

Industrial relations for a green economy

Innovative bargaining processes for a sustainable growth and a quality employment



Project VS/2014/0405 co-founded

by

DGESAI - DG EMPLOYMENT, SOCIAL AFFAIRS and INCLUSION

Greek Case Study: Chalkidiki Mines

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PRESENTATION (IDENTITY CARD OF SIGNIFICANT STUDY)

- **Name of significant study**

“Chalkidiki Mines”, Chalkidiki region, Macedonia Greece.

- **Short description**

The case was selected to be presented as a “case study” within the project, because it highlights the conflict between an activity with important environmental impact like gold extraction, and the local civil communities. In this conflict there is a juxtaposition of a certain type of development and the respective job places defended by workers, and the inhabitants of the area who invoke the high polluting character of the activity and the serious impact to the environment. Some of the consequences might have irreversible impacts on the environment (air, underground water etc), public health of the residents in the neighborhood, serious consequences in other economic activities such as agriculture, livestock, beekeeping, fisheries, tourism,, etc., that are incompatible with mining and are important competitive advantages of the region. The case has taken an international dimension as the protestors appear in the book trailer of the new book of Naomi Klein “*This changes everything: Capitalism vs the Climate*”. New York Times Bestseller, Sept. 2014.

Mining at Chalkidiki started, around the 6th century BC. Today the mines are a property of “Hellas Gold s.a.” by 5% and “Eldorado gold corporation” by 95%. Their assets include mining and exploration concessions covering 317 square km, 310 homes, 11,000 square meters of urban land, 2.5 square km of land, 30,000 square meters of offices and industrial buildings, 2 underground mines with shafts and underground tunnels, pumping systems, 2 ore-treatment plants, vehicles and mine machinery.

This large mining activity has a negative effect in the life quality of the residents (water quality, air quality etc). It has also caused a breach on the social cohesion of the residents, since there is a conflict between sides, for and against the mines. The conflict between the two opposing sides, those in favour of keeping or increasing job places on the one side and those who need to avoid environmental impact on the other side, emerges in this case. Furthermore, the role the local community and the involved actors is investigated.

- **Geographic, territorial, sectorial localization,**

The Chalkidiki mines are located at the Chalkidiki region above the Athos peninsula and the new mining plans include the existing mine in “Mavres petres”, a new open pit and underground mine at “Skouries”, an underground mine at “Olympiada”, an 8,5 km underground tunnel for the transport of ore (Olympiada - Madem Lakkos), 1 copper-gold metallurgy plant, 1 sulphuric acid plant (1000 t/d), 4 tailing disposal and storage sites, 1 industrial port, storage tanks and exploration of 14 other potential mining areas.

- **Period of activity**

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As mentioned the Chalkidiki mines started their activities during the 6th century, but the last years and after the Environmental Impact Assessment was approved in the 2011 there has been a coordinated effort for the ore extracted by the mines to be multiplied.

▪ **Players / promoters**

Industry management, Local community (actors and civil associations), employees, Trade unions.

▪ **Players/ partners involved, their main functions**

- The process of activating more and more of the residents to join their side of the conflict
- Large protest against the mining activity and the authorities
- An effort to make the problem widely known by studies, interviews etc.

▪ **Types of Beneficiaries (direct/indirect):**

- The large mining zone will offer jobs in the local community and the surrounding areas, but estimations are that due to the environmental consequences which will be severe, more jobs will be lost from other divisions of the economy such as tourism.

▪ **Human resources involved in the bargaining process and their competencies**

Individuals, actors (such as the Chalkidiki hotel owners association) and trade unions.

▪ **Indicators for monitoring and evaluating activities**

DESCRIPTION of the significant study/conflict

▪ **Starting point of the conflict as related to the territorial context (societal, economic, political)**

See presentation of significant study.

▪ **Description of the socio-economic, territorial, corporate context in which the initiative is based.**

Chalkidiki shows significant activity in the agricultural sector: organic farming, fishing and aquaculture. A significant contribution to the local economy is also managed by wood logging, forest fruits and aromatic herbs; all these activities are at fatal risk due to the deforestation, the drying up of the aquifer, the dust that impedes the vital functions of plants, acid runoffs, and bioaccumulation of heavy metals in the food chain resulting the mining activities.

The contribution of tourism to GDP of northeast Chalkidiki is estimated at 15-20%. the mining activity will bring a fatal blow to the tourist character of the area; It will degrade the life quality of

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residents and visitors and will not replace the stable benefits of existing and future sustainable development of the area.

- **What problems/ general needs the intervention is trying to address? What the specific ones are?**

General: The need for environmental friendly/non-health hazardous investments, especially now during the economic crisis.

Specific: The halt of the mining activity of this scale and the downgrading of the residents' living conditions.

- **What goals/ends the intervention is trying to achieve? What bargaining dynamic had been in place?**

The bargaining process includes the struggle of the local community on the one hand to resist to the mining activities and the downgrading of their lives and on the other hand to sensitize the rest of the community.

- **What activities and instruments the intervention is operational through?**

- In this particular case, as shown above, the intervention is the negotiation process and the efforts made from part of the local community mostly to resist against the mining activity. In these efforts they are mostly organizing informing activities, gatherings and protests.

- **How the actions can increase knowledge and support overcoming specific problem**

- **As concerns the territorial context what the most innovative aspect of the initiatives is? Why?**

- **What the “internal quality factors” of the initiative are? (Sustainability, internal efficiency, effectiveness?)**

- **Is it possible to transfer the initiative in other context?**

The initiative in terms of trying to achieve environmental protection against bad practises/ cases of conflicts is possible to be transferred in other contexts, since it sets examples of ways to unite the torn local society.

- **Is the initiative reproducible in different contexts?**

Same as above.

- **Are joint monitoring instruments involving also the stakeholders contemplated?**

No, there are not.

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- **Please point out communication instruments (website, documents, booklets) concerned with the initiative.**

<http://soshalkidiki.files.wordpress.com/2012/11/leaflet.pdf>

<http://soshalkidiki.wordpress.com/>

- **Please write your final considerations.**

- The mining activity will have a negative effect on quality of life issues for the residents. Water quality and air quality will be downgraded and other direct and indirect environmental impacts will be brought upon them.
- Even though there is a contribution in jobs to the local community by the Chalkidiki mines, the overall equilibrium is negative, since a lot of jobs will be lost due to the environmental downgrading.
- There has been a division in the local community between those in favour and those against the mines.
- The actors and people protesting are in a large scale isolated from the officials.
- The legal framework could possibly contribute to a positive direction if it was implemented, there is, though, a tendency for new legislative work aiming the constant legal coverage of the mining activity.

- **The role of trade unions**

The controversy and the resultant conflict on mining investment in the area have been developed at very high tones during the last three years, and with a strong political involvement. The whole story had also an international echo. Sometimes the conflict between locals and workers in the mines was driven to the extremes, dividing them deeply.

The economic crisis and the lack of confidence towards the government which stipulated the terms of the contract with the multinational, fomented by oppositions' parties exacerbated the situation. Local trade unions were also divided, so their role was impaired. The GSEE denounced the excesses and were in favor of a combination between mining and other activities with respect of the environmental legislation. This proposal which at the present time seems to be the only way forward at the time when it was made, three years ago, nobody was willing to listen.