

The Pursuit of Social Justice

Contribution to the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Sector in Developing Countries

Dr. Eva Zaleski, October 2006

Introduction

This written submission expands on my oral presentation to the third National Roundtable on Corporate Social Responsibility in October 2006 in Calgary, Alberta.

The instructions to presenters asked that submissions focus on 'actionable ideas' that might enjoy broad acceptability from government, industry and civil society, a request that effectively confines discourse within the accepted paradigms and the existing power imbalances. But in my opinion, the international extractive industry sector cannot be discussed in isolation from the context in which it operates. Context is everything. The adverse outcomes that we see, outcomes such as global and local environmental collapse, poverty and increasing disparity, armed conflict and war, have deep roots in underlying economic structures and frames of reference. Examples of these structures include unregulated and unrestrained market ideology, consumerism and economic models that require constant growth.

This fundamental analysis is further developed in an excellent paper that should be among the background documents informing these National Roundtables. In the words of Brian Murphy's 2002 contribution to a Forum on Corporations as a Factor in Social Justice:

"Market corporate capitalism is a repudiation of the idea of justice as a natural principle and replaces justice with the feel-good notions of "fairness" and "fair play" and the "level playing field". These are not political concepts at all, but simple sports metaphors, and false metaphors at that...Market capitalism is not a game; it is more like war, and war is one of its foremost means, and often a business in-and-of-itself. The goal is to obliterate competition – not to foster it – and to concentrate wealth and economic power.

...Holding corporations accountable, then, and promoting corporate social responsibility, is not about changing the "rules of the game", but changing the "game" itself.

...There is a point at which profit itself is a social evil, as we see in the malignant concentration of wealth; in the bleeding of communities and local economies; in ecological, cultural and environmental destruction; and especially in the deepening poverty of fully one third the population of the planet, and the sustained poverty of another third."¹

If we are serious about seeking solutions, then we need to admit the depth of the problem. Real solutions require a transformation of society and of our limited ways of thinking.

We need to:

- **Prioritize social justice² rather than profits.**

At the very least, we each need to try to do this on a personal level, since that may be all that is immediately open for us. However, if Corporate Social Responsibility (CSR) is to have real substance, then our societal institutions, including corporations, need to prioritize social justice in all their activities³. I think of anything less, including everything that follows in this submission, as mitigation tactics to bring interim relief while we continue to work on the necessary personal and societal transformation.

Previous Assessments of Extractive Industry Activities

The Extractive Industries Review (EIR), initiated by the World Bank in 2000 and completed in 2004, is the most comprehensive independent examination of the practices and consequences of extractive industry activity around the world⁴. The EIR sought input from a broad range of contributors including industry, governments, NGOs, indigenous people's organizations, affected communities and community-based organizations, labour unions, academia, international organizations, and the World Bank Group. The Review comprises a compendium of background papers, research and analysis that is essential reading for any examination of the international extractive industry sector, including the Advisory and Steering Committees for these Roundtables.

The EIR lays out the evidence for the “*perverse economic effects*” of the “*resource curse*”. It points out that, in the absence of governance prerequisites necessary to ensure social justice, the World Bank's support of extractive industries,

“risks facilitating the wastage of the country's non-renewable resources, as well as contributing to environmental damage, violence, and weakening of the quality of governance itself.”⁵

This assessment applies with equal force to Canada and to Canadian corporations which are involved in many or most of the activities addressed in the EIR.

The EIR concluded that the compatibility of extractive industry projects with sustainable development and poverty alleviation requires the prior existence of certain enabling conditions.

“The three main enabling conditions are:

- *pro-poor public and corporate governance, including proactive planning and management to maximize poverty alleviation through sustainable development;*
- *much more effective social and environmental policies; and*
- *respect for human rights.”⁶*

I would like to highlight the EIR's definition of good governance as pro-poor, addressing sustainability, and environmental and social issues. This point cannot be overemphasized. Too often in the current ideology and its accompanying ‘Newspeak’,

good governance is somehow identified with liberalized markets. These two things are not equivalent. Rather, it has to be recognized that pro-poor governance and pro-wealth markets more often work at cross purposes.

