The emperor’s new clothes: sustainable mining?

ANDY WHITMORE

Mines and Community Network, 41 Thornhill Square, London N1 1BE, UK
(e-mail: web@minesandcommunities.org)

Abstract: Over the last few years, the idea of ‘sustainable mining’ has, thanks to industry sponsorship, been working its way into the agenda of many international processes. There is now a push in many countries to invite in multinational mining companies with the idea that there is a ‘new, sustainable mining’ that is different from the old, bad practices of the past. Yet what has actually changed in the industry to match this shift in rhetoric? From the perspective of mine-affected communities, nothing seems to have changed. Their land is still being taken from them without giving their free, prior and informed consent, and they are suffering the same ill effects on their ways of life, health and environment. This paper will illustrate, using case studies from the Philippines and West Papua, how under this rhetoric, the mining industry ‘emperor’ has the same old naked ambitions. This paper intends to look at how ‘sustainable mining’ is perceived from the viewpoint of mines-affected communities and their supporters. Ideally a representative of such a community should be writing this, but as this was not possible, I am writing this as a member of the editorial board of Mines and Communities (MAC). (MAC is a network of organizations across the world seeking to empower mining-affected communities in their struggles against damaging proposals and projects. More information on Mines and Communities, including the members of its editorial board, can be viewed at http://www.minesandcommunities.org.) Many of the communities MAC works with are made up of indigenous (or first, aboriginal) peoples, who have been unfairly disadvantaged by mineral development on or near their land. The paper will therefore concentrate to some extent on the issues of indigenous communities.

Industry initiatives

Over the last few years, the idea of ‘sustainable mining’ has, thanks to mining industry sponsorship, been working its way onto the agenda of many international processes. The idea was effectively born under the banner of the Global Mining Initiative (GMI) in 1998, leading up to the questionable insertion of the term ‘sustainable mining’ into the post-Johannesburg plan of action at the World Summit on Sustainable Development (WSSD) in 2002. The industry’s preparation for, and indeed integration with the processes of, the WSSD was partly a wake-up call from its relative exclusion at the 1992 predecessor, the Earth Summit (MMSD 2002; Moody 2002).

The GMI was initiated in a meeting of industry leaders and was based in London at Rio Tinto’s head office in St James Square. The founders of GMI included Rio Tinto, Anglo American, BHPBilliton, Freeport McMoRan, Newmont and WMC. These are among the largest companies in the industry, and each has been frequently criticized over their own problematic environmental and social records (Moody 2002).

The GMI established the two-year research and dialogue initiative entitled the Mines Minerals and Sustainable Development (MMSD) project. This was followed by a global conference and the formation of the International Council of Mining and Metals (ICMM) – which is also based in London and features many of the same companies – to better represent the industry to its critics (MMSD 2002).

Despite an engagement with some, particularly Northern-based, NGOs, MMSD predictably was widely criticized and boycotted by indigenous peoples’ organizations, NGOs with expertise on the issue and mine-affected communities, as can be seen in the joint letter by the Mineral Policy Centre and others dated 2 August 2000 (Nettleton et al. 2004). This is because, while it projected itself as being consultative and inclusive, its framework, objectives and structure were all unilaterally predetermined by the corporate sector. Even the members of the nominally independent Assurance Board (established to monitor rather than manage the process) were originally chosen unilaterally by industry, without the broad consultations and self-selection processes

associated with a more credible multistakeholder process (Moody 2002).

The aims and outcomes of MMSD were therefore tailored to the industry’s priority agenda of linking mining to sustainable development, and according to critics did not reflect those of communities. This meant that, as argued by Moody (2002) in his paper ‘Sustainable Development Unsustained’, MMSD did not gain broad acceptance or credibility as an independent body, and as a result the project failed to generate any meaningful dialogue between those most affected by mining and those most responsible. MMSD, in its own conclusions, noted lack of trust as an important qualifier in its own history and for future dialogue in the industry. This failure stunted its capacity in terms of its stated goals of engaging with critics (MMSD 2002; Moody 2002).

