

## **Global Networks Challenging the Power of the Mining Industry**

Judith Marshall<sup>1</sup>

**ABSTRACT:** The establishment of the neoliberal world order has included major changes to the spaces, instruments and discourses through which transnational mining companies wield their power. These include mining industry think tanks, lobbying, contributions to political parties, trade agreements, investment protection treaties, revolving doors between industry and government leaders and high visibility public philanthropy. This study will explore how the mining industry uses and legitimates these new forms of corporate rule and the consequent weakening of labour's capacity to defend workers' rights and dignity. It will do so through mini-case studies of the initiatives of the USW to build new forms of solidarity through global networks focussed on two mining transnationals, Vancouver-based Teck with operations in Canada, the US, Chile and Peru and Brazil's mining giant, Vale SA with operations in 14 countries.

**KEYWORDS:** Neoliberalism; International Labour Solidarity; Unions; Free Trade; Mining

### **Introduction**

This article will explore how unions engage with the multiple spaces, instruments and discourses big mining companies use today to wield their enormous power (Marshall, 2015). It will do so by examining recent experiences of United Steelworkers (USW) in building global networks of mine workers. The first case-study will focus on efforts in the 1990s to build a network of Canadian, Chilean and Peruvian workers employed by Teck Resources, a

---

<sup>1</sup> Judith Marshall is a scholar-activist who holds a PhD from the Ontario Institute for Studies in Education. She has recently retired after working for two decades in the Global Affairs department of the United Steelworkers of America Canadian national office. In this position, she was responsible for member education, project coordination for USW's projects in southern Africa and promotion of global labour exchanges and networks.

Vancouver-based mining transnational. The second case-study will analyze a broader network formed in 2010, the International Articulation of People Affected by Vale. This network focussed on the Brazil-based mining giant that purchased four INCO nickel operations in Canada in 2006. The final section will reflect more broadly on the adequacy of union action to challenge corporate-led globalization and the neoliberal world order.

A new space for international work inside the Canadian union movement opened up in the 1980s when information satellites projected the horrors of the Ethiopian famine into Canadian living rooms, triggering widespread response throughout the country. USW led the labour response by tabling creation of a labour NGO devoted to international development and relief activities at its National Policy Conference in 1985, the Steelworkers Humanity Fund. The CEP Humanity Fund and CAW Social Justice Fund followed in quick succession. All became registered charities with legal identities distinct from their union sponsors. The Funds were sustained through a labour mechanism, collective bargaining. Once the Humanity Fund was adopted into a collective agreement, one penny for every hour worked reverted to the Fund. Big bargaining units were targeted first; soon monthly remittances were arriving. Throughout the 1990s, member contributions totalled about one million annually. For many years, the Canadian International Development Agency (CIDA) matched some of these contributions on a 3:1 basis. The funds were allocated to disaster relief appeals, support for long-term development projects and member education including worker exchanges. At the beginning, long-established NGOs such as Oxfam, CUSO and Interpares were asked to introduce appropriate “community partners” that the Steelworkers Humanity Fund could support. Gradually project funding for “labour partners” was introduced, starting with the South African unions already well known from the years of anti-apartheid campaigning. From 2007-2012, the labour funds collaborated in a CIDA-funded, CLC-coordinated labour development project aimed at strengthening trade union capacity globally through projects with labour partners in multiple countries.

At a Humanity Fund Board meeting in 1992, Jim Saare, a board member from the Teck-Cominco smelter in Trail, warned that member support would disappear if the Fund did not find ways to tackle international issues as USW members themselves were experiencing them. According to Saare, for Steelworkers in BC, this meant tackling corporate globalization, free trade agreements like NAFTA - and Chile. His members in BC were watching mining

companies packing their exploration equipment and move en masse to Chile and wanted to understand why.

We designed a week-long workshop called “Thinking North South”<sup>2</sup> using popular education methodology that drew on the workers’ own experiences to explore themes like globalization, the growing power of transnational corporations, free trade agreements and de-industrialization. Project partners were invited as resource people, bringing southern voices and perspectives into the workshop debates. The education programme also included worker exchanges, sending members on solidarity visits to countries like Peru or Mozambique with reports back at USW events.

### **Network of Teck Workers in Canada, Chile and Peru**

The warning that continued member support for the Humanity Fund was contingent on having the Fund deal with the members’ own experiences of globalization and trade agreements was heeded. The generic worker exchanges expanded to include worker exchanges specifically designed to build links between workers with common transnational employers. Union leaders from newly opened Teck and Placer Dome mines in Chile were hosted by local unions during month-long study visits to Kamloops and Timmins on leaves sanctioned by Teck and Placer Dome “to give their Chilean workers some Canadian experience.” The visits culminated with a USW Policy Conference in Vancouver. The *Vancouver Sun* interviews with the two Chilean miners included quotes with fairly gentle critiques of conditions at their mines in Chile. Teck and Placer Dome managements quickly made their displeasure known. The Timmins local union leaders immediately backed off the exchanges, saying “we thought it was just a mine visit and not something political”. The Teck workers in Kamloops reacted in the opposite way. “The company is pissed off. We must be doing something useful. Let’s do more of it.”

