



Practice-focused: Mopani technical school.



400 tons of copper daily: Mufulira melter.

## Good news from Africa

If you were to believe the campaigns by aid agencies and SRF, Zug-based commodities giant Glencore is an exploiter, tax cheat and environmental vandal. Investigations in Zambia reveal quite a different picture. Mining offers hundreds of thousands of people a way out of poverty. *By Alex Baur (text and images)*

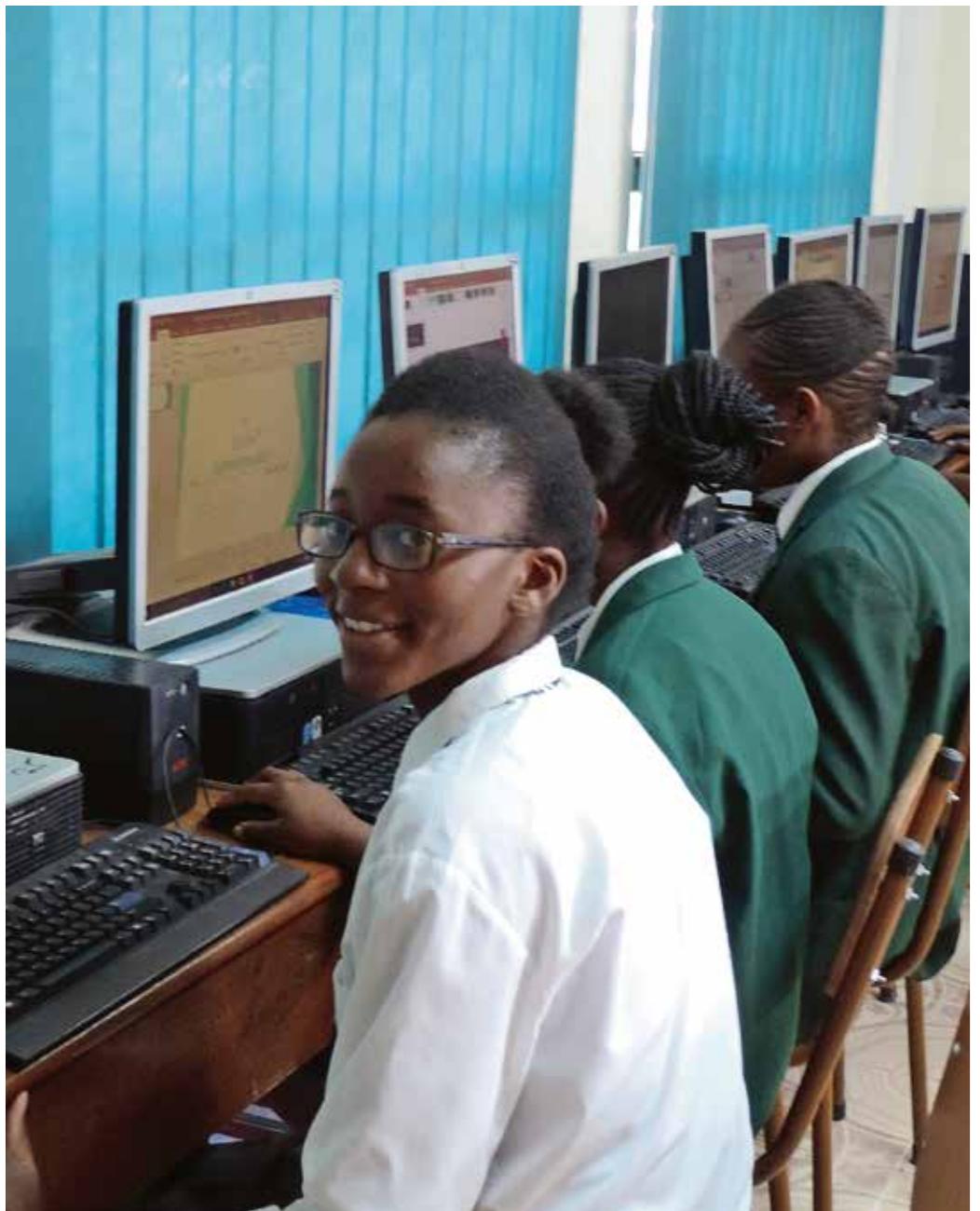
It's not the first time I've gone down into the bowels of the earth, but it still makes me feel uneasy. Like the miners in the lift taking us down to the depths, I've been equipped with white overalls and rubber boots, along with dust mask, helmet, lamp and hearing protection. There's a pressure tank hanging from my belt that will give me forty minutes of oxygen in an emergency. All these precautions are also reminders that the Earth's interior is strange and dangerous territory for humans.