Even some within the industry, such as Philip Crowson in a letter published in the Mining Journal, 12 April 2002, called MMSD the ‘flawed outcome of a flawed process’. He finds its introductory pages ‘...no more than a recycling of currently fashionable ideas and phrases, preceded by an alarmist sketch of the world today and laced with some crudely misleading economic history.’ Crowson cannot stand the idea that the MMSD team has now ‘dignified’ NGOs as ‘civil society’. He deplores the ‘working assumption’ that miners would need a ‘license to operate’ through ‘multistakeholder engagement’ before they can lift a sod of other peoples soil, (Moody 2002).

However, none of this has stopped the industry engaging with some large, Northern-based NGOs, such as Conservation International and CARE International, much to the frustration of mines-affected communities, as these organizations have no grassroots consent on which to enter into dialogues that will affect those communities (Moody 2001b; Choudry 2003). As a slight aside it is worth looking at Marc Chapin’s examination of the tension between indigenous peoples and large conservation organizations in an excellent article that exposes just how environmental organizations frequently fall into the same arrogant traps as multinational companies in dealing with the expectations of local communities (Chapin 2004). Nor has the MMSD project prevented subsequent ‘dialogue’ processes (including that between ICMM and IUCN concerning the future of mining exploration within Protected Areas) from repeating the same exclusion of the indigenous peoples whose lands were under discussion (ICMM/IUCN 2002). It has also not stopped the industry, aided by the World Bank, promoting ‘sustainable mining’ within the liberalization of various country mining codes, such as the National Minerals Policy in the Philippines (Corpuz 2003).

**London Declaration complaints**

It is partly owing to the above industry initiatives that MAC was born. There was a meeting of community activists and their supporters in London in May 2001. London was chosen because it is increasingly seen as the centre of mining companies, mining financing (note the rapid growth of mining stocks on London’s AIM market), and most importantly to the industry-sponsored initiatives mentioned above.

A joint declaration came out of that meeting, called the ‘London Declaration’, which forms the basis for the following critiques of ‘sustainable mining’ (MAC 2001).

The Declaration makes various demands upon the mining industry and civil society, but from the point of view of this paper its most relevant section is in how industry-sponsored initiatives promote at least four half-truths or myths. These are:

1. the supposed need for more and more minerals from ever more mines;
2. the claim that mining catalyses development;
3. the belief that technical fixes can solve almost all problems; and
4. the inference that those opposed to mining mainly comprise ignorant and ‘anti-development’ communities and NGOs.

I intend to look at each in turn to see how it exposes the fallacy of sustainable mining.

**The supposed need for more and more minerals from ever more mines**

This is perhaps the key question: how can the naked laws of supply and demand, in a growing world of consumption, result in a sustainable extractive industry? In 1999 some 9.6 billion tons of marketable materials were dug out of the earth, nearly double the amount for 1970. This only accounts for minerals that reach markets, and not the unused and/or waste products, or overburden. If you add this in, then the amounts removed are staggering. In 2000, mines around the world extracted some 900 million tons of metal – and left behind some 6 billion tons of waste ore (not including overburden). The Ok Tedi mine in Papua New Guinea...
generated 200,000 tons of waste a day on average – more than all the cities in Japan, Australia and Canada combined (MMSD 2002, p. 243; Sampat 2003, p. 112).

It can be argued that at least part of the increase in production is not just pure global economic demand, but is a result of subsidies provided by government policies and the promotion of mining via International Finance Institutions (IFIs), such as the World Bank. The subsidies that mining firms enjoy can come in the form of pro-mining laws, which charge very little in taxes or royalties, for example, the 1872 U.S. mining law, or any of a number of newly introduced codes in developing countries. Taxpayers, who pick up the bills for cleaning up costly mistakes, such as through the U.S. ‘superfund’, can also subsidize mining. IFIs have actively promoted mining in developing countries through loans, investment guarantees, insurance covers and pressure on law making. Between 1995 and 1999 the World Bank spent close to US$6 billion to fund mining projects around the world (Sampat 2003, pp. 123–124).

