

Revitalization of the mineral industry in Brazil, who does it serve?

In June 2013, a proposal for a new regulatory framework for the Brazilian mining sector was forwarded to the National Congress by the Federal Government. The main proposal of the New Mining Code was to modernize the legal frameworks dating from the military dictatorship period (1964-1985). Such updating, however, was based on three main points: the creation of the National Mining Agency, an autarchy along the lines of the regulatory agencies that emerged at the time of the privatizations promoted by FHC's neo-liberal government (1995-2002); The redefinition of the mineral royalty rates to be charged, that is, increased contribution resulting from the Financial Compensation for the Exploration of Mineral Resources (CFEM); And regulation about mineral exploration, which includes issues such as research, mining concession, use of mineral rights, among others pertinent to mineral production.

The new Mining Code proposed still held on to the same economic standpoint that prevailed throughout the dictatorship period, contemplating no more than the intensification of mineral exploration and the possibility of increased taxation. The impacts derived from this economic activity, such as the environmental impact, social implications for the affected communities and issues pertaining to workers' rights, have not been contemplated, thus ensuing an intensified struggle from different social and environmental and union organizations to incorporate such paramount and neglected issues, neglected by state and capital, into the discussion .

The attempt at a broader debate with society and the conducting of several public hearings persisted until recently, when three provisional measures were enacted amending 23 articles of the mining code. After the coup that deposed President Dilma Rousseff, reform and projects have been making major strides in Congress, and it was no different with the mineral issues.

Brazilian mineral production has declined since 2011, when it reached the record figure of 53 billion dollars. This slowdown is mainly due to the fall of mineral commodities prices in the international markets, resulting from a greater supply of products and weakened Chinese demand. Anyhow, in 2016 production surpassed 24 billion dollars, and continues to hold an important position in the list of exports. In turn, tax revenues totaled nearly R\$ 1.8 billion in 2016, impacting the Federal Government revenues and, particularly, the states of Minas Gerais and Pará (largest holders of mineral reserves).

Brazil is the sixth largest global producer of ore, producing 70 mineral by-products: 21 metals, 45 industrial minerals and 4 fuels. It is the second largest iron ore producer and holds the largest strategic minerals reserves, i.e. niobium (mineral used in the production of high strength steel alloys for construction, mechanical, aerospace, naval, automotive and nuclear applications) and tantalite (high heat resistance ore for application in the electronics industry).

Thus, the Brazilian mineral potential is undeniable. However, who does the Brazilian mineral production serve?

This question has been answered ever since the privatization of Companhia Vale do Rio Doce in 1997. Brazilian minerals have been a source of profit for large capital, there is no development project that reaches the broader production chain, or that contemplates

the processes from the extraction to the steel industry. Brazil continues serving its sentence as an exporter of raw materials and importer of manufactured goods. If, on the one hand, profits are increasingly being sent abroad, on the other hand the burden has been established here leaving behind serious consequences for society.

A sad example was the biggest environmental crime in Brazilian history, in the Bento Gonçalves, district of Mariana (MG), that left 19 dead and an insurmountable level of social, environmental and economic losses. The crime was merely the fulfillment of a self-fulfilling prophecy, that is, the increasingly predatory exploitation was the cause of all this great tragedy. The impunity for this crime continues, both Vale and BHP Billiton, Samarco's parent companies, have not been indicted and recently the court has suspended the criminal procedure involving these companies and their executives. We must not forget Mariana!

The Brazilian Mineral Industry Revitalization Program can, and should, further exacerbate the existing business-oriented logic. We must never forget that mineral assets are finite resources, the wealth generated through exploitation needs to be socially and environmentally responsible, to serve the Brazilian population with the generation of economic development as a counterpart. More specifically, in dealing with the workers' universe, such a program coupled with the labor reform also sanctioned by the Temer Administration, can aggravate even more the current feeble work conditions. Although Brazil is signatory to ILO Convention 176 on safety and health in mines, the mining sector is responsible for some of the most frequent accidents record and kills workers throughout the country. Also it is a major informal market that offers degrading working conditions. Progress is necessary and, therefore, denouncing the coup must be a constant action, unions and social organizations must not waver, it is necessary to fight and unite in the face of these new and cruel challenges.