Richard Boyce, then president at Teck’s Highland Valley Copper, made a return visit to Chile. Intermittent conference calls on Skype with the translator

---

<sup>2</sup> I began to work with the Humanity Fund in 1991, tasked with development of member education programmes and international worker exchanges. This was later expanded to include coordinating a programme in southern Africa, a region I knew well after years of anti-apartheid activism in Canada and eight years in post-independence Mozambique, developing workplace literacy programmes in the Ministry of Education.

on the line kept up communications. Boyce and I travelled together to Chile in the mid-1990s, to do a mini-bargaining school on the eve of negotiations for a first contract at the Quebrada Blanca mine. Our translator was Patty Barrera, coordinator of the trade network, Common Frontiers who had family links to Chile. The bargaining school included role plays, scenarios and sharing collective agreement language from other Teck operations. One morning Boyce played the role of a Teck manager opening bargaining. The Chileans were dumbfounded. How could Boyce have known the exact words their manager had said to them just three days earlier? Boyce laughingly explained it was just the standard “crying poor” speech, employed by companies everywhere to launch bargaining.

We worried that the Chileans might think clauses in the Highland Valley Copper CBA could be duplicated in theirs, just for the asking. We tried to explain bargaining as an art, a skill, a mind game. We introduced training activities focussing on sources of union power, communications strategies, winning member and community support, the changed context created by globalization. At night, we drank pisco sours and fretted. If the Quebrada Blanca bargaining went badly, USW would wear it, with accusations of unwelcome interference. The Quebrada Blanca workers made reasonable gains, however, and the partnership continued and expanded to include exchanges with Teck workers in Peru in the next years.

We made serious efforts to build support within the membership of the Teck operations in Kamloops and Trail, portraying the Teck network linking Canadian, Chilean and Peruvian Teck workers as breaking new ground in forms of global solidarity. The prevailing USW culture still saw “international affairs” as the domain of senior leadership and international trips as “loyalty rewards” from the directors. If the network was to build, we needed to legitimate continued contacts and repeat visits. Members would quickly veto use of Local Union funds for ongoing exchanges unless they got beyond seeing the exchanges as perks and began to understand them as a way to defend their own jobs as well.

For the Teck workers, this was a first exposure to looking critically at globalization. While USW had a strong history of labour schools, the focus in these schools was mainly on “tools courses,” i.e. bargaining, pensions, arbitrations, health and safety. This meant little or no discussion of the new threats to labour created by corporate-led globalization and the neoliberal ideological offensive.

Mini workshops specifically designed for the Teck locals were held in Trail and Kamloops. An extended roleplay about a B.C. mining company moving to Chile was one of the activities. In step 1, the whole group listened to an “Eye-Witless News” flash about another BC mine closure. The anchor promised further coverage at a global mining conference the following week in Vancouver. For step 2, the workshop participants were given time to prep in small groups for their roles as conference delegates. The delegates included mining executives, government leaders, union representatives and environmentalists from both Canada and Chile. The delegates each gave opening statements, followed by debate. The role play broadened the discussion from narrow labour concerns to corporate reach, social dumping, trade agreements, environment, company-government relationships and power. The Teck workers jumped into it readily because they were already living the reality. The take-aways from the role play were usually stark – the absolute power of the corporations to come and go as they pleased and the subservience of the governments to corporate power.

Some of us saw these mini courses in the Teck locals as cutting edge, charting the path for new forms of global solidarity. I learned only many years later that Boyce had actually approached USW Canadian Directors with proposals to establish a USW office in Santiago, putting some serious resources into a Teck network and developing new forms of collaboration and solidarity. The institutional buy-in was weak, however, with national union leadership both in Toronto and Santiago showing signs of anxiety about a bottom-up process that had allowed local union leaders such unscripted space to shape global connections. At a union election in Kamloops a few years later, Boyce lost to an opposition candidate whose campaign promise was to “stay home and tend member concerns” rather than spending time jetting off to Latin America. The union president in Chile retired so the memories and friendship bonds that had helped keep up momentum dwindled.

### **International Articulation of People Affected by Vale**

In 2010, USW became involved in a very different kind of network focussed on Vale, Brazil’s iron mining giant. Vale had purchased INCO in 2006, in the midst of the decade-long commodities “super cycle” that brought sky high mineral prices and a rash of mining take-overs creating larger and fewer mining conglomerates. Vale’s arrival in Canada was marked by lots of inflated language. The INCO purchase was described by Vale as its “crown jewel”. Some INCO

workers grumbled publicly about the prospect of having a “third world” employer forcing third world conditions on Canadian workers. When veteran Brazilian labour leader, Didi Travesso, travelled to Happy Valley/Goose Bay to meet workers from the Voisey’s Bay mine, he was met with picket signs saying, “Brazilians Go Home.”

