposed by Xstrata. The corporation proceeded to lock out the strikers, announcing that it would refuse any further negotiations with

CFMEU. Nevertheless, after almost two years of an industrial dispute, a collective agreement between Xstrata and CFMEU was signed in September 2010.[108]

When the OECD action was filed, the labour-rights dispute acquired a new, international dimension. However, public criticism of Xstrata's Labour policy in Australia subsequently fell almost completely silent even though there would have been plenty of reasons to keep the campaign going. In June 2011 Xstrata withdrew from the OECD mediation process, claiming that it had 'not breached any OECD Guidelines for Multinational Enterprises', and that CFMEU had failed to co-operate.[109] The complaint remained unresolved at the time the German version of this book went to press.

Tumbling world-market prices tipped Australia's coal mines into a state of crisis. Glencore Xstrata's response was to cut 700 jobs in the first half of 2013, i.e. some 100 jobs more than had previously been announced. The move was criticised by the unions, who accused the newly-merged corporation of 'knee-jerk' short-termism merely to cut costs.[110]

Glencore Xstrata in Australia

Glencore Xstrata operates 23 mines in Australia, all of them brought into the merged corporation by Xstrata. They include the Mount Isa copper and zinc mine, Australia's largest mine, and McArthur River Mining, the world's largest supplier of zinc-lead-silver concentrate, which could meet some 70% of world demand. Two copper mines and 19 coal mines complete the 'portfolio' of Glencore Xstrata mines in Australia.

Of three quarters of the operations, Glencore Xstrata owns 80 to 100%. The remaining operations are joint-ventures in each of which Glencore Xstrata holds a share of at least 55%.

Glencore Xstrata is Australia's largest exporter of coal. In turn, the country plays a key role for the company: Australian coal amounted to almost 45% of Xstrata Coal's total output for 2012.

All of Glencore Xstrata's Australian coal mines are located in eastern Australia; most of the extracted coal is shipped from Australia's eastern sea ports and through the Great Barrier Reef.[111]

Environmental conflicts

In its 2012 Sustainability Report, Glencore Xstrata wrote,

> *We are aware that our global operations can have both direct and indirect impact on the environment. We comply with applicable laws, regulations and other requirements for environmental management. Where these are less stringent than our own standards we seek to exceed the statutory requirements wherever possible.*[112]

While these are fine words, they are in stark contrast to the reality in extraction areas. This section highlights some of the adverse environmental effects of raw material extraction in the corporation's enormous open-cast mines, whose gigantic holes have left deep scars in the landscape. Desertification has expanded. Atmospheric dust loads in host mining areas have caused respiratory ailments and lung disease in people and animals; plant growth has also been restricted. The mines' excessive water consumption and the redirection of rivers have completely changed the water balance across many regions. Affected communities complain that mining activities have depleted water supplies for agriculture and for their own use. Significantly, water pollution has also caused a drastic reduction of fish stocks, for example in Colombia's rivers and coastal areas.

Glencore Xstrata's mining activities in Peru, Colombia, Argentina, Australia, Zambia and South Africa go hand in hand with frightening levels of air pollution and heavy-metal loads in water or soil, which in some cases are many times higher than recommended levels. In several regions, increased levels of arsenic, mercury or lead, all of which can cause serious health problems, have also been found in the blood and urine of host mining populations.

The corporation's response has always been that limits have not been exceeded. It has also claimed that there is no evidence of a link between its mining activities and environmental pollution and associated health problems. The corporation has further claimed that high pollution loads have pre-existed in several regions irrespective of its activities. In Australia, Xstrata offered those affected free annual blood tests and information on how to deal with lead exposure. This, however, did not reduce the exposure. Elsewhere, as in the province of Espinar in the Peruvian Andes, the impression also emerges that, rather than dealing with the legitimate concerns of host mining communities and mitigating risks to both the environment and to human health, the corporation's subsidiaries have boosted their PR campaigns instead. In South Africa, a company in which Xstrata holds a significant stake managed to comply with limits only after they had been raised.

The Glencore Xstrata 2012 Sustainability Report noted that 'in 2012, Glencore reported a total of 583 environmental incidents, of which 113 were classified by Glencore's reporting system as moderate and 470 as minor. There were also 60 high potential risk incidents (HPRIs) reported. No serious incidents were recorded. Xstrata recorded 3,918 minor incidents and no incidents of any greater severity.' As for environmental fines or penalties, Glencore reported a decrease from USD 780,000 in 2010 to USD 210,000 in 2011 and finally to USD 41,724 in 2012. Xstrata also saw a decline in such fines, from USD 205,173 in 2010 to USD 77,897 in 2011 and USD 68,971 in 2012. The report finally declared, 'We are committed to eliminating environmental incidents and incurring zero environmental fines, penalties or prosecutions.'[113]

As Glencore Xstrata has consistently understated the severity of environmental pollution in the cases investigated here, it will no doubt be appropriate to keep a close eye on whether its ecological performance will actually improve or whether, instead there will be a reduction in the number of incidents reported that have resulted or will result in environmental fines, penalties or prosecutions.

Colombia's open-cast coal mines

Coal extraction from open-cast mines has had a massive impact, both on the environment and on the health of people living in mining areas. This has become abundantly clear, both at the mine of El Cerrejón in northern Colombia, which has been in operation for thirty years and of which Glencore Xstrata holds one third, and at the various coal mines owned by Prodeco Group, a Glencore Xstrata subsidiary (see box p. 28).

Open-cast coal mining requires enormous tracts of land, not merely for the extraction of coal itself, but also for the slag-heaps and for transport infrastructure. The mining concession area of El Cerrejón amounts to over 69,000 hectares or 266.5 square miles, almost three times the area of the Swiss canton of Zug, where Glencore Xstrata has its registered address. The landscape has been transformed completely, not just by coal pits of a depth of up to 300 metres, but also by slag heaps, i.e. New hills of excavated material. 'There were no hills or mountains here before, this land was completely flat,' explained a resident of El Hatillo.[114]

Such massive landscape changes affect both the micro climate and the water balance. In the extraction area, loss of vegetation, topographical changes and diverted water courses have led to increased erosion, a warmer climate and altered precipitation patterns. In the Cesar Department, desertification threatens more than half of formerly fertile land; a dry, desert-like landscape has been expanding, rendering agriculture less and less viable. Important eco-systems such as the Caribbean dry forest or the La Zapatosa wetlands have sustained damage.[115]

The Calenturitas River in the Cesar Department, which was diverted by Glencore subsidiary Prodeco, has been polluted by the mines and become silted-up. Very few fish were living in it at the time the German version of this book went to press.[116] As part of an expansion project, the El Cerrejón mining Consortium in the La Guajira Department also planned to divert a river, the Ranchería, by a total of 26 kilometres or around 16 miles. In the summer of 2012, widespread protest rallies accompanied by international observers saw gatherings of indigenous Wayúu and Afro-Colombian host mining communities. The Consortium subsequently opted for a provisional suspension of its expansion project.

Polluted drinking water and black beaches

Coal mining in the departments of El Cesar and La Guajira has seriously affected the region's overall water balance and water quality: river courses were altered, waste water from the mines was piped into the rivers; the mines' huge demand for water caused the groundwater level to drop. At the time the German version of this book went to press, whole communities had been cut off from their water supply.

Government authorities have on many occasions highlighted the pollution of drinking water and the negative impact of mining on groundwater. In 2009, Glencore subsidiary Prodeco was fined some USD 208,000 by the Ministry of the Environment for its unauthorised alteration of the course of the Tucuy River, for entering a forest reserve and for diverting water from a source.[117] In March 2013, the company was prevented from operating the Calenturitas mine because it had still not complied with the guidelines of the Environmental Compatibility Plan issued by ANLA, Colombia's National Environmental Licensing Authority.[118]

Coal terminals on the Caribbean coast near Santa Marta present a further problem. As coal is loaded onto barges and from them onto the high-sea cargo ships, some coal always ends up in the sea. The sea floor lies beneath a layer of coal some 30cm or 12in deep, the beaches are black and fish stocks have fallen drastically. After a long period of denial by the government, new research enabled the Ministry of the Environment to increase pressure to implement a more environmentally friendly coal transhipment process. In 2013, Prodeco abandoned the old port in Santa Marta, taking up operations at 'Puerto Nuevo'. The new port has a more up-to-date system involving direct loading via conveyor belts. However, objections have been raised to the new system, which is considered to be of no benefit to the environment, quite the opposite. As deep navigation channels will have to be dredged out for the freighters, there is concern of long-term negative impact on the marine environment.[119]

Coal-dust particles pollute the air

The extraction of coal from open pits, blasting in the mines as well as transporting and loading coal onto ships cause the air to be filled with coal dust, not only in the mining area itself but also along transport routes and in terminals. Villages and fields across vast areas are covered in a black layer of coal dust.

Coal dust stunts plant growth, leading to significant crop losses and, in some parts, to a complete standstill in terms of arable and livestock farming. Fine dust particles present a particular hazard to human and animal health because they can infiltrate the deepest parts of the lungs. Following local protests, the Colombian Ministry of the Environment began to impose sanctions on mining, transport and port companies in the country's coal belt. The ministry decreed comprehensive measures to mitigate environmental pollution, including the way coal is transferred from road to rail. As a result, coal dust emissions along transport routes have diminished significantly. However, coal transport by rail remains problematic in that it affects people living along the route (in this regard, see section, 'Social Conflicts', pp. 53ff).

Residents in the immediate vicinity of coal mines have seen very little improvement as a consequence of the Ministry of the Environment's Action Plan and the measures taken by the companies. In May 2010, when air pollution presented a major health hazard, the ministry ordered the resettlement of the three communities of El Hatillo, Plan Bonito and Boquerón. By the time the German version of this book went to press, the resettlement process had not been completed (again, see section, 'Social Conflicts', pp. 53ff).

Pollution-related illnesses

In areas around the coal mines, residents have complained of asthma, respiratory and lung diseases, bronchitis and permanent flu symptoms. There are also frequent incidences of skin rashes and diarrhoea. In a 2011 study by the Health Secretariat of Colombia's Department of El Cesar, 52% of the residents of the community of El Hatillo had shown illnesses linked to environmental pollution. Of those surveyed, 39% suffered from respiratory ailments, 12% had skin irritations and 1% were affected by eye disorders.[120]

Also in 2011, the University of Cartagena published a study indicating that there were animal-health issues. Liver samples taken from mice and iguanas in the communities of La Loma and La Jagua de Ibirico presented higher levels of zinc and cadmium than samples from animals in other regions; moreover, there were more frequent genetic changes, for instance in blood-cell lines. There was also evidence of negative impacts on the lungs of mice.[121] The results of the study corroborated reports by the people of El Hatillo, Boquerón and Plan Bonito regarding deformities and unexplained deaths among their livestock.

Peru – toxic heavy-metal pollution in copper-mining areas

Village communities in the vicinity of Glencore Xstrata's open-cast copper mine of Espinar in the Andean highlands of Peru (see box p. 43), have been complaining of water shortages and increasing animal mortality for at least ten years. Copper production increased significantly after the mine was privatised in 1994. Since then, indigenous farming communities have repeatedly expressed suspicions that toxic heavy metals from the mines have adversely affected both the environment and their people. Of major concern in areas around the mines have been rising numbers of miscarriage and deformity in their cattle as well as human health problems.

Criminal charges for environmental pollution

In November 2011, the then Mayor (2011-2014) of the Andean province of Espinar, Oscar Mollohuanca, and FUDIE,[122] an interest group of grass-roots organisations, jointly brought charges against Xstrata Tintaya for environmental pollution and associated risks to human health.[123] Their charges were based on two separate, independent reports on human health and water pollution. One of the reports found that two rivers which provide the local population with drinking water and water for irrigation, had been polluted by quantities of heavy metals that constituted a human health risk.[124] The other study, compiled by the Ministry of Health, was based on blood and urine samples taken from residents living near the Xstrata Tintaya copper mine. Some of the samples showed dangerously high levels of heavy metals including arsenic, chromium and mercury.[125] Moreover, countless photos and video recordings suggested the existence of fissures in the geomembranes lining the retention basins of the mine, enabling toxins to seep into the village water supply.

While the communities plagued with uncertainty saw their fears confirmed, the Xstrata Tintaya management team denied the results for months.

The corporation denies any responsibility

In view of Xstrata Tintaya's categorical denial, social unrest increased among the people of Espinar. At the same time, company managers emphasised their social and ecological commitment. In its regular PR communiqués, Xstrata Tintaya communicated the image of sustainable, environmentally friendly open-cast mining, also claiming that Espinar's heavy-metal pollution was due to the area's natural mineral levels and unrelated to any mining activities. However, the corporation's carefully cultivated image of a green, socially responsible mine was in stark contrast to the situation on the ground, which only added to the discontent in Espinar.

The situation escalated in May 2012, leading to widespread protest rallies and serious clashes between demonstrators and the police (see section, 'Social Conflicts', pp. 56ff). In the aftermath of these escalations, in July 2012 both the company and the government committed themselves to investigate the cause of the heavy-metal pollution. The government's environmental report, published in June 2013, noted that one or several heavy metals exceeding Peruvian environmental limits had been detected in 52% of over 300 water and soil samples. With regard to 180 blood samples provided by residents from two neighbouring villages, it was even established that heavy metals such as arsenic, lead and thallium were present in each and every sample. While in the eyes of Espinar residents and critical non-governmental organisations these results confirmed a link between Xstrata Tintaya's activities and environmental pollution, the authorities in Lima expressed themselves more carefully, merely talking of environmental pollution associated with Xstrata Tintaya's mining activities.[126] In a final meeting with government representatives, Glencore Xstrata took note of the results in writing. At the time the German version of this book went to press, however, the corporation was still making public claims about environmentally sustainable mining activities without environmental pollution.[127]

Environmental penalty for copper leakage

In January 2014, Xstrata Tintaya was fined around USD 83,000 for the pollution of pastureland near the Espinar copper mine. The company was found responsible for increased levels of copper in the soil of an area of some 1,000 square kilometres or 621 square miles. OEFA, the Office of Environmental Evaluation, Monitoring and Oversight[128] concluded that the leakage of copper had occurred when water was pumped through a duct belonging to the company. Studies found copper levels reaching almost 1,800% of average levels in the area, and exceeding 3,000% of internationally acceptable levels.[129]

Las Bambas mine – environmental issues due to construction

Copper extraction was expected to begin at Las Bambas from 2015 (see box p. 43). The construction of the mine required the resettlement of Fuerabamba's farming communities. All the construction materials for the mine and new homes had to be brought in from Cusco on an untreated, winding road along which communities where severely affected by the noise and dust caused by heavy lorries and passenger transports. While river water was sprinkled on some stretches of the road in an effort to keep dust loads low, an unpleasant smell hung over the municipality of Challhuahuacho because sewage was also flowing into the river. The impact on human and animal health of both the dust and the sprinkling of contaminated water had yet to be ascertained at the time the German versin of this book went to press.

A polluted spring

Water pollution was already severe in June 2007 when sludge from a test shaft seeped into the Jahuapaya municipality's public water supply, poisoning the most important spring. By 2008, the consequences were still being felt insofar as numerous working animals had died.[130] There was also a fodder shortage because the polluted water could not be used for irrigation. In 2007, Xstrata was fined around USD 61,629, against which the company appealed. In April 2013, Peru's Environmental Monitoring Agency ruled the fine void for procedural reasons and referred the case back to the appropriate instance.[131]

Antamina mine – burst pipeline

The operators of the Antamina joint venture have emphasised their social responsibility and sustainable development the host mining area. Their activities, however, have been making negative headlines: in February 2012, protest rallies in Huarmey against polluted groundwater were violently crushed. Soon after, following an accident involving the lorry of an Antamina subcontractor, a substantial amount of petrol leaked into Lake Huachucocha, which supplies drinking water to several village communities in the Huari District. Residents from the Chipta village community also complained of environmental pollution and of police violence, reporting that, on the behest of Antamina security services, heavily armed members of DINOES, the Special Operations section of the Peruvian police force, forced their way onto their community territory. It was assumed that the objective was to speed up the community's resettlement to make room for the expanding mine.[132] In May 2012, there were media reports that a long-serving Antamina employee suffering from cancer due to heavy-metal poisoning had been made redundant.[133]

Moreover, on 25 July 2012, a valve in the Antamina pipeline burst, causing a spill of 45 tonnes of liquid copper concentrate. The spreading cloud of toxic gas caused severe nausea and dizziness, occasionally accompanied by nosebleeds and fainting, among residents in the village of Santa Rosa. The Peruvian media reported one death and 200 people requiring medical treatment for poisoning, which in some cases was severe.

One year after the disaster, three studies by Peru's National Institute of Health established that the people in and around Santa Rosa still showed excessive levels of heavy metal pollution.[134] Excessive heavy-metal levels (copper, lead, arsenic) were found in 31% (285) out of 919 blood and urine samples. The operator of the Antamina mine was fined USD 80,000. The company denied any responsibility, stating that the presence of heavy metals in the blood samples were due to their occurrence in the natural environment.

Glencore Xstrata mines in Peru

The Xstrata Tintaya copper and gold mine

The Xstrata open-cast mine of Tintaya, located in the Andean province of Espinar in southern Peru, at an altitude of 4,100m (13,450ft), has been in operation since 1985. Initially owned by the state, the mine was privatised in 1994; daily output of processed rock increased continually, to an annual copper production of up to 120,000 metric tonnes (in 2007). The Swiss corporation been sole owner of the mine since 2006. According to information supplied by the Peruvian Office for Statistics, an annual average of 1,000 kg of gold was mined from 2004 until 2008.

Along with a boost in production, the extraction area was expanded to around 5,000 hectares or 19.3 square miles. However, most of the Tintaya mine's metal reserves have now been depleted. As of mid-2014, the mine was expected to be completely replaced by the Antapaccay expansion project situated at a distance of 10km (around 6miles), boosting annual copper production to 160,000 tonnes. A new refinery for the production of copper concentrate was constructed; the old crater was to become a tailing dam for the new projects. In addition to copper from Antapaccay, liquefied metal concentrate is also to be taken from Las Bambas for processing at Tintaya, at a distance of 150km or 93miles.

Further large copper reserves are situated in Corocchuayco, 8.5km or 5.3mi from Tintaya. The project is currently at the reconnaissance phase. In 2012, in the province of Espinar alone, Xstrata owned mining concessions in an area of around 111,000ha or 42.5sqmi, i.e. About one fifth of the province's total surface area. Xstrata Tintaya and Glencore Xstrata Antapaccay are expected to operate in Espinar until 2034.

A new open-cast copper mining project at Las Bambas

At the time the German version of this book went to press, Xstrata Copper was planning to implement a copper mining project at Las Bambas in the Apurimac Department in southern Peru, at an altitude of around 4,000m or 13,000ft. Las Bambas, 100% owned by Xstrata, is a greenfield project, i.e. A newly planned mine. The Chinese Competition Authority only agreed to the merger of Xstrata and Glencore on condition that this project or one of similar size would be sold by the end of September 2014.[135]

The concession comprises an area of 35,000 hectares or 135sqmi. When it was awarded in 2004, the area was estimated to hold a deposit of copper ore amounting to around 860 million tonnes. From recent analyses, however, the corporation currently estimates that, over a period of 18 years, the new open-cast mine will yield around 1.17 billion tonnes of copper ore and around 8.7 million tonnes of copper. In 2004, Xstrata paid USD 121 million for the concession, more than double the asking price. In view of the new figures regarding the quantity of copper that can be extracted, that sum now seems very modest.

The Antamina Joint Venture
Situated 270km or 168mi north-east of Lima at an elevation of between 4,200 to 4,700m (13,800 to around 15,500ft), Antamina is the third-largest zinc and eighth-largest copper mine in the world. It is operated as an open-cast mine by Antamina Joint Venture, in which Xstrata and BHP Billiton each hold shares of 33.75%, while Teck Cominco Ltd. And Mitsubishi hold a share of 22.5% and 10%, respectively. Xstrata acquired its share in 2006.
Antamina processes 430,000 tonnes of rock a day to produce a copper-and-zinc concentrate; silver, bismuth and molybdenum are also extracted. Once the ore-rich rock has been ground up on site, a chemical solution is added to release the metal from the stone meal. A subsequent flotation process produces a thinly viscous metal concentrate, which is pumped down a 300km or 186.5mi pipeline to the Pacific shore, where excess water is removed prior to shipment.

Argentina – heavy-metal pollution in rivers near El Aguilar

Severe environmental pollution also occurred at the mine of El Aguilar in the north east of Argentina. In 2007, representatives of the indigenous communities from Jujuy Province travelled to the district capital of Tucumán to lodge a complaint against the heavy-metal pollution load in rivers downstream from the mine. Their statements and investigations documenting the pollution of the rivers, carried out by María Graciela Bovi Mitre, a biochemist, and Juan González, a biologist, enabled the Prosecutor General, Antonio Gustavo Gómez, to bring charges against the company.[136]

Although studies showed that heavy-metal pollution loads in the region's rivers clearly exceeded permitted levels, proceedings were stopped that same year, due to the company's good relations and targeted lobbying, according to the national newspaper, *Tiempo Argentino*.[137] At the end of 2007, the company report to the Provincial Mining Board admitted that chemical waste had in fact reached the rivers and that heavy-metal levels were too high. Despite adverse effects on the environment, the relevant authorities unreservedly accepted all of the company's Environmental Impact Assessments regarding the mine.

The case was revived only in 2012, when El Aguilar made international headlines due to being involved in the disappearance of workers during the 1970s military dictatorship.[138] The Prosecutor General, Antonio Gustavo Gómez, used this attention to once again bring environmental pollution to the attention of the court. In 2009, a new study had clearly established a causal relationship between mining activities and heavy-metal pollution in both the Yacoraite and and Río Grande Rivers; lead in water samples exceeded permitted levels by between 50 and up to 200 times.[139] However, even this case failed to make headway. In 2012 jurisdiction for the provinces of Salta and Jujuy, which is where the mine is located, was withdrawn from the Prosecutor General, Antonio Gustavo Gómez, who had focused on environmental pollution by mining companies. His successor refused to admit representatives from universities and non-governmental organisations as plaintiffs.[140]

Water conflicts at La Alumbrera, Argentina

Water is, yet again, at the heart of the conflict at La Alumbrera (see box p. 45) due to heavy-metal pollution and the high water consumption of the mine. As elsewhere, charges have been brought against the corporation but have – as elsewhere – been delayed. At the time the German version of this book went to press, proceedings were still pending.

The existing open-cast copper and gold mine at La Alumbrera and the planned follow-up project of Agua Rica are located in an extremely arid, sparsely populated region in the north of the country. Communities live in settlements at the foot of the mountain range which resemble oases whose water stems from smaller rivers. La Alumbrera, a mine situated in the headwaters of one of these rivers, has a daily allowance of 100 million litres or almost

22 million gallons of water, most of which is fossil groundwater extracted by pumps. The huge water consumption of the mine competes with the local population's need for drinking water and irrigation.

Glencore Xstrata mines in Argentina

Open-cast copper and gold mining: La Alumbrera and Agua Rica

La Alumbrera is Argentina's largest open-cast mine and one of the world's largest copper and gold mines. From 120 million tonnes of rock, an annual average of 650,000 tonnes of concentrate is extracted containing 180,000 tonnes of copper and 600,000 ounces (18.7 tonnes) of gold. Glencore Xstrata owns 50% of the company operating La Alumbrera mine; Canadian companies Goldcorp and Yamana Gold own 37.5% or 12.5%, respectively. Officially, however, the concession is held by Yacimiento Minero Aguas de Dionisio (YMAD), a public enterprise owned by the province of Catamarca and the University of Tucumán, which receive a 20% share of the profits.

In 2011, Xstrata also acquired the majority holding of Agua Rica, a nearby mining project which is to replace the almost exhausted La Alumbrera mine from 2018; parts of its existing infrastructure are expected to remain in use.

La Alumbrera is situated near the Chilean border, in the foothills of the Andes in the north of Catamarca Province, at an altitude of 2,600m or 8,530ft. It extends across the three departments of Belén, Andalgalá and Santa María and includes transport routes and a 300km/186.5 mile pipeline to the processing plant at Tucumán, where the metals are extracted from a liquid concentrate.

The Agua Rica expansion project is located some 30km or 18.6mi east of La Alumbrera, at an altitude of 3,000 to 4,000m or 9,842 to 13,123ft. At the time the German version of this book went to press, widespread protests were continuing to forestall its construction.

Lead, zinc and silver from El Aguilar

El Aguilar S.A. Is Argentina's oldest mining company; extraction of lead, zinc and silver began in 1936. In 1988, El Aguilar S.A. was taken over by Grupo Minera S. A., which entered into a joint venture with AR Zinc S.A. In 1995. In a new acquisition, Glencore became sole owner of El Aguilar in 2005.

The underground mine is located in Jujuy Province in the north-west of Argentina, a little over 100km (62mi) from the Bolivian border. The Aguilar mine lies in the headwaters of the Yacoraite River, which joins the Río Grande, which in turn courses through the Humahuaca ravine, which in 2003 was declared a UNESCO World Heritage Site.

