

## Anglo's Labour Practices in Brazil

The rapid expansion of the Anglo American Corporation's investments in Brazil over the last few years has received much publicity. What is less well known is the fact that the corporation has been accused of employment practices which contradict the "liberal" image which it likes to project.

Brazil is poised to become one of the world's largest gold producers, and if it can raise production (13 metric tons in 1980) to 400 metric tons in 1990, it will overtake the Soviet Union as the world's second largest supplier (283 metric tons in 1983). Anglo has not been idle in acquiring interests in Brazil's major deep level gold mines situated around the town of Nova Lima. Originally worked by a British company using slave labour from 1830, and after abolition importing miners from Spain and Portugal, the mines fell into disuse by 1960, owing to seemingly insurmountable technical problems.

Through Brazilian intermediaries and joint ventures, Anglo obtained important holdings in the mines by 1975, and effectively administers them today. Its expertise in deep level mining has helped to raise production substantially. A huge investment programme has been undertaken, disused shafts have been brought back into production, and new technology applied. In an interview with Reuters press agency in August 1984, the Corporation's chair, Gavin Relly, expressed "great optimism" about its future growth in Brazil.

Conditions in Nova Lima itself are extremely poor. A company town since the early nineteenth century, it displays the legacy of a segregation reminiscent of apartheid, in which British company officials and their families were housed, educated and socialised separately from the mineworkers and their families. The latter were crowded into company-owned housing linked to the job. Today one still finds single men's hostels. The company accepts no responsibility for the squalor and poverty characteristic of living conditions in the town, nor for any of the acute social problems experienced by its community. Such problems are passed on to inadequate local and state institutions. In an interview, Nova Lima's mayor disclosed that the company had failed to assist the municipality with the

provision of any social services. He alleged that none of the taxes paid by the company reach the municipality. In his office there is a daily queue of local supplicants in search of relief - many are miners, or their families or widows.

According to union officials, wages are between R145 and R220 per month for underground workers, depending on overtime worked. (This is the equivalent of between two and three times the "official" minimum wage of R72,70 calculated as at 9 April 1985.) Because of the deep level of the oldest part of the mine, there are substantial refrigeration problems. Very high temperatures force the miners to abandon clumsy and stifling safety masks and clothing. Instead they work in shorts and sandals and with scarves over their faces. Because of the drilling, fine silicon dust enters their respiratory systems. The high incidence of silicosis (one in three workers are affected according to union officials) testifies to the poor working conditions.

The Corporation claims that through the introduction of more modern technology it is "devoted to improving working conditions and safety, and reducing health risks and environmental pollution" (Optima, December 1984, p 162). Yet it has closed down its hospital and workers depend on their union and inadequate state provision for medical services.

The union itself has a history of militant struggle against the former British mineowners. Led by radical christians and members of the Communist Party, it succeeded in forcing the company to accept its proposal for a health and safety committee in the 1940s. The introduction of Mussolini-style corporatist labour laws attempted to bureaucratise the union and bring it under closer state control. Gradually the state was able to pick off the the radical leadership, but even so, when the military intervened to topple democracy in 1964, the miners of Nova Lima were one of the few groups of workers in Brazil to stage an anti-coup strike. The strike was used by the state to smash the union and to appoint Labour Ministry officials to run it. Today, although the leadership is more authentic, it is tied by the myriad of restrictive labour laws, and cannot challenge Anglo's labour practices very effectively.

Apart from the Nova Lima mines, Anglo is also involved in the

Jacobina gold mine in the north-eastern state of Bahia. There the mine was entirely developed from scratch by Anglo and its partners. Also an underground operation, the mine was opened in November 1982.

The miners of Jacobina have complained about dangerous working conditions, bad transport facilities, and inadequate food. There is no danger pay or social security supplement. Wages are lower than at Nova Lima. Normal shifts last ten hours, and with overtime, the 800 workers earn just over the minimum wage. According to testimonies of workers recorded by Professor Mauricio Tragtenberg, the company has attempted to cover up the cause of a worker's death in a mining incident, in order to avoid having to compensate the family. The company has also threatened workers with dismissal for attempting to form an association. (Noticias Populares, 8 September 1982).

In Brazil there are no codes of practice for multinationals. Little monitoring of local conditions takes place and foreign companies are less accountable for their actions. The Brazilian government, in attracting mining companies, is unlikely to enforce any stringent application of fair labour practices. In fact, by continuing to retain the corporate labour legislation codified in 1943, it weakens the development of strong trade unions able to protect the basic interests of their members. This legislation has yet to be abolished by the civilian regime which took office in March 1985.

Meanwhile the Anglo American Corporation continues to take advantage of the restrictive labour laws and the low wage system in Brazil. While it claims to address questions of social responsibility in South Africa, it should also be reminded of its responsibilities to the impoverished Brazilian communities in which it operates.

(Sao Paulo correspondent, May 1985)