USW had convened a global meeting in Sudbury of unions representing Vale workers soon after Vale’s take-over. The Brazilian unions that participated promised to convene a return visit the next year. Over time, however, we came to learn that there were multiple union centrals in Brazil representing miners and that most of the fourteen union affiliates representing Vale workers were closely aligned with the company.

There was relief when the first round of bargaining with Vale in Thompson basically renewed the old contract. When bargaining began with the other three operations, however, USW found itself facing major challenges. The bargaining resulted in a strike which began in July 2009 and continued for 11 months in Sudbury and Port Colborne, and for 18 months in Voisey’s Bay, Newfoundland.

Vale stated its negotiating aims clearly. It wanted to change the pension fund from “defined payment” to “defined contribution”, a standard demand in today’s bargaining context. It wanted to remove the nickel bonus. The bonus had been established with INCO during a round of bargaining when low nickel prices prevailed. Salary demands were dropped in return for a bonus, to become operative when nickel prices rose. Vale’s purchase came in the midst of the commodities super cycle with sky-rocketing nickel prices. Workers already earning high wages were also receiving a \$20/hour nickel bonus, giving many of them six figure incomes.

Vale’s third aim was more complex, a determination to bring the labour relations in Canada in line with Vale’s global labour relations. Vale defined this as a direct relationship between Vale management and the workers, without any intermediaries. In other words, Vale was intent on dismantling the historic role of the USW both as bargaining agent and voice for all workers and as a strong workplace presence with multiple eyes and ears to monitor compliance with the detailed collective agreement. Active union presence in the workplace included stewards, health and safety reps as well as elected union leaders, some of whom were paid by the company to do union work full-time.

In 2010, with the strikes ongoing and after many meetings with Vale workers in other parts of the world to gain support for the strikers, USW was

invited to a meeting in Rio aimed at forming an International Articulation of People Affected by Vale. This was a very different kind of network, with labour participating but not driving its formation. Prior to the inaugural meeting in Rio there were caravans to introduce international participants to Vale operations and mining communities both in iron-rich Minas Gerais state and in northern Brazil where Vale's largest iron mine had been carved out in the Amazon in the 1960s, along with an 800 km long railway to port facilities in a neighbouring state. The meeting brought together people not just from Minas Gerais and the Amazon. Others came from Rio de Janeiro state where Vale had a joint megaproject with German steel company, Thyssen Krupp, that was spewing out massive pollution and destroying nearby fishing communities. Justice on the Rails, a regional network in the north focussing on communities along the Vale railway brought strong church connections and academic links. Other participants included the Landless People's Movement and the Movement for People Affected by Dams, working at community level for those displaced by mines and dams. Rights, environment and social justice organizations like PACS and Global Justice and MovSAM were also members, as well as groups like IBASE working on public policies such as bank loans to Vale from Brazil's powerful national development bank, BNDES,

The inaugural meeting had 160 participants from 14 countries, including Peru, Chile and Mozambique. The Brazilians regarded the Canadian strikers with awe, heroic figures who had held out against the power of Vale for 11 months. Some Brazilian workplaces had even taken mine gate collections for the strike fund in Sudbury.

Sharing information was and is AV's central function. Members post information from our respective countries and struggles, ranging from newspaper articles and studies to videos and breaking news of direct actions like blockades or urgent action appeals.<sup>3</sup> In the early years, there were annual face to face meetings in different parts of Brazil as well as actions at the Vale AGM, with an inside strategy for AV members holding shares and an outside strategy, often with street theatre.

Over the years, AV did two counter reports to Vale's Annual Sustainability report, using Vale's own themes and graphic format but

---

<sup>3</sup> Since retirement from USW in 2013, I have continued to be active in it through my institutional connection to the Centre for Research on Latin America and the Caribbean (CERLAC) at York University.

substituting Vale's self-congratulatory text with testimonies from people affected by Vale all over the world. For example, Vale's official Sustainability Report described the human resettlement at Cateme, Mozambique to make way for Vale's open pit coal mine as a model of excellence, following World Bank recommendations for resettlements to the letter, from robust community consultation to provision of equivalent or higher standards than those in their old communities. It reported weekly visitors to Cateme admiring the new housing, latrines, schools, health centre and model farm.

