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## European Union: Take the metals and run

Faced with rising prices for raw materials and the hoarding of minerals by certain emerging economies, Europe is sharpening its claws. And, as always, it is the countries of the South with large natural reserves of coveted resources that will end up on the losing side, especially their populations.

Recently, the giants of the global mining industry gathered at a luxury hotel in Barcelona for a meeting that went largely unnoticed, as did the mysterious conclusions reached there by Barrick Gold, Rio Tinto, Goldcorp, BHP Billington and others among the 150 transnational mining companies that control practically all global mineral production.

Nevertheless, the information available about trade in raw materials over recent years allows us to draw a few conclusions of our own.

Roughly 70% of manufactured consumer goods in the European Union (EU) depend on metallic and non-metallic mineral substances that Europe is forced to import. Manufacturing a mobile phone, computer or TV screen requires between 40 and 60 different raw materials such as lithium, tantalum, cobalt and antimony, which are becoming increasingly difficult to acquire. The demand and prices for these substances are rising and will continue to do so, and are largely defined by emerging economies like China and India, which account for between 40% and 50% of global consumption of the main metallic raw materials. China's copper consumption has grown from 12% to 40% of global consumption in a single decade. Moreover, while it is currently the world's largest consumer of metals, China also restricts exports of its own raw materials, such as aluminium, copper, nickel, rare earth metals (the common name for two series of chemical elements, actinides and lanthanides), antimony and tungsten (also known as wolfram), being the world's leading producer of the latter three.

Other industrialized countries, such as the United States and Japan, recognized their critical dependence on raw materials much earlier, and subsequently set about defining and accumulating the most essential ones. Until very recently, however, the EU had not adopted integrated policy measures to ensure access to raw materials considered crucial to its economic development. But now it recognizes itself as highly dependent, threatened by the emerging economies, and vulnerable in this regard.

To protect its interests, in 2008, the EU launched its Raw Materials Initiative as a basis for guiding its policies. Sprinkled with terms like "sustainable mining" and "development aid", it is essentially an aggressive trade strategy aimed at competing with emerging economies. Public dissemination of the initiative has been rather discreet and behind the scenes, largely out of sight of the general public, but its timeline has been strictly followed.

*"Let's cooperate, but the gold is ours"*

One element of the EU's Raw Materials Initiative is "raw materials diplomacy". This consists of persuading countries with mineral resources to eliminate trade restrictions on raw materials and

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establishing trade agreements and development cooperation policies that contain clauses guaranteeing access to raw materials. The EU offers assistance to build “know how” in developing countries. This facilitates the extraction of raw materials, as well as negotiations with mining companies.

Thanks to this diplomacy, the Raw Materials Initiative is now being actively implemented in Russia, Africa and South America. Its accomplices in this well-planned plunder are all of the industrialized countries and their zeal for unlimited growth.

Despite the fact that the already widespread crisis is only growing more acute, the EU promotes policies of excessive growth and consumption that heighten the demand for raw materials. Its strategy for overcoming the crisis focuses on technological innovation and improved business and social processes and models. The Raw Materials Initiative falls under the framework of the Europe 2020 strategy and the motto “Global Europe: Competing in the World”.

### *Development aid?*

To implement its global strategy through development cooperation, the EU does everything possible to promote free trade. Under the pretext of development cooperation, it offers training for technicians in the emerging economies and developing countries of the South and attempts to influence public financial policies, facilitating negotiations for mining companies – it helps to “clear the way” for its own activities and reaps the financial benefits.

With regard to development aid, Europe also benefits from technology transfer, especially since it is currently the world leader in extractive technology. In other words, the more extractive projects there are, the greater the opportunity for selling the technology. Development aid is increasingly conditioned on the obligation for the countries receiving aid to acquire technology from the countries providing aid. And alongside the technology, the costs in terms of environmental and social destruction are also transferred to the countries of the South.