The Report of The Standing Committee on Foreign Affairs and International Trade - Subcommittee on Human Rights and International Development ⁷, referred to as the **SCFAIT Report**, provides additional essential background for these Roundtables. The recommendations in the SCFAIT Report should be acted on, despite the unenthusiastic response from Canada's Old Government⁸.

The Civil Society Analysis of the Government Response, Moving Beyond Voluntarism⁹, gives many excellent 'actionable ideas' for implementing the recommendations of the SCFAIT Report.

Actionable Ideas for Mitigation and Amelioration

With the previous assessments and recommendations in mind, I will simply highlight a few points and give my perspective.

- **The Government of Canada should legislate and regulate a mandatory Corporate Social Responsibility and accountability code for Canadian corporations and their international operations.**

This is similar to Recommendation #4 in the SCFAIT Report¹⁰, to which Canada's Old Government responded that responsibility lies with the state in which operations are occurring¹¹. This is a misleading and disingenuous response. Together with International Financial Institutions, Canada has been promoting the revision of mining and fiscal legislation in developing countries, basically deregulating, with the aim of attracting foreign investment¹². Canadian Government missions abroad actively promote the interests of Canadian extractive industries, in preference to the interests of local communities and local people¹³.

The Government of Canada should play a leadership role in mainstreaming and regulating CSR, and ensuring that it applies to all Canadian corporations and all activities, domestic and international. As it stands now, CSR is mainly the preserve of large corporations and it tends to be a form of selective reporting. It is mainly a promotional exercise, and it is often used to obscure issues and deflect attention away from more troublesome activities and projects.

The Government of Canada favours voluntary codes and market mechanisms, on the assumption that "*market-based demands*" from "*investors, consumers and other stakeholders*" will "*reward corporate leadership*"¹⁴. The business case for CSR fails for many reasons, including the following.

- It reduces social, environmental and ethical considerations to the realm of individual choice by investors and consumers, largely ineffective and inefficient, despite the success of a few organized campaigns. Market mechanisms rely on ethical choices made by those with money. At the same time, they disempower rights-holders and citizens short of disposable income.
- Market mechanisms have a long response time that starts to kick-in after the damage is done, and after the event manages to achieve publicity. For example, an environmental disaster or gross abuse of human rights has to occur and generate

attention. There is not much solace in this for those who have suffered the consequences in the interim. In addition, much or most damage is cumulative, slow, and may only become evident long after the activity has ceased.

- Market mechanisms encourage attitudes of treating CSR as a form of risk analysis, weighing probability of occurrence and detection, and severity of repercussions. It encourages off-loading or externalizing costs. (I benefit and you pay the costs.)
- There are no provisions for independent monitoring and evaluation, and no penalties for abuses. In fact, detection seems to mainly rely on watchdog activities by NGOs. Although our Government promotes 'name and shame' as a viable mechanism, in fact, corporate identity is typically carefully protected during investigation of complaints. Examples include responses by the National Contact Point for the OECD Guidelines¹⁵ and forensic audits by CIDA¹⁶.
- Probably the most important objection is that, in many cases, for those companies willing to ignore social and environmental responsibility, there are in fact big profits to be made. Put in another way, in reality, corporate social responsibility may not increase competitive advantage. It might not be justifiable from a purely financial and business perspective¹⁷. Corporations actually need to prioritize social, environmental and ethical considerations, within a sound regulatory structure that lays out minimum acceptable standards.

We also need to be able to track corporate and individual accountability, that is, to penetrate through the complexities of corporate transactions, organizational structures and changes in morphology. For example, some of the challenges to accountability include:

- Divestiture of interests and liabilities,
- Migration of operations to another jurisdiction,
- Corporate name changes,
- Corporate acquisitions, sales, mergers;
- Bankruptcy, delisting and relisting;
- Changes to Board membership and management,
- Nested ownership with local or offshore subsidiaries,
- Joint ventures and minority interest; and
- Conversion into a model corporate citizen.