The Vale Unsustainability Report gave voice to Mozambican families who described being forced off their land and into a nightmare of broken promises both by Vale and their own government. Nine years after the forced removals, issues of land suitable for farming, water, electricity and compensation were still unresolved. The sub-standard houses began to crumble after the first rainy season. While those resettled still have no land to farm, they are invited to the irrigated model farm operated by Vale extension staff for training on "improved farming methods." With neither Vale nor government prepared to resolve their problems, those who lost their land blockaded the railway line to the port in 2012. The problems and protests continue.

Many exchanges were organized as a mechanism for strengthening AV with support from the Humanity Fund. Vale workers from Indonesia, New Caledonia and Mozambique were funded to attend international meetings in Brazil. There have been four tri-national exchanges taking Brazilian and Canadian Vale workers to Mozambique to participate in health and safety training courses. There was a major exchange taking fourteen Mozambicans and four Canadians to northern Brazil. This exchange had support from Canadian Embassy CSR funds in Mozambique, based on the logic that for Mozambicans to participate effectively in a consultation process about mining, they needed first-hand knowledge of the dimensions of a fully operational mine, rail and port complex like that of Carajas.

As a network model, AV has both strengths and weaknesses. While the members work in very different areas in different parts of the world, with different political and organizational cultures, they are united in that they all contest some component of Vale's enormous, unregulated power. There are ongoing tensions, however, between the very different organizational cultures of the members. Unions, social movements, NGOs and religious organizations all have distinct organizational and accountability structures, both within and between countries.

The range of information that flows is very broad, much of it generated in Brazil, in Portuguese. Members still put most of their energies and resources into what their own organization does wherever it is located. Common actions are few and far between. There are perennial problems of scarce resources, allowing only a part-time coordinator.

Unions from Canada, Mozambique and Brazil were active in the early days. These included USW representing miners from Canada, SINTICIM representing miners from Mozambique, and three unions from Brazil, STEFEM representing railway workers, Metabase, representing iron miners and Sindiquimica representing workers producing fertilizers. Given their ongoing role in representing Vale employees, these unions all faced constant pressure from the company. Gerson Castellano, the Sindiquimica rep happened to be in Maputo, en route to the mine in Tete for a health and safety exchange during a state visit by President Lula. After Lula's public meeting on "Fighting Inequality," Castellano got the chance to talk to him and present him with a copy of the "Vale Unsustainability Report." Castellano flew to Tete the next day. That night, he was woken up in his motel room by people calling his name. He found three large men at his door, one with foot inserted to keep the door open. They warned him that he was "far away from home", that they "didn't want any trouble in Mozambique", that they would be "watching every step" and to "be careful what you do."

Vale's second president, Murilo Ferreira toured Vale's global operations when he took over in 2011 without meeting a single union. Criticisms for this slight resulted in a meeting with the presidents of the fourteen unions representing Vale workers in Brazil. According to the report back from Valerio Vieira, then President of Metabase Inconfidentes, a founding member of AV, 12 of the 14 unions representing Vale mine workers were basically "company unions", eager to praise the new president. Vieira opted for a blistering attack, saying three months was far too soon to judge whether Vale was really changing course. According to Vieira, the old Vale still prevailed in Minas Gerais with wages lower than in neighbouring mines, constant supervisor harassment and serious health and safety issues regularly pushed under the rug. Vale's tendency to buy off local labour, community and government leaders also continued unabated.

The attrition rate of the union members in AV is significant. An alliance between two Metabase unions in Minas Gerais, Inconfidentes and Itabira, collapsed when Itabira was persuaded to team up with the company

union in Carajas to bid for the union seat on the Vale Council, including its generous perks. STEFEM, the railway workers' union, participated enthusiastically in the first workers exchange to Vale's coal mine in Mozambique. Soon after, Vale invited STEFEM back to Mozambique for a tour of its new port and rail facilities in Beira. STEFEM subsequently withdrew from AV. SINTICIM, the Mozambican union, terminated the staff person who had coordinated the AV exchanges without explanation. During the construction phase involving Odebrecht, SINTICIM colluded with management, feeding false information to the company about local union activists who had participated in the exchanges and urging disciplinary action. Three activists were dismissed. Despite court exoneration, the Odebrecht/Vale employee was never reinstated.<sup>4</sup>

While the strikes in Canada were ongoing, USW was a keen member of AV with members claiming they were learning a lot from Brazil. Jamie West, a USW member and now an NDP MLA in the Ontario provincial government, participated in the founding meeting. When he was asked to plan a programme in Sudbury for a visit by Valerio Vieira a few months later, he commented that before visiting Brazil, the visit would have included just the union hall and the picket line. After Brazil, he included three other components. One was poverty and why a major mining hub like Sudbury still had such income disparities. He took Vieira to meet with United Way to hear about anti-poverty initiatives in Sudbury. Second was environment and inclusion of contacts with people working on reclamation, environmental clean-up and a soil survey in Sudbury. Third was gender and a meeting with a group of women about work in the male-dominated mining sector and the roles of women's committees in strike support over the years. Today, however, with labour "peace" returning to the Vale operations in Canada, USW participation in AV has diminished markedly.

