

Hey, that's my money!

Mine the gap

Mines are everywhere, it's just that we don't always see them. Twenty-five years ago, the last coal mine closed in Belgium, but in Asia, South America, Africa and Eastern Europe, the mining industry is still alive and kicking. So many of the materials that we use every day come from somewhere under the ground. Fossil fuels, iron, gold and copper are all acquired by way of mining. Your smart phone? You would have to search long and hard to find any part of it that is not connected to mining. Our money? Invested in mining.

The mining industry is a highly controversial sector: whereas Belgian mining was done under ground, today, most mining happens through the 'open pit' method, where a company simply digs away the whole upper layers of ground to be able to extract the useful materials (iron, gold, copper, ...) from the surface. Those pits can measure up to 2 kilometers wide and one kilometer deep. One can imagine this method having enormous impact on the local surroundings and the people living there.

In their rush for raw materials, mining multinationals act like elephants in china shops. They harm human rights, demolish the environment and put the future of local communities on the line. The companies involved are huge and extremely powerful and often act in countries where the government does not protect human rights. The victims are the people that live close to the mine. You might expect these profitable companies to move people and repair damage that occurs. Yet the opposite is true: mining companies don't care about the local people, they try to keep the costs as low as possible and take the profits home.

Even though most mining sites are far away, we in Western society do have links to these stories. On the one hand through the products we use (electronics, jewelry, energy, ...); on the other hand through our money. Controversial mining companies are in fact for

a large part financed by 'our' banks.

Last year, 11.11.11, Broederlijk Delen and FairFin in the framework of the BankWijzer project investigated the investments of nine Belgian banks in 20 controversial mining companies. They found ties representing 34 billion dollar (loans, shares and bonds). BNP Paribas, Deutsche Bank and ING Group turned out to be the largest investors. KBC Group also financed controversial mining.

Who are these mining companies?

When the world's biggest commodity trader merged with mining firm Xstrata in 2012, a new commodity giant trading was born. Glencore is an enormous market power. The company is so well diversified it has great market benefits and is being accused of market manipulation. Typically, **Glencore** is accused of many things yet very rarely got convicted.



Photo: Peru, Espinar © Thomas De Boever - Broederlijk Delen

In Peru, Glencore exploits the open pit mine Antapaccay in the province of Espinar. For years there has been tension between the owners of the mine and the population, resulting in a big protest in 2012, where three civilians got killed and dozens got injured. The people of Espinar now pursue a court case against Glencore in London, accusing the company of murder, injuries and illegal arrests. One of the reasons for the protests is the damage the mine does to the environment and the health issues the population suffers from because of this. Women in Espinar report a consistent pattern of health issues tormenting them and their families. Many studies carried out by the state have established that the population in Espinar is exposed to heavy metals and other chemical substances. Yet up to this day no state or company authority officially recognizes the link between these health issues and the mining activities. The people don't get any form of recompensation and do not have access to proper health care. Specialists call the situation a ticking time bomb.

Democratic Republic Congo (DRC) has an immense mineral wealth: zinc, cobalt, tin, copper, gold, tungsten,

manganese, tantalum and coal were found. Today, many of those materials are more desired than ever: tantalum (extracted from the metallic ore coltan) for mobile phones and other electronic appliances; cobalt and copper for batteries to be used in electronic cars. Multinationals move entire towns in favor of mining sites in DRC, leaving local communities in unsafe and polluted conditions.



Photo: The mountains of DRC © Revital Cohen & Tuur Van Balen

Glencore first came to Congo in 2006, interested in mining for copper in the Southern province Katanga. Initially negotiations with the state authorities – who then still owned the mines – fell apart, but this changed when the president's friend Dan Gertler joined in. Dan Gertler got introduced in Congo after 1998, when father Kabila needed money for his war and Gertler got a diamond monopoly in return (rumour goes that Gertler was the inspiration for the Hollywood movie Blood Diamond). In December 2017, Paradise Papers showed that in 2009 Glencore gave a 45 million dollar loan to Gertler's company to secure the mining agreement. Paradise Papers also show that the Katanga Mining company (in which Glencore then had a small interest) got the mine at a 440 million discount from the authorities, a huge loss for a country that spends 235 million a year on education. Katanga Mining is now owned by Glencore.



Photo: Destroyed village in Minas Gerais © CATAPA

In November 2015, the largest ecological disaster in Brazilian history occurred. In the state Minas Gerais, a mining dam collapsed causing millions of cubic meters

of toxic waste flooding ten villages and polluting the river Doce, kilometers into the ocean. 19 People died, over 600 people lost their homes. The recovery will take over a decade and the harm to the health of the people and the ecosystem remains to be seen. Research by the federal police shows that Samarco, the responsible company, was aware of the risks of the dam and did too little to avoid the disaster. After the collapse they first told the population that the waste was not toxic. Samarco is a joint venture of BHP Billiton and Vale, the first and second biggest mining companies in the world.

Between 2011 and 2016, BNP Paribas (9,2 billion), Deutsche Bank (5 billion), ING Group (4 billion) and KBC Group (755 million) had invested a lot of dollars in Glencore, Vale and BHP Billiton.



Photo: Dog being rescued from the flood © CATAPA

Tell your bank to divest from dirty mining

Even though banks take our recommendations into account, today the investment policies of Deutsche Bank, ING, BNP Paribas, KBC and Belfius still leave the opportunity open to finance companies like Glencore, Vale and BHP Billiton. In a paper published on February the 19th 2018, we will reveal whether they still do.

Do you want to put pressure on your bank to stop investments in controversial mining? Send a letter via www.bankwijzer.be or www.scandesbanques.be

Today's investments define the world of tomorrow. Just as people have the right to claim their land and livelihoods, we have the right to claim what our money is being used for.

SOURCES

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