The international activities of Canadian corporations need to comply with recognized standards of labour and human rights, and environmental accountability. Canadian corporations should not be involving themselves in conflict zones, or with states that routinely abuse human rights, or with states that don't recognize the rights of labour, indigenous peoples or local communities. Internationally recognized standards need to be regulated, monitored and enforced¹⁸.

• Incorporation in Canada, and listing on Canadian stock exchanges should be treated as a privilege, not a right. This privilege should require compliance with environmental and social disclosure, with a stringency and accountability equivalent to the requirements for financial disclosure.

The fraud perpetrated by Bre-X Minerals Ltd., exposed in 1997¹⁹, initiated serious reforms of securities markets in Canada. It led to the closure of the Alberta and Vancouver Stock Exchanges and reorganization that ultimately led to the TSX Venture Exchange. Mineral project disclosure standards were regulated through the introduction

of National Instrument 43-101, and new legislation gave investors the right to sue for damages from market fraud or misrepresentation.

The cynical among us might conclude that this level of commitment was possible because the Bre-X fraud impacted on investors and on corporate financing. Environmental and social issues need to be given equal status and equal treatment.

Canada has a complex and unwieldy system of 13 different provincial and territorial securities regulators. However, the Canadian Securities Administrators has worked to harmonize capital market regulation in Canada²⁰. They should work to ensure that environmental and social disclosure requirements are also harmonized and form part of the filings required by securities regulators. Environmental and social disclosures should be approved by the board of directors, certified by the CEO/CFO and reviewed by the regulators.

These kinds of initiatives are enacted in some jurisdictions outside Canada where company law or Securities Regulators require disclosures to shareholders about social, environmental and ethical issues. For example, according to a 2005 OECD report, South African companies are global leaders in CSR, especially in social issues of particular concern in the context of recent South African history. The second King Report on Corporate Governance for South Africa (2002) calls for annual reporting on social, transformational, ethical, safety, health and environmental policies, and compliance is a requirement for listing on the Johannesburg Stock Exchange²¹. Similar proposals specific to the Canadian context have been made by the Social Investment Organization²², among others.

An interesting indicator of the success of mainstreaming CSR would be to track the extent to which market analysts routinely include social and environmental issues in their reports and recommendations.

TSX exchange listings represent more than 50% of all public companies worldwide involved in mining, oil and gas²³. In the case of mining, in 2005 in excess of 40% of equity capital worldwide was raised by 1192 companies listed on the TSX and TSX Venture exchanges. These immense figures put Canada in a powerful position to play a leadership role in international CSR. In fact, our level of involvement puts the onus on Canada and Canadians to ensure that corporate activities in any way linked to Canada are governed by social, environmental and ethical considerations.

• The Government of Canada should shift its support to renewable energy industries, to reducing consumption, and to industries based on reusing and recycling. The Government should work to develop Canadian expertise in these areas.

This actionable idea simply recognizes the reality in which we are now living. The exploitation of non-renewable resources cannot be sustainable, nor, in my view, can it be a foundation for sustainable development. In fact, extractive industries have been major contributors to the global environmental collapse that is now upon us.

We need to move beyond fossil fuel dependency. Technogenic greenhouse gas emissions are changing the climate. In Canada and internationally, while demand for oil and natural gas escalates, reserves are in decline²⁴ and the environmental costs

involved in extracting the remainder become increasingly severe²⁵. Economists need to understand that conventional models based on market demand and supply do not take into account the real limitations imposed by the exploitation of non-renewable resources, nor the real environmental consequences²⁶.

A large proportion of the demand for minerals and metals is generated through intense advertising that creates and targets consumers. Possibly the most obvious examples are gold and diamonds, both subjects of ongoing marketing campaigns that promote luxury goods. Jewellery accounts for 83% of industrial gold use²⁷. According to the Metals Economic Group, 60% of exploration spending worldwide is aimed at gold and diamonds²⁸. In comparison to primary exploitation and refining, very large savings in energy and reductions in emissions can be realized through recycling of metals and minerals²⁹.