The Affected by Vale network continues its activities, galvanized into more action in response to two catastrophic tailings dam spills at Vale iron mines in Minas Gerais in less than 4 years. The first, at Mariana in 2015, had 19 fatalities. The toxic tsunami formed by the spill polluted the entire Rio Doce river system during the ten days it took to reach the Atlantic. At the Vale AGM in 2019, following shortly after a second catastrophic tailings dam collapse at Vale's Brumadinho mine, AV members with shares voted against acceptance of Vale's administrative report. The final AV negative vote ended with activation of

---

<sup>4</sup> For a fuller study of labour and community protests against Vale in Mozambique, see Marshall (2018).

an alarm siren, a pointed reminder of the absence of warning systems when the Mariana and Brumadinho mines collapsed. Outside, AV activists had filled the steps in front of the Vale headquarters in Rio with plaques with names of the 272 people who lost their lives buried in toxic muck – engineers, doctors, managers, workers, both directly employed and sub-contracted, the majority of them employed by Vale.

### **Mapping Corporate Power**

Unions have been engaging with transnational mining corporations in recent decades both through direct bargaining relationships at workplace and national levels as well as through the Global Union Federations (GUFs). The GUFs have promoted Global Councils linking unions with a common global employer. These Global Councils promote International Framework Agreements and value chain bargaining and are meant to build mutual support and solidarity. They tend to focus narrowly on workplace issues, seeking unified bargaining strategies around labour rights, salaries, working conditions and health and safety. The GUF initiatives, however, do little to tackle the broader arenas and discourses where mining companies have been most inventive in wielding power.

As the Steelworkers experimented with initiatives to create new forms of global solidarity, the big mining companies like Teck and Vale were themselves undergoing a transformation in the way they exercised and legitimated their power. State-owned mining companies virtually disappeared as privatization became the order of the day. Private mining conglomerates built global mining empires comprised of massive mining enclaves, many also including railways, ports and ore ships, not to mention massive tailings storage facilities. These enclaves effectively bypassed national borders. James Ferguson's studies of Africa in the neoliberal world order captures the essence of the resource extraction enclaves that characterize 21<sup>st</sup> century mining around the globe.

“...such enclaves participate not only in the destruction of national economic spaces but also in the construction of “global” ones. For just as enclaves of, say, mining production are often fenced off (literally and metaphorically) from their surrounding societies, they are at the same time linked up, with a “flexibility” that is exemplary of the most up-to-date,

“post-Fordist” neoliberalism, both with giant transnational corporations and with networks of small contractors and subcontractors that span thousands of miles and link nodes across multiple continents” (Ferguson, 2006, 13).

Unions have done little to grapple with the new spaces, instruments and discourses of corporate-led globalization. Labour history is not on the agenda so there is little understanding of the fundamental shift since the mid-1970s away from the post-war order that espoused welfare states, enshrined labour rights and promoted full employment. Unions recognize but do not understand why and continue to yearn for the day when USW members could graduate from high school, join fathers and uncles and brothers in a Sudbury mine or a Hamilton steel mill, enjoy life-long employment with rising wages followed by secure retirement with two pensions, one from government and one from private plans co-funded with the mining company.

For unions to challenge how mining corporations wield power today, they need to understand the important historical shift in the relationship between state and capital since the mid-1970s. With corporate-led globalization, corporations have eclipsed governments as the dominant social actors, many commanding budgets larger than most nation states. A standard global governance recipe has come to prevail, consisting of privatization, deregulation, cuts in social sector spending, downsizing of the state and attacks on labour, all of which place corporate well-being above the public good (Bieler et al., 2008).

As David Harvey cogently argues, ideological initiatives formed an integral part of the radical shift to “neoliberalism.” The core of the neoliberal vision is that “human well-being can best be advanced by the maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, unencumbered markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices” (Harvey, 2007, 22). Arguably the most radical aspect of neoliberalism has been this down-sizing of the role of the state from pro-active roles, defending the public interest, governing, planning, regulating, and even creating state enterprises. Under neoliberalism, the role of the state became that of servicing private capital, “creating and preserving an institutional framework” for a higher power, entrepreneurial freedom and the market.

In Canada, and more broadly, mining corporation have succeeded in carrying out regulatory capture of both provincial and federal governments.

Using think tanks like the Fraser Institute, mining industry associations like MAC and PDAC, contributions to political parties, revolving doors between government and mining industry leaders, free trade agreements, investment protection treaties, corporate social responsibility projects and public philanthropy, mining companies have succeeded in persuading governments to abandon their role in defending workers, communities and the environment, functioning instead to further the interests of the mining sector.