Based on figures from the late 1990s, on the negative side mining consumed close to 10% of world energy, is responsible for 13% of sulphur dioxide emissions and, it is estimated, threatens nearly 40% of the world’s undeveloped tracts of forest. Yet it directly accounts for only 0.5% of employment and 0.9% of ‘gross world product’. When considered as a ‘complete balance sheet’, it just does not look sustainable (Sampat 2003, p. 111).

Given these figures, there is definitely a logic and market for increased production of recycled materials (or even the use of current stockpiles – there is after all enough gold stockpiled to meet demand for 17 years). About half of the world’s lead comes from recycled sources, as does a third of aluminium, steel and gold. Energy savings of up to 70% are available through recycling, not to mention the benefits from reduced toxic emissions, as well as to occupational health and safety.

Yet, partly thanks to subsidies, companies search for new greenfield sites when so much useful metal lies in landfills (although some pilots on mining landfills are happening in the United States). These subsidies can also be hidden ones, because it is very difficult to quantify any costs to air or water quality, the consumption of ‘free natural resources’ and the loss of alternative livelihoods. In the same way that the heavily subsidized arms industry is being asked to transfer skills towards more peaceful industries, so the corporate mining industry should be looking towards switching its skills and knowledge towards investing in recycling (Sampat 2003, pp. 123–124; Lehman Brothers Inc. 2000).

The claim that mining catalyses development

It is interesting that even in the 18th century, Adam Smith had already noted how capricious the benefits of mining were, when he said, ‘of all those expensive and uncertain projects which bring bankruptcy upon the greater part of the people that engage in them, there is none more ruinous than the search for new silver and gold mines. It is perhaps the most disadvantageous lottery in the world’ (Smith 1776).

There is now a well-published argument upon the issue of mining’s contribution to developing countries; a proper exploration of which would require an article many times the length of this one. Aside from the ‘boomtown’ effect caused by short-term projects, often referred to around a set of symptoms known as ‘Dutch disease’, there are also the problems associated with extractive industries called the ‘mining curse’. Mineral development, it is argued, has paradoxically been shown to have a negative effect on economic growth in minerals-dependent developing countries, or at the very least not to benefit the poor in that country. According to the United Nations, the proportion of people living on less than $1 a day in minerals-exporting countries rose from 61% in 1981 to 82% in 1999 (OXFAM 2003). A study from Britain’s Lancaster University concluded that mineral-driven, resource-rich countries were among the poorest economic performers in a study from 1960 to 1993 (Auty 1998).

Many economists consider it ‘intuitively obvious’ that mining is the vehicle to drive sustained economic growth to lift countries out of poverty. A recent World Bank report makes this familiar case; ‘… natural resources-based activities can lead growth for long periods of time. This is patently evident in the development history of natural resource-rich developed countries, such as Australia, Finland, Sweden, and the United States. Mining was the main driver of growth and industrialization in Australia and the United States over more than a century…’ (Power 2002, pp. 4–7).

However, a recent publication from OXFAM America, ‘Digging for Development’, debunks many of these standard myths. The author, Thomas Michael Power (2002) shows how the
idea that mining was an engine for growth in countries such as Canada, the United States and Australia, and therefore can be so for other countries, is simply not true. He shows how relatively unimportant mining was for those countries, how their large geographical size and internal markets assisted a diversified mineral sector and how they were effectively already middle income countries anyway. Professor Power stresses how these positive factors just do not hold for most mineral-rich developing countries, with most lucky to have even one of these characteristics. More importantly he notes how in the last 20 years – with increased globalization leading to cheaper transportation prices and more volatile markets – mineral-dependent countries are faring even worse (Power 2002).

Although there has been an ongoing argument between Professor Power and the World Bank over the figures used and the conclusions drawn, it is obvious to many that even if a country can be seen to benefit, communities who are close to the operation seldom seem to in comparison to the costs that are imposed upon them. Research has shown that many of the poorest regions within countries are those associated with mining, from Bihar in India to the Appalachian coal mine areas of the United States. An excellent example is in Peru, where aside from a general proof of the above statement there is one province, Cajamarca, the site of Latin America’s largest gold mine, Yanacocha, which has, after over ten years of mining, dropped from being the fourth poorest province in the 1980s to the second poorest. Also, certain previously disadvantaged groups, such as women or indigenous peoples, stand to lose more of their otherwise productive land, and run a greater risk of airborne pollution (Sampat 2003). It is difficult to see how this has encouraged ‘sustainability’.