Because El Aguilar S.A. does not have its own website and its production levels were not detailed separately in Glencore International's 2012 annual report, no public information is available about the amount of natural resources extracted. Rudimentary information can be found on the Argentinian government's Mining Secretariat (Secretaria de Minería de la Nación) website and on the website of the Encyclopaedia of Science and Technology (Enciclopedia de Ciencias y Tecnologías en Argentina) (ECYT-AR).[141]

A pipeline takes concentrated zinc sludge from El Aguilar for processing at a smelter in the province of Santa Fe operated by AR ZincS.A.; lead and silver are taken to the El Aguilar S.A. smelter in Palpalá, Jujuy Province.

Water pollution from heavy metals

Mining activities also cause heavy-metal pollution of the waters at several points in the production process. Blasting produces vast quantities of fine dust including nitrates, which cause acid rain. Blasting and processing also release naturally occurring arsenic from the rocks and into the air. Various chemicals are used to extract metals from the ground-up rock; the chemicals, which have accumulated heavy metals, are stored in a giant tailings dam. According to an investigation by mining engineer Héctor Nieva, leaks in the basin pollute rivers downstream. As a counter-measure, polluted water is continuously pumped back into the dam.[142]

The metal concentrate is then pumped in a pipeline to the processing plant at Tucumán. On various occasions, the immense pressure has caused pipes to burst, allowing the acidic concentrate containing heavy metals to seep into fields and waterways.[143] In the processing plant, excess water is extracted from the concentrate. The dried substance is loaded onto the company's own railway. Drained off into a duct, residual waste water flows into the Salí-Dulce River; in the province of Santiago del Estero, the Salí-Dulce becomes the Río Hondo and flows into the Termas de Río Hondo reservoir.[144]

Illnesses among host-mining communities

Opponents and local doctors have held the company operating La Alumbrera mine responsible for pollution that has caused a significant increase in illnesses, in particular cancer and respiratory ailments, among the host mining community. However, at the time the German version of this book went to press, no statistics were available to prove a causal relationship beyond any doubt.

Complaints about environmental pollution

In the past few years, charges have repeatedly been brought against La Alumbrera for water pollution. During a lecture at the University of Berne, Switzerland, in March 2012, Antonio Gustavo Gómez, the Public Prosecutor of Tucumán, gave an overview of pending legal proceedings: in 1999 he had brought charges against Julyán Rooney, Vice President of La Alumbrera, for offences against the Environmental Protection Act relating to residual water from the processing plant in Tucumán. Gómez made reference to the company's own environmental compatibility report, arguing that reported pollution levels far exceeded legal limits. The case has been dragging for many years. Another pending case concerns leakage from a retention basin in Catamarca, while a third law-suit was lodged by the Governor of Santiago del Estero Province in regard of pollution of the Salí-Dulce River.

In early 2014, the Prosecutor General of Argentina gave suit to an appeal by the Public Prosecutor of Tucumán and decreed the temporary closure of the mines at La Alumbrera and Bajo del Durazno until the extent of the pollution could be understood and relevant evidence had been collected.[145]

Australia – lead pollution and looming destruction of nature reserves

Copper, zinc and lead have been extracted at Mount Isa in the north-eastern part of the continent for ninety years. But it is only quite recently that the impact of mining on the local population has been investigated. In 2008 a Ministry of Health study for the first time found evidence of increased levels of heavy metals in Mount Isa: dangerously high blood levels of lead were found in 45 out of 200 local children. High levels of lead are associated with a risk of serious brain damage and major developmental problems. In April 2008, charges relating to the case of six-year-old Stella Hare, who suffered from severe lead poisoning, were brought against Xstrata, owner of the Mount Isa mine since 2003. The case was settled out of court four years later. At least two further compensation claims were still pending at the time the German version of this book went to press.[146]

Xstrata denies links between lead mines and lead poisoning

Another study from 2010 established a clear link between heavy-metal pollution and mining activities in the region. Xstrata had long contested the link, arguing that high lead levels in the urban environment resulted 'from nearby natural deposits'. The multinational corporation also noted that limits had never been exceeded. When allegations were made in early 2010 that, in the previous year, lead levels had been above safety limits, Xstrata offered free annual blood tests and information on how to deal with lead pollution, measures that did nothing, however, to reduce lead emissions. A few months later, Xstrata issued a public statement saying that, as the only one of nine mining operations in the area, it was unable to 'meet targets on reduction heavy metals' within the period stipulated by the government.[147]

In 2013, a new study not only corroborated the link between emissions from the Xstrata lead mine and lead poisoning in children in Mount Isa; the study also accused both the company and the government of misleading the public about their cause.[148] Already in 2001, charges had been brought against the city council of Mount Isa and the Queensland government for breach of duty of care.

Aborigines see their environment destroyed

In 2003, Xstrata acquired the North Australian McArthur Mine where zinc, lead and silver have been extracted since 1995, originally from an underground mine. In 2005, the corporation applied for approval to expand the mine for open-cast extraction, for which the McArthur River was to be diverted over a distance of 5.5 kilometres or 3.4 miles. Fearing the destruction of the river ecosystem, environmental organisations and the four Aboriginal communities living along its banks vehemently resisted the expansion plans.[149] The Aborigines, to whom the river is of existential cultural and spiritual significance, and who honour it as a sacred tribal member, had never been informed or consulted about the project.

Although Xstrata suffered a setback in court in 2008 and was compelled to reverse the river diversion which it had already begun, the Federal Department of the Environment approved the expansion of the mine, however insisting on stringent environmental protection.[150] Despite this, an environmental disaster occurred in 2011 when an open valve in a storage tank caused a spillage of 28,000 litres or almost 6,160 gallons of diesel.[151] In August 2013 it was announced that the spill would cost Xstrata a penalty of AUD 70,000.[152]

Resistance to plans for coal extraction[153]

To the west of the town of Wandoan in Queensland, Australia, Xstrata proposed to create one of the southern hemisphere's biggest open-cast coal mines. Each year, 30 million tonnes of coal were to be extracted from an area of 32,000 hectares or 123.5 square miles. The lifespan of the mine was set at thirty years. Non-governmental organisation Friends of the Earth lodged an objection against the Australian government decision to accept Xstrata's environmental compatibility report.[154] Three farming families refusing to give up their land to the Wandoan mine joined the objectors' ranks, unlike another 41 families who had already left. The plaintiffs argued that burning the coal extracted from the Wandoan mine would amount to 0.17% of annual global CO^2 emissions, roughly equal to those of Switzerland and that, over the lifetime of the mine, CO^2 emissions would be equivalent to over two years of Australia's emissions.[155] In June 2013, the court ordered Xstrata to pay over AUD 30 million in compensation to the three objecting landowners. They considered this a success, as, for the first time, the compensation paid out corresponded to the actual value of the land.[156]

The coal extraction project at the Wandoan mine and transhipment of coal at existing and new coal terminals that would have to be built on the East Coast would also destroy nature reserves, including two UNESCO World Heritage Sites, i.e. the Wet Tropics, Australia's largest expanse of tropical rainforests, and the Great Barrier Reef, the world's most extensive coral reef. In the

past several years, resistance against the coal industry and the coal ports has increased in Australia. In 2011 the Keppel and Fitzroy Delta Alliance (KAFDA), an association of local residents, interest groups, environmental organisations and other stakeholders, joined forces in opposition to Xstrata's coal terminal project on the Balaclava Peninsula and to push for protection of the Fitzroy Delta, Keppel Bay and the Great Barrier Reef.
In May 2013, Xstrata suspended its Balaclava Terminal project. It did not, however, accede KAFDA's demands to remove it from its list of projects entirely. It must therefore be assumed that the project has only been put on hold temporarily due to the low price for coal. In September 2013, the recently merged corporation announced that its Wandoan mining project would also be 'put on hold' as returns on this kind of project were no longer assured due to falling world-market prices for thermal coal.[157]

Copper-gold mining project in the Philippines

Valued in excess of USD 5 billion, the Tampakan copper-gold mining project on the island of Mindanao in the southern Philippines is one of the largest international direct investments in the country. According to SMI, the mine 'is expected to 15 million tonnes of copper and 17.6 million ounces of gold [...] over the 17 year period of mining and ore production.'[158]
The four provinces of South Cotabato, Sultan Kudarat, Sarangani and Davao del Sur will be affected by the intended mine infrastructure which, alongside the open-cast mine, includes a freshwater dam, tailings dams and slag heaps etc. The indigenous B'laan tribe is one of the communities most directly affected by the project; 74% of the 10,000 hectares or 38.6 square miles of land earmarked for the project belong to the B'laan.
The project is being promoted by Sagittarius Mines, Inc. (SMI), which is 60% owned by the Tampakan Group of Companies, a Philippine investor, and 40% by international mining companies. What is unique about this division is the fact that controlling equity lies with the 40% of the international arm of the joint venture, of which Xstrata Copper, a Glencore Xstrata subsidiary, and Australian Indophil Resources NL hold shares of 62.5% and 37.5% respectively. Xstrata Copper is therefore primarily in control of SMI and has primary responsibility for the mining project.
At the time the German version of this book went to press, the mining project was nearing the end of the exploratory phase, to be followed by the development phase for infrastructure installation and construction. Extraction was expected to start in 2015.
In 2010, South Cotabato Province adopted an Environmental Code which includes a ban on open-pit mining. The ban delayed the start of development and the Ministry of the Environment in Manila twice withheld the Environmental Compliance Certificate. Surprisingly, however, and although the regional ban was still in place, the certificate was issued in spring 2013. The certificate imposes liability on the company for the safety of the tailings dams beyond the lifetime of the mine. The requirement that was contested by SMI and the project will remain blocked until these legal issues are resolved.
In August 2013, SMI announced that more than 900 of over 1,000 workers were to be made redundant and current investment was to be reduced by three quarters. At the time, the move could be interpreted as an attempt to increase pressure on the government to issue permissions for the development phase. However, at the time the German version of this book went to press, the situation looked very different as, in a report released by Indophil Resources on 1 February 2014, Glencore Xstrata was 'expected to pull out of' the Tampakan project.[159]

Philippines – project for copper-gold extraction an ecological time bomb

At the time the German book version went to press, Xstrata entertained a project for a copper-gold mine at Tampakan, in a highly sensitive area both in terms of human culture and ecology, on the southern island of Mindanao in the Philippines (see box p. 48). The project would cause irreversible damage to a large portion of the 10,000 hectares or 38.5 square miles of land earmarked for the mine.

The area is an important headwater for various rivers from this mountainous region that distribute their water across the whole of South Mindanao. Even if the indigenous communities are likely to be the first and the most severely affected by the project, tens of thousands of human lives would also be at risk in the lower reaches of the rivers if they were polluted. In the event of a tailings-dam failure, for instance, toxic mining waste could contaminate the entire region's water supply. Given that a great deal of food for the whole region is produced in the valleys around the mining project, any contamination would have a serious impact on Mindanao's food safety and self-sufficiency. As the mine and its infrastructure would be located in a seismically unstable area, such a scenario is not plucked out of thin air. Moreover, due to climate change, Mindanao has been increasingly affected by typhoons of previously unknown intensity. Both typhoons and earthquakes are potential factors of disruption that could have a devastating impact on the open-cast mine and its infrastructure. An Environmental and Social Impact Assessment for Sagittarius Mines Inc. (SMI) concludes that a failure of the tailings storage facility would be accompanied by a 'high potential for loss of life and high environmental damage'.[160] This may be one reason why SMI was strongly opposed to the condition imposed by the Philippine Department of Environment and Natural Resources that it would be held liable, over an unlimited period of time, for any potential damage.

Congo – river pollution

In Congo, the lack of government oversight of proper waste management was the root cause for environmental sins committed by multinational raw material corporations. In its own Code of Conduct, Glencore Xstrata states: 'We comply with applicable laws, regulations and other requirements for environmental management. Where these are less stringent than our own standards we seek to exceed the statutory requirements wherever possible."[161] However, the environmental pollution by the two Glencore Xstrata offshoots Katanga Mining Limited (KML) and Mutanda Mining (MUMI) (see box p. 75) is so severe that compliance with these standards is highly unlikely.

For years, sulphuric acid, used to purify copper ore at a KML refinery, was disposed of illegally into the Luilu River. In 2012, the pollution caused an international stir when water samples showed extremely high levels of acid and excessive levels of lead, cobalt, copper and zinc. In the past, the river had been the region's essential water supply and the key to life for the local population: its water was not only used as drinking water and for irrigation, the locals also made a living from fishing. Today, there are no fish and people cannot drink the contaminated water, which has become a health risk. Glencore Xstrata's head office in Baar near Zug, Switzerland, denies any responsibility, claiming that the polluted Luilu River is a legacy from the Gécamines period. However, at least since acquiring the majority of shares in 2009, Glencore has been responsible for this pollution. Since then KML's business has developed rapidly; from 2010 until 2011, copper production jumped by 57% to approximately 91,200 tonnes.[162]

In 2012 two relief organisations, Swiss Catholic Lenten Fund and Bread for All, drew attention to the pollution of the Luilu River. The intervention by relief organisations and media worked wonders and Glencore acted within just one week. CEO Ivan Glasenberg assured the media that only clean water was now flowing into the Luilu. Not quite: although the amount of waste water was drastically reduced, some polluted water was still entering the river at the time the German version of this book went to press.[163]

However, even an end to illegal waste-disposal practices is unlikely to eradicate the problem: Glencore must answer to the local population for long-term environmental damage caused by its activities. As it will be impossible to fish the Luilu for a long time to come, relief organisations have not only demanded financial compensation for the host mining communities, they have also defended their right to clean and safe drinking water and economic alternatives.

Environmental damage has also been caused by the extraction of minerals at a MUMI mine situated in the middle of the Basse Kando wildlife reserve, where industrial activities are prohibited. The reserve is home to numerous endangered animals and plants; animals are being increasingly driven away by the vibrations, noise and odour emissions of the mine. Nevertheless, the government has been awarding concessions to international mining companies since 2007.

Glencore was the first multinational company to start operating in Basse Kando, building dams and roads to facilitate mining on an industrial scale. Local organisations have blamed the noise and exhaust fumes for the disappearance of elephants and hippopotamuses. Although the use of new technologies prevents the flow of waste water from the Mutanda processing plant into the river, intensive water use also causes major problems and, according to opponents, has caused the river water level to drop, triggering the death of vast numbers of fish and crabs.[164]

Zambia – sulphur dioxide emissions up to 40 times above recommended levels

In Mufulira, where Glencore subsidiary Mopani has been mining copper since 2000, people have also been suffering from high levels of air pollution. Since its acquisition by Glencore, production has increased significantly but so, too, have sulphur dioxide emissions from the copper smelter. *Rundschau,* a Swiss public TV news programme, took its own samples, which established that sulphur levels were many times above those recommended by the World Health Organisation (WHO): of ten samples taken at sites between 500 metres or 547 yards and 5 kilometres or 3.1 miles from the furnace, only one was below the WHO recommended level of 20 microgrammes per cubic metre ($\mu g/m^3$) of air. Averaged over ten days, six samples produced values of between 250 and 780$\mu g/m^3$.[165] When presented with the findings, Glencore showed no surprise as the results did not conflict with data it had gathered as part of its self-monitoring activities, data that have not been released to the public.

As *Rundschau* revealed, people living near the factory have suffered asthma attacks and other respiratory ailments. According to the local hospital's senior consultant, both male and female patients suffering from chronic lung disease or asthma attacks due to sulphur dioxide were being treated every day; many more sick people were unwilling to visit the hospital. Families of victims have linked numerous fatalities to emissions from the Mopani smelter stacks.

The Group's Sustainability Officer failed to respond to the TV presenter's repeated questions regarding the way in which Glencore Xstrata had been dealing with cases highlighted in the *Rundschau* report, in particular that of a girl who was filmed suffering a severe asthma attack. Instead, he referred to a new flue gas scrubbing plant which was soon to go into operation, as well as AIDS and malaria prevention programmes for the community. Respiratory ailments are not a new phenomenon and the people of Mufulira have long been promised improvements. Several years ago, officials from the European Investment Bank, which had granted Mopani a loan, explained that an ecologically exemplary project would recover and re-use the sulphur dioxide, which would greatly reduce environmental pollution.[166]

Shortly before the German version of this book went to press, Emmanuel Mutati, Chairman of the Board of the Mopani copper smelter, maintained in an interview with *Rundschau* that there was 'no scientific proof that sulphur dioxide causes death'. He even declared that the sulphur fumes would cause 'slight discomfort at most'.[167] The corporation's headquarters retracted the statement and Swiss TV was not allowed include it in its broadcast. However, the statement became public when the presenter asked the Sustainability Officer why Glencore

Xstrata prevented it from being broadcast. He received no reply. While the camera was rolling, Mutati explained his company's position on compensation claims, 'Beyond our licence area, responsibility for the impact of our operation lies with the government. If there are problems outside our area, this needs to be reported to the government.'[168]

Air pollution is not the only problem in Mufulira: in order to release the ores from the rock, sulphuric acid is sprayed directly into the lower soil layers. This highly profitable method requires fewer workers than traditional mining but causes serious environmental damage, putting local people's health at risk, all the more so because the drinking water reserves of the town lie beneath the copper deposits. In January 2008, acid infiltrated the groundwater; 800 local residents subsequently showed symptoms of poisoning.[169]

South Africa – increased limits rather than reduced emissions

In South Africa, the Lonmin platinum mine has been emitting dust particles and sulphur dioxide. Both types of emission have adverse environmental and human-health impacts. In its Sustainable Development Report for 2012, Lonmin claimed to have maintained approximately 90% compliance over a period of 12 months with daily dust particle limits of 1,200mg/sqm within the actual mining area or industrial limit, and of 600mg/sqm for residential areas.[170] According to the Bench Marks Foundation, between 2003 and 2012, there was 'no year when the residential or industrial pollution limits [had] not been exceeded by Lonmin.'[171]

Even more problematic, however, is data regarding sulphur dioxide emissions recorded in Lonmin's own reports. From 2003 until 2012, emissions exceeded the legal limit almost every year. In 2006, Lonmin only managed to stay below the daily limit because it had been 'relaxed' or increased, from 4.8 tonnes to 8.3 tonnes. In the following three years, however, emissions again exceeded the legal limit. It was only in 2011, when the daily limit was relaxed yet again, this time to 17.9 tonnes, that Lonmin was able to comply with the limit, although at 10.6 tonnes/day, emissions were still significantly above previous limits. In 2012, sulphur dioxide emissions once again fell to 8.5 tonnes.[172]

The Bench Marks Foundation criticised the fact that, between 2003 and 2012, Lonmin was in constant breach of their own emission guidelines according to the Corporate Accountability Report of 2003. The Foundation concluded, 'Once again it seems clear that the company's license is secure as long as it reports all damage and constantly shows that it wants to improve. There is no requirement to comply with the permit.'[173]

From air to water [to soil] pollution

Since 2004 Lonmin has used a scrubbing plant to mitigate sulphur dioxide emissions. From 2004 until 2006, accumulating calcium sulphite ($CaSO^3$) sludge was stored in provisional dams, which began to leak. This resulted in groundwater, surface water and soil contamination. Calcium sulphite is toxic to water organisms; it also causes skin and eye irritations in people. Lonmin therefore added lime to neutralise the sludge, which it began to use for landfill or put into waste deposit sites.[174] The Bench Marks Foundation concluded, 'The more effective Lonmin is in combatting its sulphur dioxide emissions in the air, the more calcium sulphide the mining project produces on the ground.'[175]

At the time the Bench Marks Foundation report was written, the company was still evaluating the technical and economic viability of the option of converting the sludge into gypsum use in the production of cement and other construction materials awaits the company's assessment as to its profitability.'[176] The Bench Marks Foundation added, 'In other words, Lonmin's duty to meet minimum safety, social and environmental regulations are secondary to Lonmin's financial considerations.'[177]

Social conflicts

Mining activities have caused new social conflicts in areas where raw materials and natural resources are extracted and where the land is already scarred by the deep holes of open-cast mines, or where mines are still in the project phase. Mining corporations and their increasing land claims to reach raw-material deposits or to expand existing mining and transport infrastructure have led to evictions and resettlements of rural communities. In none of the cases investigated here were those affected adequately informed of, let alone consulted about the implications of new mining projects, despite the fact that international conventions make this an absolute requirement whenever indigenous communities may be affected. An Xstrata roadshow about the Las Bambas mine in Peru, for example, seemed to have been chiefly designed to increase acceptance of both the mine and the corporation. At the time the German version of this book went to press, the editors were unaware of any instances in which the corporation had supplied comprehensive information to host mining communities regarding the negative impact of its mining projects.

In locations where mines have been in operation for some time, local residents have been suffering from the adverse environmental impact of dust from blasting, lorries and other vehicles as well as water shortage or pollution (see section, 'Environmental conflicts', pp. 38ff), not to mention problems in terms of human and animal health and the loss of agricultural land associated with expanding open-cast mines. Moreover, the mines have hardly ever brought the promised local jobs as skilled workers tend to be recruited and brought in from outside. Only a few unqualified jobs have become available in the host mining areas themselves. As external miners increase the local cost of living, the resident population's purchasing power decreases. Few host mining communities have seen their prosperity increase along with mining activities; several actually reported a worsening of their situation.

As the following section will illustrate, Glencore Xstrata's mining activities have further exacerbated social tensions. The corporation's 'social development projects' pander to some parts of the host mining population, who unsurprisingly view the corporation in a more positive light. The corporation has therefore been accused of 'purchasing' approval. Communities have become divided; new lines of battle have been drawn between advocates and opponents of mining activities.

In the vicinity of some Glencore Xstrata mines, violence has increased; injuries and even fatalities due to disputed mining projects have become a shocking reality. Whole regions have been militarised to protect mining facilities and equipment. In Colombia, paramilitaries have assumed the role of protectors of mining corporations and have repeatedly issued death threats against those opposed to the mining industry. In the Philippines, the corporation has been involved in setting up paramilitary units.

On the one hand, resistance to the unfettered and destructive exploitation of natural resources has been growing. Opposition has increased and is being expressed at various levels, be that in demonstrations and street blockades, in demands that the corporation treat the environment with care and pay more taxes to the host mining communities, or in charges for environmental pollution and other breaches brought against the corporation. On the other hand, many opponents have faced repression by security forces. Moreover, both the corporation and public authorities have engaged in aggressive PR campaigns to emphasise positive aspects of mining, while mining opponents at various sites have been vilified and put under pressure, and attempts have been made to undermine the legitimacy of protest rallies. Finally, as examples in Peru and Argentina will show, there have been many acts of intimidation and attempts to criminalise protest rallies and protesters, against whom legal charges have been brought in the follow-up to popular, non-violent protests. In this context, Argentina has even introduced new anti-terror legislation. Disputes about the mining industry are fought on most unequal terms.

Colombia – evictions and resettlements

The Colombian coal mines owned by Glencore Xstrata, or in which the corporation has a significant stake, are among the world's argest open-cast mines (see box p. 28). They require vast and ever increasing amounts of land to operate. Several villages have had to be resettled, some of them by dint of pressure and forced evictions, to meet the insatiable demand. In places where resettlement became necessary due to dust exposure from mines operated by various corporations, the process has been delayed again and again.

Glencore subsidiary bought land after violent evictions

At the time the German version of this book went to press, the Swiss raw-material multinational, through Prodeco, its subsidiary, stood accused of having profited from violent evictions by purchasing land from paramilitary front-men in order to expand its coal mine at La Jagua de Ibirico in the department of El Cesar. Five years previously, in May 2002, paramilitaries had massacred 18 members of the small farming community of El Prado, which covers an area of 1,232 hectares or 4.75 square miles. The survivors abandoned their land soon after the horror.[178] According to a ruling of last instance by the Supreme Court of Justice handed down in mid-2012, Glencore subsidiary Prodeco and the Agricultural Land Reform Institute (Incoder) must return the land to the evicted farming families. Prodeco, however, had done nothing to comply with the court ruling, whose limitation period may expire if the court order remains unobserved. In view of Prodeco's incompliance, it may be assumed that this has been precisely the corporation's design.[179] Those affected therefore held protest rallies demanding the swift implementation of the order. Meanwhile, the lawyer acting on behalf of the evicted people was told to keep her hands off El Prado; she had also received death threats.[180] Given Colombia's exceptionally poor human-rights record and repeated murderous attacks on defenders of land rights and human rights, such threats must be taken very seriously.

Resettlements of coal-mining host communities in the Cesar Department[181]

The three villages of El Hatillo, Plan Bonito and Boquerón are completely encircled by open-cast coal mines that belong to three mining corporations including Glencore-Prodeco (see box p. 28). In every direction from El Hatillo, the coal mines are only a few hundred metres away. The air is laden with coal dust particles due to blasting in the mines and the extraction of coal. The particles cause chronic respiratory and skin ailments among the host mining communities (see section, 'Environmental Conflicts', pp. 38ff).