In addition to these legal measures designed to exercise power and create regulatory capture, the mining corporations also employ less than legal means such as bribing government, community and union leaders, spying, employing private security forces and criminalizing social movements raising critical questions about mining.

Efforts by unions to build global alliances need to face up to the reality of “regulatory capture” not as an abstract economics concept. The textbook definition of “regulatory capture” is a form of government failure in which “regulatory agencies may come to be dominated by the industries or interests they are charged with regulating. The result is that the agency, which is charged with acting in the public’s interest, instead acts in ways that benefit the industry it is supposed to be regulating” (Investopedia, 2018). University of Chicago Nobel Laureate George Stigler first defined the term in the 1970s reflecting on how regulatory agencies created to act in the public interest came, over time, to advance the commercial or political concerns of special interest groups that dominate the industry or sector they are charged with regulating. The regulated industries maintain a keen interest and devote substantial resources to influencing regulators, at federal, provincial or local level, including aggressive lobbying, while ordinary citizens affected by the industry have far fewer resources to challenge it and no collective voice. The revolving doors between government and industry serve to reinforce the regulatory capture (Investopedia, 2018).

In Canada, Kevin Taft has recently carried out a study of the oil industry in Alberta and documented how political parties, universities, legislative assemblies, media, think tanks and the courts – the fundamental institutions of democracy – have all been captured by the oil industry. As a consequence, Taft says that these vital institutions “increasingly serve the interests not of democracy, science or the public, but the interests of the fossil fuel industry, especially the oil industry”, creating what Taft calls a “deep state” (Taft, 2017, 16-17).

In 2016, the BC Auditor General conducted an audit to determine whether regulatory compliance and enforcement activities pertaining to mining were protecting the province from environmental risks. In her scathing report she said: “We found almost every one of our expectations for a robust compliance and enforcement program was ...not met.” She recommended creation of an integrated and independent compliance and enforcement unit, given that the BC Ministry of Energy and Mines (MEM) “is at risk of regulatory capture, primarily because MEM’s mandate includes a responsibility to both promote and regulate mining...” (Auditor General of British Columbia, 2016). Once captured, the government’s central objective becomes attracting and maintaining the confidence of corporate investors.

### **The Mining Industry’s Most Precious Commodity: Its Narrative**

To tackle the power of the global mining industry we need to understand not just the workings of regulatory capture. It is not enough just to unmask “free trade” and “investment protection agreements” showing them to be instruments primarily to enshrine investor privilege. We also have to grapple with discursive practices and how corporations shape the very way we see the world. Neoliberalism has not only radically shifted the relationships between corporations and governments in countries around the globe. In effect it has brought about the demise of state sovereignty over political-economic affairs and inserted powerful, self-regulated corporations in its place. David Harvey captures the enormity of the ideological shift saying neoliberalism has “swept across the world like a vast tidal wave of institutional reform and discursive adjustment, entailing much destruction, not only of prior institutional frameworks and powers, but also divisions of labor, social relations, welfare provisions, technological mixes, ways of life, attachments to the land, habits of the heart, ways of thought...” (Harvey, 2007, 23).

The mining industry’s strategies to shape our ways of thought were greatly intensified with the creation of the London-based International Council of Mining and Metals in 2001. ICMM today has 27 major mining companies as members along with 30 national and regional associations devoted to mining. The ICMM has lobbied globally to shape a discourse promoting continued extraction of the “minerals and metals that make modern life possible”, and this done with full commitment to “sustainability,” “self-regulation,” and “corporate social responsibility” (Brereton, 2001). In Canada, lobbying to promote this image is carried out through the Mining Association of Canada (MAC) and the

Prospectors and Developers Association of Canada (PDAC). Through these bodies and corporate think tanks like the Fraser Institute, the mining companies spin their narrative endlessly using direct lobbying, publications, business-friendly media and conference events.

Sustainability has been one of the key themes pushed by mining company lobbies, attempting to counter mining's disastrous environmental impact. By the early 2000s, almost two thirds of all world metals came from open pit mines, many of them mining remote ore bodies with lower mineral content. New mineral extraction processes leave behind 8-10 percent more waste, much of it toxic, needing care not just during the working life of the mine but into perpetuity (North et al., 2016). The visibility of damages created by mining is expanding with growing frequency of tailings dam collapses.<sup>5</sup>

Mining companies employ lobbyists directly, basing them in national or provincial capitals, allowing constant contact with ministry staff on bills that affect mining companies' interests. A recent study of fossil fuel lobbyists in B.C. revealed that the Ministry of Energy and Mines was most heavily contacted with 1,353 contacts since 2010 (Graham, 2017).