The belief that technical fixes can solve almost all problems

The corporate mining industry is exceedingly quick to herald beneficial improvements in technology, which are promoted as the products of, or associated with, large multinational companies. However, history has shown us that even if beneficial, these technologies are not always necessarily used, as costs can sometimes be prohibitive. For example, in the case of Ok Tedi, when confronted with problems of building a tailings dam in a high rainfall and geologically unstable area, BHPBilliton opted to dump waste straight into the local river system, which has been the source of ongoing legal action since. It seems that at no point when a reasonable technical solution could not be found did the simple solution not to mine in such an area occur to the company (Kirsch 2000).

There are still arguments over so-called new solutions. A good example is submarine tailings disposal, which in the developing world started in Papua New Guinea and at the urging of industry is spreading to other Asia-Pacific countries, despite serious civil society opposition. This is a relatively untested technology, and already objections and problems have been noted in the Lihir, Misima and Buyut Bay mines. In the case of the latter, the company responsible, Newmont, is at the time of writing the subject of civil and criminal proceedings, and had five executives detained in jail for questioning, for the alleged poisoning of residents of the eponymous bay via submarine tailings disposal (Moody 2001g).

If you look back over the period when sustainable mining has been on the agenda, the two outstanding technological developments have been the extraction of minerals from lower-grade ores and heap leaching. Lower-grade ore, open pit mining produces less ore for energy consumed and waste produced, compared to underground mining. It also employs fewer people and obviously is less attractive to communities, who stand to lose more of their otherwise productive land, and run a greater risk of airborne pollution (Sampat 2003). It is difficult to see how this has encouraged ‘sustainability’.

Heap leaching, heap leach SX-EW and High Pressure Acid Leaching (HPAL) benefit industry, but not necessarily the environment or local communities. In fact it could be argued that some of these processes have opened up new regions for mining where it has not been previously practical. The MMSD report commends HPAL, as an example, for its lower capital and operating costs and superior metal recovery,
which ‘may have a significant effect on the location and nature of nickel mining in the future’ (although in hindsight constant problems at mine sites have left the whole initial HPAL hype somewhat tarnished). There is absolutely no recognition that by opening up new areas of laterite (as dramatized via the Crew Mindoro project in the Philippines) this ‘new location’ factor may sound the death knell for traditional farming or fishing communities (MMSD 2002, p. 29).

It is difficult to see how these types of technology are really helping sustainable development. If technical fixes are the answer to everything, then we should have seen reductions in the number of tailings dam problems in the period that ‘sustainable mining’ has been in discussion. Recent research by Indigenous Peoples Links on tailings dams in the Philippines, and by the World Information Service on Energy in Australia on uranium mines, seems to suggest that this has not happened (Nettleton et al. 2004; Wise 2005).

As a good example of where even the largest and best-equipped companies have technical problems, the Kalian gold mine in Indonesia, which lasted for less than a decade, is closing before its scheduled decommissioning, and has left Rio Tinto with an enormous problem of rehabilitation (including not being able to return its mine site to productive agricultural use as undertaken in the EIA) (McDonald & Ross 2003).

Finally, if technology is really improving safety, then surely companies should be putting their dollars where the their company reports are, and agreeing to the ‘polluter pays’ and ‘precautionary’ principle. However, companies have been investing much time and energy lobbying against this principle, despite civil society worries that some fees for polluting can be so low as to actually make it affordable for the polluter to just ‘pay and go’ (Corpuz 2003; REHN 2003).

The inference that those opposed to mining mainly comprise ignorant and ‘anti-development’ communities and NGOs

It is important to stress that many of the groups that MAC works with are not ‘anti-mining’ per se, and many work with, or are, miners themselves (notably small-scale or artisanal miners). However, their dealings with the corporate mining industry to date have often made those same groups suspicious or hostile of the intentions of the industry.