The extractive industry sector is heavily subsidized, both in Canada and internationally. Financing and risk insurance come from International Financial Institutions, as well as Export Development Canada³⁰. The effective tax rate³¹ levied globally on the mining sector is 26%, lower than that on many other industrial sectors, for example 40% for the technology and media sector³². Corporate income tax is typically further reduced through various tax deductions including expenses carried forward from the exploration and development stage. A variety of tax measures in Canada encourage international investments by Canadian companies involved in extractive industries³³. These kinds of incentives should be transferred to renewable energy and recycling industries.

I think that the consequences of inaction on environmental issues were very well summed up by Sir Nicholas Stern during his presentation of the Stern Review on Climate Change. (I would only add that I think this is more than market failure. It is a failure of current market models.)

“When people do not pay for the consequences of their actions we have market failure. This is the greatest market failure the world has seen. It is an externality that goes beyond those of ordinary congestion or pollution, although many of the same economic principles apply for its analysis. This externality is different in 4 key ways that shape the whole policy story of a rational response. It is: global; long term; involves risks and uncertainties; and potentially involves major and irreversible change.

Correspondingly the economic analysis and the policies must be:

- *international, how countries work together;*
- *long-term, our actions now cast their shadow far into the future;*
- *have the economics of risk at its core; and*
- *go beyond the marginal changes which are the usual daily fare of economists.”³⁴*

Conclusion

Numerous business experts conclude that the core function of business ventures is to conduct business, and that social or other possible benefits are incidental and peripheral to this core function³⁵. In the context of current economic paradigms and power

imbalances, I do think that we expect too much if we think that multinational enterprises will prioritize social justice over profit. This is exactly why the Government of Canada needs to implement a strong legislative and regulatory CSR environment, and why Canada should assume a leadership role in seeking international agreements that would facilitate globalization of CSR.

There has been a certain hypocrisy involved in our willingness to promote multilateral institutions and international agreements when they are to our benefit³⁶, and our reluctance in other cases³⁷. Nevertheless, I would like to recognize the Government's support of the Rome Statute of the International Criminal Court through the promulgation of Canada's Crimes Against Humanity and War Crimes Act, applicable to individuals, corporations and corporate actors³⁸. However, it does seem that other jurisdictions have been more proactive in prosecuting grave human rights crimes involving business activities³⁹.

NGOs and other groups have proposed an abundance of well researched, actionable ideas for furthering CSR. Other options are in effect or being examined in other jurisdictions⁴⁰. I can only conclude that the Canadian Government has not been proactive on CSR because we are profiting from extractive industries. I would say that actionable ideas have not been lacking but, rather, we lack the political will to act.

So my final actionable idea addresses this.

- **Act. Let's show ourselves to be world leaders in CSR, by creating an environment which makes it possible to prioritize social justice.**

Biographical Note

I have worked as a geologist for more than 30 years, including 15 years as a Research Scientist with the Geological Survey of Canada (GSC) leading field projects in Northern Ontario and Nunavut. I resigned from the GSC in December 2005. My expertise is in Shield geology and mineral deposits, but during my last eight months with GSC I compiled information on the environmental and social impacts of international activities of Canadian mining and exploration companies. I took unpaid leave from the GSC in order to volunteer with Voluntary Service Overseas (VSO) in Guyana, South America, where I worked for the Guyana Geology and Mines Commission. Since that time, I have conducted social research for VSO Guyana to assist in further development of their programs.

Guyana is where, in 1995, the Omai Gold Mine operated by Cambior Inc. spilled cyanide-contaminated tailings into the Essequibo, Guyana's largest river⁴¹.

Notes and References

¹ BEYOND THE POLITICS OF THE POSSIBLE - Corporations and the Pursuit of Social Justice, by Brian Murphy, Inter Pares. A Contribution to Corporations as a Factor in Social Justice - Forum organized by Concordia University Institute in Management and Community Development June 12-14, 2002.