At 1,340 meters underground, it is dark, hot

and humid. Despite the continuous ventilation, my clothes are soon dripping with sweat. The march through the seemingly endless tunnels is making my legs feel heavy. The noise of the machines is infernal. We duck into side passages as huge dump trucks growl by us like prehistoric beasts. But we only go in a couple of meters. You can quickly lose your sense of direction down here in the depths. Over the decades, a gigantic, tangled maze has been created here, and it keeps on growing by another kilometer every month. That's equivalent to the length of the

Gotthard Base Tunnel every five years.

In 1931, the British colonial masters in Mufulira, a small town in northern Zambia near the border with Congo, dug the first tunnel into the earth. Quite a lot has changed since then. The last major disaster was back in September 1970, when 89 workers lost their lives in one day. Today, computer-controlled sensors give advance warning of any movement in the rock. There are air-conditioned common rooms and escape spaces where miners can relax during breaks, as well as medical stations equipped with the la-



*Public since privatization:* Mopani secondary school in Kitwe.

test technology. The small transmitters that everyone has to carry ensure that none of the 1,200 miners that work down here on an average day get lost. But mining remains heavy work.

The miners graft away in the tunnels round-the-clock in three shifts. For us. So we have copper for our power cables, roofs, solar panels and cars. And cobalt. This by-product of copper mining has triggered a real bonanza in neighboring Congo in recent years. It is an essential substance for making batteries in particular. No Tesla could do without cobalt, nor any wind turbine, smartphone or computer.

#### **Glencore has a face**

This all makes for a guilty conscience. In Switzerland, the NGO Public Eye, which used to be called «Erklärung von Bern», has for years led a campaign, also backed by church and union groups, against commodities producers and traders. They talk about billions of francs of ob-

scene profits, tax optimization, exploitation, child labor, environmental damage, war and social conflict. The «corporate responsibility initiative» is intended to put an end to this outrage: Swiss-based commodities giants, like Cargill, Glencore, Trafigura, Mercuria, Gunvor, Vitol, Vale and all the others, should, say the campaigners, be called to account in Switzerland for their misdeeds in the Third World, and if necessary be taken to court by the NGO's lawyers.

Glencore, based in Baar ZG, is a popular target for the Third World activists, because as well as trading in all manner of commodities, Glencore also operates its own mines around the world. And Glencore has a face: that of Ivan Glasenberg, born in South Africa and now resident in Rüschlikon ZH. The CEO and multi-billionaire is not afraid of investing in disreputable countries such as Congo, Colombia, Kazakhstan and the Philippines.

#### **NGO shows no interest**

One project in particular has faced repeated criticism in recent years: the Mopani conglomerate in the copper belt of northern Zambia, close to the border with the Democratic Republic of Congo. As Mopani's main shareholder (73.1 percent), Glencore calls the shots at the mines, which are located in Kitwe and Mufulira; the Zambian government has a 10 percent shareholding. 15,000 people extract and produce around 400 tons of copper here every day.

SRF's current affairs program «Rundschau» sent a special film team to Zambia in 2014. The TV report from Kitwe and Mufulira caused outrage: residents near the Mopani mines complained of toxic air, mysterious deaths and «asthma babies». Swiss Television flew in measuring equipment that showed high levels of pollution. There was also talk of possible tax avoidance, allegedly uncovered by aid agencies.

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SRF's reportage fitted perfectly with the campaign that Public Eye, together with British and German NGOs, launched against Glencore at the time.