These intimate relations between governments and corporations are further consolidated with revolving door policies that take government leaders onto the boards of big mining companies. A politician holding a ministry portfolio morphs into a lobbyist for an extractive sector company the day after retirement. Former prime minister, Brian Mulroney re-emerged on Barrick Gold's international board, along with former US president, George Bush. In BC, Bill Bennett, who headed the Minister of Energy and Mining so noted for its pro-mining stance decided not to run for office again in June 2016. By February 2018, he had become a Board Member of three junior exploration companies in BC - Eagle Plains Resources, Ascot Resources and Kutcho Copper Co. All noted the "deep knowledge of government processes" he would bring to their Boards (Globe Newswire, 2018).

Mining industry lobbying is tag-teamed with political contributions to political parties in jurisdictions where this is allowed. In January 2017, the *New York Times* labelled British Columbia as the "Wild West" of Canadian Political Cash" because it was so wide open to corporate contributions. Teck Resources

---

<sup>5</sup> For a comparative study of tailings dam collapses in Canada and Brazil, see my Marshall (2018).

was one of the biggest, donating \$1.7 million between 2005 and 2014 (Levin, 2017).

Mining companies polish their image with loud claims of corporate social responsibility. Instead of paying rents to host governments, mining companies bargain hard for exemptions and deferrals from taxes and royalties and import/export duties. They threaten closure if more government “flexibility” is not forthcoming. The demands for “corporate welfare” from government are cloaked by strong messaging about the mining company’s own corporate social responsibility projects in the community.

### **Contesting the Power of Mining in the 21<sup>st</sup> Century**

Ironically, while unions have been running to catch up with their transnational employers by creating international networks and Global Councils and International Framework Agreements, the corporations themselves have been opting for policies that side-step unions altogether. Since the 1970s there has been a massive restructuring of the global mining industry. Some would argue that sub-contracted capitalism is central to the new “flexible” model of neoliberalism, replacing the old industrial model with its fixed labour force. A mining company does not have the option of offshoring its costs by moving production to low-wage jurisdictions with lax environmental regulations but through the mechanism of triangular employment relationships “they can in fact *offshore their legal responsibilities...*” (Roth, 2016). Companies can hire only a small group of direct employees for “core functions” complemented by an ever-growing number of contingent workers, employed by sub-contractors on a multiplicity of contracts. This creates triangular relationships in which the sub-contracted workers do not negotiate with the “real employer” who actually holds the power to affect their working conditions.

Today many mines have more than half of their workers employed through multiple sub-contractors. The Vale mine in Sudbury which in 1971 had 20,134 direct, unionized employees, all in the same bargaining unit, was operating by 2015 with 2,670 direct, unionized employees and thousands of non-union workers employed through sub-contractors (Robinson 2015). In Vale’s mine in Mariana, Brazil, there were 2900 direct Vale employees and 3700 sub-contracted workers when the tailings dam collapsed in 2015.

Precarious work in Sudbury dates from the early 1980s when INCO began to contract out large numbers of jobs. By the end of the decade, there was a burgeoning mining supply and service sector in Sudbury. Non-unionized

workers normally earned \$10-12/hour compared to the \$20 plus per hour of the average INCO employee (Lowe, 1989). Whatever contracting out language existed in the collective agreement was gradually overcome as mine owners off loaded sections of their business deemed peripheral to the “main business” of the company. By carrying out mining operations through sub-contractors, the companies were able to side-step the Canadian regulatory framework of the Rand formula through which all employees in the workplace paid dues to and were represented by a single bargaining agent. Through the now fragmented mining contract relationships, the mining corporation gained a high degree of employment flexibility, a welcome shield from the fluctuations in nickel pricing (Roth, 2016).

### **Union Strategies**

Trade unions setting out to challenge the mining corporations need to start from the premise that neoliberalism has radically altered the playing field. Unions are still trying to hold on to the securities and rights of an earlier era. Meanwhile governments have basically abdicated their sovereignty over the political economy with “regulatory capture” as the new normal. Corporate rule is carried out through “self-regulation” or “regulation by declaration”.

How can unions respond more adequately to these 21<sup>st</sup> century realities? A starting point would be staff training and union education programmes on the making of the neoliberal world order. From union top leadership to rank and file members, there is an urgent need for frank discussion and debates about the radically changed relationship between governments and corporations, and the instruments capital is employing for regulatory capture and its systematic attack on labour, north and south.

Another step might be recognition that unions actually speak for only a small portion of those employed in mining. Union strategies still tend to involve only workers directly employed by the mining companies, despite current global trends for sub-contracted workers to make up the majority of the mine labour force. Labour initiatives that involve only unionized workers while leaving out the more than half of the work force that is sub-contacted are unlikely to have significant clout. This might point to the need for organizing drives aimed at contract workers, or new forms of labour representation altogether.

Unions need to reflect on their tendency to act unilaterally, often showing outright hostility to others affected by mining projects, including Indigenous and local communities. This often extends as well to watchdog

organizations and environmentalists, denigrating them as “anti-mining” and/or “anti-development.”