² Brian Murphy (*ibid.*) gives an excellent definition from Andrea Dworkin who says that Social Justice consists of “one common standard of dignity and opportunity for all”. It seems to me an encapsulation of the spirit of the Millennium Development Goals, including the goals that deal with environmental justice.

³ It's interesting that in saying this, I feel I am opening myself to be attacked as an idealist or worse, a flake. I think it is a measure of the self-censoring power of our society and my background.

⁴ Extractive Industries Review Reports

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTOGMC/0,,contentMDK:20306686~menuPK:336936~pagePK:148956~piPK:216618~theSitePK:336930,00.html>

⁵ EVALUATION OF THE WORLD BANK GROUP'S ACTIVITIES IN THE EXTRACTIVE INDUSTRIES - Background Paper, Factoring in Governance, 2004

[http://inweb18.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/EDB3D7F75F336DEF85256F0F00775E53/\\$file/extractive_industries_wp_governance.pdf](http://inweb18.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/EDB3D7F75F336DEF85256F0F00775E53/$file/extractive_industries_wp_governance.pdf)

Roland Poutier's study for INITIATIVE FOR CENTRAL AFRICA (INICA) of OECD also puts this well:

“One of the colonial economy's legacies is Central Africa's continued dependence on the export of primary commodities to industrialised countries...There are many perverse effects associated with economies based on mining. By setting the stage for predation and kleptocracy they reward rent-seeking over entrepreneurship.”

“The basic thrust of what colonial theorists, at the end of the 19th century, called “economic imperialism” has not changed significantly....Mineral revenues have only been able to create an illusion of development. The fact that production systems are highly dependent on external decision-making and not conducive to local autonomy or initiative is one of the structural causes of these repeated failures.”

CENTRAL AFRICA AND THE CROSS-BORDER REGIONS: RECONSTRUCTION AND INTEGRATION PROSPECTS, 2003

http://www.inica.org/webdocuments/EN/DOC%20AND%20MEDIA%20CENTER/REGIONAL%20INTEGRATION/integration%20prospects_en.pdf

⁶ STRIKING A BETTER BALANCE: THE EXTRACTIVE INDUSTRIES REVIEW - Executive Summary

[http://iris36.worldbank.org/85256D240074B563/GetContent?OpenAgent&URL=http://iris36.worldbank.org/85256B8700045ED7/\(ViewContentTransaction\)?OpenAgent&DOCID=E9F02F891213FC6985256FF6006820D2&Framework=IRIS&Rendering=1&](http://iris36.worldbank.org/85256D240074B563/GetContent?OpenAgent&URL=http://iris36.worldbank.org/85256B8700045ED7/(ViewContentTransaction)?OpenAgent&DOCID=E9F02F891213FC6985256FF6006820D2&Framework=IRIS&Rendering=1&)

⁷ The Standing Committee on Foreign Affairs and International Trade – 14th REPORT (Subcommittee on Human Rights and International Development, 3rd Report), Mining in Developing Countries – Corporate Social Responsibility, 38th Parliament, 1st session. (Presented to the House on June 22, 2005)

www.parl.gc.ca/committee/CommitteePublication.aspx?COM=9098&Lang=1&SourceId=122765

⁸ Mining in Developing Countries – Corporate Social Responsibility - The Government's Response to the Report of the Standing Committee on Foreign Affairs and International Trade, Department of Foreign Affairs and International Trade. (Presented to the House on October 17, 2005)

<http://www.parl.gc.ca/committee/CommitteePublication.aspx?COM=8979&SourceId=131218>

⁹ Moving Beyond Voluntarism - A Civil Society Analysis of the Government Response to the Standing Committee on Foreign Affairs and International Trade (SCFAIT) 14th report, “Mining in Developing Countries – Corporate Social Responsibility”, 38th Parliament, 1st session. November 2005

ccic.ca/e/docs/002_humanitarian_2005-11_scfait_mining_csr_analysis.pdf

¹⁰ Recommendation 4 in the SCFAIT Report:

“Establish clear legal norms in Canada to ensure that Canadian companies and residents are held accountable when there is evidence of environmental and/or human rights violations associated with the activities of Canadian mining companies.”

