



MIND WORKINGS-Quadrem or Quandary

by Dr. T. I. Mudder

The nature of business is to provide a service or to produce a commodity, and in that process yield a profit. In terms of an investment vehicle, the mining industry has lost much of its luster, even though there would be no business of any type without metals and minerals. The reasons for the lack of interest range from Bre-X to Baia Mare. In an attempt to improve corporate earnings and lower operating costs, several of the large international mining companies and houses are joined together to form the new business-to-business e-commerce entity known as Quadrem. This Internet company was formed with the purpose of improving the efficiency of the mining industry supply chain on a global basis by utilizing the technique of combined purchasing power. The global mining industry should be applauded for taking the step to work together for a common goal. Similar cooperative efforts are underway in the environmental arena with development of an international code of practice for cyanide management and the global sustainable development initiative. However, there are potential downsides associated with this collaborative effort that should be kept in mind. A major theme associated with sustainable development is the continued recognition of the importance of local cultures and communities. It is the loss of the hearts and minds of the local people and the ignoring of their needs and desires that has largely contributed to the negative image of the industry, the general lack of trust, and growing influence and importance of non-governmental organizations.

In the attempt to curb operating costs, the mining industry must not lose sight of the fact that many of the local small businesses, suppliers, and contractors are dependent upon the presence of a mine for their livelihoods. There is a concern that globalization of the industry in this manner will in reality or through perception further erode the fragile or fledgling relationships that exist between a community and a mining operation. There must be continued recognition of the equilibrium that must be maintained between profit and people. Hopefully, at some point a collaborative effort within the mining industry will also produce a global environmental vision based in the real and not the virtual world.

Copyright 2000
TIMES Limited
All Rights Reserved