As previously alluded to, there is a perception that the mining industry is using bodies of engagement, such as the MMSD, to seek out northern – often environmental – NGOs, with which it feels it can work. This tactic is frequently used to isolate those who are critical of larger scale mining, but the worst part of the situation is that those organizations seeking to engage are then taken to represent ‘civil society’ positions on mining and therefore to speak on behalf of communities who have never endorsed such a position. Understanding and dealing with the different groups within ‘civil society’, and as a result dealing directly with affected communities, is essential to creating real trust (Moody 2001b).

The key question is who has the right to make the decision over the future of communities: companies, governments, NGOs or the communities themselves? In any decision-making process there must be the concept of free, prior and information consent (FPIC). With indigenous peoples this must take account of collective decision making. Respect for FPIC, alongside a human rights-based view of development, was strongly recommended in the authoritative Extractive Industries Review (Salim 2003, pp. 21–24, 52–53, 61–64).

It is crucial that corporate mining representatives understand what this means. It means identifying and dealing fairly with all the affected communities from the very conception of a project. It also means accepting a ‘no’ to a project, if after fully and transparently explaining the costs and the benefits, that is what the community wishes.

Yet, so far there has been a history of the abuse of communities’ right to consent in order to promote projects. In order to explore this further it is worth concentrating on two specific areas: the first is a study of the types of abuse of such consent, focussing on examples across the Philippines. The second case study is looking specifically at the Freeport mine in West Papua/Irian Jaya.

The abuse of FPIC in the Philippines

The Philippines is a good example to concentrate on with regard to the abuse of FPIC, especially with regard to indigenous peoples, for a number of reasons. Mining, mainly for gold, copper, chromite and nickel, is widespread in the country. It has, however, a negative legacy – including the famous 1996 Marcopper tailings dam disaster – which has led to widespread community opposition to ongoing or proposed mining projects. The country also has around 10 million indigenous peoples (approximately 15% of the population) who retain a close link
with their land and traditions, and many of whom live in the more remote areas where mining is to take place (Nettleton et al. 2004). This potential clash between mining and the wishes of indigenous peoples is played out in the field of law. First, there are pro-mining laws that have been enacted by the Philippine Government in order to encourage overseas investment, such as the 1995 Mining Act, 2003 National Minerals Policy and 2004 Mineral Action Plan. However, the Philippines also has arguably the most advanced law with regard to the rights of indigenous peoples. The 1997 Indigenous Peoples Rights Act (IPRA) is modelled on the provisions of the UN Draft Declaration of Indigenous Peoples Rights, and states that before exploration or extraction rights are granted, the whole community must be informed and agree to the decision (Corpuz 2003; Nettleton et al. 2004).

The two laws are often diametrically opposed, even to the point of having separate land uses, under both Acts, covering the same piece of ground. The courts, and subsequent legislation, are now trying to unravel the inconsistencies of the situation. At present the cash-strapped Philippine Government’s stated priority is applying pressure in favour of mining, to the point where the operating regulations of IPRA are being re-written with a mind to ‘fast-track’ mineral operations. However, it is not just in legal terms, but practically on the ground, that indigenous peoples are losing out despite the theoretical rights they hold under IPRA. There are numerous examples of breaches of good faith or duplicity, where the consent is either not freely given, not informed, not done prior to commencement or in some cases consent is not given at all (Nettleton et al. 2004). The following are just a small number of illustrations of such behaviour.

Western Mining Corporation (WMC) allegedly tried to persuade leaders of the B’laan people to endorse its Tampakan mine in Mindanao by giving them gifts, building tribal halls, employing relatives and taking them on trips where they received lavish entertainment. Despite this, some community elders refused to agree to the mine, with one leader withdrawing his consent after visiting an existing mine and seeing its environmental impact. On one occasion, as part of its negotiations with the B’laan, a joint team from WMC and the government presented a 75-page Memorandum of Agreement to the community in English. The Government lawyer described the content of the agreement to community leaders in rough oral translation and advised them to sign. The whole negotiation was completed in a one-day session (Muntz 2001).