The Standing Committee on Foreign Affairs and International Trade – 14th REPORT. *Op. Cit.*

¹¹ Mining in Developing Countries – Corporate Social Responsibility - The Government's Response. *Op. Cit.*

¹² For detailed assessments of the situation in African countries, see:

Regulating Mining in Africa, For whose benefit?, Discussion Paper 26, Bonnie Campbell, Pascale Hatcher, Ariane Lafortune and Bruno Sarrasin, Edited by Bonnie Campbell, Groupe de recherche sur les activités minières en Afrique (GRAMA), Faculty of Political Science and Law Université du Québec à Montréal (UQÀM), 2004

<http://www.unites.uqam.ca/grama/pdf/Manuscrit-Eng-2004.pdf>

¹³ Perhaps one of the more naive examples was an article by the former Canadian Ambassador to Guatemala extolling the benefits that mining brought to Canada. The article appeared during ongoing human rights abuses of Mayan indigenous peoples and environmental controversies relating to the Marlin Mine, owned by a Guatemalan subsidiary of Glamis Gold Ltd.

Mining in Canada by James Lambert, Canadian Ambassador to Guatemala. Prensa Libre, Guatemala, November 4, 2004. (Translation)

http://www.miningwatch.ca/index.php?/Guatemala/Cdn_govt_support

Ambassador Lambert would have done well to educate himself on some of the human rights abuses perpetrated domestically before holding Canada up as a role model, for example, the continuing denial of Lubicon Lake Cree land claims in the Peace River oil sands area of Alberta.

¹⁴ Mining in Developing Countries – Corporate Social Responsibility - The Government's Response. *Op. Cit.*

¹⁵ See the Annual Reports of Canada's National Contact Point For the OECD Guidelines for Multinational Enterprises, in particular sections on Submissions and Implementation.

http://www.ncp-pcn.gc.ca/national_contact-en.asp

¹⁶ CIDA calls in RCMP after forensic audit. Canadian Press, October 4, 2005

<http://www.recorder.ca/cp/National/051004/n100485A.html>

¹⁷ This point was delicately understated by an African participant in the 2005 OECD Roundtable on Corporate Responsibility.

“while observing appropriate standards of business conduct is good for business in the long run, there is indeed a “tension” in the short- and medium- term”

Annual OECD Roundtable on Corporate Responsibility - The OECD Guidelines and Developing Countries: Building Trust. Summary of the Discussion, 14 June 2005

<http://www.oecd.org/dataoecd/42/23/35394320.pdf>

¹⁸ To quote Rory More O’Ferrall, Director External Affairs, De Beers, from his presentation to the Conference on Integrity and Investment, Addis Ababa, Ethiopia, 7-8th March 2005.

“...there is a clear need for a more practical code of conduct than currently provided by the OECD Guidelines. This should not only set out the criteria for operating in conflict or ‘weak governance zones’, but also establish a better mechanism for dealing with alleged breaches of the code. There is also a place for an international monitoring body with a clear mandate, fully briefed, with inclusive, transparent and accountable procedures.”

<http://www.oecd.org/dataoecd/11/36/34571080.pdf>

¹⁹ For an interesting description and analysis, see Fools’ Gold – The Making of a Global Market Fraud, by Brian Hutchinson, 1998, Alfred A. Knopf, Canada

²⁰ http://www.csa-acvm.ca/html_CSA/about.html

²¹ Annual OECD Roundtable on Corporate Responsibility - The OECD Guidelines and Developing Countries: Building Trust. Corporate Responsibility Practices of Emerging Market Companies – A Fact Finding Study, June 2005