In May 2010, coal-dust related health issues had become so severe that the Colombian Ministry of Health decreed the resettlement of the three villages and imposed a resettlement plan. The mining corporations appealed against the plan and allowed prescribed timescales for resettlements to lapse. Work on the actual resettlement plan only began in 2013, although the village of El Hatillo should have been resettled by September of the previous year. The community's involvement in the process was inadequate and a survey of village residents murky and incomplete, which only increased their mistrust and uncertainty. By the time the German version of this book went to press, the population had not yet been given full survey details. Moreover, the coal dust was making farming all but impossible. By early 2013, suplies had run critically low; El Hatillo descended into a humanitarian crisis. In the words of one resident, 'The mines have not brought us any development, only misery.'[182]

Nor had there been any progress in the resettlement process and, in view of false promises and continual disappointments, the situation in the villages remained tense.[183] Non-governmental organisations monitoring the resettlement process of El Hatillo have repeatedly noted that both rePlan, the resettlement agency, and the mining company have applied inadequate methodologies, providing vague information and delaying the process for months on end. Likewise, the language and mode of communication often disregard community members' level of education; signed agreements are called into question; projects to create income opportunities, for instance, are poorly implemented. Despite numerous reminders, these shortcomings had not been remedied at the time the German version of this book went to press. The accumulation of problems casts doubt over claims by rePlan and the corporation that they have been due to hmisunderstandings and oversights. In the meantime, charges against the government were still pending regarding the resettlement ordered by the Ministry of the Environment, including compensation claims from the [mining] corporations for their costs. This can sometimes create the impression that they do not intend to carry out the resettlements, relying instead on delays making life so difficult that the villagers move away, ultimately only negotiating for compensation payments.[184] In response, Glencore and rePlan have asserted their intention of bringing the process to a conclusion in the best interests of the community.

Evictions and resettlements of host mining communities at El Cerrejón[185]

In the concession area of the El Cerrejón coal mine in the department of La Guajira (see box p. 28), the indigenous people of the Wayúu have lost a considerable part of their territory, or have seen it carved up by road and rail transport corridors. Since 1986, several indigenous, Afro-Colombian and small-scale farming communities have been forced to leave their lands. Having been torn apart, they now live spread out across many municipalities and departments. None of these communities had been consulted in a satisfactory way, nor had they been resettled at the time the German version of this book went to press.

The Afro-Colombian village of Tabaco was expropriated in 2001; around 1,200 residents had to leave their homes and plots of land. Pressure was exerted to induce residents to move away: electricity and water supplies were were cut off, the telephone exchange, school and hospital were closed down; the cemetery was destroyed and several dwellings were burnt; the thoroughfare was blocked off and the river was diverted. Any residents still holding out were forcefully driven out of their homes by the army and the police; bulldozers razed the houses on the same day. In May 2002, a court ordered the local mayor to rebuild the village of Tabaco and to re-establish the social fabric in a new location, with support from the Consortium. The order was not implemented. At the end of 2009, community representatives and the Consortium reached an agreement that was to lead to the purchase of a piece of land for the community and to the construction of a community centre. At the time the German version of this book went to press, however, the infrastructure was not yet in place.

The villages of Roche, Chancleta and Patilla were also having to make way for the expansion of the mine. Although representatives of the mining project maintained that what had happened in Tabaco was not to be repeated, these three communities were also put under pressure. Being accused of trespassing on company property, villagers were banned from accessing the river and woodlands, for instance. If animals strayed or people defied the ban by venturing on company land to hunt or fetch water, security service personnel chased them away or even put them in temporary detention. This is how local populations have been deprived of essential resources that would allow them to live decent lives in dignity. Under extreme pressure and lacking any economic alternatives, many residents of Roche have sold their houses at extremely low prices. Others have left the village, leaving their properties behind unsold.

In 2007, lawyers and non-governmental organisations in Australia and in Switzerland brought actions against BHP Billiton and Xstrata for breach of the OECD Guidelines for Multinational Enterprises.[186] Calling for an end to the starvation strategy, they demanded negotiations on collective resettlements and a joint negotiating table for the five communities of Patilla, Roche, Chancleta, Tabaco and Tamaquitos earmarked for resettlement rather than separate negotiations. The OECD process ended without these demands having been incorporated;[187] the Consortium continued to negotiate separately with each of the five village communities, dividing the communities and sowing mistrust.

In December 2010, using financial incentives, the Consortium managed to resettle 17 of the 25 Roche families in a newly built village. The eight remaining families were threatened with compulsory expropriation. In November 2013, when the Consortium made certain concessions regarding compensation and pastureland in the new village, one of the families agreed to being resettled. In the meantime, however, many of the resettled families wanted to return back to old Roche as the new village had too little agricultural land, houses did not meet their expectations and their livelihood was not secure.

A militarised region

Since the mining companies began to extract coal in the departments of La Guajira and El Cesar in northern Colombia, the region has become increasingly militarised; eleven battalions of the 10th Brigade of the Colombian army are stationed in the coal-mining areas. In June 2012, a new battalion of 900 soldiers was formed to protect the infrastructure of El Cerrejón. Whenever troops were moved in the past, government authorities cited the fight against 'narcoterrorist structures' and the protection of businesses. In the Colombian context, both military presence and military offensives have increased most sharply in the very areas where natural resources are being extracted.

Given the Colombian army's appalling human-rights record, the militarisation of the area is hardly a measure to inspire confidence among the local population. One example of recent human-rights violations has been the 'False Positives' scandal, which broke when it became evident that several thousand young people had been abducted and murdered before being disguised as FARC[188] guerillas killed in battle, and that, moreover, army members had been rewarded for these terrible deeds.[189] The fact that extensive agreements and collaboration existed between the army and paramilitary groups has become a widely accepted.

Another strong presence in the coal-mining areas have been paramiliary forces (see also section, 'Poverty in mining areas', p. 56) and unionists have repeatedly been threatened during industrial disputes. In 2007, the former Commander of *Bloque Norte* (Northern Bloc) of the paramilitary AUC[190] revealed that AUC had received financial support from all corporations in the region, including Prodeco.[191] Another *Bloque Norte* paramilitary explained that his unit had provided security services to all coal extractors in the region.[192] Statements by paramilitaries led to investigations against U.S. coal mining corporation Drummond, which was suspected of being responsible for the deaths of two trade unionists. The Swiss Glencore Xstrata corporation has denied any connections to paramilitaries.

Colombia's coal-mining host communities do not benefit from the mines

The arrival of the mining corporations in the northern part of El Cesar Department over twenty years ago brought fundamental social changes and caused the loss of traditional ways of life. While families were subsistence farmers, raised some cattle and went hunting and fishing, they have become dependent on wage labour. Woodlands and pastureland have become very scarce because the mines have encroached on and and encircle several villages. The Calenturitas river, which was diverted by Glencore subsidiary Prodeco, is polluted, fish stocks have fallen drastically. Very heave dust poolution has not only caused chronic problems in terms of human and animal health, it also stunts plant growth.

Heavy traffic due to coal transports

It is not only the production of coal in open-cast mining that has had radical effects on the population; the transport of raw materials from the mine to the lading port has also affected the entire region. For years, convoys of coal-laden articulated lorries were driving through the villages day in, day out; the massive amount of heavy traffic led to numerous accidents. Moreover, the road surface deteriorated rapidly under the permanent strain.

While the modal shift to rail transport several years ago did bring certain ecological advantages, it also created new problems. At the time the German version of this book went to pressmore than fifty freight trains a day, each over a hundred wagons long, made the journey from the mines to the coastal terminals along miles and miles of track of a pre-existing railway line. The heavy freight trains lumber through villages every half hour, often only a few metres from homes and other premises, causing severe vibrations, which in turn have caused cracks to appear in walls. Many residents have been suffering from the constant noise. The frequent passing of the long trains has also prevented people from easily crossing to the other side of the village, or from reaching their fields. Moreover, accidents occur frequently due to the lack of barriers and fences along the railway line.[193]

Poverty in mining areas

Most people in the department of El Cesar have not benefitted from the mines (see also 'Locals have remained poor', pp. 64-65). In host mining communities, unemployment levels have risen to almost 70%.[194] Mining does not appear to have compensated the loss of jobs in agriculture, not least because new workers are frequently recruited on the external labour market. Labour migration and the mine workers' relatively higher purchasing power have put a strain on the region's deficient infrastructure. Higher prices have had a particularly adverse impact on the local population, whose incomes lag far behind.[195] Prostitution, including that of children, is a result of poverty, lack of prospects and the presence of external miners and drivers at places of lading.

Nor have the corporation's 'royalties' benefitted the people. Most of the proceeds have seeped away into never-completed luxury projects or urgently required but ill-conceived and poorly executed projects, such as school buildings, cultural centres or sewage systems.[196] Funds have also been diverted by corrupt bureaucrats or by paramilitaries and other illegal groups. One particularly example is that of the small town of La Jagua de Ibirico in El Cesar. Revenues from royalties could have made it one of Colombia's wealthiest towns. However, in 2008, La Jagua de Ibirico still lacked proper and reliable electricity and drinking water supplies. For many years, paramilitary groups had been in control of the town. In cahoots with the mayor of the day, they plundered the communal coffers. It is noteworthy that, at the time the German version of this book went to press, four of the mayors in office before 2008 had either been jailed for corruption and collaboration with organised crime, or were wanted by the court.[197] Off the record, La Jagua residents have said that it was not the mayors but the paramilitaries who governed their town and that no-one was able to go about their business or operate without their permission.

Peru – divided communities

In Peru's Andean region of Espinar, a Framework Agreement[198] was concluded in 2003 between the host mining community and the company that has been operating the open-cast copper mine of Tintaya. The agreement constituted a success for the social resistance movements and the then Mayor, Oscar Mollohuanca,[199] who for a long time had demanded environmental studies to be carried out and that the local population should be the direct beneficiaries of levies imposed on the mining company. On acquiring the mine in 2006, Xstrata pledged itself to the contract, noting that it would would permit independent and participative annual environmental studies to be carried out in Espinar, whose results would be made public.[200] However, the pledge was not implemented as agreed. Instead, the corporation set up its own foundation with around 180 employees with the purpose of realising so-called 'social development projects' in Espinar,[201] by which the corporation means the provision, for example, of school infrastructure and agricultural improvements including the latest tractors, the distribution of genetically modified seeds as well as the creation of new economic chains and short-time work in the service industry. Xstrata Copper's information brochures claim that, due to this strategy, the mining industry in Espinar is the engine that drives the province's sustainable development.[202] Such dazzling words are at odds with how the people of Espinar perceive their quality of life.

By the time the German original of this book went to press, the corporation had refused to carry out independent environmental studies, instead implementing its own 'development policy' and a questionable compensation policy. This has divided the local community who were hoping for a binding, transparent environmental management programme. While the corporation's development projects do provide access to scarce wage labour for some small-scale farming communities or hold out the prospect of development projects, other communities, however, have been given only very limited access, if any. At the same time, the people's fears and concerns about environmental pollution have remained unanswered.

Para-governmental structures

According to its own reports, Xstrata Copper invested around USD 70 in so-called development projects in Espinar between 2003 and 2012.[203] Its own foundation and its 'development experts' and short-term aid projects have created what amounts to para-governmental structures. Much to the chagrin of the other communities, its 'development benefits' have favoured village communities in the immediate vicinity of the old mine at Tintaya and the more recent operation at Antapaccay. The extraction area amounts to almost 5,000 hectares or approximately 19.3 square miles.

This intentionally unequal distribution of access and projects has created new sources of conflict in a province where, in 2009, around 65% of the population lived in poverty. People's subsistence opportunities were further restricted by the mining industry. Advocates of mining, to whom the company has provided new income streams, are now pitted against those who demand the protection of existential necessities such as water and agriculture.[204] This has caused rifts, both within and between communities, and has given rise to new conflicts between opponents to the mines mine and beneficiaries of Xstrata projects.

In the process, mining opponents have come under increasing pressure. At least for a while, some opponents have been silenced by repressive action and defamatory media reports, including allegations of terrorism. A report on the Framework Agreement published in late 2011 by the *secretaria técnica del Convenio Marco*, the 'Technical Secretariat' tasked to review the 'development projects', noted the following:

> In Espinar, anyone whose position is opposed to the policies of the company [Xstrata Tintaya] is persecuted, threatened, blackmailed, discriminated against, vilified, and even arrested. [...] The Xstrata Tintaya company has a team of technical experts strictly dedicated to seeking to destabilise the social organisation of the province of Espinar, whose means and tools are the funds of CONVENIO MARCO [the Framework Agreement]. Exploiting people's neediness and their level of education and information, the team use those funds to visit small-scale farming communities and urban areas to offer some benefits if they [agree to] destabilise the current authority in return. The only thing they are doing here is to corrupt society.
>
> *En Espinar, quien tiene una posición contraria a la política de la empresa [Xstrata Tintaya] es perseguido, amenazado, chantajeado, discriminado, difamado hasta detenido. [...] Existe un equipo técnico de la Empresa Xstrata Tintaya que se dedica estrictamente a buscar desestabilidad en la organicidad de la Provincia de Espinar, teniendo como medio y herramienta los fondos del CONVENIO MARCO, con los cuales recorren a todos los rincones como son las comunidades campesinas, barrios para ofrecer algún beneficio a cambio de desestabilizas la actual gestión, aprovechando la necesidad, nivel de educación, y nivel de información que tiene la población lo único que hacen es corromper a la sociedad.*[205]

The conflict about the Tintaya Mine escalated in May 2012 (see section, 'The giant corporation's power and influence', pp. 63ff). In the course of 2013, the corporation made a commitment to restructure the Foundation. At the time the German version of this book went to press, the previous short-term, aid-centred compensation policy was to be replaced and an independent non-profit organisation was to manage and implement the projects. However, it remained to be seen who would be able to participate, and how.

Resettlement of Fuerabamba's farming community

If the copper-mining project at Las Bambas is to be realised, the small-scale farming community of Fuerabamba located in the middle of the proposed extraction area will have to be resettled. At the beginning of 2010, the community agreed a resettlement contract with Xstrata. However, negotiations between the corporation and the small-scale farming communities had taken place bilaterally; the Provincial Farmer's Federation[206] was not admitted to negotiations on behalf of the smallholders. One of several items in the contract stipulates that the new village of Fuerabamba is to be built near the mine. However, plots of agricultural and pasture land are scattered and up to three hours' drive from the village. In the meantime, new concrete multi-storey houses have been built close together. They contrast starkly to the traditional one or two-storey adobe houses surrounded by an area of land where animals shelter at night. Moreover, the new homes were built on top of fresh backfill, much of which is still settling, a process that may cause cracks to appear in the walls. Time will tell whether families slated for resettlement will actually in.

Increasing costs of living, job scarcity

In Challhuahuacho, the district capital and centre of the mining activity, the cost of living had already quadrupled during the exploration and construction phases of the. The miners and mining staff increased demand for accommodation, food and additional services; their wages put more money than ever before into circulation. The demand has benefitted hotel, restaurant and launderette owners; many entrepreneurs have moved into the area. The former farming village has metamorphosed into a town with four-storey houses, taxi and bus traffic and a fragile infrastructure. The men and women in nearby farming communities find themselves at a disadvantage because they are unable to afford the high prices.

Job creation has been one of the principal demands made by the local population In 2004, Peru's then president Alejandro Toledo promised to create 10,000 jobs in Las Bambas. During the construction phase, which was ongoing at the time the German version of this book went to press, a mere 1,200 jobs remained for locals; the number was expected to drop to just 450 once operations had started. In other words, local workers will get only a third of all the newly-created jobs. There have been repeated allegations that it was easier for applicants from outside the region to get even these jobs, further disadvantaging the resident population. Increasing costs of living and lack of employment opportunities have led to repeated protest rallies by the local population.

Lack of consultation with host mining populations

Despite the fact that, in 1993, Peru had signed ILO Convention No. 169, the International Labour Organisation's Indigenous and Tribal Peoples Convention, the concession for the investigation phase of Las Bambas was issued in 2004 without prior consultation with the population. According to Article 7, the

> peoples concerned shall have the right to decide their own priorities for the process of development as it affects their lives, beliefs, institutions and spiritual well-being and the lands they occupy or otherwise use, and to exercise control, to the extent possible, over their own economic, social and cultural development. In addition, they shall

> participate in the formulation, implementation and evaluation of plans and programmes for national and regional development which may affect them directly.[207]

Moreover, the United Nations (UN) Declaration on the Rights of Indigenous Peoples adopted in 2007 notes that,

> States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.[208]

Between 2009 and 2010, various information events were held, in particular along the projected tracé of the pipeline and the new road from Las Bambas to Espinar. Although the locals speak Quechua, information was translated into this language only at the largest events, while most other meetings were held in Spanish. Students from the Xstrata-supported Technical College participated several times; they were all given free transport and a day off school. More than 5,000 people are thought to have taken part in the public consultation. Adversely affected people suspected that, apart from informing the population, the events were primarily intended to lend greater legitimacy to the project.

Information or manipulation?

At these events, a corporation representative presented detailed, in-depth information about Xstrata and about the projects which the corporation and the 'Convenio Marco' community fund were planning to implement. The Environmental Impact Assessment was only referred to in a few words. Participants reported that some of the information given at those events was imprecise, biased or trivialising.[209] The Xstrata representative explained, for instance, that the enormous amounts of water required by Las Bambas would have no negative impact on people, agriculture or animal husbandry as the water for the mining operation would be pumped from the river into a reservoir during the rainy season. He also claimed that the mine would cause no environmental damage. In the context of possibe negative effects of the project, compulsory purchase legislation was mentioned just once. It is doubtful whether many participants grasped the fact that, if they resisted, they could be forced to sell their land at a minimum price. Despite this, none had the courage to ask for more information. According to some participants, nothing was said about the major social changes in store for the region, nor about the increasing cost of living and its impact on an already impoverished population. Instead, Xstrata emphasised the advantages for the community, reciting a long list of projects that the corporation would implement under the heading of 'sustainable development'. When questioned about any risks in relation to the mining project, Xstrata mentioned the financial risk taken by the corporation. From its perspective, no other risks seem to exist. Other fairly critical questions remained unanswered.

Instead, the corporation has made its presence felt all over the region, be that in the form of prominently branded promotional items such as rucksacks for adults and children, baseball caps and jackets with or without sleeves, or by including the company logo on placards, by means of its employees participating in cultural activities, and by broadcasting its programmes, some of them in Quechua, on its own radio station. The message is clear: Glencore Xstrata is here to stay.

Land sale/purchase and mismatched negotiating partners

Not only for its open-cast copper mine but also for its installations, access roads and the pipeline to Espinar, Glencore Xstrata has demanded land which is either in the joint possession of farming communities or belongs to individual owners. In general, Xstrata conducts bilateral deals. The mismatch between negotiating partners is enormous and has led to conflicts because the farmers, their families and communities have little, if any, experience in dealing with mone, let alone selling land; it is usually only after completion that many of them realise what ridiculously low sums they have been paid.

Northern Argentina – roadblocks against the mine

In northern Argentina, the earliest community protest rallies were held shortly after the La Alumbrera mine came into operation in 1997 (see box p. 45). According to the protesters, the mine employed very few if any local workers and the promised economic upturn had not materialised. Catamarca, one of the poorest provinces in the country, has a high rate of unemployment. When evidence of environmental damage from the mine emerged (see section, 'Environmental Conflicts', pp. 38ff), the resistance began to focus on this issue and neighbourhood assemblies raised objections to open-cast mining in general and the Agua Rica project in particular.

At the end of 2009, the El Algarrobo Neighbourhood Assembly erected a 'selective roadblock' aimed only at vehicles of the corporation and its partners, on one of the access roads to the Agua Rica construction site. In February 2010, the police cleared the peaceful sit-in blockade with brute force, prompting what can only be called a mass uprising in the nearby town of Andalgalá. Many of the locals openly expressed their opposition to the mining corporation and responsible authorities. The latter brought trumped-up charges against known activists. However, at the time the German version of this book went to press, the roadblock had been reinstated and was still in existence; further roadblocks had also been erected.

Mining opponents face anti-terror law and gangs of thugs

At the beginning of 2012, the neighbourhood assemblies blocked all the access roads to the La Alumbrera mine in various localities. Before the police forcefully cleared several blockades, the mine was temporarily cut off from its supply of explosives, chemicals and other production materials. It was in Santa María that the police resorted for the first time to new anti-terror legislation, which defines as terrorism any protests directed against national economic interests, imposing strict penalties on anyone involved and granting special powers to the security services.

For some time, gangs of thugs trying to intimidate protesters have shown up at blockades and protest rallies held by mining opponents. These 'pro-mining demonstrators' have described themselves as unemployed or as workers employed by the mine and its subcontractors. In February 2012, one such gang, evidently tolerated by the police, put up a roadblock and for a week prevented 'undesirable' people, especially journalists and human rights observers, from travelling to Andalgalá.[210] Witnesses also reported that, among the people targeted and stopped by the gang, were environmentalists and anyone looking like a 'hippie'.[211]

Almost at the same time, it became known that the Constabulary had been operating a clandestine programme called *Proyecto X* to infiltrate and monitor environmental and other social movements.[212] Meanwhile, the media were making increasing use of the term 'eco-terrorism', notably in reference to a non-violent movement.

At the time the German version of this book went to press, several roadblocks were in place in addition to the one in Andalgalá. The roadblock of *Ruta* or Route 40 near Tinogasta was of particular significance at it was forcing heavy lorries travelling to and from the harbour terminals in Chile to take a much longer diversion route through the northern province of Jujuy.

The Philippine – mining project has divided a population and brought militarisation

In the Philippines, a project by Saggitarius Mines Inc. (SMI), a company chiefly controlled by Glencore Xstrata (see box p. 48), concerns the creation of an open-cast copper-gold mine at Tampakan on the southern island of Mindanao. A large part of the mine would come to occupy land belonging to the indigenous communities of the B'laan, who stand to suffer particularly severe impacts from the mine. Before its wealth in natural resources was discovered, the isolated region with a precarious economy had seen very little state investment. The mining project would destroy the natural and human habitat of some 5,000 people, who would need to be resettled. These indigenous communities would lose not only their land but also their hunting grounds and places where they hold sacred ceremonies and bury their dead. It would also destroy a rainforest area of great significance not only in terms of biodiversity but also of central significance to the indigenous B'laan, who view the land and forest as their source of physical and spiritual sustenance. The B'laan mainly plant corn and vegetables; they not only use the forest to obtain other foodstuffs, but also ingredients for their medicines. At the time the German version of this book went to press, it was unclear how the settlements would be organised and what kind of compensation the people would receive for their loss.

Those affected given scant information

Building the mining infrastructure and the mining operations as such would constitute a major disruption of the very foundations and way of life of the affected and largely powerless population. A Human Rights Impact Assessment (HRIA) on the Tampakan Project published in June 2013 found that the Tampakan mining project would put the 'human rights to self-determination of indigenous peoples, to food, [clothing, housing,] water, health, life and physical integrity [...] at stake.[213]

As indigenous people, the B'laan have a right to 'free, prior and informed consent'.[214] In other words, they are entitled to exert prior agreement or rejection of anything that is likely to threaten their specific way of life. According to the HRIA, however, the consultation process did not comply with these international standards. The indigenous population had insufficient knowledge and their inclusion in the decision-making process was inadequate.

Not least due to this lack of information, their communities have been divided in how they view the mine. Some have welcomed investments in the region and are hoping that the area will be developed and jobs created, a hope that has also been fed by the fact that the corporation would bring some infrastructure to the previously neglected region in the form of infirmaries or schools (see section, 'The giant corporation's power and influence', pp. 63ff). Other communities, however, are opposed to an open-cast mining project that would force them to resettle and that would destroy their environment.Militarisation and violence associated with the mining project

The divisions and conflicts that have arisen as a result of the mining project have only been exacerbated by acts of violence and by the area's militarisation for the protection of the project. Attacks on Sagittarius Mines Inc. (SMI) facilities by a communist guerrilla organisation, theNew People's Army (NPA), and killings of SMI staff by armed indigenous people provoked a transfer of Philippine Army troops to the region, which has further heightened tensions. State forces have used the presence of guerrillas as a pretext for branding mining opponents as NPA sympathisers. In the Philippines, such labelling has led to numerous killings or 'disappearings' of mining opponents.[215]

To protect investment in the region, primarily the Tampakan mining project, three of the four municipal authorities involved created an armed task force (KITACO). It is headed up by the army and consisting of both army units and paramilitary troops (Citizens Armed Forces Geographical Units, CAFGU). Both KITACO and CAFGU are co-funded by mining company SMI.

By the time the German version of this book went to press, at least 15 people, both opponents and SMI employess, had been killed in armed conflicts associated with this mining project. In the host area of the Tampakan mine project, each new act of violence greatly exacerbates an already volatile situation. Given the involvement of numerous armed factions with very diverse interests, the risk of further armed conflicts remains high.