The first challenge for trade unions, then, is to deepen their understanding of the neoliberal world order and to expand their understanding of how a mining corporation’s power operates through multiple domains, instruments and discourses. The second challenge is to broaden their alliances, going beyond workers who are contracted directly to those who are sub-contracted, often the majority in the workplace, and also building alliances with other people directly affected by the mine’s operations. In Canada and many other countries, this means alliances with Indigenous people that respect their claims for land and sovereignty. The third challenge is to expand beyond narrow workplace concerns and defence of good-paying jobs for the few to building connections with movements challenging neoliberalism at the structural and discursive levels. If governments of all stripes have deferred to wealthy global elites and abdicated their role of defending the well-being of workers and communities and the planet, workers’ need to find allies for building an alternative world of compassion, social justice and care of the earth.

## References

- Auditor General of British Columbia (2016). *An Audit of Compliance and Enforcement in the Mining Sector*. [bcauditor.com/pubs/2016/audit-compliance-and-enforcement-mining-sector](http://bcauditor.com/pubs/2016/audit-compliance-and-enforcement-mining-sector)
- Bieler, A., I. Lindberg and D. Pillay (2006). *Labour and the Challenges of Globalization*. London: Pluto Press.
- Brereton, D. (2002, September). *The Role of Self-Regulation in Improving Corporate Social Performance: The Case of the Mining Industry*. Paper presented to the Australian Institute of Criminology Conference on Current Issues in Regulation: Enforcement and Compliance, Melbourne. [http://www.csr.uq.edu.au/docs/brereton\\_2002\\_1.pdf](http://www.csr.uq.edu.au/docs/brereton_2002_1.pdf)
- CCIC. (2010). *Bilateral Investment Treaties: A Canadian Primer*, [www.ccic.ca/\\_files/en/what\\_we\\_do/trade\\_2010-04\\_investmt\\_treaties\\_primer\\_e.pdf](http://www.ccic.ca/_files/en/what_we_do/trade_2010-04_investmt_treaties_primer_e.pdf)
- Global Affairs Canada. *Global Affairs Canada Trade and Investment Agreements*, <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/index.aspx?lang=eng> Accessed 9/11/18

- Globe Newswire. (2018). *Ascot Announces New Board Member and Grant of Stock Options*. <https://globe.newswire.com/news-release/2018/02/01/1330470/0/en/Ascot-Announces-New-Board-Member-and-Grant-of-Stock-Options.html>
- Graham, N., B. Carroll and S. Daub. (2017). *Behind the Numbers*. Monitor May-June.
- Harvey, D. (2005). *A Brief History of Neoliberalism*. New York: Oxford University Press.
- Harvey, D. (2007). Neoliberalism as Creative Destruction. *Annals American Academy of Political and Social Science*, 610(1), 21-44.
- International Articulation of People Affected by Vale. (2015). *Unsustainability Report Vale 2015*, [atingidospelavale.wordpress.org](http://atingidospelavale.wordpress.org).
- Levin, D. (2017 January 13). British Columbia: The ‘Wild West’ of Canadian Political Cash. *New York Times*, <https://www.nytimes.com/2017/01/13/world/canada/british-columbia-christy-clark.html>
- Marshall, J. (2015). Contesting Big Mining from Canada to Mozambique. *Transnational Institute*, [https://www.tni.org/files/download/06\\_tni\\_state-of-power-2015\\_contesting\\_big\\_mining\\_from\\_canada\\_to\\_mozambique-1.pdf](https://www.tni.org/files/download/06_tni_state-of-power-2015_contesting_big_mining_from_canada_to_mozambique-1.pdf)
- Marshall, J. (2018). Strikes, Bread Riots and Blockades: Mozambican Workers and Communities in Resistance.” In Nowak, J., M. Dutta and P. Birke (Eds.) *Workers’ Movements and Strikes in the Twenty First Century*. London: Rowman and Littlefield International.
- North, L., R. Grinspun and C. Larrea. (2016). Post-neoliberalism in Latin America. In M. Dougherty and K. Deonandan (Eds.) *Mining in Latin America*. London. Routledge.
- Robinson, D. (2015) Labour Force Data Network. [inord.laurentian.ca/LFDB/Datasets\\_page.html](http://inord.laurentian.ca/LFDB/Datasets_page.html).
- Roth, R. (2017). The Rise of Precariousness in Sudbury’s Mining Industry: Union Responses to the Casualization of Work. Working paper, <http://www.reubenroth.com/papers/FinalVersion03-2016.pdf>
- Taft, K. (2017). *Oil’s Deep State: How the Petroleum Industry Undermines Democracy and Stops Action on Global Warming*. Toronto: James Lorimer and Company Ltd.