How much truth is there in these allegations? I traveled for over a week to Kitwe and Mufulira to see what I could find out. A week is not long for such an undertaking. But in a time when on-the-spot correspondents have become a rarity and most news is cobbled together in editorial offices, it is almost a luxury. I talked to dozens of people, including miners, doctors, residents, teachers, and representatives of the mines and the authorities. The subject is not an entirely new one for me: I have often conducted research in developing countries and about mining. Some things were familiar to me; a lot of things came as a surprise. But I should say right from the outset that what I found had little in common with previous Swiss reports about Mopani Mines. Now, this poses a practical problem. It's simply hard to sell good news from Africa, because it can seem implausible. Our image of Africa has been shaped and hardened by the pictures of hungry bellies, Ebola corpses, corrupt despots and wars which the guilty-conscience merchants and fund-raisers serve up on a daily basis. Of course, all these terrible things exist, but I did not find

any sign of them around Mopani's mines. It's difficult to report on things that are not there.

I should also make it clear that though Glencore gave me generous access to the mines, my



Glencore CEO Ivan Glasenberg.

### The social commitment serves the own interest of the company.

trip was financed by *Weltwoche*. Nobody placed any conditions on me, with one exception. I asked Actionaid, a local partner of Public Eye, for an interview. I felt it was important to get a local perspective on the NGO. Brian Moyowanyama, the contact recommended to me by Public Eye, first wanted to know what the «benefit» of my report would be for his organization. I answered cordially that I couldn't promise him any benefits because I generally don't take part in campaigns; the only thing I could guarantee him was fairness. Despite several attempts, I heard nothing more from Actionaid.

At Ndola airport and then later at Kitwe market, I had the good fortune to hire Max and Isaac. Luck really was on my side. The two taxi drivers, who drove me around the area for two days, proved to be sharp, critical and open companions. They didn't just show me the shopping malls and football stadiums that the Chinese have conjured up out of the ground here in recent years. Max familiarized me with the customs and practices of the poorer districts,

which he knows well. Isaac took me to, among other places, the huge old slag heaps where an army of illegal workers search for copper residue. It's a dangerous profession, controlled by mafia clans. The illegal miners sell their booty to Chinese companies.

As almost everywhere else in Africa, the Chinese are making waves in Zambia. Since the turn of the millennium, the raw material-hungry and booming People's Republic has bought up half the continent. Nowhere else in the world has so many raw materials and so much arable land lying fallow. Unlike their western competitors, however, the Chinese worry very little about ethical standards. Sustainability is whatever serves their own interests. The native population resents the Chinese above all because they fly in their own people so they don't have to train local workers.

### Toxic emissions virtually eliminated

In Mufulira, feudal villas, an Olympic swimming pool, the golf course, the generous tennis courts and the rugby stadium stand as reminders of the days when the British were in charge. These monuments to colonialism, which had been left to decay, have been restored to their former glory in recent years with the support of the Mopani Company. They are being used again, not by the white British, but by an emerging black middle class. Mufulira's rugby team is regarded as highly competitive, and can even hold its own against the South Africans.

Meanwhile, the railway station is still a ruin. It's guarded by a lonely official who has set up home in a ticket office. Theoretically, he tells us, the railway line to the deep-sea port of Dar Es



The tunnels grow one kilometer per moth: Truck garage 1200 meters below ground.

Salaam in neighboring Tanzania is still usable. But bandits derail the trains and steal the cargo, so nobody trusts rail transport any more.

You can certainly find locals, mainly older ones, in Mufulira who mourn the passing of colonial times. Zambia gained independence in 1964. The white rulers were replaced by a black dictator. To start with, much remained as it was for most of the population, but then in 1973 the dictator Kenneth Kaunda nationalized the mines. The socialist regime drove the country to the brink of bankruptcy. Kaunda had to abdicate in 1991 and introduce a multi-party system. Zambia is still not a democracy in the western sense. And though a photo of current ruler Edgar Lungu can be found in every pub, school, office and on every other street corner, this doesn't mean everyone thinks he's great. Max put it this way: «Every few years we choose a new dictator». Progress is slow. But at least things are moving in the right direction.

The upswing began at the end of the 1990s with the reprivatization of mining. In 2000, Glencore invested in Mopani Mines, which had completely fallen apart. Environmental issues simply hadn't been a concern for the country's government, and sulphur dioxide emissions had poisoned whole swathes of land. The cheapest and easiest thing would have been to tear down Mufulira's smelting furnaces and refineries and build new ones. For the 10,544 employees wor-

king at the mines back then, who were responsible for feeding around 100,000 people, this would have been a disaster of biblical proportions.