While the communities in favour of the mining project have benefitted from a degree of support by the mining company, the central Philippine government as well as armed state and paramilitary forces, the communities opposed to the project have chiefly relied on the support of the Catholic Church and a network of Philippine non-governmental organisations. The Social Action Secretariat (SAS) of the Marbel diocese has coordinated non-violent resistance to the project, supported by the Tampakan Forum, an association of civil-society organisations. Apart from assemblies and demonstrations, in June 2013, the Secretariat also launched a petition demanding that the mining project be scrapped. 170,000 signatures were submitted to the president of the Philippines; by end July 2013 an on-line petition had received 6,000 signatures.[216]

The giant corporation's power and influence

At the time the German version of this book went to press, Glencore Xstrata's turnover amounted to some CHF 236 billion (around USD 265 billion).[217] *This constituted an economic power that vastly exceeded that of most extracting countries. In Peru, the corporation's turnover was around a quarter greater than the country's own economic performance while, in countries such as Bolivia or Congo, turnover was between almost eight to sixteen times higher. Moreover, as most of these countries largely depend on the export of natural resources for their revenues, Glencore Xstrata investments present the prospect of urgently required jobs. In some areas, the corporation's royalties have made a considerable contribution to public finances. In these circumstances, it is difficult for governments and state authorities to extract themselves from the corporate giant's power and influence. In Colombia, there has been criticism of El Cerrejón's dependency on regional authorities. In Argentina, the Prosecutor General, Antonio Gustavo Gómez, noted that Xstrata subsidiary Minera Alumbrera had been enjoying extensive impunity for environmental crimes.*[218]

In several areas of extraction, Glencore Xstrata has funded 'aid' or 'development' projects for local communities. In poor regions, where the government is practically absent, the corporation has assumed government responsibilities, by building schools, for instance. At the same time, however, such activities are intimately related to its extraction activities and may be terminated as and when a mine is closed. Glencore Xstrata presents itself as a 'benefactor', cultivating a positive image among its host mining communities and vis-a-vis its investors. However, by treating some of the local communities differently from others, the corporation has driven a wedge between them. In several extraction regions, it has become practically impossible to avoid the corporation. Its own radio station, 'development projects' and branded promotional items have made it omnipresent. It has also set up what amounts to para-state structures. This has become particularly evident in Peru, where the corporation has signed contracts with state police that have turned the force into its henchmen. Xstrata has funded travel costs and training courses for the police in Lima as well as some of their equipmen. In return, very much like any private security firm, the police has been carrying out security duties to protect the corporation's facilities in Espinar. In May 2012, police officers brutally crushed local protests against the Xstrata copper mine; witnesses reported that the mining camp served as a prison.

Likewise, the corporation has assumed government duties in the extremely poor region of Tampakan in the Philipines, where it has also become evident just how extreme the power gap is between the corporation and the local indigenous population. Local communities also lack sufficient information about the impact of the mining project on their lives and on their environment. Schools and health facilities funded by the corporation have clearly created dependencies. Under these circumstances, there is no such thing as 'free, prior and informed consent' stipulated by international conventions.

In Bolivia, the corporation has obstructed government efforts to keep a larger portion of mining royalties in the country for investment in social programmes. Attempting to pursue its own interests, it has exterted pressure, not only blocking the sale of tin but also threatening to make compensation claims against the Bolivian state for 'expropriation'.

Colombia – 'The authorities are drip-fed by the corporation'

In Colombia, Glencore Xstrata claims to have promoted the local economy and to have supported social projects. Coal extraction and export are indeed of major economic significance to Colombia, both in terms of taxes and royalties as well as export quota of coal and foreign-exchange revenues: in 2012, the El Cerrjón Consortium paid USD 373 million in royalties and generated foreign-exchange revenues of just under USD 3 billion. In northern Colombia's La Guajira Department, El Cerrejón accounted for 51% of the economic output. According to its 2011 Sustainability Report, Glencore subsidiary Prodeco 'paid local suppliers' in the Cesar Department over USD 460 million for 'products and services'; it also paid just under USD 115 million in royalties and over USD 100 million 'in taxes and other government compensations'.[219] These contributions to the public purse have turned Glencore Xstrata into a stakeholder that is impossible to ignore.

Both the El Cerrjón Consortium and Prodeco Group also operate various foundations intended to benefit the local population, for instance in terms of drinking-water supply, the promotion of micro-enterprises, transparent governance and social development of indigenous communities. The mining consortium claims to have invested over USD 13 million in social programmes for culture, education, health and sports.[220]

Various social stakeholders, including communities slated for resettlement, non-governmental organisations as well as local politicians, have complained that the influence of the El Cerrejón Consortium over La Guajira has become too great and that the department has grown financially dependent on a company that pushes its interests through at the expense of departmental and municipal authorities. As health-care and local environment authorities have also become dependent on funding, doctors have reportedly been reluctant to identify the mines as the true cause of ailments. Nor has the Consortium's environmental monitoring been verified. Moreover, complaints have been voiced that communities ill-disposed to the mine and communities due to be resettled have drawn little benefit, if any, from the Consortium's foundations and social projects.

Locals have remained poor

Even if benefits to the extraction areas could be expected from royalties and 'social investments' by the corporation, unmet basic necessities in the two mining regions in El Cesar and La Guajira are disproportionately high. Despite promises to the contrary, twenty to thirty years of mining have not brought sustainable development, nor has any development been far-reaching.

A study by Colombia's Comptroller General published in early 2014[221] found that areas of coal and oil extraction had received the largest proportion of royalties over the years. However, the local population's comparatively poorer quality of life had become entrenched and was lagging behind many other areas. In the coal-mining departments of El Cesar and La Guajira, the study found a proportion of poor residents of 91% and 89%, respectively, as against 43% in areas where no natural resources were being exploited. Equally shocking figures came to light in the health-care sector. Whereas average child mortality in non-mining communities for 2011 was 12‰, that is 12 deaths per 1,000 live births, in the departments of La Guajira and El Cesar, the rate was 34‰ and 33‰ respectively. In terms of general quality of life, areas without exploitation of raw materials showed the best results, closely followed by oil-extraction areas. Gold and nickel-extracting areas fared less well, and the coal-mining regions did worse even than coca-growing areas.[222]

At the time the German original of this book went to press, the community of La Jagua de Ibirico in the Cesar Department still had no mains supply of safe drinking water, electricity supply was unsafe or unreliable, schools and health services were inadequate. Moreover, mining activities had exacerbated poverty and social problems such as prostitution, including that of children and minors (see section, 'Social Conflicts', p. 52ff). Four of La Jagua's former mayors were wanted by the court or had been jailed for corruption, embezzlement or for collaborating with illegal armed groups.[223] Residents of La Jagua bemoaned the fact that Glencore subsidiary Prodeco had made too few social investments and that the quality of its projects was poor, for instance by merely repainting school buildings, yet creating the impression that Glencore had built the school.[224]

Peru – police at the service of the mining corporation

In Peru's Andean province of Espinar, Glencore Xstrata has manoeuvred itself into a powerful position vis-a-vis state institutions insofar as its subsidiary, Xstrata Tintaya, has set up a clever, highly visible 'development' system. At the time the German version of this book went to press, it was practically impossible in Espinar to avoid the mining giant (see section, 'Social Conflicts', pp. 52ff). By contrast, opponents to the mine have often been publicly vilified; in the aftermath of large-scale protests held by locals, serious legal charges were brought against several mining opponents.

In 2000, Xstrata Tintaya concluded a contract with the state police force, whose services it secured for an attractive fee. This has rendered the police financially dependent on and beholden to protect the interests of the private corporation. The concern has been voiced on several occasions that the multinational has transformed members of the police force into its own mercenaries who intimidate and even displace villagers refusing to leave their land.[225] Any such contracts subvert the security forces' duty of neutrality.

On the whole, the question must be raised as to whether, in view of the significant dependence of state institutions on the corporation, there is still scope for independent, democratic processes or whether, on the contrary, they have been subverted, creating neo-feudal relationships.

Mining camp becomes a prison

Just how the corporation and the police actually collaborate became evident during widespread popular uprisings against Xstrata Tintaya in May 2012, when some 2,000 police officers took up their positions outside the entrance area to the Xstrata Tintaya copper mine. Several days of protest rallies brought serious clashes. The police not only used batons, tear gas and rubber bullets against the protesters, but live ammunition as well, killing three demonstrators. More than one hundred people, including protesters and police officers, were injured.

During the violent clashes, the mining camp was converted into a prison where 23 protesters were held without an arrest warrant. Those held included three women, an adolescent and several human-rights activists. Reports of abuse and torture were made public. The government declared a state of emergency in the province and increased the presence of the armed forces. The Mayor of Espinar, who is opposed to mining, was accused of promoting terrorism. He and other mining opponents and human-rights activists were arrested and accused of offences unrelated to their protest and commitment. At the time the German version of this book went to press, the Mayor faced nine charges, which included representing a threat to public security, breach of the peace and production or possession of offensive articles, e.g. Molotov cocktails.[226]

The Xstrata Tintaya top management subsequently denied any responsibility for the human-rights violations and attempts to criminalise its opponents. Xstrata Peru responded to a letter of protest from MultiWatch in June 2012, writing that the mining camp had never served as an illegal prison, denying statements by those involved which had been corroborated by neutral human rights defenders. Questions regarding the identity of those responsible for the police operation and for giving the firing order were never asked in public.

One year after the events of May 2012, charges were brought against 46 residents of Espinar, including mining opponents who for years had campaigned to improve local living conditions. At the time the German version of this book went to press, an investigation into Xstrata

Tintaya's responsibility was pending, as was an investigation to identify those who fired the shots during the police operation.
As has been described in the section, 'Social Conflicts' (pp. 52ff), in the latter part of 2011, the technical office contracted to implement the 'development projects' under the framework agreement had noted that a team of Xstrata Tintaya experts were corrupting society by deliberately destabilising regional social organisations.[227]

Opponents to mining put under pressure, threatened and sabotaged at Las Bambas
In the area of the Las Bambas mining project, it can be no coincidence that Xstrata targeted people for recruitment who had been brought in on an exchange trip organised by non-governmental organisations, including some that had criticised the mining industry. It has also been noted that, on several occasions, the corporation held teacher training events on exactly the same day as a local non-governmental organisation. Those affected assume that the intention has been to repress mining opponents, thereby pushing the population into even greater dependency on the corporation.
Moreover, entire communities and large families were told that they would be unable to benefit from Xstrata if they continued to work with a non-governmental organisation that has supplied information and provided support on mining issues. Also, ther have been acts of sabotage and tampering with vehicles belonging to organisations critical of the mining industry.[228] Although formal complaints were lodged at the time, the police were unable to identify those responsible. At the time the German version of this book went to press, Xstrata had not distanced itself publicly from any actions of this kind.

A mining project as a development project?
In order to obtain the local population's approval of the mine and to deflate any criticism, Xstrata carried out a whole range of social 'development' projects in the region, claiming to have invested the vast sum of around USD 22 million between 2004 and 2009, and as much as USD 50 million by 2011. According to the corporation's Sustainable Development Report for 2005-2011, it not only carried out road improvements, which predominantly benefitted its own operations, but also projects including the construction of a health centre**,** classrooms and latrines as well as continuing teacher training. Xstrata seems to be unconcerned by the fact that its reported investments are far below USD 50million; nor does it seem to be concerned about whether they actually achieve the stated sustainability objectives.[229] At the time the German version of this book went to press, the extent to which host mining communities and their authorities had been consulted remained most uncertain. Contrary to ILO Convention No. 169 (see section, 'Peru – divided communities, pp. 66f), it was also unclear what projects had been implemented at which site. Complaints have repeatedly been voiced that only those of the directly affected communities who were willing to cooperate with Xstrata had received support. As in Espinar, there is a risk of further deterioration of the communities' already weak democratic structures and of parallel structures arising with Xstrata primarily in charge.

Interests shared by the government and the corporation
Las Bambas also reveals the close alignment of interests between the Peruvian government and the mining corporation. The purpose of extracting and producing available natural resources is to bring profits to the corporation and to generate revenues for the government. The police force serves both parties, as documented by contracts between the police and mining corporations, including Xstrata. This is the only explanation for the swift police intervention during the Farmers' Association strike in Challhuahuacho in May 2011. Protesters had been demanding talks with the General Manager of Las Bambas. When only his deputy appeared, they held him

for several hours. The police subsequently responded with great force. The clash claimed fifteen casualties, four of whom had gunshot wounds.

Argentina – 'social pollution'

In Argentina, Glencore Xstrata subsidiaries have achieved a strong presence through their sponsorship agreements. Numerous institutions, clubs, local media and non-governmental organisations have received funding or have benefitted from their training programmes. Sponsorship is presented in the guise of 'information campaigns' or 'social entrepreneurship'. Opponents see this as an attempt to obtain social approval; they fear widespread corruption and divided communities. Argentina's Prosecutor General, Antonio Gustavo Gómez, has called the phenomenon 'social pollution'.[230] Of particular interest has been the funding of universities through a Fund held by the University of Tucumán, joint-owner of YMAD, the owner of the extraction rights for La Alumbrera. The Fund has supported all the important universities in the country. In the aftermath of student protests, however, several universities including the University of Córdoba, refused to accept the funding.

The Philippines – the corporation presents itself as a benefactor

The vast power gap between a mining company backed by one of the world's largest raw-material corporations and poorly educated indigenous communities who live in extreme material poverty has also become evident in the context of the copper-gold mining project in the region of Tampakan in the Philippines.

Sagittarius Mines Inc. (SMI), a company largely controlled by Glencore Xstrata, has been in possession of all the information. Meanwhile, the indigenous communities have had only very patchy information about the mining project and its impact. The Philippine's National Commission on Indigenous Peoples (NCIP) was expected to redress this information imbalance; in fact, this has rarely been the case. To make matters worse, negotiations between these unequal partners, their agreements, contracts, feasibility and impact assessments have been conducted and drawn up in a format whose logic and formality make them all but incomprehensible and unintelligible to the weaker party. In both material and immaterial terms, the mining corporation's resources are immeasurably greater than those of the affected indigenous communities.

In the Tampakan region, SMI has also funded and organised various social projects, predominantly in health-care and education, which will benefit the affected communities. According to a Financial and Technical Assistance Agreement (FTAA) between the corporation and the Philippine government, the corporation is obliged to contribute to the development of directly affected villages and host mining communities. As a result of this agreement, SMI has been providing services which should be delivered by the government.[231]

Social programmes lead to dependency

In view of their poverty and a virtually absent state, local populations have welcomed SMI's social programmes. As schools and health centres are built, school runs are provided and health workshops are being organised, people's right to education and health is becoming a reality for the first time. The services are not being provided by the state, however, but by a private corporation. There are time constraints on its social projects, which are dependent to the mine going into operation. According to SMI, funding will stop one year after termination of its activities.

By the time the German version of this book went to press, the Philippine government had made no efforts to meet its social obligations in remote and peripheral parts of the country. There is a very real risk that indigenous host mining populations will lose access to education and healthcare as and when the corporation pulls out. It is evident, therefore, that the people are slipping into a dependency that also affects their attitude towards the mining project. In other words, as they cannot make free and unbiased decisions, the right to consultation of indigenous peoples as set out in Convention No. 169 of the International Labour Organisation (ILO)[232] is not guaranteed (see also section, 'Social Conflicts', pp. 52ff).

Bolivia – pressure and threat of legal action in the interests of the corporation

Bolivia is a clear example of Glencore's attempts to use pressure to assert its interests and to thwart government efforts to keep a greater portion of the proceeds from the mining industry in the country. When the corporation acquired COMSUR, it became the Andean country's largest miner and a major stakeholder in its affairs. COMSUR was previously owned by former president Sánchez de Lozada, who was mainly responsible for implementing neo-liberal policies in the mid-1990s. As in all of Latin America, these policies had a dramatic impact on the local economy, not least because entire production chains in strategically important sectors were transferred to transnational corporations, further consolidating the country's role as an exporter of natural resources, especially in the energy and mining sectors.

Since 2006, the Bolivian government has made various attempts to return natural resources and their exploitation under state control, attempts that have also affected Glencore. In 2007, the Vinto smelter controlled by Glencore subsidiary Sinchi Wayra was nationalised. The government argued that there had been irregularities in Glencore's acquisition process. In 1999 the previously state-owned operation had been valued at USD 140 million. However, in view of the impending privatisation, the government approved the valuation by Bank BNP Paribas of USD 14.7 million. Allied Deals, a British-Indian enterprise, paid the lower price to the Bolivian government without taking into account the additional value of existing mineral stores of USD 15.5 million. When Allied Deals went bankrupt in 2002 – in the U.S. And Great Britain, three company directors were eventually convicted of 'conspiracy to defraud'[233] – former president Gonzalo Sánchez de Lozada's mining enterprise COMSUR purchased the Vinto shares for USD 6 million. The re-sale constituted a breach of the privatisation contract for failing to comply with the specified three-year moratorium. After his overthrow as president in 2003, Sánchez de Lozada sold COMSUR to Glencore in 2005.[234]

Immediately after the Vinto smelter was nationalised, Glencore threatened the Bolivian government that it would take to the World Bank's International Centre for Settlement of Investment Disputes (ICSID) what it considered to be a breach of the Swiss-Bolivian Investment Protection Agreement, an agreement not recognised by the Bolivian government. Glencore also initially hampered the sale of tin. As the Bolivian government revealed publicly, the multinational corporation had warned potential buyers that, because it belonged to Glencore, tin from Vinto might be confiscated.[235]

In 2010, the Bolivian government nationalised one of Glencore's antimony smelters on the grounds that it had been practically abandoned by the corporation and that the country needed the smelter to be in active operation. In June 2012, the Colquiri tin and zinc mine was also re-nationalised. This was part of a resolution deal following a heated dispute between Sinchi Wayra workers and members of a prospectors' cooperative, which had led to the death of one of the workers. Previously, Sinchi Wayra had agreed to release several mine seams to cooperative. Fearing for their jobs, the mine workers had resisted.[236] According to the dispute resolution agreement, the state mining Corporación Minera de Bolivia, COMIBOL, became responsible for managing the mining centre and for the allocation of mining seams to members of the cooperative. Glencore 'strongly' opposed 'the action taken by the Government of Bolivia', reserving 'its rights to seek fair compensation pursuant to all available domestic and international remedies', further pointing out that it had 'invested over $250 million in the Bolivian mining industry and wider economy.'[237]

Subsequent negotiations between the government and the multinational corporation resulted in a new contract of association for the exploitation of additional mines, which gave the state a 55% stake in the exploitation of the Bolívar zinc mine and the Porco tin, lead and zinc mine, while the newly-founded Glencore subsidiary, Illapa S.A. held a 45% stake. In July 2013, legislaton was passed setting out the relationship between the Bolivian Mining Corporation,[238] and Glencore over a renewable term of 15 years. The corporation undertook to invest USD 104 million in the exploration, extraction, processing and marketing of mineral concentrates from both mines. A resolution confirming the contract noted that Glencore subsidiary Sinchi Wayra would be obliged to pay USD 5 million to COMIBOL in compensation for having delayed negotiations.[239]

Even if taxes are increased, multinational corporations still profit from mining

To this day, the people of Bolivia have scarcely benefitted from the wholesale exploitation of their country's immense natural resources. In the context of the mining activities of large corporations, there have been numerous labour disputes as well as social and environmental conflicts. Moreover, between 2006 and 2010, the Bolivian government only received 8% on mineral exports.[240] In 2009, mineral raw materials of an estimated value of USD 1,871 million were exported, of which USD 104m remained in the country as duties and taxes; in 2010, of USD 1,400 million, USD 290m remained; and in 2011 USD 420m from USD 3.500 million.

Although the taxes and duties levied on raw materials have invested in social government projects, the proportion remaining in the country relative to export figures continues to be very low. At the time the German version of this book went to press Glencore Xstrata had not withdrawn from Bolivia despite its threats in response to nationalisation. Bolivia's mines remain lucrative for Glencore Xstrata – as they do for other mining corporations.

Glencore in Bolivia

In 2005, Glencore acquired the mining company COMSUR from Gonzalo Sánchez de Lozada, the former president. The company, which subsequently changed its name to Sinchi Wayra, owned various subcontractors and mines including Bolívar, Porco, Colquiri, Poopó, Caballo Blanco and Vinto. Some of these mines extract tin and zinc as well as lead and silver.

In the years 2007-2012, the Bolivian government under President Evo Morales nationalised Glencore subsidiary Sinchi Wayra's subcontractors including the Vinto tin smelter (2007), the small antimonium smelter, Vinto-Antimonio (2010) and the tin and zinc mine of Colquiri (2012).

Since 2003, the Bolivian government has held a 55% stake in the production of the mines of Porco and Bolívar previously exploited by Sinchi Wayra, while 45% have been held by Glencore subsidiary Illapa S.A. Annual production at the Porco mine in the Potosí Department is 205,000 tonnes of zinc, 15,000 tonnes of lead and 6,000 tonnes of tin. In 2010, the mine made a profit of USD 78.6 million. The Bolívar mine mainly produces zinc and, to a smaller extent, lead and silver. In 2010, it made a profit of USD 55 million.

How the corporation avoids tax

The raw materials giant Glencore Xstrata has used both its complex global corporate structure as well as legal loopholes to avoid tax. Nor is the corporation alone in this. A study by the Center for Global Development (CDG) has found that Switzerland, a leading hub for the global trade in natural resources and raw materials, has caused exporting countries annual losses estimated at USD 8 billion.[241]

The most common mechanism in this context is so-called 'transfer pricing', i.e. trade between two related companies, or subsidiaries of the same company, at prices that deviate from market prices. As a rule, primary products or machinery, for instance, are valued at a low price at the point of export while excessive values are declared at the point of import, resulting in a smaller profit or even in a loss. A corporation may therefore pay little if any tax in the extracting or producing countries, which therefore lose exorbitant sums of revenue. Examples from Zambia, the Democratic Republic of Congo and Peru have shown that Glencore Xstrata only allowed the market to 'play' once the raw materials were sold on to third parties – from a tax haven such as Switzerland, for example, where virtually no tax had fallen due, at least until the time the German version of this book went to press.

In Colombia, moreover, Glencore avoided paying royalties by dividing up its operations between affiliates that remained below a critical size, enabling the corporation as a whole to reduce its royalties by half. Again, the government lost vast sums of revenue.

In Argentina, an Xstrata subsidiary was being investigated for having channelled raw materials past the tax authorities by making incomplete tax declarations, i.e. by 'omitting' to declare rare earths in exported concentrates valued at an estimated 8 billion US dollars per year.

Accusations of tax avoidance and evasion have not only been voiced in southern-hemisphere countries. Italy's fraud squad was investigating Glencore Xstrata for depriving the government an estimated EUR 120 million due to transfer pricing between Glencore and its metal processing plant at Portovesme in Sardinia. Switzerland, the corporation also met with criticism when it emerged that it had not paid a single Swiss franc in tax since 2011 due to restructuring and write-offs.[242]

Measured against its company profits, Glencore Xstrata has been paying extremely low amounts of tax and royalties to its often poor host countries. By contrast, it has benefitted from a host of perks and has made full use of any tax deductions. In Colombia, the state comptroller found that its revenue and customs authority had made a net loss as the mining corporation's deductions were greater than the income tax it was paying to the country.[243]

Colombia – the state loses out

In Colombia, a report published in May 2013 by the Comptroller General noted that,

> the tax system in Colombia is characterized by its intricate complexity and precarious demands to companies to submit detailed information on their tax returns, with a consequent lack of transparency. There is also a wide range of deductions, rebates and exemptions to income tax under the current tax legislation in the country.

According to data published in the report, Colombia's 'tax expenditure due to deductions granted to the mining and hydrocarbons industry was 203%' in the period of 2005-2010. This means that, 'for every 100 pesos actually paid for this concept, mining companies were entitled to discounts which ended up as losses for the State of more than 200 pesos'. In the years leading to a 'mini tax reform' in 2011, the country had suffered losses exceeding 100% for coal production alone. The reform did reduce tax losses to 82% in this sector.

The Comptroller also reported tax evasion practices by mining companies such as 'under-invoicing transfer prices between associated companies', as for years coal had been exported at below market prices, and the failure to declare part of the production, proven by comparing the quantities of ore exported with the production levels declared by the mining authority. Failure to declare a part of the production royalties causes losses in royalties, as well as tax losses such as income tax and VAT.[244]

Artificial operational divisions aid tax evasion

Glencore Xstrata has also made savings through artificial operational divisions. In the Cesar Department, the corporation has been operating three subsidiaries, keeping each subsidiary's production below the annual tax threshold of three million tonnes. According to article 16 of Colombia's Law no. 141 of 1998, a mining company is liable to pay 5% in royalties if annual production amounts to less than three million tonnes. The rate is 10% for annual production exceeding three million tonnes. Although the three subsidiaries have been involved in one single mining operation and each has been controlled by Glencore Prodeco Group, the division has enabled each to negotiate individual royalty payments,[245] a ruse that is estimated to have cost the Colombian state almost one hundred million US dollars.[246]

Between 2005 and 2007, Glencore bought three stand-alone Colombian coal mines. Carbones de La Jagua (CdJ), Consorcio Minero Unido (CMU) and Carbones El Tesoro (CET) were subsequently amalgamated into one single extraction plan approved by Colombia's Ministry for Mining. The corporation also obtained one single environmental licence for the entire operation.