<http://www.oecd.org/dataoecd/53/32/34894602.pdf>

²² Improving Corporate Governance through Mandatory Social and Environmental Reporting - Brief to the Canadian Securities Administrators on Continuous Disclosure (proposed National Instrument 51-102 and Companion Policy 51-102CP), From The Social Investment Organization, September 2002

<http://www.socialinvestment.ca/Policy&Advocacy/CSA.doc>

²³ Oil and Gas Sector Profile, TSX Group http://www.tsx.com/en/pdf/Oil-Gas_Sector_Sheet.pdf

Mining Sector Profile, TSX Group http://www.tsx.com/en/pdf/Mining_Sector_Sheet.pdf

²⁴ For an assessment from an evidence-based scientific perspective see;

Energy supply/demand trends and forecasts: implications for a sustainable energy future in Canada and the World; Hughes, J D.; Geological Survey of Canada, Open File 1798, 2004

<http://geoscan.ess.nrcan.gc.ca/cgi-bin/starfinder/0?path=geoscan.fl&id=fastlink&pass=&format=FLSHORTORG&search=R=215052>

A downloadable version is available at:

http://energy.dal.ca/Lecture%20Series/2004-2005/David_Hughes.php

²⁵ This includes production from oil sands which is considerably more energy and emissions intensive than conventional oil production. For example, surface mining of oil sands in Alberta requires moving and processing about 2 tonnes of sand for every barrel of oil produced, uses 1-2 barrels of water and the energy equivalent of 1 barrel of oil.

²⁶ As I write this, the Final Report of the Stern Review on the Economics of Climate Change is being launched, making a case for market failure and the economic consequences of technogenic climate change. http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/sternreview_index.cfm

While I welcome the conversion of yet another former World Bank economist, in my view, the environmental and social consequences speak for themselves and the case for action and reform doesn't need conventional economic rationalization.

²⁷ Mineral and Metal Commodity Reviews – Gold, 2004. Natural Resources Canada, Minerals and Metals Sector

<http://www.nrcan.gc.ca/mms/cmty/content/2004/28.pdf>

²⁸ World Exploration Trends - A Special Report from Metals Economics Group for the PDAC 2006 International Convention

<http://www.metalseconomics.com/catalog/pages/pdac2006.pdf>

²⁹ For example, the US Environmental Protection Agency and US Institute of Scrap Recycling Industries estimate that recycling versus primary production gives energy savings of 60% for zinc, 74% for steel, 76% for lead, 76% for copper, and 95% for aluminum. Recycling results in emissions reductions of 95% for aluminum and 86% for steel. These figures are from: Scrap Mining: An Overview of Metal Recycling in Canada, by Jay Fothergill, 2004, Canary Research Institute for Mining, Environment and Health

http://www.canaryinstitute.ca/Publications/Scrap_Mining.pdf

³⁰ For some examples see:

Reckless Lending Volume II - How Canada's Export Development Corporation Puts People and the Environment at Risk, BY THE NGO WORKING GROUP ON THE EXPORT DEVELOPMENT CORPORATION A WORKING GROUP OF THE HALIFAX INITIATIVE COALITION, MAY 2001

http://www.halifaxinitiative.org/updir/Reckless_Lending_VII.pdf

Seven Deadly Secrets: What the Export Development Canada does not want you to know, NGO Working Group on the EDC, January 2003

<http://www.halifaxinitiative.org/updir/SevenDeadlySecrets.pdf>

³¹ According to PricewaterhouseCoopers, effective tax rate is the ratio of a company's income tax expense (cash and deferred tax) to pre-tax earnings. This is generally substantially different from the statutory tax rate. The effective tax rate can indicate the extent to which taxes influence a company's financial results.

³² mine* - review of global trends in the mining industry, May 2004, PricewaterhouseCoopers
<http://www.pwcglobal.com/extweb/pwcpublishations.nsf/docid/d9179fa18d34c5f285256ead0063b24f>

The report regards the effective tax rate on mining as favourable.