Europe channels a large portion of its development cooperation aid through the European Investment Bank (EIB), and part of the money is allocated to mining projects and related infrastructure. Every year, millions of euros in EU public funds flow into mining projects under the guise of development.

However, the mining sector’s contribution to development has been repeatedly questioned by politicians, academics and civil society organizations. Numerous cases demonstrate that current rules and regulations are insufficient to guarantee positive development. The threats and impacts of mining activity in the countries of the South are so great that networks have been formed by communities affected by mining activity, who have chosen the path of resistance as a means of defending their lives and integrity. In Latin America, these include the Mexican Network of People Affected by Mining (REMA), the National Coordinating Committee for Life and Sovereignty in Ecuador, and more recently, the Colombian Network Against Large-Scale Transnational Mining (RECLAME). Numerous organizations are working with the same objectives in other countries like Argentina, Brazil and Guatemala. The Observatorio de Conflictos Mineros en América Latina (Latin American Mining Conflict Watch), or OCMAL, is a network of organizations from throughout the region, while networks have also been created by people affected by the activities of a single company, as in the case of Brazilian mining giant Vale (see the article in this bulletin).

### *Neither “green” nor responsible*

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High technology is one of the main reasons behind Europe's high demand for raw materials. "Green" technology depends on batteries; nanotechnology uses electronic components and photovoltaic cells to produce "green" energy. But how "green" is a technology that is enabled through mineral (exploration and) extraction activities that are increasingly associated with land conflicts, environmental destruction, and serious human rights violations, including threats, intimidation and sometimes even the murder of people opposed to the establishment of mining operations in their communities?

These cannot be considered "exceptions": there are a growing number of cases reported and exhaustively documented in countries like Argentina, Peru, Colombia, Ecuador, Guatemala, Costa Rica, El Salvador and Mexico. Various local and national governments as well as transnational mining companies have been involved in shady incidents that are very difficult to monitor, which makes assigning responsibility for them difficult as well. Human rights abuses are becoming increasingly common, because mining exploration continues unabated and new mining projects emerge every day. Added to this are the social and environmental impacts and opposition struggles related to infrastructure megaprojects like highways, ports, airports, hydroelectric plants, etc., associated with the mining industry.

All of these conflicts are taking place in the midst of publicity and advertising campaigns touting "corporate responsibility" and "responsible", "sustainable" and even "green" mining. Tragedies like the one in Copiapó, Chile, where 33 miners were trapped 700 metres underground for more than 60 days while the world watched breathlessly, are not a chance occurrence. They are proof that political and economic systems are based on the irrationality imposed by the *de facto* power of companies that literally do whatever they want, however they want, in the name of profit-seeking disguised as "development".

Policies related to raw materials are formulated by politicians and industry with no popular participation of any kind. While these unacceptable events occur, the EU justifies its pro-mining policies with the need to promote competitiveness, growth and employment. The backdrop to this, however, is ensuring the supply of raw materials to industry for continued growth and profits for the transnational companies, with little attention paid to the way those profits are made.

Large-scale mining is an extractive activity that is not and will never be sustainable. This is obvious from the meaning of the word mining itself and the description of this industrial activity. Despite the EU's claims with regard to access to raw materials, "unlimited growth" and "sustainability" are utterly incompatible goals.

Extracted and adapted from the report *Saca el metal y corre*. Los países emergentes, la Unión Europea y las materias primas no energéticas del Sur global, June 2011, by Guadalupe Rodríguez, Rainforest Rescue, email: [guadalupe@regenwald.org](mailto:guadalupe@regenwald.org), <http://www.salvalaselva.org> (weekly protest actions in defence of the environment and human rights) and <http://www.facebook.com/salvalaselva>.

The full version of the report, submitted by the author, is available at [http://wrm.org.uy/deforestacion/mineria/Saca\\_el\\_metal\\_y\\_corre.pdf](http://wrm.org.uy/deforestacion/mineria/Saca_el_metal_y_corre.pdf)