At the time the German version of this book went to press, there existed one single, integrated mining operation, albeit still formally divided into three subsidiaries, CdJ, CMU and CET, all registered at the same address and with broadly identical management structures. In 2012 Sintramienergética, the trade union, pointed out that CdJ covered the largest area by far (66.5%), but employed only about 400 workers, while CMU employed about 2,300 workers for a much smaller area (15%). By contrast, CET had neither machinery nor workers of its own. The union also noted that workers were habitually assigned to any of the three corporations as required and that their uniforms were almost identical as well. It was on the basis of these facts that the union in July 2012 requested clarification from the Ministry for Employment whether the La Jagua project concerned one single corporate unit.[247] On 26 February 2013, the Ministry for Employment confirmed that this was the case. Glencore appealed immediately against the finding. One single corporate unit would not only make trade union representation easier in each of the three subsidiaries, it would also allow the collective agreement to apply to them all.

On 27 January 2012, the Superintendency of Companies, *Superintendencia de Sociedades*, had already fined Glencore the equivalent of around USD 273,400[248] for neglecting to register its subsidiaries, CI Prodeco S.A., Carbones de La Jagua, Consorcio Minero Unido, Carbones El Tesoro and Sociedad Portuaria Puerto Nuevo, as a company group until the *Superintendencia* pointed it out. Strictly speaking, the fine related to Glencore's corporate 'umbrella', CI Dalima Holding SAS, registered in Bermuda. Essentially, there should be no doubht about the legal situation as Colombia's Law no. 222 of 1995 requires a company to be registered as a group of companies if it exerts controlling influence over another as a shareholder or as a marketer of its production.[249] Glencore appealed. Even if the corporation was to pay the fine, the amount would be disproportionate to the tax revenues which the Colombian state has lost due to the corporation's artificial operational structure.

Peru – exports of natural resources declared below their value

In Peru, Glencore has been accused of tax evasion. Mining unions and related organisations were convinced that Glencore's Peruvian subsidiaries had deprived the state of taxes by vastly under-reporting the value of exported metals.

On 8 March 2010, the union at the Glencore mine of Los Quenuales filed criminal proceedings for tax evasion against the company. In 2009, the corporation had reduced production at Yauliyacu, relocating permanent employees from another mine and dismissing hundreds of temporary workers from the plant. The corporation claimed that a drop in global market prices for zinc had reduced the profitability of the mines.[250] Careful analysis of the figures by the trade union revealed some astonishing facts: at Los Quenuales, operational income had fallen from USD 371 million in 2007 to USD 155 million in 2008, i.e. to just 42% of the previous year. In 2008, Los Quenuales achieved an average sales price of USD 250 per metric tonne of zinc; by the third quarter, the price had fallen to USD 160 per tonne. In the same year, Glencore subsidiary Perubar, however, declared an average sales price of USD 360 per metric tonne, i.e. 44% above that of Los Quenuales. The trade union accused Los Quenuales/Glencore not only of depriving its workers of their share of higher sales revenues, but also of defrauding the Peruvian State of tax revenues amounting to USD 66 million.[251]

Three months after filing the criminal complaint, the union withdrew it after coming to an agreement with the company that no mass redundancies would be made at Los Quenuales. The company subsequently withdrew from the Peruvian stock exchange in July 2010, thereby avoiding publication of its corporate data. The investigating authority officially stopped proceedings on 22 March 2011.[252]

Argentina – tax-free export of rare earths?

In the 1990s, Argentina passed a neo-liberal mining law whose very low royalty and tax rates as well as other deductions created excellent conditions for mining companies, including the Glencore Xstrata mine at La Alumbrera (see box p. 45). Taxation of exports has been based on self-declared figures; there is no monitoring of actual exports. At the time the German version of this book went to press, investigations were ongoing against La Alumbrera for tax evasion in addition to various legal proceedings for environmental pollution. One complaint filed in 2010 accused the corporation of not declaring exports of an estimated annual value of USD 8 billion by not disclosing traces of metal and rare earths in the exported metal concentrate. The Public Prosecutor of Tucumán, Antonio Gustavo Gómez, noted that up to 70% of imports into China from La Alumbrera were declared as 'ballast', adding that this fed suspicions of large-scale evasive transactions insofar as it was only in China that undeclared metals were extracted from the 'copper concentrate'.[253] In view of the fact that China has been in control of almost the entire global extraction of rare-earth minerals, these transactions look even more suspicious.

Zambia – scant profits from raw-material extraction

Glencore has also pursued a strategy of tax avoidance in Zambia, where it has benefitted from extremely company-friendly tax legislation. In order to attract investors, the Zambian government resorted to new tax policies following a wave of privatisations in 2000, according to which companies were allowed to carry losses forward for a period of up to twenty years. This means that companies can carry losses from the previous twenty years forward, reducing any future taxes due on profits.

Zambia also accommodated companies by granting a 100% tax exemption for cessions, releasing them from tax deducted at source and granting various exemptions regarding customs duties, on imported machinery, for instance, and sanctions for environmental damage. In 2011, the government did raise mining royalties from 3% to 6%. Glencore has been among the profiteers of these extensive incentives and concessions.

When in 2007 privatisation contracts between the Zambian government and the mining companies were made public by the Center for Trade Policy and Development (CTPD), it became clear that, for years to come, the country would benefit very little from its natural resources.[254] Admittedly, in 2008, national revenues rose due to increased productivity in the mining sector and due to increased taxes and royalties as well as limited options for write-offs.

However, until the time the German version of this book went to press, Zambia'smining revenues amounted to less than 10% of the national budget. Many think that the main reason for this is that mining companies have done everything they can to avoid paying tax.[255]
In 2008, the Zambian tax authority commissioned auditors Grant Thornton and Econ Pöyry to carry out a comprehensive investigation of Mopani Copper and other mining compaies active in the country. The auditors investigated reports for the tax years 2006/2007 and 2007/2008; a draft of their audit results was published in 2010.[256]

Mopani Copper Mines plc in Zambia
Following the privatisation of several state-owned mining enterprises in 2000, Mopani Copper Mines plc (Mopani) was created by a consortium consisting of Swiss natural-resources giant Glencore International AG, Canadian mining corporation First Quantum Minerals Ltd and Zambian Mining corporation Zambia Consolidated Copper Mines Ltd (ZCCM), which had purchased the two copper and cobalt mines at Mufulira and Nkana for USD 43 million.
Mopani is owned by Carlisa Investment Corp. registered in the British Virgin Islands. 81.2% of Carlisa is owned by Glencore Finance Ltd registered in Bermuda, of which Glencore International AG controls 100%; Skyblue Enterprise Inc., owned in full by [the above-mentioned] First Quantum Minerals Ltd., owns 18.8% of Carlisa. Since 2002, Glencore has held 73.1% Mopani shares through Carlisa, while First Quantum owns16.9%. Through Zambian Consolidated Copper Mines Ltd (ZCCM Ltd), the Zambian government owns 10% of Mopani.
Mufulira and Nkana are located in Zambia's Copperbelt Province, one of the world's most copper-rich regions; the actual copper belt extends into the Democratic Republic of Congo. Mopani's mines cover 19,000 hectares or over 73 square miles. One of Africa's largest mines is Nkana, which has four underground mines and one open-cast mine as well as a cobalt plant and a concentrator where copper is extracted from the rock. Mufulira has a mine, a concentrator, a smelter and a refinery.
With around 16,000 employees, Mopani Copper Mines plc constitutes Zambia's largest mining enterprise. It has made Zambia one of the world's largest producers of copper.[257]
After independence in 1964, Zambia saw a rapid improvement of its economy and social development. However, the country's export revenues collapsed due to the drop in the price of copper after the oil crisis of 1973. The country became dependent on loans by the IMF and the World Bank. Dependency and increasing debts forced Zambia to make extensive structural adjustments and to privatis numerous public facilities and institutions. The sale of previously nationalised mines to multinational companies marked the end of this wave of privatisation.

Inflated operating costs
The report showed that Zambia lost annual tax revenues of around USD 124 million due to Mopani's loss write-offs over the years,[258] due to Mopani's systematically under-reporting of its profits by overestimating its operating costs. The company provided inadequate information on production levels and shipped raw materials abroad at dumping prices. Mopani's operating and production costs were far higher than those of other mining companies active in Zambia, amounting to almost USD 805 million in 2007, or USD 381.2 million above the sum calculated by the auditors. Glencore International AG in Switzerland, Mopani's parent corporation and its principal buyer, not only imposed inflating shipping costs on Mopani but also bought its minerals at prices well below standard market prices set by the London Metal Exchange (LME). By contrast, Mopani's reported 'cobalt extraction [was] half of the extraction of other producers in the same area',[259] indicating that Mopani had not declared the true extent of its activities[260] and had been able to avoid paying tax in Zambia.

More than half of Zambia's copper has been traded via Switzerland. It is only from there that the metal has been sold on at market prices. Glencore has deliberately allowed the market 'to play' only as and when third-party buyers enter into the bargain. High profits therefore fall due at its tax 'efficient' Swiss head office in Baar near Zug. The strategy is in conflict with the Arm's Length Principle laid down in the OECD Guidelines for Multinational Enterprises, according to which all parties involved must pay the same price. From the OECD Guidelines, it follows that transfer prices should reflect market prices.[261] Otherwise, a company may sell its products within the group at transfer prices that are so low that no profits are recorded in the country of production, where the company therefore pays little or no tax.[262]

Democratic Republic of Congo – tax avoidance as a business model

In order to avoid taxes, the two Glencore subsidiaries in the Democratic Republic of Congo have used similar tactics to those of Mopani in Zambia. Although Kamoto Copper Company (KCC) and Mutanda Mining (MUMI) have officially paid license fees, dividends and duties on net sales, they have nevertheless used a great many loopholes in order to channel profits past DRC's treasury and into tax havens such as Switzerland. According to the non-governmental organisation, Global Financial Integrity, tax avoidance has been one of the main causesof capital flows out of Africa.[263] So, while Glencore is not the only company to have avoided tax, the Swiss corporation is among the sector's most intransparent companies.[264]

Although the two Glencore subsidiary companies in the Congo have committed to publishing their tax payments, they have continued to keep their business figures secret, which makes an audit of the tax payments difficult. The Extractive Industries Transparency Initiative (EITI) has identified serious discrepancies and omissions at both companies. Their reports on taxes paid, for example, are at odds with tax revenues reported by the treasury.[265]

Profits turn into losses

According to the EITI report,[266] while KCC had indeed paid proper duties and fees, it had greatly squeezed taxes on profits. The parent company Katanga Mining's business reports showed that KCC must have generated profits. In 2010, KML made a profit of USD 304.5 million and in 2011 a profit of around USD 110.6 million. KCC's annual financial statements from 2008 to 2011, however, continuously showed red figures, with losses in the nine-figure realm for 2010 and 2011. According to experts, these losses are unrealistic.[267] However, a lack of detailed data on profits made in individual countries has made verification of the statements very challenging. Reported losses appear to have occurred when services were rendered to third parties and through interest payments to other group subsidiaries, operations that enabled Glencore to artificially inflate KCC expenditures and show plausible, if unverifiable losses. They, in turn, enabled KCC to pay only the minimum one per-mille (1‰) in tax on turnover. What is more, KCC was not obliged to pay dividends to state-owned Gécamines If KCC had shown any profits, the tax would have amounted to 30%.

Evidence of endemic tax evasion also emerges from the fact that Glencore's second DRC subsidiary, MUMI, has also withheld dividends that should have been paid to the government. MUMI has also systematically understated its own production. According to investigations by relief agencies Swiss Catholic Lenten Fund and Bread for All, *in* 2010 and 2011 the DRC lost revenues amounting to USD 196 million. Glencore was also accused of exerting influence over the Gécamines management to enable it to shift profits. This is the only explanaction for the fact that state-owned Gécamines concealed the practice, waiving due dividends on its share of 25%.

Democratic Republic of Congo: Glencore in Katanga

Through its subsidiary companies Kamoto Copper Company (KCC) and Mutanda Mining (MUMI), Glencore has been in control of two of the most important mining companies in Katanga, a mining province in the south-east of the Democratic Republic of Congo (DRC). Katanga is the country's second-largest province and part of the so-called African copper belt. The region is assumed to contain more than a third of global cobalt deposits and 10% of the world's total copper reserves. There are also major deposits of uranium, cadmium, coltan, zinc, lead, gold and silver. However, even though the mining industry has turned Katanga into an economically significant region for the DRC, 70% of the roughly 9 million citizens live in poverty. Moreover, mining activities have also played a major role in many conflicts over the years.

In Katanga, Mutanda Mining has operated two open-cast mines and three processing plants. In 2012, the company produced 87,000 metric tonnes of copper and 9,000 metric tonnes of cobalt. Until 2011, Glencore held 40% of the shares in MUMI and was involved in its operational management. In July 2013, Kansuki Mining Operations, of which Glencore owns a 37.5% share, was amalgamated with MUMI. The addition of the Kansuki concession created a project for the extraction of copper and cobalt from an area of 18,500 hectares or 71.43 square miles. The merger increased Mutanda Mining's annual production capacity increased to 20,000 metric tonnes of copper and 23,000 tonnes of cobalt.

Katanga Mining Limited (KML) owns 75% of KCC; 25% are held by Gécamines, Congo's state-owned mining company. In turn, 74.4% of KML is owned by Glencore Xstrata, which therefore controls its subsidiary KCC and, hence, significant copper and cobalt deposits in an area exceeding 40sqkm or 15.44sqmi. Three extraction areas were in operation at the time the German version of this book went to press, i.e., the open-cast mines of KOV and T17 and the deep-mining operation at Kamoto. According to Glencore, three other mines, Mashamba Est, Tilwezembe and Kananga, were not being exploited. Through KML, Glencore Xstrata also controls a concentration and processing plant.

Glencore subsidiary KCC was striving to become Africa's largest copper and the world's largest cobalt producer by 2015. Through KML and MUMI, Glencore controls access to 60 million metric tonnes of copper. If Glencore Xstrata were to exploit the full potential of its mines, the corporation could become Africa's largest copper producer and, in Katanga, turn into a state within a state.

A giant in the agricultural market: Agrofuel trading and making profits from hunger

In past years, conflicts with workers and communities affected by Glencore Xstrata's extraction of raw materials have led to widespread public criticism. Although the corporation called Glencore until the merger of May 2013 has long occupied a significant position in the agricultural market and was still growing at the time the German version of this book went to press, its trade with food and agrofuels has received far less attention.[268] In fact, Glencore Xstrata was Europa's second-largest trader in agricultural resources at the time, holding a quarter of the global market for grain and rapeseed oil, a fifth of sunflower oil and a tenth of the wheat and soya oil markets.[269] It was also the world's largest exporter of Russian wheat and among the main grain exporters from the EU, the Ukraine, Kazakhstan, Argentina and Australia.

Glencore Xstrata not only deals in agricultural products, but also owns oil-pressing plants and grain mills, produces agrofuels in its own refineries. It owns vast storage and transport capacities including shipping terminals. Furthermore, by its own accounts, the corporation either owns or leases 300,000 hectares or 1,158 square miles of land in Russia, Ukraine, Australia, Argentina and Paraguay on which it produces an annual 700,000 metric tonnes of wheat, maize, barley, rapeseed, soya and sunflowers. Like its mineral business, Glencore Xstrata's agricultural business is vertically integrated, giving it considerable market power as it is in total control of the chain from cultivation to harvest, transport, storage, shipping, processing and packaging through to sale. As a result, the corporation has repeatedly been accused of manipulating prices and exerting undue political influence to increase its profits.

Glencore's food and agrofuel business has continued to increase: in 2010 operational profits in this segment more than doubled; in the first quarter of 2012, the sector increased by 103%. The corporation also makes the most of droughts and subsequent food scarcities. While price increases cause the spread of famines as millions of people can no longer afford to buy basic foodstuffs, companies dealing in agricultural products perceive such crises as 'good for business' as their sales are secure and they can drive up both prices and profits.

Corporations dominate agriculture

In the two decades prior to the time the German version of this book went to press, global agriculture had changed drastically. The seed trade is a clear reflection of the changes. Half of the global commercial seed market has come to be dominated by a small number of corporations. Most of them also produce pesticides and other agrochemicals and support the development of genetically modified seeds which goes hand in hand with the intensive use of these chemicals. Corporations have also increased their control of agricultural production. Industrial agricultural enterprises are involved in intensive livestock farming or in the production of cacao, coffee and fruit for large food companies, or in the production of grain and rice for large agricultural traders. In this form of 'corporate farming', a great number of agricultural producers are directly contracted to large corporations, but without being their actual employees. The corporations are not, therefore, responsible for labour conditions, nor do they have to respond to trade union demands.

In recent years, these corporations have also invested heavily in the purchase of land and in agricultural production. Giant corporations in the agricultural sector, such as Cargill, Bunge and Glencore Xstrata, have been at the forefront of this development.[270] The 2008 food and financial crises triggered a veritable wave of investments in food production and in fertile land. As the situation in southern Latin America illustrates, the emergence of new markets for agrofuels also contributed to a boom in land purchases, leading to increased pressure on small-scale farmers, to forced evictions and land concentration and to the expansion of monocultures as well as increased use of agrochemicals.

Agrofuels and land disputes

In 2010 Glencore entered Brazil's ethanol market by purchasing a 76% share in the Rio Vermelho Refinery. The refinery processes 1.3 million metric tonnes of sugar cane a year. At the time the German version of this book went to press, its capacity was being expanded in order to increase ethanol and sugar production for export. Land was being purchased or leased with the aim to expand the corporation's sugar-cane plantations by 21,000 hectares or 81 square miles by 2015 and sugar storage facilities were to be expanded and processing capacity was to double.[271] Between 2000 and 2011, the area under sugar-cane mono-cultivation in Brazil increased by a total of between 4.8 and 8.1 million hectares, or between 18,500 to over 31,000 square miles.[272] This rapid expansion has led to increasing social conflicts as farming communities and indigenous peoples have protested against evictions and land grabs. When sugar-cane fields are burned off before the harvest, workers and residents also suffer from breathing difficulties and respiratory ailments due to exposure to ash particles. Exploitative labour conditions of sugar-cane cutters has also been denounced on repeated occasions.

In Argentina, Glencore acquired Oleaginosa Moreno Hermanos S.A. (OMHSA) in 1997, making it the country's largest producer and exporter of grain, oil, flour and derivatives of soya and sunflower. At the time the German version of this book went to press, Glencore also held one third of Renova S.A., acquired jointly with two other Argentinian companies, Vicentín S.A., the country's largest exporter of soya and sunflower oil, and food company Molinos Río de la Plata. Renova S.A. Owned several soya and sunflower-based agrofuel production plants and a shipping terminal; it was reported to be the largest biodiesel producer.[273] The joint venture made Glencore 'the largest producer and exporter of biodiesel from Argentina', which is particularly interesting because the country is the 'main source of European soy-based biodiesel imports'.[274] Glencore Xstrata also owned two agrodiesel refineries with a total annual capacity of 740 million litres or 162,777 imperial gallons in Rotterdam, Europe's main port of entry for agrodiesel. Glencore Xstrata was also the exclusive supplier to one of Europe's largest bioethanol plants in Teesside, north-east England, which went into operation in 2010 with an annual processing capacity of around 1 million metric tonnes of wheat.[275]

Backing the soya boom

Glencore Xstrata has also been an important participant in the soya market. Europe's substantial demand has played a significant part in the global soya boom as EU countries have imported much of the feed for their cattle farms: '68% of the protein to feed Europe's livestock comes from soya, but the EU only produces 2% of it.'[276] The high demand in soya has greatly increased soya monocultures in production countries: between 1990 and 2007 soya alone accounted for more than a quarter of the total global increase in land for agricultural use. Land concentration and land grabs have gone hand in hand with monoculture expansion. In this context, it is again worth considering South America. Half of the world's soya harvests are produced in Argentina, Brazil, Uruguay and Paraguay.[277] Soya is the main export product of some of these countries. In Brazil, 20 million hectares or 77,220 square mile of land were under soya cultivation at the time the German version of this book went to press. In Argentina, genetically engineered soya was produced on over 16 million hectares or 61,776 square miles in monocultures associated with heavy agrochemical use. The region hosts the largest concentration of genetically engineered monocultures; due to agrochemical spraying, it also has the highest toxin levels per person. These are the figures: the area of genetically engineered crops amounts to over 46 million hectares or 117,607 square miles, which is 1.25 times the UK's surface area[278] or eleven times that of Switzerland. Each year, this vast area is sprayed with over 600 million litres or 132 million imperial gallons of toxic glyphosate.[279] The large-scale use of the herbicide has had a devastating impact on local farming communities as it not only destroys their own crops, but is also known to have caused illnesses including skin and respiratory diseases, cancer and miscarriages.[280] Expanding monocultures have been closely associated with evictions and outward migration. A few major landowners, large seed companies and trading corporations, including Glencore, who ship the products all over the world, have driven and profited from the soya boom. In 2010, Glencore practically dropped out of the wheat trade, turning to soya instead and increasing its activity in Argentina by 16%, doubling the volume of oilseeds that year.[281]

Paraguay – soya exporters as coup profiteers

While the soya boom has brought huge profits to the agro-industry and soya traders, the impact on local populations of small-scale farmers and indigenous communities has been devastating. Land concentration has greatly exacerbated unfair land distribution to the point where, in Paraguay, a mere 2% or so of all landowners currently own some 85% of the fertile land. Landless and peasant movements who have resisted this development and who have been campaigning for small-scale farming that promotes food sovereignty have been repressed and have seen their campaigns criminalised. This became most brutally evident in Curuguaty, Paraguay, on 15 June 2012. That day, eleven farmers and six policemen were killed and 80 were wounded in a massacre when paramilitary forces opened fire during the evacuation of a camp of landless people. The massacre instantly unleashed a parliamentary coup against President Fernando Lugo, who was removed from office by parliament in a summary procedure resembling a coup. Behind the events was an alliance of agricultural and industrial corporations and major landowners, to whom Lugo had been the 'fly in the ointment' for some time already[282] because, although he lacked a parliamentary majority, he had attempted to curb some of the most devastating effects of industrialised agriculture and to impose certain restrictions on both the use of agricultural chemicals and on the admission of new, genetically engineered seeds. The coup not only swept Lugo away, the political administration was also 'cleansed', including the National Agency for Plant and Seed Health and Quality.[283] Previously proscribed genetically-engineered seeds were suddenly admitted. Moreover, soya producers successfully prevented the taxation of soya exports. At the time the German version of this book went to press, very little tax indeed had been paid on soya meal exports despite the fact that, due to a price hike by 51% over only three years, the soya trade had been the most profitable.[284]

The coup in Paraguay and subsequent governments opened avenues for agricultural businesses, removing any obstacles in their path. While the part of international companies in the coup against Lugo remains unclear, it must be assumed that Glencore, as a producer and exporter of soya, profited as much from the coup as transnational agrobusiness giants Monsanto and Syngenta. By its own accounts, Glencore Xstrata owns or leases estates in Paraguay. It produces agricultural goods, most likely through subsidiaries, as the corporation itself does not appear in any of the country's registers.