Glencore agreed with the government to clean up and renovate the plants gradually within fifteen years. A total of around 4.2 billion dollars has since been spent on upgrading the Mopani mines. Sulphur oxide emissions were halved by 2007, and the next milestone came two years later. By the end of 2014, 95 percent of harmful emissions had been eliminated. Glencore had fulfilled its promise ahead of schedule. The in-

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## Should I believe rather to Public Eye from Bern than to the local doctor in Zambia?

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vestments in environmental technology alone cost half a billion dollars. But virtually none of this features in the accusatory «Rundschau» exposé, which aired shortly before the final phase of the upgrade was completed. So much for the issue of sustainability at the Swiss SRF television station and at the NGOs.

The official part of my visit to Mopani began at the Malcolm Watson Hospital in Mufulira. This large building, fringed with spacious lawns, was originally built by the British and was reserved for white expats until after independence. Following privatization, it was turned

into one of two hospitals with a total of 210 beds, sponsored by the mine. Its services, from dental treatment to obstetrics, have since been available to the whole population; only sixteen percent of patients treated there actually work for the mine.

According to chief physician Ronny Cheelo, however, most of the work is done outside the hospital. He says that last year alone 40,000 households were protected against malarial flies by insecticides. Typhus is being fought with a water hygiene program. Aids prevention and birth control are the third focus area. Working with the US government, the Mopani hospitals last year supplied 17,264 HIV sufferers with free medicine.

The statistical record of success presented to me by Cheelo is impressive. If we are to believe the numbers, new cases of malaria, typhoid and aids pathogens throughout the whole region have decreased dramatically in recent years. I cannot check this data, but I see no reason to give more credence to Public Eye in Bern than to the local doctor, who studied in Cardiff and who with silent pride shows me his hospital's international ISO certification.

The Mopani Company is also keen to show visitors its two schools, where 1,850 primary and secondary pupils are educated. It's the same story as with the hospitals: Until Glencore took

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# Neinmaika



*Despite a modest fee:* there are long waiting lists for the Mopani school.

over the Mopani mines, these schools were reserved mainly for the children of mine managers. They are still present, but today they are in the minority. Despite the school charging a modest fee, there are long waiting lists.

### Compulsory training

External experts have assured me that the training Mopani gives to its own workforce is unique for Africa. Nobody – miner, explosives expert, mechanic, paramedic or machinery driver – is allowed to work until they have been through the training course. The company offers a two and a half year, practice focused course for specialists, roughly equivalent to Swiss vocational training.

Under the watchful gaze of operations manager Anton Lemmer, 500 trainees study, grind, hammer, weld and tighten bolts every day at the model company.

There's an air of almost Prussian discipline and neatness in the spotless halls. Lemmer is an old hand in his trade. He previously ran a South African mine for 25 years. When it closed, he couldn't find a job despite his excellent qualifications. Like many white South Africans, Lemmer was driven into exile by the quota system, which disadvantaged white applicants for private sector jobs – like a continuation of apart-

heid, but in the other direction. In Zambia, he was received with open arms.

This was, perhaps the most amazing thing I found during my trip to Mufulira: Nationality, gender, religion and skin color do not seem to play any role at all. Most employees, right up to the top management positions, are Zambians. The few

white people tend to come from South Africa. It's also quite easy to identify the specialists and engineers from Peru and India from their physiognomy, but they all wear the same overalls; and this is more than just a symbol.

There is a strict regime here in the mine. Anyone who enters the site, from workers to the CEO, must take a breathalyzer test. There are no exceptions, and there is zero tolerance. Anyone who turns up to work drunk will be fired. Nevertheless, jobs at the mine are highly sought after. The monthly minimum wage of 5,000 kwacha for un-

skilled workers is well above the national average. It's the equivalent of only 500 francs, but this has to be seen in the context of a 15 times lower GDP, adjusted for purchasing power (incomes are nominally approximately 65 times higher in Switzerland). Many Zambians would work for half this amount, because most have virtually no regulated work. Mopani is the most important employer in the region. The next is a long, long way behind.