On the subject of bribery, Councillor Peter Duyapat of Didipio, Nueva Vizcaya, is among several indigenous leaders who make claims of attempted bribery. In exchange for stopping his vocal opposition to the entry of the mining company Climax Arimco, he says he was ‘offered by the company a 20-hectare farm in Bayombong, in Nueva Vizcaya, a sum of money that I could not spend in my lifetime, a house and lot, and a Pajero land cruiser’ (Colchester 2003).

In Pagadian, on Zamboanga del Sur, British-based mining company Rio Tinto called a meeting to talk about its mining applications in the region. The consultation took place in the provincial capital, far from indigenous communities, and less than one week’s notice was given. However, assisted by civil society groups, more than 300 Subanon did attend to register their strong and unanimous opposition to the plans. Despite this hostile response, the local Rio Tinto manager told the Philippine Government that the company had fulfilled its obligation to consult, and that the meeting had been ‘very successful’ (Nettleton et al. 2004).

Finally, another tactic is to undermine the indigenous leaders who oppose mining. In Mindoro, the Norwegian company Mindex – now part of UK-based Crew Development Corporation – cooperated with regional NCIP (the government body charged with indigenous rights) officials to establish a new indigenous organization, Kabilogan, within their claim area. There were, however, already two other indigenous organizations who held prior, officially registered, ancestral domain claims to the land covered by the concession claim of Mindex. Despite strong and repeated protest from local organizations and elected officials, the NCIP chose to recognize and deal only with the newly formed Kabilogan. The project was endorsed as having gained consensual free prior informed consent, and a licence was granted. At least in this case the licence was later revoked following an unprecedented level of local protest (Gariguez 1999).

The Grasberg mine in West Papua
Moving south across the Asia-Pacific region, the huge Freeport-McMoRan Grasberg mine was carved out of the sacred Graberg mountain in West Papua (otherwise known as the Indonesian-occupied province of Irian Jaya). Several features mark it out as worth concentrating on from the point of view of community resistance to projects. The first is its size, as by the turn of the
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century it was set to become the world’s biggest single mine. Secondly, it produces more mine waste than any other mine on the planet – averaging over 200,000 tonnes a day deposited straight into the local river system (Evans et al. 2001; Moody 2005).

However, from the perspective of community rights, it is the extreme repression meted out by armed forces against the local indigenous peoples around the mine site – on whose land it was constructed – that is most shocking. When the American company Freeport arrived in the late 1960s, the Amungme and Komoro people were living subsistence lifestyles in a landscape full of spiritual significance. Aside from the impact of the pit, waste and technology, the mine has brought mass migration and Indonesian soldiers and police, provisioned and paid for by the company with a mandate to protect it. There was no ‘good neighbour’ scheme adopted, no attempt at consultation. Freeport simply arrived, reinforced by Indonesian military power, and imposed itself upon the occupied people nearby without their consent.

Since that time, the human rights abuses have been widespread and well documented. Peaceful protest gave way to resistance, which provoked ‘counter insurgency’ operations and an escalating conflict. The mine has become a lightning rod for the armed Free Papua Movement (OPM), and independence struggles of the West Papuan peoples. Yet the main people who suffer as a result are the unarmed, local community around the mine (Evans et al. 2001; Moody 2005).

It is interesting to note that the first contract of work signed between Indonesia and Freeport – to mine the associated Ertsberg copper deposit – took place two years before the United Nations recognized Indonesian sovereignty over West Papua. The contract was the first to be signed by a multinational corporation with the Suharto New Order Government, and was to set a pattern of American support for the regime, in protection of its business interests, despite the human rights violations and corruption of the Suharto dictatorship.

There were belated attempts to engage with the local communities. Seven years after their arrival, the company was forced into a three-way meeting with the Amungme community and the provincial government. This led to the 1974 January Agreement, wherein Freeport pledged to construct facilities, including a school and health clinic, if indigenous landowners gave their approval for the mine (Evans et al. 2001).

However, despite the agreement, for the next 20 years the land grabbing without consent, and forced resettlement, continued and expanded. It was in 1995 that community members understood for the first time that they had, according to government records, ceded all their ancestral rights in the Timika area (nearly one million hectares) to the government for transmigration settlers (migrants from Java) associated with the mining.