Since the coup, landless workers and small-scale farmers movements have come under even greater pressure. By mid 2013, three exponents of the peasants' movement had been murdered; survivors of the massacre at Curuguaty had been arrested and were facing serious charges.[285]

Making profits from hunger

In the summer of 2012, the U.S. suffered the most severe drought since the 1930s. The heat destroyed 45% of the corn harvest and 35% of soya; world-market prices rocketed. According to the British Guardian newspaper, Chris Mahoney, Glencore director of agricultural products, stated bluntly that the drought would be 'good for Glencore' because it would provide opportunities 'for the company to make much more money.' The paper quoted the top manager as saying, 'In terms of the outlook for the balance of the year, the environment is a good one. High prices, lots of volatility, a lot of dislocation, tightness, a lot of arbitrage opportunities

[...]'.[286] The Guardian further noted that 'Glencore would be able to exploit the drought to its own advantage, especially after its takeover of Canadian grain trader Viterra'.[287]
In conjunction with its own grain production, the takeover helped Glencore establish itself as an important participant in the global grain market, of which it controlled one tenth at the time the German version of this book went to press. The takeover became possible in 2012, after the Canadian government abolished the state wheat and barley monopoly. At the time of the takeover, Viterra controlled 45% of the Canadian grain market; it had vast grain storage facilities in Canada as well as enormous storage capacities in Southern Australia's ports.
The agricultural corporations' shameless use of power and profiteering from food crises had already become more than evident in 2010.[288] In the southern Russian grain belt, international investors and Russian entrepreneurs with their agroindustrial holding companies controlled 40-50% of total grain production. During the summer drought of 2010, these 'corporate farmers' reduced their harvests and demanding higher prices. The Russian government did not intervene although it could have quite easily flooded the market with some of its enormous grain reserves. While the price for wheat doubled, the Russian government only became active after Glencore intervened with the Kremlin. The Swiss corporation was about to lose millions due to its contractual obligation to deliver grain at USD 160-170 per tonne while the price had risen to at least USD 220 per tonne. According to media reports, Nikolai Demyanov, deputy CEO of Glencore subsidiary International Grain Company, lobbied the Kremlin. Two days later, the Russian government imposed an export ban, allowing Glencore to cancel its contracts claiming *force majeure*. The greatest losers of this strategy were the poor countries relying on Russian wheat supplies. Despite now invalid delivery contracts, they were unable to forgo the wheat and had to accept new, significantly higher prices. The suppliers were the same, i.e. multinational traders such as Glencore, Cargill and Bunge. The non-governmental organisation Grain summed up events: 'Instead of Cargill, Bunge and Glencore suffering damage through bad forward planning, they passed on the increase in prices to countries such as Mozambique and made gains from another round of profiteering. Force majeure? More likely organised crime.'[289]
Glencore's influence over the Kremlin fits perfectly into the picture of a corporation that creates advantages for itself wherever it can, generating profits when millions of people are starving due to high prices for basic foodstuffs. In June 2012, a Glencore subsidiary was convicted of 'bribing a European Union official in return for market-sensitive information. Glencore Grain Rotterdam [...] was found guilty of paying the official's large mobile phone bills and laying on a French holiday to secure information about grain subsidies. [...] in 2002 and 2003, Glencore paid 20,000 euros in phone bills for [EU official Karel] Brus.'[290] Glencore Grain Rotterdam was fined EUR 500,000 or around USD 622,900).[291]
It is not unusual for profits to be made on the back of drought and starvation. Rather, the business has become institutionalised, and Glencore is again involved. In 2011 the price of grain rocketed, provoking famines among millions of impoverished families all over the world, whose already stretched incomes were unable to absorb these increased costs. That year, the UN World Food Programme (WPF) provided emergency food aid to 109 million people. It was good business for Glencore: in July 2011 alone, the corporation supplied wheat intended for Ethiopia worth USD 22.5 million to the WFP and in the second half of 2011, Glencore International 'was the biggest single supplier of wheat to the WFP over the [previous] eight months', to the tune of USD 78 million. In the same period, Glencore reported a doubling of its revenues from agricultural products to USD 8.8 billion, noting that this was due to higher profits from grain and oilseeds, which commanded significantly higher prices than in the previous year. The Guardian newspaper quoted the corporation's statement that there 'were increased geographical opportunities for arbitrage for grain and food oils'. The paper further noted that,

over the previous year, the average price of wheat had increased by 60%, to USD 778 per bushel (around 290 litres or 8 gallons).[292]

Nor was the year 2011, when Glencore profited from wide-spread starvation as one of the World Food Programme's major suppliers, a singular occurrence. According to the WFP website, in April 2012 alone, the corporation again supplied grain worth over USD 14 million. Hunger is a lucrative business. Hunger is caused by land concentration, speculation, food shortages and, not least, by corporations that make profits from 'famine relief'.

Perspectives of resistance – looking ahead

Glencore Xstrata's sustainability officer found himself in hot waters on 12 March 2014, when he was on Swiss TV's *Rundschau*, a popular news magazine. How could he convincingly argue that his corporation was concerned about the health of local populations and about environmental protection when sulphur dioxide levels near its copper smelter in Mufulira, Zambia, exceeded the level recommended by the WHO by up to forty times? When challenged with the extremely high levels found in samples taken by the *Rundschau* crew, and when asked whether he would send his children to school there, the Glencore Xstrata Manager maintained that environmental protection and the health of the local people mattered greatly to the corporation. In view of the situation in Zambia, his words seemed barely credible. On the one hand, the programme highlighted the negative impact of mining and how the corporation was dealing with the issue. On the other hand, the broadcast made clear that the multinational based in Baar near Zug, Switzerland, would no longer be able to do business as usual and as it likes without the public being interested in the impact of its activities on people and on the environment. Such increased attention has also been the result of protests against Glencore Xstrata's business practices; even in Switzerland protests have begun to reveal the corporation's business practices elsewhere.

In the past few years, the natural resources sector has seen astronomical growth. At the same time, public interest in the activities of companies in the sector has also increased, as has worldwide resistance to a business model that creates profits for a few companies and managers at the expense of countless individuals and of the environment. Host mining communities have been joining forces. Indigenous communities have begun to exert their right to participation and have been campaigning for their livelihoods. Small-scale farmers have been fighting for their existence and for the protection of their habitat. Labour unionists have been demanding dignified labour conditions, good health care and fair wages as well as equality for all workers and respect for trade-union rights. In many locations, various parts of the host mining communities have come together. When workers at the El Cerrejón mine in Northern Colombia went on strike, for instance, they were supported by the local community, who set up roadblocks, demanding that the corporation at last enter into negotiations with the union. In its turn, the trade union added the locals's concern to their list of demands. In Australia, too, unions have included host mining populations and local authorities in their fight for improved labour rights.

From resistance against the mine to criticism of the system

In Argentina, an extensive resistance movement with links across the country has emerged against multinational corporations and their destructive extraction of raw materials. While early protest rallies shortly after the mine at La Alumbrera opened merely demanded a greater share of the mine's profits for the local population, as more and more environmental damage became evident and protest rallies were repressed and marginalised, demands quickly became more radical. Very soon a significant proportion of the host mining community demanded the immediate closure of the mine, the cancellation of all mining concessions and the withdrawal of all transnational mining corporations. Large open-cast mines have come to be rejected on principle. Resistance against La Alumbrera and Agua Rica has become part of a national movement which, since 2006, has been organised by the Union of Citizens' Assemblies (*Unión de Asambleas Ciudadanas, UAC)*.[293]

Realising that corporations have exerted their influence on media and on provincial and central government policies as well as on the legal system, the UAC has developed an increasingly critical understanding of the system evolving from an anti-mining protest movement into a movement that has begun to address the political and social situation in Argentina, with a particularly critical view of the power of political parties and major media companies. At the same time, and by contrast, the UAC has honoured the indigenous communities and Argentina's small-scale farming tradition. It has become a movement that relies heavilty on cultural activities and the expansion of alternative channels of communication such as local radio stations.

Creating an international audience

In the Philippines, a large segment of society has been involved in resistance against the copper mining project of Tampakan, including non-governmental organisations to indigenous village communities, social movements and the Catholic Church. The campaign against this project has mostly been waged by peaceful means, which also includes using democratically, legitimate strategies such as petitions, parliamentary hearings, political lobbying, legal investigations of acts of violence**,** bilateral talks with the army and continuous media and online presence. It is not least due to the internationalisation of the conflict through networking, awareness-raising and external pressure that issues associated with the Tampakan mine have reached a much wider wider audience.

The extent to which communities will be affected by the mine in Tampakan varies greatly depending on distance and the kind of impact. This also affects how people feel about and how they view the mine. Even within the indigenous communities, there is no unanimous opinion on the project. The resistance is strongest where communities would have to be resettled and would lose their established livelihoods. These communities reject the project outright and the Catholic Church supports them in their position. Perceiving the mine as an opportunity to improve their livelihoods, other indigenous host-mining communities are in favour of the project. Nevertheless, even they have insisted on their right to due and proper consultation before making their final decision.

At the time the German version of this book went to press, the editors were unable to tell whether more people in Southern Mindanao would advocate or reject the mining project. One certain fact was the re-elction in May 2013 of the governor of South Cotabato, who had banned open-cast mining in the province in 2010. Her success can be taken as a sign that the electorate indirectly voted in favour of a continuing moratorium on the project. Even if Glencore Xstrata should back out of the Tampakan project, however, the dispute about the mine is likely to continue (see also box p. 48).[294]

Campaign against tax evasion – Zambia

In quite a number of countries in which Glencore Xstrata operates there has been growing criticism of the practice of tax evasion which causes host countries to lose vast amounts of tax revenue. Local Zambian organisations, in close cooperation with international non-governmental organisations, succeeded in bringing the issue to the attention of a wider public; they also attempted to persuade the Zambian government to become more active. Set up by local people and directly affected members of the host mining community, the grassroots organisation 'Green and Justice' organisation gathered data and witness statements for a class-action lawsuit against Mopani. Green and Justice reported that Mopani's response to its pressure was to offer talks. In 2013, Mopani began to build a major road which the people had been demanding for years. However, these efforts did not resolve the problem of too little or unpaid tax.

In parallel with the class-action lawsuit filed by 'Green and Justice', the Berne Declaration and Zambia's Centre for Trade Policy and Development (CTPD) as well as French and Canadian partner organisations lodged a complaint with the OECD National Contact Point in Switzerland. As part of an arbitration procedure, the case between the corporation and the NGO was dealt with in July 2012 but did not result in specific measures, however.[295]

At the beginning of July 2013, 'Action Aid', a 'global movement of people working together to further human rights and defeat poverty for all',[296] launched an international campaign called 'Tax Power'. In Zambia, the focus has been on raising public awareness of fair taxation. The campaign challenges multinational companies to pay tax on their profits in extracting or producing countries; it also urges governments to invest tax revenues in public services and in providing support to the local population. Moreover, the campaign calls for an immediate end to tax evasion by large enterprises, including multinationals, and for governments to stop giving companies any kind of tax breaks. It is doubtful whether the Zambian government will heed the demand when it comes to Glencore Xstrata. As recently as March 2014, Glencore-Xstrata's subsidiary Mopani received high praise from the national government when it won Zambia's Chamber of Mines [first ever] 'Mining Company of the Year' award.[297] At the time, the President of the Chamber was Emmanuel Mutati, who was also Chairman of the Board of Mopani Copper Mines plc. Upon enquiry, 'Action Aid' representatives in Zambia expressed their belief that the award was chiefly a PR stunt by the company.

Bolivia – reclaiming natural resources

If previous examples have dealt with the various ways in which those directly affected and social movements or non-governmental organisations have expressed their resistance to negative impacts of mining projects and controversial business practices by Glencore Xstrata, this section will consider how a government has attempted to curb multinationals and to ensure that the country retains a larger proportion of the proceeds from trade in raw materials and natural resources.

Since Bolivia's democratic change of government in 2006, the indigenous socialist President Evo Morales and his government have taken various steps to regain control of the mining industry and of the country's natural resources. All fossil fuels were nationalised on 1 May 2006. The nationalisation of all raw materials, for example, was laid down in the constitution. At the time the German version of this book went to press, parliament was deliberating the Mining Act; the conversion of private concessions to state-controlled contracts was under way. A new mining policy was gradually emerging based on three cornerstones, the first being a radical revision of contracts entered into with companies in the natural resources sector by neo-liberal governments preceding Morales. Those contracts had given the mining companies de facto ownership of extracted minerals. The new government demanded their return into state ownership. Moreover, legislation was modified to allow the gradual increase of duties (taxes and royalties) on earnings from the exploitation of oil and gas from 12% to a maximum of 82%. In the mining sector, new rules were still being elaborated. In contrast to the fossil fuel sector, where the nationalisation turned companies into suppliers of state-owned enterprises, mining companies were expected to become associates with a minority stake and a fixed share of the profits. The new public revenues would be used to fund the most important social programmes and to initiate an economic shift from only the extraction of natural resources to extraction coupled to processing.

A second cornerstone to Bolivia's new raw-material policy should achieve economic sovereignty through the re-establishment of state-controlled companies. In future, all metals would first have to be offered to state-owned smelters and refineries; it would only be excess supplies that could be sold on directly to the world markets. A third cornerstone, finally, would be the gradual improvement of labour conditions for mining cooperatives, which have been notoriously hazardous.

Contrary to fears that the most powerful companies in the sector would reject contractual changes, at the time the German version of this book went to press, the changes had prompted not a single company to withdraw from Bolivia's still very lucrative mining sector.

Voluntary intent is not enough

The companies themselves, supported by governments and international organisations, have promoted voluntary compliance with human rights and environmental protection standards. However, in the past several years, it has become increasingly evident that such non-binding self-declarations primarily bost the companies' public image. Moreover, having drawn up their own principles of corporate social responsibility, numerous corporations claim to abide by international conventions, producing sustainability reports relating to their activity. By contrast, facts on the ground have changed a great deal less than corporate communication strategies and many problems persist despite the existence of international initiatives such as the UN Global Compact, the Voluntary Principles or the OECD Guidelines[298] and their voluntary codes of conduct as well as their appeals to the companies' own sense of accountability.

An important prerequisite for improved monitoring of the sector is the greater transparency of payment flows associated with the extraction of natural resources. More transparency is also required when a state sells its raw materials and resources to commercial traders as and when it awards mining contracts and licences. In May 2013, the 37 member countries of the Extractive Industries Transparency Initiative (EITI),[299] another voluntary initiative lacking legal enforceability, committed to taking steps in this direction.[300] A great deal still remains to be done because the EITI only obliges member-state governments to disclose capital flows. The buyer and trading companies' countries of registration, Switzerland included, now also need to be made accountable.

Switzerland has been particularly challenged in terms of imposing legally binding regulations on the natural resources sector. In its first 'Background Report' on the subject published in April 2013, the Swiss government proposed only voluntary measures.[301] The 'Corporate Justice' campaign wants to go further, calling for 'rules for business' and 'rights for people' and requiring 'Swiss companies to respect human rights and environmental standards', both at home and abroad.[302] The campaign was launched in 2011 by some 60 charities, organisations for women's and human rights, churches and the environment, trade unions and shareholder associations based in Switzerland.[303] Similarly, victims of human rights violations caused by companies registered in Switzerland, or by their subsidiaries, contractors or suppliers, are to be given access to Swiss justice. If Switzerland as the largest trading hub for natural resources and raw materials were to implement these demands, it could play an important, pioneering part.

The Corporate Justice campaign has been pursuing an important goal. However, any legal and constitutional initiatives based on individual states' national legislation will be outmanoeuvred by multinational enterprises that operate across national borders. To redress this imbalance, legal instruments such as international criminal jurisdiction for multinational corporations may well need to be considered.

Solidarity and resistance networks

As numerous examples have shown, for transnational corporations to change the way they do business, public pressure is often required, not least in their countries of registration. As well as resistance from affected local communities and populations, a global network of solidarity and support is of major significance. On his visit to Switzerland in December 2013, mining opponent José de Echave, Peru's former Deputy Minister for the Environment, was asked what people in extraction areas needed for the situation to change. He replied that solidarity with those affected was very important, as well as local and international interest, the dissemination of information about human rights violations and public pressure, especially in the countries where the corporations are registered.

A global network of Glencore Xstrata watchdogs

In order to strengthen global resistance against Glencore Xstrata's controversial schemes, seventeen organisations from the Philippines and various countries in Europe and Latin America gathered in February 2013 for the first meeting of the 'Shadow Network: Glencore Xstrata Watchdogs' *(Observadores de GlencoreXstrata).*[304] It unites organisations who have been observing conflicts related to mining and new projects by the corporation in various locations, and who have been raising public awareness of these issues. The network nominated Glencore Xstrata for the (in)famous 'Public Eye Award' in January 2014.[305]

In Switzerland, too, awareness of issues associated with mining and raw material activities by multinational corporations has increased. For one thing, several non-governmental organisations have begun to address the issue. Also, more and more protest campaigns have taken place, for example in the run-up to the AGMs of Glencore, Xstrata and Glencore Xstrata, or in the form of massed bicycle rides to the villa of Glencore Xstrata CEO, Ivan Glasenberg, in Rüschlikon near Zürich. In January 2013, a series of events in Berne, Switzerland, called 'Dirty Business' (*Drecksgeschäfte*) focused on issues associated with natural resources and raw materials in the context of *'Tour de Lorraine'*, which takes a critical view of the World Economic Forum.[306] Since then, protest rallies and a counter conference have been taken place alongside the annual 'FT Global Commodities Summit' held in Lausanne, Switzerland, to 'bring together the world's largest trading houses, investment organisations and natural resources groups.'[307] In September 2013, several municipalities in the Zürich area voted to 'refund' to victims of the corporation some of the 'Glasenberg IPO millions', a tax windfall generated by the Swiss inter-cantonal financial adjustment process due to Glasenberg's billion-dollar increase in income following the 2011 Glencore listing on the stock exchange.

The issue of raw materials and natural resources, their extraction and trade requires a public debate that goes beyond the example of Glencore Xstrata alone. In such a debate, people directly affected by mining activities and by the exploitation of natural resources must be allowed to express themselves and be able to decide the way forward.

Some of the questions to be asked in this context should be, can and should democratic control be imposed upon global enterprises in the natural resources sector? What is the actual purpose of raw-material extraction and who should benefit? Who is responsible for the damage and what will happen to the mountains of mining waste, the toxic sludge ponds and contaminated rock once the mines have ceased to operate and corporations have turned their attention to deposits and resources elsewhere? What part do we as consumers play in the exploitation of raw materials and natural resources? How does our society deal with them? What would the required, truly sustainable way of dealing with natural resources look like?

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End notes

[1] The editors apologise for the omission of Thomas Niederberger's name from the original German version of this book.

[2] [Translator's note: See http://fortune.com/global500/2013/glencore-xstrata-plc-12/; accessed on 20 November 2014]

[3] *JP Morgan und Glencore wegen überhöhter Aluminiumpreise verklagt* (JP Morgan and Glencore sued over inflated aluminium prices), in: Neue Zürcher Zeitung, 7 August 2013 [See http://www.nzz.ch/aktuell/wirtschaft/wirtschaftsnachrichten/jp-morgan-und-glencore-wegen-ueberhoehter-aluminiumpreise-verklagt-1.18128976; accessed by the translator on 8 February 2015]

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[See http://www.foreignpolicy.com/articles/2012/04/23/a_giant_among_giants; accessed by the translator on 28 November 2014. *Erklärung von Bern* is also known as Berne Declaration]

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[6] Gómez, Antonio Gustavo. I*mpunidad y corrupción* (Impunity and Corruption), in: Tiempo argentino, 12 August 2012: *'Hoy hacer dinero para las empresas multinacionales es sinónimo de contaminación. A más contaminación, más dinero; a más dinero, más corrupción; a más corrupción, más impunidad'* [See http://tiempo.infonews.com/nota/114810/antes-secuestraba-ahora-envenena; accessed by the translator on 26 November 2014]

[7] Silverstein. A Giant Among Giants; see note 32

[8] See also MultiWatch media release: *Rohstoffkonzern Glencore Xstrata geht drastisch gegen KritikerInnen vor* (Raw-material corporation Glencore Xstrata takes drastic action against opponents), 2 March 2014 [See http://www.multiwatch.ch/de/p97001668.html];
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Glencore sucht das Gespräch mit Politik und Bundesbehörden (Glencore seeking dialogue with [Swiss] politicians and federal agencies), in: NZZ am Sonntag, 12 January 2014 [See webpaper.nzz.ch/2014/01/12/schweiz/KWQ77/glencore-sucht-das-gespraech-mit-politik-und-bundesbehoerden?guest_pass=be11e230c9%3AKWQ77%3Ad7b0efa4a7a8383e61cb27948fddf849e97f4fe5; all websites accessed by the translator on 11 February 2015]

[9] [Editor's and translator's note: The lock-out lasted from 1 November 1990 until mid-February 1992]

[10] [Translator's note: Various details given in this paragraph correct errors in an article published by the author on 12 August 1994 in *WOZ – Die WochenZeitung*, a Swiss German-language left-wing weekly paper, which also made it into the original German version of this book. Amended information according to Juravich, Tom / Bronfenbrenner, Kate. Ravenswood: The Steelworker's Victory and the Revival of American Labor. New York 1999, chapter 'Settlement', pp156-198]

[11] See note 3

[12] *Romeo und Julia in Zug*, see: Meienberg, Niklaus (1985), p148

[13] Ammann, Daniel (2009

[14] Hengeveld, Richard; Rodenburg, Jaap (1995), p146
[See also http://www.theguardian.com/uk/2001/may/04/conservatives.politicalnews and http://www.dailymaverick.co.za/article/2013-07-19-marc-rich-apartheids-oil-man-his-most-important-and-most-profitable-business/#.VHxnb75x8jA; both accessed by the translator on 1 December 2014]

[15] Schnyder, Maria. *Die Milliardengeschäfte der Beziehungs-Profis. Südafrika-Boykott. Umgehungsgeschäfte laufen über die Schweiz* (Well-connected pros involved in billion-dollar deals. South-Africa Boycott. Switzerland is host country for evasive transactions). *WoZ – Die WochenZeitung*, 16 August 1985, and: Lang, Jo. *Zuger Apartheid-Stadtplan* (Apartheid Map of Zug), *WoZ – Die WochenZeitung*, 5 September 1985

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[21] Deutsche Bank. Global Market Research. Glencore, 6 June 2011. Quoted in: Erklärung von Bern (2011/2012), p139
[Translator's note: See also, Lawson, Anthea. Submission to Foreign and Commonwealth Office Overseas Territories Consultation – December 2011. Global Witness. Tax Justice Network, 2011; see http://www.globalwitness.org/sites/default/files/library/Global%20Witness%20and%20Tax%20Justice%20Network%20submission%20to%20FCO%20Overseas%20Territories%20Consultation%20Dec%202011.pdf. A footnote on p5 cites Deutsche Bank. Glencore. The Value in Volatility, initiating with a buy. 6 June 2011, p117, whence a further link leads to a webpage with a 'Deletion notice': 'The document Db Glencore Initiation has been deleted' {Scribd.'s emphasis}; accessed on 5 March 2015]

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[23] [See $9.978 Billion Transferred to Development Fund for Iraq. Office of the Iraq Programme Oil-for-Food; http://www.un.org/Depts/oip/; accessed by the translator on 4 December 2014]

[24] [See http://www.un.org/News/dh/iraq/oip/facts-oilforfood.htm; accessed by the translator on 4 December 2014]

[25] [Translator's note: See, for example, Gardiner, Nile. *The Final Volcker Oil for Food Report: An Assessment.* The Heritage Foundation, WebMemo #913 *on* International Organizations, 10 November 2005; http://www.heritage.org/research/reports/2005/11/the-final-volcker-oil-for-food-report-an-assessment; accessed on 4 December 2014;
at http://www.heritage.org/research/reports/2005/11/the-final-volcker-oil-for-food-report-an-assessment#_ftn1, the assessment includes a reference to the Independent Inquiry Committee into the United Nations Oil-for-Food Programme, Manipulation of the Oil-for-Food Programme by the Iraqi Regime, October 27, 2005)]

[26] See note 32

[27] [Editors and translator's note: This statement amends an error in the original German version of the book.]

[28] Erklärung von Bern (2011/2012)

[29] Power, Helen, et al. The Glencore-Xstrata war has turned friends into foes, in: The Telegraph, September 2012 [See http://www.telegraph.co.uk/finance/newsbysector/industry/mining/9529658/The-Glencore-Xstrata-war-has-turned-friends-into-foes.html; accessed by the translator on 28 February 2015. Translator's note: date error for reference text in original German text amended]

[30] Hosp, Gerald *Glencore Xstrata muss sich erst beweisen* (Glencore Xstrata will have to prove itself), in: NZZ – Neue Zürcher Zeitung, 4 May 2013 [See http://www.nzz.ch/aktuell/startseite/glencore-xstrata-muss-sich-erst-beweisen-1.18075916; accessed by the translator on 15 December 2014]

[31] See Erklärung von Bern (2011/2012)

[32] Xstrata was a member of the International Council on Mining and Metals (ICMM), of the UN Global Compact and of the Global Reporting Initiative; it achieved various ISO standards and, according to its own statements, was in compliance with OECD Guidelines for Multinational Enterprises. Moreover, Xstrata undertook to abide by the rather more stringent Voluntary Principles on Security and Human Rights, without, however, participating in the Voluntary Principles Initiative itself. Seehttp://www.voluntaryprinciples.org

[33] Wallimann, Annette (2011)

[34] Xstrata plc, Annual Report 2009, p2 [See http://www.youblisher.com/p/156621-Xstrata-Annual-Report-2009; accessed by the translator on 15 December 2014]

[35] Glencore Xstrata Factsheet; at http://www.glencorexstrata.com/assets/Uploads/20130711-GlencoreXstrata-Factsheet.pdf [Translator's note: the link provided in the German original version of this book now only leads to the Glencore homepage; in February 2015, it was not possible to verify these figures.]

36 GlencoreXstrata plc 2013 Half-yearly report. Six months ended 30 June 2013; at http://www.glencore.com/assets/investors/doc/reports_and_results/2013/GLEN-Half-Yearly-Report-2013.pdf; accessed by the editors and, by the translator, in February 2015

37 [Translator's note: See Marx, Karl; Engels, Friedrich. The Communist Manifesto, 1848; at http://public.wsu.edu/~brians/world_civ/worldcivreader/world_civ_reader_2/marx.html; accessed on 16 December 2014]

38 Vitali et al. (2011)

39 Herzog/Schäppi/Sekinger (2013)

40 Paraphrase of Hirsch (1995)

41 Harvey (2007)

42 Marx, Karl (1844-1845) [See https://www.marxists.org/archive/marx/works/cw/; accessed by the translator on 13 February 2015]

43 Hedge funds are aggressively managed, poorly regulated and wide-ranging investment portfolios with the goal of generating high returns; arbitrageurs are investors who tend to make risk-free profits from minute price discrepancies in the market (commodities and products as well as currency exchange and interest rates) by investing vast sums of money; a swap is a derivative in which two counterparties exchange cash flows or different types of loans with each other; swap dealers and their derivative financial instruments can affect the exchange of future cash flows.

