

Dossier on Philex Mining in Benguet

I. Introduction

The aim of this work is to establish a dossier on Philex mining operation in Benguet. A dossier pertains to a database or sourcebook/source website/webpage that can be updated or on which additional data can be added. The dossier will focus on the environmental, economic, and social impact of Philex Mining Corporation.

The documentation will provide evidence whether or not large-scale mining is a reliable engine of development. The dossier will be extremely useful for formulating advocacy/pressure tactics and even a legal case against Philex Mines, whenever warranted especially once the company leaves Benguet or portions of Benguet.

Philex is the largest mining firm in the country and an International Standards Organization (ISO)-certified firm. If we are able to provide evidence that Philex did not significantly improve the quality of life in Benguet and show that even an ISO-certified firm degrades the environment in gold/copper mining, then we can argue that the smaller mining firms and those without ISO-certification will probably not do any better.

We can also provide evidence that an ISO-certification will not guarantee a so-called responsible mining, assuming that responsible mining does exist.

The research results will also enable civil society groups like the South Cotabato groups anticipate the likely impact of Sagitarius Mines when once it pursues mining in Tampakan, South Cotabato. Sagitarius Mines plans to produce almost ten times the annual output of Philex Mines in Benguet.

Philex Mines in Benguet has required 3 tailing ponds, a large tract of land for milling and company operations, and a San Roque dam. Other than this, the site of the ore body itself is probably a ground zero for ecological disaster. Thus, most likely, Tampakan mining in South Cotabato would have an environmental impact ten times of Philex mines. Therefore, data from this research are also urgent for the advocacy work of groups seeking an environment-friendly path to development in South Cotabato and elsewhere.

Research problem. The research problem that will be continually addressed by the dossier which is hereby being established are as follows:

What has been its impact to the host communities? Did large-scale mining succeed in providing a good quality of life for its workers and host communities? What does evidence say? What are their impacts to workers? What are their impacts to its host communities? What are their impacts to the environment?

Being the largest mining company and being the company that is operated along international standards, how can we compare the quality of life provided by Philex

Mining Company to its workers and host communities? Would other economic endeavors have a better potential in providing a better quality of life for its workers and host communities? What does evidence say on the matter?

What are the prospects for a post-Philex economy when Philex decides to leave the community around 2012 or later? At the same time, what are accountabilities of Philex to its host communities? Is the allocation for rehabilitation adequate given its accountabilities?

Meanwhile, what is the firm, asset, liability, market, financial, and supply-chain structure of Philex? What opportunities do the structure presents for advocacy and pressure tactics of environmental-protection advocacy groups?

Scope and purpose of this initial edition. Although the research problem described earlier is the one that will be addressed by this dossier, information will have to be built up over time. The building up of dossier will be done through voluntary initiative as well as through research funded by donors.

Funding for research will allow a quick address of the concerns of this dossier. Further, it will allow an address of the research problem at a deeper level of inquiry as resources will be available for review of literature, interviews, key informant interviews, focus group discussion, data search, review of documents, and release time for an in-depth analysis of data.

The immediate concern of this edition is to identify the environmental risks posed by the mining operation of Philex based on a review of its mining operations as well as data available based on company documents and sources of information.

Further, this edition seeks to apply the methodology of SOMO. The SOMO methodology makes intensive use of internet sources to identify firm structure, market, and firm financial condition for the purpose of identifying the appropriate pressure points for lobby work.

In addition to the internet sources, however, this edition would also maximize the use of company information as well as information that can be gathered from company reports to the Securities and Exchange Commission.

Of course, this edition will be updated and enriched through time. When possible, resources will be acquired so research can be made in-depth especially given Philex Mining Corporation possible exit in 2012.