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MINING'S CONTRIBUTION TO A BETTER WORLD

The mining industry needs a “charm offensive” to educate the general public on the value of mining to Australia. The contribution is not simply financial.



Mining Companies Make the World a More Peaceful Place

First, mining is part of the overall improvement in international trade and trade that bring countries together and reduces the risk of international war. This has been called the “MacDonald’s Golden Arches Theory of World Peace”: no two countries that sell Macdonald’s have gone to war against each other. To have a network of MacDonal outlets, a government has to sign on to free trade and free trade plugs a country into the international economy and the new demands of consumers.

In political science terms, there is a trend that democracies do not fight each other. There are now more democracies in the world than ever before. Therefore the world is gradually becoming a safer place.

In fact the worst time for being killed in war in the past 108 years was 1900-50, with the two World Wars. By the way, Perth (in per capita terms) had a larger number of World War I Allied soldiers killed than any other city in the British Empire.

In the old days, citizens expected military glory from their governments. Now they expect glory from their sporting teams and expect a better standard of living from their government. There is a reluctance to go to war: “Why kill those people - they are our customers!”

Democracies emerge from wealthy middle classes. The reason for the increased number of democracies is partly a reflection on the global growth in wealth. An authoritarian regime can govern a poor peasant society. But a modern advanced technological society requires the free flow of ideas, not only on how to make more money but eventually on how the country is governed. Therefore a wealthy middle class want a say in how a society is governed. Previously authoritarian societies (such as Taiwan, South Korea and Indonesia) are now democracies.

Mining helps create a wealth. It therefore helps create a flourishing middle class and so leads to democracy.

We should not over-estimate the risk of terrorism. Terrorism is a great risk but the actual number of people killed is far smaller than in major international conventional wars.

Meanwhile, corporations (including mining ones) are now a new form of global peace-keepers knitting the world together through international trade

✓ **Mining has Encouraged Science/ Technology/ Engineering**

Another contribution by the mining industry to a better world is the encouragement that mining has given to the development of science and technology.

For example, as the shallow old English 18th century coal mines filled with rain water, so steam engines were developed to pump out the water; the better the pumps the deeper the mines could go: the developments fed on themselves. In due course steam engines were developed as a form of transport to pull the coal from the pits to the towns. The beginning of the British Industrial Revolution (around 1700-50) therefore saw the need to transport coal – and it also encouraged the development of national transportation systems. This is part of the beginning of the global “Modern Era”, which has since transformed most of the world.

Mining also managed to avoid the religious controversies that caused problems in other parts of science. For example in the old religious approach to astronomy there was the belief that the earth was the centre of the universe and this was later challenged by modern science. Then later there was the controversy over how the species evolved. Meanwhile religious authorities seemed more ready to accept the value of mining and so there have not been the same religious controversies hindering the development of mining. Mining today still offers good careers to scientists, technologists and engineers.

✓ **Mining Helps National Development**

A third contribution is the way that mining has helped national development. Mining – part of the basis of the Industrial Revolution - obviously helped Britain become the world’s largest empire (1850-1950).

Mining was also the key factor in shifting Australia from an agricultural society based on sheep to an industrial society. The history of mining is entwined with the history of Australia. For example, coal was “black gold”. Australia is the world’s largest coal exporter – the industry began soon after the Europeans arrived in the new colony of New South Wales; the earliest workers were convicts; Captain Reid took Newcastle [Lake Macquarie] coal to Sydney in December 1799;

the first coal mining company (Australian Agricultural Company) began coal operations in 1830; the coal industry expanded considerably in the 1860s and 1870s as the population grew.

Then in the 1850s came the Australian gold rush, triggered by Edward Hargraves' discovery at Summer Hill Creek, western NSW in 1851. Then even more gold was found in Victoria. The wealth poured into Melbourne and in the 1890s "Marvellous Melbourne" was one of the world's wealthiest cities. Some rich people who wanted to flaunt their wealth even arranged for blocks of ice to be imported all the way from Boston, USA to be used in fancy desserts.

Meanwhile, mining attracted workers from all over the world (including China). This influx helped create Australia's unique multicultural character: the first "global nation": Australia is distinctive because it does not have a distinctive overwhelming "ethnic" culture.

Much the same could be said about other countries where mining has taken place. For example, mining helped the development of the US, such as the "gold rush". Mining has also helped China to develop: 300 million Chinese have been lifted out of poverty in the last 30 years - this is one of the greatest achievements of the 20th century. Mining is also very important to India's rapid economic development.

Finally, this conference this afternoon heard about some case studies of mining companies now helping Third World countries [emerging markets] to develop, notably in Africa.

Indeed there seems to be two African "grand narratives". One is the bad news that centres around political and military hotspots such as Zimbabwe, Rwanda and the Sudan.

The other narrative – which does not receive enough Australian media coverage – is the openness of some African governments to foreign investment and the way that some African governments (for example Namibia) are highly regarded by foreign mining companies.

Therefore not all the events in Africa are negative. Mining is helping to create some positive developments – but not enough media attention is being given to the good news. As usual, good news is not news.

✓ Mining is on the Leading Edge of the Future

Finally, mining is on the leading edge of change. An example concerns the role of mining companies were involved in the peaceful change in South Africa away from apartheid in the 1980s. There was a shortage of talented white managers and so Africans had to be placed in supervisory roles. People could see how well they could manage and so this eroded the basis of apartheid, which argued that Africans were somehow inferior.



As we have heard at this conference and previous AMEC conferences, mining companies are involved on a daily basis with many positive developments that are on the leading edge of change, such as:

- the importance of safety in the workplace role;
- mining companies are doing more to help protect the environment
- mining companies are often heavily involved in corporate social responsibility activities
- Australian mining companies are pioneers in involving Indigenous Peoples in industry
- mining has to make a long-term commitment to the future because all projects take time to come to fruition and so mining companies take a long-term view (rather than the “get rich quick” speculative mentality of the finance industry which can create problems, as in the current “sub-prime” crisis)

In short, mining plays a key role in many areas of Australian life and overseas. But more needs to be done to explain the good news to a broader public.

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