44 Swiss Federal Council. Background Report: Commodities. Report of the interdepartemental plattform on commodities to the Federal Council. Berne, 27 March 2013, p7 [See: http://www.news.admin.ch/NSBSubscriber/message/attachments/30136.pdf; Executive Summary at http://www.news.admin.ch/NSBSubscriber/message/attachments/30132.pdf; Press release at https://www.news.admin.ch/message/index.html?lang=en&msg-id=48319; all accessed by the translator on 23 December 2015.
[Translator's note: The box in Background Report: Commodities, p 8, defines Merchanting as 'a transaction in which a company in Switzerland purchases goods from a supplier abroad and then sells those goods on to a buyer abroad. As a rule, the goods do not cross the border into Swiss territory and are, in consequence, not subject to Swiss customs duties. The condition of the goods that are traded in merchanting transactions normally remains unchanged. Merchanting transactions must be reported at the transaction price valuation.']

45 [Translator's note: the translation corrects an error regarding nett revenue in the original German version of this book.]

46 2013 Background Report: Commodities, p7; see also note 37

47 2013 Background Report: Commodities – Executive Summary, p2; see also note 37

48 Cobham, Alex et al (2014), Introduction and Conclusions [See http://international.cgdev.org/sites/default/files/Cobham-illicit-flows-switzerland_0.pdf]; see also Marti, Kurt (2014) [See http://www.infosperber.ch/Artikel/Wirtschaft/Rohstoffhandel-Glencore-Steuerflucht; both links accessed by the translator on 10 February 2014]

49 Fischer et al. (2012); 2013 Background Report: Commodities, see also note 37

50 Erklärung von Bern (2011/2012); see also Cobham (2014), p1

51 Bahnmüller, Kurt; Köchli, Markus. *Handelszeitung*, Special: Swiss Top 500, 27 June 2013 [Translator's note: Error in date of referenced source corrected]

52 2013 Background Report: Commodities, Chapter 6; see also note 37

53 [Translator's note: See also Marinovich, Greg et al. The closing of the Marikana Commission: The Thin Blue Lie, in: Daily Maverick, 18 November 2013; see http://www.dailymaverick.co.za/article/2014-11-18-the-closing-of-the-marikana-commission-the-thin-blue-lie/#.VJifsLiNMR; accessed on 22 December 2014]

54 [Translator's note: See [Glencore] Sustainability Report 2010, p35; see http://www.glencore.com/assets/sustainability/doc/sd_reports/Sustainability-Report-2010.pdf; accessed on 27 February 2015. The reference in the original German version of this book as well as many media reponses in September 2011 (see next note) contain references and links to the Sustainability Report 2008-2010, which seems to have disappeared: links respond with 'error 404 – page not found'.]

55 Hickman, Leo; Harvey, Fiona. Glencore reveals record of fatalities and environmental fines, in: The Guardian, 7 September 2011 [See: http://www.theguardian.com/environment/2011/sep/07/glencore-fatalities-environmental-fines-record, accessed by the translator on 15 December 2014]

56 [Translator's note: This version amends what seems to be an error in the original German version of the book. According to Glencore Xstrata's 2013 Sustainability Report, p16, there were 26 fatalities in 2013; see

http://www.glencore.com/assets/sustainability/doc/sd_reports/2013-Sustainability-Report.pdf; accessed on 28 February 2015]

57 ESMAD, Escuadrón Móvil Antidisturbios

58 Aeberhard, Marianne. *Verfolgt, gekündigt, geräumt* (Persecuted, dismissed, displaced), in: WoZ – Die WochenZeitung no 34/2007, 23 August 2007 [See https://www.woz.ch/0734/glencore/verfolgt-gekuendigt-geraeumt, accessed by the translator on 15 December 2014]

59 Suhner, Stephan. *Weitere Angriffe auf die Gewerkschaftsrechte bei Glencore* (Glencore: further attacks on union rights). ASK and MultiWatch [See report in German, 28 April 2011: http://www.multiwatch.ch/de/p97000765.html, accessed by the translator on 26 November 2014]

60 Suhner, Stephan. *Streikabbruch nach 98 Tagen – trotzdem keine Lösung in Sicht* (Strike has ended after 98 days – no solution in sight). ASK, 15 November 2012 [See http://www.askonline.ch/themen/wirtschaft-und-menschenrechte/bergbau-und-rohstoffkonzerne/glencore-in-kolumbien/100-tage-arbeitskonflikt-ohne-loesung; accessed by the translator on 25 February 2015]

61 *Se firma laudo arbitral entre trabajadores y empresa CMU* (Arbitration agreement between workers and company signed), Sintramienergética media release, 7 June 2013 [See http://sintramienergeticalajagua.blogspot.co.uk/2013/06/se-firma-laudo-arbitral-entre.html; accessed by the translator on 25 February 2015]

62 Suhner, Stephan. *Glencore in Kolumbien: Systematische Probleme mit den Arbeits- und Gewerkschaftsrechten* (Glencore in Colombia: systematic issues regarding labour and union rights). ASK, 5 November 2013 [See http://www.askonline.ch/themen/wirtschaft-und-menschenrechte/bergbau-und-rohstoffkonzerne/glencore-in-kolumbien/up-date-arbeitskonflikte; accessed by the translator on 16 February 2015]

63 Labour union e-mails of 30 October and 9 November 2013

64 [Translator's note: *rastrojos* can be translated as remains, leftovers, rejects]

65 See Letter of Protest from non-governmental organisations ASK, MultiWatch and Solifonds to Colombian President Juan Manuel Santos, 17 April 2013: http://www.multiwatch.ch/cm_data/Carta_Protesta_a_Presidente_Santos_Amenazas_comienzo_de_abril_2013_Sintramienergetica.pdf

66 *Streik in Kohlemine EL Cerrejón* (Strike at El Cerrejón coal mine), at: Portal amerika21.de, 17February 2013 [See https://amerika21.de/2013/02/78008/streik-el-cerrejon; accessed by the translator on 25 February 2015]

67 *Konflikt um Steinkohle aus Colombia* (Dispute about coal from Colombia), at: Portal amerika21.de, 28 January 2013 [See https://amerika21.de/2013/01/76330/steinkohle-aus-kolumbien; accessed by the translator on 25 February 2015]

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69 ibid.

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71 Corte Superior de Justicia de Cusco

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73 *Glencore Xstrata entlässt in Peru 35 Arbeiter nach Gewerkschaftsgründung* (35 workers laid off by Glencore Xstrata in Peru for forming a trade union); MultiWatch media release, 30 January 2014 [See http://www.multiwatch.ch/de/p97001643.html; accessed by the translator on 16 February 2015]

74 Central Nacional de la Mujer minera CNMM

75 Sindicato Nacional de Trabajadores Mineros Metalúrgicos

76 *Perubar vende "Rosaura" a Los Quenuales* (Perubar sells 'Rosaura' to Los Quenuales), at: biznews.pe, 23 April 2010 [See http://biznews.pe/noticias-empresariales-nacionales/perubar-vende-rosaura-los-quenuales; accessed by the translator on 16 February 2015]

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[82] Alexander, Peter et al (2013)

[83] See note 70

[84] See http://www.marikanacomm.org.za/#sthash.eXGNH3nt.dpuf

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[86] ibid.

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[88] Frankel, Philip. Marikana: 20 Years in the Making, IOL Business Report, 21 October 2012 [Seehttp://www.iol.co.za/business/opinion/marikana-20-years-in-the-making-1.1407448#.VJiWWbiNMQ; accessed by the translator on 22 December 2014]

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[90] ibid.

[91] See also reports by the Bench Marks Foundation at http://www.bench-marks.org.

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[95] See reports by Bench Marks Foundation: http://www.bench-marks.org.za [Translator's note: see also Tolsi, Niren (text); Botes, Paul (photographs). Marikana. One year after the massacre; at http://marikana.mg.co.za/#intro; accessed on 30 December 2014]

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[101] ibid., p20

[102] ibid., pp20ff

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[114] Contreras, Manuel, director. *Rastros del Carbón*/Traces of Coal/*Die Spuren der Kohle*, 15-minute documentary. December 2012 (at askonline.ch [See also https://www.youtube.com/watch?v=1YjcONQJDAk; accessed by the translator on 4 February 2015]

[115] ASK, Profite für die Unternehmen, Verarmung für die lokalen Dorfgemeinschaften – Factsheet zu Kohleabbau durch Glencore im kolumbianischen Departement Cesar (Profits for companies, poverty for local villages – Factsheet on Glencore's coal extraction activities in the Cesar Department, Colombia), 12 October 2011 [pdf (in German) at http://www.askonline.ch; accessed by the translator on 16 February 2015]

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[119] Suhner, Stephan, *Neue Studien der Contraloría zeigen massive Meeresverschmutzung* (New studies by the Comptroller reveal severe marine pollution). ASK, 6 February 2013 [See http://www.askonline.ch/fileadmin/user_upload/documents/Thema_Wirtschaft_und_Menschenrechte/Bergbau_Rohstoff/Glencore_Kolumbien/Umweltverschmutzung_der_Kohleha%CC_fen_in_Santa_Marta.pdf; accessed by the translator on 24 February 2015]

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[121] *Grupo de Química Ambiental y Computacional de la Universidad de Cartagena* (Group of Environmental and Computer Chemistry, Cartagena Universitu) (2011)

[122] Frente de Defensa de los Intereses de Espinar

[123] MultiWatch has the original version of the charges filed in November 2011

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[125] *Perú. Ministerio de Salud* (Ministry of Health of Peru). *Riesgos a la salud por exposición a metales pesados en la provincia de Espinar-Cusco-2010* (Health risks due to exposure to heavy metals in Espinar province, Cusco, 2010) [See http://www.ins.gob.pe/repositorioaps/0/0/not/temdif321/INFORME_Espinar-Metales_pesadosCONGRESO_2012[2].pdf; accessed by the translator on 25 February 2015]

[126] *Congresista presenta informe sobre contaminación ambiental en Espinar* (Congressman presents report on environmental pollution in Espinar), *Prensa congreso* (Congressional Press), 12 June 2013 [See http://www2.congreso.gob.pe/Sicr/Prensa/heraldo.nsf/CNtitulares2/4d94af87f9f09e7005257b88006935e6/?OpenDocument; accessed by the translator on 16 February 2015]

[127] MultiWatch holds the final report issued by Peruvian government authorities (Ministries of the Environment; Mining and Energy; Health; Agriculture) on the Environmental Assessment in Espinar in 2013. The corporation's attitude became apparent during public events held in Peru (August 2013-March 2014) and in a conversation with senior members of Glencore Xstrata staff in Peru (February 2014)

[128] Organismo de Evaluación y Fiscalización Ambiental

[129] *Xstrata Tintaya es multada por el OEFA con S/. 235 mil* (Xstrata Tintaya fined), in: La República, 3 January 2014, see http://www.larepublica.pe/03-01-2014/xstrata-tintaya-es-multada-por-el-oefa-con-soles-235-mil; accessed by the translator on 10 February 2015;
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[130] CooperAcción, Actualidad minera, no 110, June 2008 [See http://www.cooperaccion.org.pe/boletin-actualidad-minera-del-peru; accessed by the translator on 26 November 2014]

[131] Tribunal de la Fiscalización Ambiental (Tribunal of the Environmental Monitoring Agency), *Resolución no 93-2013-OEFA/TFA*, Lima, 23 April 2013

[132] *Comunidad de Chipta denuncia abusos de empresa Antamina en congreso de la república* (The community of Chipta takes complaints about Antamina abuse to the Congress of the Republic [of Argentina]), 17 May 2012 [See http://veronikamendoza.blogspot.co.uk/2012/05/comunidad-de-chipta-denuncia-abusos-de.html; accessed by the translator on 10 February 2015]

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[134] Jiménez, Beatriz: *Metales en la sangre – 285 pobladores ancashinos de Cajacay tienen metales en la sangre y culpan a Antamina* (Metals in the blood – 285 residents from the Ancash Department in Cajacay have metals in their blood and blame Antamina), in: La República, 31 July 2013 [See: http://www.larepublica.pe/31-07-2013/285-pobladores-ancashinos-de-cajacay-tienen-metales-en-la-sangre-y-culpan-a-antamina; accessed by the translator on 10 February 2015]

[135] [Note by the author of this section: at the time the German version of the book went to press, it looked likely that Glencore Xstrata would comply with the condition by selling Las Bambas to a Chinese consortium consisting of MMG (an affiliate of state-owned Minmetals), Guoxin International Investment and Citic Metal.]

[136] Statement of Claim, 22 November 2007: *Actuación Preliminar 116 Minera Aguilar – Remisión al Fiscal Federal de Truno* (Submission to the General Prosecutor of Truno), 22 November 2007

[137] Enzetti, Daniel. *Antes secuestraba. Ahora envenena* (They used to kidnap, now they poison [us]), in: Tiempo Argentino, 12 August 2012 [See http://tiempo.infonews.com/nota/114810/antes-secuestraba-ahora-envenena; accessed by the translator on 26 November 2014]

[138] Two members of the secret services and a prison officer were sentenced to life imprisonment for 'disappearing' trade-union president Avelino Bazán at El Aguilar on 3 July 2013. The European Center for Constitutional and Human Rights (ECCHR) called upon the court also to investigate the role of El Aguilar S.A. In the disappearance of Avelino Bazán.
See: Kaleck, Wolfgang, ECCHR Press Release 2012-12.pdf, *Die Beteiligung des Unternehmens Minera*

Aguilar S.A. And Verbrechen der Militärdiktatur muss strafrechtlich verfolgt werden (Involvement of Minera Aguilar S.A. In crimes during the military dictatorship must be prosecuted), 19 December 2012 [For pdf in German and a 'Summary of the facts' in English (Amicus Curiae – Corporate Complicity in Human Rights Violations), see www.ecchr.de/unternehmen-und-diktaturverbrechen.html; accessed by the translator on 10 February 2015]

139 Kirschbaum, A., et al. (2009)

140 Enzetti, Daniel (2012); see also note 128

141 *Secretaría de Minería de la Nación* (Ministry of Mining): http://www.mineria.gob.ar; Enciclopedia de Ciencias y Tecnologías en Argentina (Encyclopedia of Science and Technology in Argentina) [See http://cyt-ar.com.ar/cyt-ar/ [accessed by the translator in February 2015]

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143 ibid.

144 ibid. [Translator's note: on the geography of the area, see also, Anon. *Contaminación de la Cuenca Salí-Dulce* (Contamination of the Salí-Dulce River basin), section *Recorrido*. El Rincón del vago, undated; see http://html.rincondelvago.com/contaminacion-de-la-cuenca-sali-dulce.html; accessed on 9 March 2015]

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148 Field, Donna, and staff. Xstrata mining emissions causing lead poisoning in Mount Isa children: report, in: ABC, 17 June 2013 [See http://www.abc.net.au/news/2013-06-17/mining-emissions-in-mount-isa-cause-lead-poisoning-in-children/4757502; accessed by the translator on 10 February 2015]

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[158] Translator's note: See SMI Sagittarius Mines, Inc. Our Project. Project Description, at http://www.smi.com.ph/EN/OurProject/Pages/ProjectDescription.aspx; accessed on 10 February 2015. Misinterpreted figures in the original German text have been amended.]

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[161] Glencore Xstrata, Code of Conduct, p18 [See http://www.glencore.com/assets/who-we-are/doc/Code-Of-Conduct-English.pdf; accessed by the translator on 10 February 2015]

[162] Glencore preliminary results 2011, 5 March 2012, p17 [See http://www.glencore.com/assets/investors/doc/reports_and_results/2011/Preliminary-Results-2011.pdf; accessed by the translator on 21 February 2015]

[163] Swiss TV interview with Ivan Glasenberg, *10 vor 10* (Swiss TV Late Evening News), 16 April 2012

[164] Brot für alle and Fastenopfer (2012), p26ff

[165] The programme was aired on 12 March 2014

[166] Berne Declaration (2011), p99

[167] *Glencore-Xstrata und die Asthma-Toten von Mufulira* (Glencore Xstrata and Mufulira's asthma fatalities), in: *Rundschau*, Swiss public TV news programme, aired on 12 March 2014

[168] See note 159

[169] Erklärung von Bern (2011), p117

[170] Bench Marks Foundation. Lonmin. Sustainable Development Reports, 2003-2012. The Policy Gap 7. Lonmin 2003-2012. October 2013, p32
[See http://www.bench-marks.org.za/press/lonmin_report_print.pdf; accessed by the translator on 15 February 2015

[171] ibid., p31

[172] ibid, p34

[173] ibid, p34

[174] ibid, pp35-36, passim

[175] ibid, p xv

[176] ibid, p36

[177] ibid, p37

[178] *Carbón y sangre en las tierras de 'Jorge 40'* (Coal and blood in the territory of 'Jorge 40'), at: VerdadAbierta.com, 26 October 2010; see http://www.verdadabierta.com/despojo-de-tierras/2816-carbon-y-sangre-en-las-tierras-de-jorge-40; accessed by the translator on 18 February 2015

[179] *No hay restitución de tierras* (The land will not be returned), in: El Espectador, 22 October 2012; see http://www.elespectador.com/opinion/no-hay-restitucion-de-tierras-columna-382666; accessed by the translator on 16 February 2015

[180] *Suspendo esta columna* (I'm suspending this column), in: El Espectador, 14 October 2013;
Entrevista a Ludis Pedraza (Interview with Ludis Pedraza) on youtube:
http://www.youtube.com/watch?v=JaDhcGfpiVg, 1 October 2012

[181] For comprehensive information relating to mining and resettlement in Colombia, see dossier, *Glencore in Kolumbien* (Glencore in Colombia; in German) by *Arbeitsgruppe Schweiz-Kolumbien;* see http://www.askonline.ch/themen/wirtschaft-und-menschenrechte/bergbau-und-rohstoffkonzerne/glencore-in-kolumbien

[182] Contreras, Manuel. Traces of Coal (see note 97)

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185 Suhner, Stephan. *Soziale Altlasten Cerrejón durch unfreiwillige Umsiedlung* (Forced resettlements create socially polluted areas in Cerrejón). ASK, 16 November 2012 [See http://www.askonline.ch/themen/wirtschaft-und-menschenrechte/bergbau-und-rohstoffkonzerne/el-cerrejon-und-xstrata/gemeinschaften-fordern-serioese-verhandlungen/; accessed by the tranlsator on 25 February 2015]

Rothen, Dominique; Suhner, Stephan. *Roche droht die Enteignung* (Expropriation threatens [the village of] Roche). ASK, 3 September 2013

186 [Translator's note: According to the Preface to the Guidelines published in 2008, 'The Guidelines are part of the OECD Declaration on International Investment and Multinational Enterprises'; OECD 2000/2008, p9 [See http://www.oecd.org/corporate/mne/1922428.pdf; accessed by on 18 February 2015]

187 Suhner, Stephan, OECD process: OECD Verfahren: Ernüchternde Erfahrung mit dem Schweizer Nationalen Kontaktpunkt – OECD-Eingabe gegen Xstrata, Umsiedlungen bei der Kohlemine El Cerrejón (Sobering experience with the Swiss national point of contact – OECD Guidelines complaint against Xstrata, resettlements at the coal mine of El Cerrejón). ASK, July 2009 [See http://www.askonline.ch/themen/wirtschaft-und-menschenrechte/unternehmensverantwortung-normen-und-instrumente/oecd-verfahren/; accessed by the translator on 21 February 2015]

188 [Translators' note: *FARC – Fuerzas Armadas Revolucionarias de Colombi*a (Revolutionary Armed Forces of Colombia)]

189 [Translators' note: For a full account of this scandal, which broke in 2008 and was on-going in February 2015, see: http://www.eltiempo.com/noticias/falsos-positivos; accessed by the translator on 16 February 2015]

190 [Translators' note: AUC – *Autodefensas Unidas de Colombia* (Colombia's United Forces for Self-Defence)]

191 *El ventilador de Mancuso* (Mancuso's Ventilator), in: Semana, 19 May 2007; see http://www.semana.com/nacion/articulo/el-ventilador-mancuso/85975-3; accessed by the translator on 16 February 2015

192 *La versión de 'Samario' sobre la Drummond y los paras* ('Samario's' version about Drummond and the 'paras'), in: VerdadAbierta.com; see http://www.verdadabierta.com/jefes-de-la-auc/2918-la-version-de-samario-sobre-la-drummond-y-los-paras; accessed by the translator on 25 February 2015

193 *El carbón se come al Cesar* (Coal is devouring the Cesar Department), and *Escándalo por regalías* (The royalties scandal). Reports by Maurizio Gómez on Colombia's national news channel CM&, part 2

194 Indermühle Stefan/INDEPAZ (2010), p41

195 ASK. Profite für die Unternehmen, Verarmung für die lokalen Dorfgemeinschaften – Factsheet zu Kohleabbau durch Glencore im kolumbianischen Departement Cesar (Profits for the company, impoverishment for the local village communities – Factsheet on coal mining by Glencore in the Colombian Cesar Department), 12 October 2011 [See http://www.askonline.ch/fileadmin/user_upload/documents/Thema_Wirtschaft_und_Menschenrechte/Bergbau_Rohstoff/Glencore_Kolumbien/Factsheet_El_Hatillo_-_Glencore.pdf; accessed by the translator on 25 February 2015]

196 *El carbón se come al Cesar* and *Escándalo por regalías* (The royalties scandal), Report by Maurizio Gómez on national news channel CM&, Parts 2 and 3.

197 Suhner, Stephan. *Bedeutung und Auswirkungen des Bergbaus in Kolumbien* (Significance and impact of mining in Colombia. ASK, August 2009 [See http://www.askonline.ch/fileadmin/user_upload/documents/Thema_Wirtschaft_und_Menschenrechte/Bergbau_Rohstoff/Bergbau_Kolumbien/BergbauinKolumbien_August_2009.pdf; accessed by the translator on 23 February 2015]

198 Convenio Marco, see note 204

199 [Translator's note: Oscar Mollohuanca's first term of office was 1998-2002]

200 See OSCE, *Organismo Supervisor de las Contrataciones del Estado* (State Overseer of State Contracts), *Convenio Marco 2003: Clausula novena* (Area Agreement 2003: new clause) [See http://portal.osce.gob.pe/osce/content/que-es-convenio-marco; accessed by the translator on 16 February 2015]

201 Fuentes, Golda (2012)

202 See, for example, XstrataCopper (2013): *División Operaciones Sudamérica. Informe de Sostenibilidad 2012* (South-American Operations Division, 2012 Sustainability report [See cdn.hpublication.net/publicationcdn/v4/.../document.pdf; accessed by the translator on 19 February 2015; translator's note: obsolete details in original German version have been amended in this version.]