In financial terms, Glencore's social commitment may only be small beer compared with the billions that the global group generates in revenue. Nobody would argue that Glencore is a charitable organization; it is a capitalist operation competing in an extremely tough market. Ivan Glasenberg and his fellow shareholders don't build and maintain schools and hospitals because they are hoping for a Nobel Peace Prize or a medal from the Pope. But neither do they need the pressure to do so from Bern, London or New York. The Mopani mines launched their social projects, long before the NGO sector discovered the business with the raw materials trade.

It serves their own best interests to have good training for local employees and social harmony. Mining is an extremely cost-intensive and, above all, long-term business in a highly uncertain environment. You can't just move a mine to another country when a new dictator comes to power and changes the rules overnight. But nothing protects the investment better and more efficiently than an army of workers and local people who will defend the mine that guarantees their livelihood.

### Measurable success of social projects

Does this make the social commitment less valuable? Experience indicates the opposite is true: precisely because the people giving the money have an inherent interest in the measurable success of their social projects, these projects actually work – not just on the PowerPoint projector, but in real life.

And it's not as though the mines are extracting the mineral resources for nothing. Mining does more for the common good in Zambia



*Topmanager:* Senga Chitoshi.

### In the mine nobody seems to care about race, gender or religion.

than any other industry. The mines account for 87 percent of foreign investment, 80 percent of export revenue and 25 percent of the state budget\*. And it's not just Zambia; there is a similar story in many other African countries. As well as the mining licenses, royalties and corporate taxes, a whole series of other taxes also produce public revenue. However, the potential treasure is worthless if it stays in the ground. As with agriculture, value is only created through labor- and energy-intensive processes. Income is spread across the whole country via the suppliers that benefit indirectly from mining.

The Third World campaigners also often fail to mention that in the commodities business you might be able to make billions quickly, but you can also lose them just as fast. The biggest risks are legal uncertainty in developing countries and fluctuations in world market prices. And risk is nothing else than a cost factor. Companies don't survive long in this industry unless they have the critical mass and the reserves to overcome serious setbacks.

#### Distance learning at 71

At a dinner with Mopani's CEO Chris Vermeulen, I meet the lawyer Senga Chitoshi. The 47-year-old, who worked as a public prosecutor in Lusaka before moving into the private sector, tells me about her family. It is a multi-generational epic that is inextricably linked to the de-

velopment of this country. Actually, Senga would rather talk business. In this industry, people don't like talking about personal matters with strangers. But after some persuasion, she agrees to meet me next morning in her office. It's next door to the one occupied by Vermeulen. Senga is one of the senior management team at Mopani Mines.

Her grandparents were simple farmers from the Solwezi region in the north-west of the

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**With commodities billions are made as quickly as they get lost, small companies would disappear quickly.**

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country. Her paternal grandfather, Belina Vundamina, left his village in 1938. He was hired by the copper mine in Mufulira and rose up the ranks to become a «boss boy». To the British, he remained a «boy» until his retirement. Her father, Teta Vundamina, studied chemistry in Lusaka in the early 1960s. He was thrown out of the university because of his student union activities. He then worked his way up to Senior Personnel Officer at the Mufulira mine, where Senga's mother worked as a nurse. In 1974, after nationalization, Teta Vundamina moved to England for a few years, where Senga finished primary school. On his return, Senga's father

worked with other dissidents against the ruling regime and spent a while in jail. At the end of Kaunda's dictatorship, he was appointed to the transition team that organized the privatization of the mines. Teta Vundamina then went back home to Solwezi, where he runs a farm to this day. At the age of 71, he recently completed a correspondence course to earn a master's in international management from the University of Liverpool. The fact that Senga Chitoshi also ended up at Mopani Mines had nothing to do with her father. The company called on her simply because of her skills. She agreed to work for it because it offered her interesting prospects. And because her husband, a lawyer and journalist, had the chance to get a license for a radio station in Kitwe. And because there's good schools here for their daughter. Senga studied in London. She could have had a career in Europe, but Zambia offered her more. Eight decades have passed since Senga's grandfather left his tribe to work as a «boy» for the British. That's actually quite a short time if you think about everything that has happened. The clocks certainly haven't stood still in Africa, which again has a lot to do with the mining industry. It just seems that a lot of people in faraway Switzerland haven't noticed that yet.

\* Copper Mining in Zambia – History and Future. The Southern African Institute of Mining and Metallurgy, 2016

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