³³ Canadian Mining Interests and Human Rights in Africa in the Context of Globalization, by Bonnie Campbell, 1999, Département de Science Politique, Université du Québec à Montréal
<http://www.ichrdd.ca/english/commdoc/publications/globalization/globAfrCamp.html> - r4

Understanding Mining Taxation in Canada, by Joan Kuyek, 2004, MiningWatch Canada
http://www.miningwatch.ca/updir/Mining_taxation.pdf

³⁴ PDF file of Sir Nicholas Stern's Speaking Notes - Launch Presentation of the Stern Review (*Op. Cit.*), 30th October 2006

http://www.hm-treasury.gov.uk/media/99D/3D/sternreview_speakingnotes.pdf

³⁵ For example, this point was eloquently made by OECD Secretary-General Donald Johnston, Chapter 7 - Promoting Corporate Responsibility: The OECD Guidelines for Multinational Enterprises, International Investment Perspectives, OECD 2004

"The OECD's view is that the primary contribution of business – its core responsibility – is the conduct of business itself. The role of business in society is to develop investments so as to yield adequate returns to the suppliers of capital. In so doing, companies create jobs and produce goods and services that consumers want to buy."

<http://www.oecd.org/dataoecd/54/16/34896738.pdf>

Also, from the Response of Rory More O'Ferrall, Director External Affairs, De Beers to OECD - QUESTIONS FOR A MULTI-STAKEHOLDER DIALOGUE ON CONDUCTING BUSINESS WITH INTEGRITY IN WEAK GOVERNANCE ZONES:

"It is a mistake...to assume that commercial organisations will be driven by ethical or philanthropic considerations per se, except where these assist the process of creating the benign environment for profit. Where that environment does not exist, it should not be assumed that companies will invest in support of development goals alone, or indeed at all. Too much emphasis is placed on corporate social responsibility as required philanthropy rather than as building on the beneficial impact of core business."

<http://www.oecd.org/dataoecd/8/54/34304813.pdf>

³⁶ A good example is 'Canada's international leadership role' (*Sic* from Government of Canada press releases) of the Kimberley Process for Rough Diamonds Certification Scheme and the promulgation of domestic legislation, Export and Import of Rough Diamonds Act, which also benefits the Canadian diamond industry.

http://www.nrcan.gc.ca/media/newsreleases/2005/200531_e.htm

³⁷ Another area in which Canada has shown 'international leadership' is in protecting domestic chrysotile (asbestos) producers by ensuring the exclusion of chrysotile from the Rotterdam Convention's list for the Application of the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.

<http://www.chrysotile.com/en/news/news.aspx/?id=40&lang=en>

³⁸ Mining in Developing Countries – Corporate Social Responsibility - The Government's Response. *Op. Cit.*

³⁹ For example, Dutch courts have prosecuted Dutch businessmen in two separate cases in which their business activities constituted or abetted war crimes.

<http://www.fao.no/liabilities/rec-dev.htm>

⁴⁰ Annual OECD Roundtable on Corporate Responsibility, 2005. *Op. Cit.*

Legal Remedies for Private Sector Liability for Grave Breaches of International Law - A Survey of Sixteen Countries, by Anita Ramasastry and Robert C. Thompson, Fafo Report 536, 2006

<http://www.fao.no/pub/rapp/536/536.pdf>

See also Fafo's reference list for Business and International Crimes, Secondary sources:

http://www.fao.no/liabilities/part_II-6sec-srsc.htm

⁴¹ The tailings dam at the minesite failed on August 19, 1995 during the rainy season. Three million cubic metres of cyanide-containing effluent spilled into the Essequibo River via Omai Creek. At the time, Cambior Inc. owned 65% of Omai Gold Mines Ltd. Cambior subsequently increased its ownership to 95%.

Cambior - ENVIRONMENT, HEALTH AND SAFETY - PLANNING • PREVENTION • PROTECTION, 1997 Environmental Report (*pages 11-15*)

<http://www.cambior.com/2/archives/environmental/environ1997e.pdf>