203 ibid., p8

204 Fuentes, Golda (2012)

205 Convenio Marco, Comité de Gestión. Acta: *Reseña histórica de la secretaria técnica del Convenio Marco, período 2011*; acta entregada por la secretaria del comité técnico del Convenio Marco durante el último trimestre de 2011 (Review by the Technical Secretariat of the Area Agreement for the year 2001; document submitted by the Secretariat of the Technical Committee in the course of the last trimester of 2011), p9 [page numbers added by hand; see http://www.roriente.org/wp-content/uploads/2012/06/RESEÑA-HIST.-CONV.-MARCO.pdf; accessed by the translator on 19 February 2015]

206 Federación Campesina Provincial

207 [Translator's note: The Convention was adopted in 1989; for the full wording [See http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---normes/documents/publication/wcms_100897.pdf; accessed on 17 February 2015]

208 UN Declaration on the Rights of Indigenous Peoples (2007; published March 2008), Article 32.2 [See http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf; accessed by the translator on 17 February 2015]

209 *Xstrata malt die Zukunft in rosigen Farben* (Xstrata paints a rosy future), in: NZZ, 9 September 2010 [See http://www.nzz.ch/aktuell/startseite/xstrata-malt-die-zukunft-in-rosigen-farben-1.7497938; accessed by the translator on 19 February 2015]

210 [Translator's note: Andalgalá is the capital of the Department of the same name in the Argentinian Province of Catamarca; it is some 42km/26mi from La Alumbrera]

211 Levinas, G. El sitio de Andalgalá (The siege of Andalgalá), in: Plaza de Mayo, 13 February 2012 [See http://www.plazademayo.com/2012/02/el-sitio-de-andalgala; accessed by the translator on 18 February 2015]

212 *La Gendarmería en el banquillo* (The Constabulary in the dock), in: Página 12, 17 February 2012 [See http://www.pagina12.com.ar/diario/elpais/1-187784-2012-02-17.html; accessed by the translator on 20 February 2015]

213 Hamm, Brigitte; Schax, Anne; Scheper, Christian. Human Rights Impact Assessment of the Tampakan Copper-Gold Project. Institute for Development and Peace (INEF) (2013), p4 and, similarly, p.42 [See http://www.fastenopfer.ch/data/media/dokumente/entwicklungspolitik/soziale_unternehmensverantwortung/menschenrechte_in_tnc/tampakan/study_tampakan_HRIA_engl.pdf; accessed by the translator on 17 February 2015]

214 UN Declaration on the Rights of Indigenous Peoples (2007; published March 2008), Art. 32.2; see note 187 above.

215 Philippines office (2011), p99ff

216 See Sarmiento, Bong S. Online campaign for transparency at Tampakan project gains ground. Minda News, 4 July 2013; at http://www.mindanews.com/top-stories/2013/07/04/online-campaign-for-transparency-at-tampakan-project-gains-ground/;
Church's anti-mining petition gathers pace. UCA News, Manila. 31 July 2013;
at http://www.ucanews.com/news/churchs-anti-mining-petition-gathers-pace/68900
[Both links supplied to the translator by the author of this section and accessed on 9 March 2015]

217 [Translators' note: The amount in USD is based on an average exchange rate in the period of 15 January until 15 March 2014 according to xe.com]

218 Talk given by Antonio Gustavo Gómez at the University of Berne, Switzerland, 20 March 2012

219 [Translator's note: see http://www.prodeco.com.co/files/5213/4737/7374/report_2011.pdf; accessed on 23 February 2015]

220 Compare El Cerrejón website: http://www.cerrejon.com/site/sala-de-prensa/cifras-cerrejon.aspx

221 [Translator's note: 'The Colombian Comptroller General is the highest body of control of the tax system of the State. It is in charge of the public control and monitoring of tax managing by the administration, individuals or entities dealing with public funds or goods of the Nation.' See, Mining in Colombia: Basics to overcome the extractive model – Summary of the Colombian Comptroller General's Report and Recommendations. *OIDHACO – Oficina Internacional de Derechos Humanos – Acción Colombia* (International Human-Rights Office – Action for Colombia), June 2013; http://www.oidhaco.org/uploaded/content/article/1025120486.pdf; accessed on 26 February 2015]

[222] Garay Salamanca (Nov 2013) [See http://www.contraloriagen.gov.co/documents/10136/182119332/MineriaEnColombia-Vol2.pdf/6cc33e0c-29e9-4a65-8561-1215fa8d07a0] and
Suhner, Stephan. *Zweiter Bericht des Rechnungsprüfungshofes zeigt weitere gravierende Missstände auf* (Second report by the Court of Auditors flags up further serious shortcomings). ASK, 28 January 2014 [See http://www.askonline.ch/fileadmin/user_upload/documents/Thema_Wirtschaft_und_Menschenrechte/Bergbau_Rohstoff/Bergbau_Kolumbien/Zweiter_Bericht_des_Rechnungspruefungshofes_zeigt_weitere_gravierende_Missstaende_auf.pdf; both websites accessed by the translator on 25 February 2015]

[223] Suhner Stephan. *Bedeutung und Auswirkungen des Bergbaus in Kolumbien*. ASK, August 2009; see note 178 above.
[Translator's note: conflicting information provided in original German text has been amended to reflect German source text referred to by the editors in section, 'Poverty in mining areas', p87]

[224] ASK interviews with trade union and community representatives, May 2008

[225] Compare this with incidents in the village communities of Huisa and Alto Huarcca reported by those affected.
[See Sullca Condori, Sergio [Attorney-at-law for the provincial government between 2011 and 2013] *Xstrata: Sus engaños* (Xstrata: Its deceptions), Sullca Sur Andino, 23 June 2011; http://sullcasurandino.blogspot.co.uk/2011/06/xstrata-sus-enganos-1.html; accessed by the translator on 16 February 2015; erroneous publication date in German original amended.
See also: Sullca Condori, Sergio. *La contaminante Xstrata Tintaya* (The polluting Xstrata Tintaya), Sullca Sur Andino, 5 October 2011; http://sullcasurandino.blogspot.co.uk/2011/09/la-contaminante-xstrata-tintaya-0911-no.html; accessed on 16 February 2015]

[226] In November 2013, the editors had access to records of the non-governmental organisation *Derechos Humanos sin Frontera* (Human Rights without Borders), who were providing legal monitoring of the case at the time the German version of this book went to press

[227] [Translator's note: see note 185, above: Convenio Marco, Comité de Gestión. Acta: "Reseña historica de la secretaria técnica del Convenio Marco, período 2011"]

[228] See note 205

[229] [The translator was unable to find the document online]

[230] Talk given by Antonio Gustavo Gómez at the University of Berne, Switzerland on 20 March 2012

[231] [Translator's note: See, for example, Lacson, Nonoy E. B'laan Tribe Gets School Facility. Philippine Mining Almanac, 8 May 2012; see http://philippinemining.imaginet.com.ph/headlines/blaan-tribe-gets-school-facility; accessed on 25 February 2015]

[232] [Translator's note: See note 188 above]

[233] RBG Resources plc: Former Directors convicted, 22 April 2008 [See http://www.sfo.gov.uk/press-room/press-release-archive/press-releases-2008/rbg-resources-plc-former-directors-convicted.aspx; accessed by the translator on 15 February 2015]

[234] *La nacionalización de la Empresa Fundidora Vinto* (The nationalisation of Fundidora Vinto), in: Diario crítico de Ecuador, 25 February 2007 [See http://bolivia.diariocritico.com/2007/Febrero/noticias/11511/nacionalizacion-vinto.html; accessed by the translator on 25 February 2015]

[235] *Vinto no puede vender estaño* (Vinto cannot sell tin), in: La Razón, 12 September 2007 [Translator's note: this article is not available online; see here for similar content: http://boliviaminera.blogspot.co.uk/2007/09/vinto-no-puede-vender-estao.html; accessed on 25 February 2015]

[236] *Bolivien verstaatlicht Bergwerk von Glencore* (Bolivia nationalises Glencore mine), in: Tagesanzeiger, 20 June 2012 [See http://www.tagesanzeiger.ch/wirtschaft/Bolivien-verstaatlicht-Bergwerk-von-Glencore/story/29302745; accessed by the translator on 25 February 2015]

[237] REG – Glencore Inter – Response to the nationalisation of Colquiri mine, Glencore position statement, 22 June 2012 [See http://in.reuters.com/article/2012/06/22/idUS92905+22-Jun-2012+RNS20120622; accessed by the translator on 15 February 2015]

[238] COMIBOL, Corporación Minera de Bolivia

[239] *Para explotar y explotar las minas Bolívar y Porco COMIBOL y Sociedad Minera Illapa S.A. firmaron nuevo contrato de asociación* (To exploit and exploit the mines, Bolívar and Porco COMIBOL and Sociedad Minera Illapa S.A. have signed new contract of association), COMIBOL, Bocamina news bulletin no 276, 31 July 2012 [See http://www.comibol.gob.bo/noticia/285-

COMIBOL_Y_SOCIEDAD_MINERA_ILLAPA_S.A._FIRMARON_NUEVO_CONTRATO_DE_ASOCIACION; accessed by the translator on 25 February 2015]

[240] Diaz, V. *La minería bajo el dominio de las transnacionales* (Mining industry under the control of multinationals). *Revista Petropress*, 25, CEDIB, June 2011 [For pdf download, see http://www.cedib.org/presentaciones/mineria-en-bolivia-empresas-extranjeras-cooperativas-y-estado/; accessed by the translator on 25 February 2015]

[241] Marti, Kurt (2014); see http://www.infosperber.ch/Wirtschaft/Rohstoffhandel-Glencore-Steuerflucht; accessed by the editors;
[Translator's note: The previous document in German refers to
Cobham, Alex, with Petr Janský and Alex Prats. Abstract in: Estimating Illicit Flows of Capital via Trade Mispricing: A Forensic Analysis of Data on Switzerland. Center for Global Development, Working Paper 350. Washington, DC, January 2014; see http://international.cgdev.org/sites/default/files/Cobham-illicit-flows-switzerland_0.pdf; accessed on 26 February 2015. An error in the original German version regarding the provenance of the study has been corrected; unlike the German version, which paraphrases the study, this English version directly quotes from the Abstract.]

[242] [Translator's note: See, for example, Flütsch, Andreas. *Glencore zahlt in der Schweiz seit dem Börsengang «null» Steuern* (Since its IPO, Glencore has paid 'zero' tax in Switzerland). *I*n: Tages Anzeiger, 14 March 2013. See http://www.tagesanzeiger.ch/wirtschaft/unternehmen-und-konjunktur/Glencore-zahlt-in-der-Schweiz-seit-dem-Boersengang-null-Steuern/story/19285368; accessed on 26 February 2015]

[243] [Translator's note: Somewhat duplicated information provided in the German original text has been simplified.]

[244] Garay Salamanca (May 2013), p145
[Translator's note: Text here as quoted in OIDHACO – Oficina Internacional de Derechos Humanos – Acción Colombia: "Mining in Colombia: Basics to overcome the extractive model" – Summary of the Colombian Comptroller General's Report and Recommendations, June 2013, p3; see http://www.oidhaco.org/uploaded/content/article/1025120486.pdf; accessed 26 February 2015]

[245] Glencore se estaría quedando con millonarios recursos de regalías (Glencore reported to have withheld millions in royalties), in: La Vanguardia, 26 March 2012; Contraloría tiene en la mira a la Glencore por pago de regalías (Comptroller focuses on Glencore for royalties payments). RCN Radio, 23 March 2012

[246] Suhner, Stephan. *Jetzt scheint es offiziell: Glencore vermeidet durch juristische Tricks die Bezahlung von fast 100 Millionen USD Royalties* (Now it seems to be official: Legal tricks help Glencore avoid payments of almost USD 100 million in royalties). ASK, 29 March 2012 [See http://www.askonline.ch/fileadmin/user_upload/documents/Thema_Wirtschaft_und_Menschenrechte/Bergbau_Rohstoff/Glencore_Kolumbien/Glencore_Royaltiehinterziehung_Maerz_2012.pdf; accessed by the translator on 25 February 2015]

[247] Suhner, Stephan. *Streik bei Glencore-Tochter dauert schon 50 Tage* (Strike at Glencore subsidiary already 50 days old). ASK, 6 September 2012 [See http://www.askonline.ch/themen/wirtschaft-und-menschenrechte/bergbau-und-rohstoffkonzerne/glencore-in-kolumbien/harter-arbeitskonflikt-august/; accessed by the translator on 26 February 2015]

[248] [Translator's note: The original German text gave a converted sum in CHF, which has here been converted into USD as per the exchange rate of 27 January 2012 quoted by xe.com]

[249] Suhner, Stephan. *Busse für Glencore wegen Verletzung der Registrierungspflicht der Tochterunternehmen* (Glencore fined due to breach of compulsory registration of subsidiaries). ASK, 2 February 2012 [See http://www.askonline.ch/fileadmin/user_upload/documents/Thema_Wirtschaft_und_Menschenrechte/Bergbau_Rohstoff/Glencore_Kolumbien/Busse_fuer_Glencore_in_Kolumbien_wegen_Verletzung_der_Registrierungspflicht_der_Tochterunternehmen.pdf; accessed by the translator on 26 February 2015]

[250] International Metalworker’s Federation: Denouncing irregularities at Peruvian mining company Glencore, 22 March 2010 [See http://www.industriall-union.org/archive/imf/denouncing-irregularities-at-peruvian-mining-company-glencore; accessed by the translator on 26 February 2015. Translator's note: The article also noted that Perubar owned 33% of Los Quenuales]

[251] ibid.

[252] CNMM statement, 25 February 2014; Peruvian Public Prosecutor's Office statement, 7 March 2011

[253] ibid. The website of the Public Prosecutor’s Office of Tucumán also has a special page listing legal proceedings against Minera Alumbrera: http://www.fiscaliagraltucuman.gov.ar/medio-ambiente/minera-alumbrera-ltda; accessed by the editors at the time the German version of this book went to press as well as by the translator on 26 February 2015

[254] Gallet, Audrey; Odiot, Alice: *Zambie – A qui profite le cuivre?* (Zambia – who benefits from the copper?). Documentary film, 2011 [See, for example, https://vimeo.com/25000940; accessed by the translator on 26 February 2015]

[255] *Unter Wert verkauft* (Sold under value), in: Weltsichten, December 2012 [See http://www.welt-sichten.org/artikel/508/unter-wert-verkauft; accessed by the translator on 26 February 2015]

[256] Thornton, Grant; Pöyry, Econ (2010) [See abstract at http://business-humanrights.org/en/pdf-pilot-audit-report-mopani-copper-mines-plc-international-expert-team-report-to-the-commissioner-domestic-taxes-zambia-revenue-authorities]
See also: Soukup, Michael. *Rohe Geschäfte* (Raw Deals), in: *Sonntagszeitung*, 18 September 2011 [See http://info.sonntagszeitung.ch/archiv/detail/?newsid=190025; both websites accessed by the translator on 26 February 2015]

[257] [Translator's note: The English version amends a ranking in the German original version of the book. According to the U.S. Geological Survey, in 2012 Zambia came 7th of 13 copper producing countries, after Chile, China, Peru, the U.S., Australia and Russia; in 2013 Zambia came 8th of 13, after Chile, China, Peru, the U.S., Australia, Russia and Congo/Kinshasa. See http://minerals.usgs.gov/minerals/pubs/commodity/copper/mcs-2014-coppe.pdf; accessed on 15 February 2015]

[258] *Transparenzpflicht* (Duty of transparency), in: Weltsichten, May 2013 [Translator's note: source citation according to German original. No source with this exact title could be found online. See, however, Wolfinger, Gesine. *Transparenz ist gut fürs Geschäft*. (Transparency is good for business), in: Weltsichten, 2/3–2008; at http://www.welt-sichten.org/artikel/3888/transparenz-ist-gut-fuers-geschaeft; accessed on 26 February 2015; see also ATI – Aid Transparency Index 2014 at http://ati.publishwhatyoufund.org/donor/unicef/, accessed in March 2015]

[259] National Contact Point of Switzerland. Final Statement, 28 November 2012, p2 [Note inserted by the translator in March 2015]

[260] CTPD, Erklärung von Bern, L'Entraide missionnaire, Mining Watch, SHERPA (2011)

[261] [For the OECD's definitions of Transfer Pricing and Arm's Length Principle, see OECD Guidelines for Multinational Enterprises. 2011 Edition. OECD (2011), Commentary on Taxation, p62, item 104; at http://www.oecd.org/daf/inv/mne/48004323.pdf; accessed by the translator on 5 March 2015. The English wording in this sentence reflects the spirit of the Guidelines.]

[262] Schürer, Stefan. *Die Rohstoffkonzerne bleiben bei ihren Steuertricks unbehelligt* (Raw material corporations' tax stratagems continue to go unpunished), in: Tagesanzeiger, 6 April 2013 [See http://www.tagesanzeiger.ch/wirtschaft/unternehmen-und-konjunktur/Die-Rohstoffkonzerne-bleiben-bei-ihren-Steuertricks-unbehelligt/story/10439658; accessed by the translator on 26 February 2015]

[263] Kar, Dev; Freitas, Sarah (May 2013), p51 [See http://www.gfintegrity.org/report/report-net-resources-from-africa/; accessed on 26 February 2015. Translator's note: A slight misprint in the German original text has been corrected here.]

[264] Brot für alle/Fastenopfer (2012), p65

[265] EITI-DRC Report 2011. Mining. December 2013 [Translator's note: no such report has been found online; see, however, EITI Countries. Democratic Republic of Congo at https://eiti.org/DRCongo; accessed in March 2015]

[266] ibid.

[267] Brot für alle/Fastenopfer (2012), pp65ff

[268] Editors' and translator's note: The widely-used term 'biofuel' obfuscates the fact that this type of fuel is produced in the agricultural sector.

[269] Barandun, Angela. *Glencore ernährt die Welt* (Glencore feeds the world) Tagesanzeiger, 28 February 12 [See http://www.tagesanzeiger.ch/wirtschaft/unternehmen-und-konjunktur/Glencore-ernaehrt-die-Welt/story/25987904; accessed by the translator on 16 February 2015]

[270] Grain. Global agribusiness: two decades of plunder, in Seedling, 13 July 2010, p17 [See http://www.grain.org/article/entries/4055-global-agribusiness-two-decades-of-plunder; accessed by the translator on 16 February 2015]

[271] ODG (2013), p67 [See http://www.tni.org/briefing/impunity-inc; accessed by the translator on 16 February 2015]

[272] [Translator's note: According to the World Bank, in 2011 the total area of Brazil was 8,514,880 square kilometres, or around 3,287,610 square miles. World Development Indicators show the following percentages of agricultural land in Brazil: 2000-2004: 32.3%; 2005-2009: 32.5% and 2010-2014: 33%

(increasing); see http://data.worldbank.org/indicator/AG.LND.AGRI.ZS/countries; accessed on 12 March 2015]

[273] *Inversión millonaria de Santa Fe* (Heavy investments in Santa Fe), in: Biodiesel.com.ar, 3 June 2011; ODG (2013), p62 [See also http://biodiesel.com.ar/5684/inversion-millonaria-en-la-provincia-de-santa-fe; accessed by the translator on 16 February 2015]

[274] Grain. Land grabbing for biofuels must stop, in: Against the Grain, 21 February 2013 [See http://www.grain.org/article/entries/4653-land-grabbing-for-biofuels-must-stop; accessed by the translator on 16 February 2015; translator's note: an erroneous date in German original reference to this publication has been amended.]

[275] [See Ensus Bioethanol Plant, Teesside, United Kingdom; at http://www.chemicals-technology.com/projects/ensus-plant/; accessed by the translator on 12 March 2015]

[276] ODG (2013), p40

[277] [Translator's note: The area is also known as the Southern Cone; see note 258]

[278] [Comparison inserted by translator]

[279] Grain. The United Republic of Soybeans: Take Two, in: Against the Grain, 2 July 2013 [See http://www.grain.org/article/entries/4749-the-united-republic-of-soybeans-take-two; accessed by the translator on 16 February 2015; translator's note: erroneous date in German original reference to this publication has been amended.]

[280] [Translator's note: See also Glyphosate. Technical Fact Sheet. National Pesticide Information Center; http://npic.orst.edu/factsheets/glyphotech.html; accessed on 27 February 2015]

[281] [Translator's note: See, for example, Rowley, Emma. Glencore lifts the lid on the pivotal role it plays in the international food chain, in: The Telegraph, 23 January 2012; at http://www.telegraph.co.uk/finance/commodities/9031346/Glencore-lifts-the-lid-on-the-pivotal-role-it-plays-in-the-international-food-chain.html; accessed on 12 March 2015]

[282] *Neuer Putschismus in Lateinamerika* (New putschism in Latin America), in: antidot no 13, August 2012 [See http://www.antidotincl.ch/archiv/archiv-pdf; accessed by the translator on 25 February 2015]

[283] SENAVE, Servicio Nacional de Calidad y Sanidad Vegetal y de Semillas

[284] Jorge Villalba Digalo, *Las razones para gravar la exportación de granos* (Reasons for taxing grain exports), in: E'a, 17 July 2013 [See http://www.nanduti.com.py/v1/noticias-mas.php?id=80913&cat=Economia; accessed by the translator on 21 February 2015]

[285] [Translator's note: See Rulli, Javiera Manuela, and Reto Sonderegger. Tragic Week in Paraguay. Upsidedownworld, 24 June 2012; see http://upsidedownworld.org/main/paraguay-archives-44/3705-tragic-week-in-paraguay; accessed on 27 February 2015]

[286] [Translator's note: Guardian editor's definition of arbitrage opportunity: 'the purchase and sale of an asset in order to profit from price differences in different markets'.]

[287] Neate, Rupert. Glencore food chief says US drought is good for business, in: The Guardian, 21 August 2012 [See http://www.theguardian.com/business/2012/aug/21/glencore-us-drought-good-for-business; accessed by the translator on 16 February 2015]

[288] The following details are based on a document from the non-governmental organisation Grain: Seedling, 13 October 2010 [See http://www.grain.org/article/categories/211-seedling-october-2010; accessed by the translator on 27 February 2015]

[289] ibid.

[290] Deighton, Ben. Court finds Glencore grain unit bribed EU official. 27 June 2012 [See http://uk.reuters.com/article/2012/06/27/uk-glencore-trial-idUKBRE85Q0UC20120627; accessed by the translator on 27 February 2015]

[291] [Translator's note: conversions from euros into US dollars according to xe.com on 27 June 2012]

[292] Neate, Rupert. How £50m in UN food aid for starving went to buy wheat from Glencore, in: The Guardian, 6 February 2012; see http://www.theguardian.com/business/2012/feb/06/un-food-aid-glencore-xstrata; accessed by the translator on 21 February 2015

[293] UAC, *Construyendo Caminos Colectivos en Defensa de Nuestros Territorios* (Building collective pathways in the defence of our territories), 2011 [See also http://www.huma.unca.edu.ar/revistarena/images/stories/masimagenes/estantes/documents/NRO2-1-2011/PRISMA/Cerutti-Silva.pdf, with abstract in English; accessed by the translator on 16 February 2015]

[294] Brot für alle/Fastenopfer, *Tampakan: Steigt Glencore-Xstrata bei Minenprojekt aus?* (Tampakan: Is Glencore-Xstrata backing out of mining project?); media release, 3 February 2014 [See http://www.fastenopfer.ch/data/media/medien/medienmitteilungen/2014/20140203_medienmitteilung_tampakan.pdf; accessed by the translator on 27 February 2015. Translator's note: see also Komnenic, Ana.

Glencore Xstrata wants out of Philippine copper-gold project. Mining.com, 30 January 2014; see http://www.mining.com/glencore-xstrata-wants-out-of-philippine-copper-gold-project-12706/; accessed on 27 February 2015]

[295] OECD Watch. Sherpa vs Mopani Complaint: Specific Instance regarding Glencore International AG and First Quantum Minerals Ltd. And their alleged violations of the OECD guidelines for multinational enterprises via the activities of Mopani Copper Mines Plc. In Zambia, 12 April 2011; see http://www.oecdwatch.org;
Information Platform Human Rights. Glencore illustrates the need for stricter legal guidelines, 25 May 2011 [See http://www.humanrights.ch/en/switzerland/foreign-affairs/foreign-trade/transnational/glencore-illustrates-stricter-legal-guidelines; accessed by the translator on 21 February 2015]
[OECD] National Contact Point of Switzerland. Final Statement. Specific Instance regarding taxation policy by Mopani Copper Mines Plc. And Glencore International AG and First Quantum Minerals Ltd. In Zambia,28 November 2012 [See http://www.seco.admin.ch/themen/00513/00527/02584/02586/index.html?lang=en and Final Statement Mopani/Glencore Zambia ('Last modification: 30.11.2012'); both accessed by the translator on 21 February 2015]

[296] [Translator's note: See Action Aid website; see http://www.actionaid.org/zambia/tax-power-zambia; accessed on 28 February 2015]

[297] Mopani praised for scooping awards, in: Times of Zambia, 23 March 2014. [Translator's note: this was the first ever award handed out by Zambia's Chamber of Mines.]

[298] 'The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.' [See United Nations Global Compact, Overview, at https://www.unglobalcompact.org/AboutTheGC; accessed by the translator on 21 February 2015]
However, compliance with the voluntary corporate responsibility initiative is neither blinding nor is there any independent monitoring. Likewise, the Voluntary Principles on Security and Human Rights, introduced especially for the natural resources sector, also rely upon voluntary intent. The OECD Guidelines for Multinational Enterprises are a 'non-binding code of conduct that OECD member countries and others have agreed', i.e. It is not the companies themselves that have agreed this guidance. See OECD (2011), OECD Guidelines for Multinational Enterprises. OECD Publishing [See http://dx.doi.org/10.1787/9789264115415-en; accessed by the translator on 21 February 2015]

[299] [Translator's note: see https://eiti.org/eiti; accessed on 21 February 2015]

[300] Swissaid and Erklärung von Bern, *Neuer globaler Rohstoff-Standard beschleunigt Transparenz-Trend* (New global gtandard for natural resources accelerates trend for transparency); Media release on the EITI – Extractive Industries Transparency Initiative, 22 May 2013 [See http://www.swissaid.ch/de/neuer-globaler-rohstoffstandard-beschleunigt-transparenz; accessed by the translator on 21 February 2015]

[301] 2013 Background Report: Commodities, see note 37

[302] [Translator's note: For more details, see http://www.corporatejustice.ch/en/; accessed on 28 February 2015]

[303] See note 285

[304] [Translator's note: see Observadores De Glencore; https://www.facebook.com/observadores.glencore?fref=ts; accessed on 28 February 2015]

[305] See Boyd, Stephanie. Who's the ugliest of them all? Glencore Xstrata is a hot contender for worst corporation award. In: The New Internationalis magazine, Web Exclusive, 4 December 2013 [See http://newint.org/features/web-exclusive/2013/12/04/glencore-xstrata-worst-corporation-award/; accessed by the translator on 28 February 2015]

[306] [Translator's note: Since 2010, Bern's *Tour de Lorraine* association has held a major annual cultural event called 'Perspectives after Davos', to throw a critical light on the World Economic Forum in Davos. See http://www.tourdelorraine.ch/index.php?id=13; accessed on 28 February 2015

[307] See Fondation Genève Place Financière. FT Global Commodities Summit, 15-17 April 2013 [See http://www.geneve-finance.ch/en/event/ft-global-commodities-summit-lausanne; accessed by the translator on 28 February 2015]


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