The local landowners have been struggling since that first agreement to have their concerns for compensation and an end to the environmental and human rights abuses effectively addressed. They have appealed to the Indonesian Government, the United States Government and courts, the United Nations and directly to the managers and shareholders of Freeport, and its partner Rio Tinto.

The company’s response has been to increase the amount of money offered to local communities – namely through a ‘one per cent fund’ for local development. Although apparently a generous offer, it does not address the concerns of the people over their rights and the destruction being wrought – and therefore is generally seen as a belated bribe. Inevitably, the decision over whether to accept the offer, and even how it should be distributed, created more divisions in the community, leading to the deaths of 18 people in an inter-ethnic conflict over how the money would be distributed.

Eventually, for that reason, a local leader with some credibility, Tom Beanal, with huge reluctance decided to sit on PT Freeport’s board of commissioners in June 1999 to attempt to mitigate the damage the money was doing in his community. What he says of this bitter decision sums up the feeling of powerlessness in so many communities faced with huge company pressure: ‘What Freeport has done to me is to present me with a limited choice, prepared by the company, so that I was not able to choose freely, but was always obliged to choose what was desired by Freeport. People see me as working with Freeport now’ (Evans et al. 2001, p. 88).

Statement from John Rumbiak

Given the history of the Grasberg mine, and the fact I am not a direct community representative, it would be useful to quote at some length John Rumbiak of ELSHAM, a human rights group based in West Papua. It is important to note what he has to say of the Grasberg mine, and its effect on the local Amungme people, but also his conclusions on the ‘right to say no’.

In its 1967 contract of work, [Freeport] was the first foreign investor to enter into a [newly
defined business] agreement with Suharto’s New Order regime [in Indonesia]. The company gave itself broad powers to resettle local indigenous populations whose traditional lands the company seized free of charge for its operations. It also gave itself, in writing its own contract of work with the Indonesian government, the power to take, free of charge, whatever natural resources it required for its operations.

In the three decades that Freeport has operated in Papua, the company has single-handedly succeeded in establishing its own fiefdom. With the assistance of the Indonesian armed forces, paid by Freeport to safeguard its operations, the company decides who can enter the area surrounding its mine and who cannot. Although there are commercial flights in and out of Timika, the main town near the mine, visitors have been deported and blacklisted for attempting to be in the area without Freeport’s permission.

In September 1995, Indonesia’s National Commission on Human Rights concluded that clear and identifiable human rights violations had occurred in and around Freeport’s project area, including indiscriminate killings, torture, and inhuman or degrading treatment, unlawful arrest and arbitrary detention, disappearance, excessive surveillance, and destruction of property. The commission noted that these violations ‘are directly connected to [the Indonesian army] acting as protection for the mining business of PT Freeport Indonesia’.

To put an end to these dynamics of destruction and violence, the international community – particularly international investors – must, first and foremost, recognize indigenous communities’ basic rights to chart their own development paths, to manage their own resources, to pursue their traditional livelihoods and cultures, and to say NO to multinational operations on their lands. The failure to respect communities’ basic right to “just say no” exists at the heart of the nexus of human rights violations, environmental degradation and conflict (Rumbiak 2003).

Conclusion

The truth is that sustainability implies something quite different depending on which side of the bulldozer you are on. Attempts by the industry to green-wash itself as a new, improved, sustainable industry simply will not wash, as even some corporate mining cheerleaders, such as Philip Crowson as mentioned earlier, have pointed out. Those at the other side of the bulldozer can easily see that the emperor is naked, and the more he insists it is not so, the further away is an honest dialogue.

To emphasize this point, it is worth finishing with a quote from an Indian colleague who was recently questioning the use of the term ‘stakeholder’. ‘The meaning of “stakeholder” got ruined the day it got coined by Rio Tinto, a major mining multinational corporation, to give itself legitimacy and pose its demands of somebody else’s land as reasonable... The stakeholder engagement process is purported to be an exchange of information and views between all parties concerned by one project. In fact, a “stakeholder engagement process” stands for communities being continually told of companies’ plans and invited to modify them. But it does not mean that these communities are permitted to reject the projects per se. It does not mean that they are empowered to present their own development plans’ (pers. comm. 2003).

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