

# Ghana's golden future

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Often referred to as the Gateway to Africa, Ghana has, over the past decade, witnessed a revival of its gold industry. Today, gold represents more than 80% of Ghana's mineral exports <sup>(2)</sup> and a significant source of currency. <sup>(3)</sup>



Gold is also a source of employment and revenue for a thriving artisanal and small-scale mining (ASM) industry that employs thousands of Ghanaian miners - or "galamsey" - who rely on ASM for their livelihood. <sup>(4)</sup> The situation highlights a puzzling dichotomy in which thousands of ASM operations around the country continue to operate illegally despite the government's attempts at imposing regulations.

This CAI paper explores some of the new variables of Ghana's gold rush that is spurred by soaring gold prices, in which economic gains often eclipse a long-term environmental vision. Despite opening up to the global market, Ghana remains a country of contrasts - with the environment at the core of its informal sector. <sup>(5)</sup> In a country of apparent political stability and business-friendly policies, often eyed by foreign investors, <sup>(6)</sup> Ghana's wealth in precious minerals, notably with its important gold reserves, is under intense scrutiny as the government scrambles to regulate ASM and environmental policies. <sup>(7)</sup>

## Gold and the environment: the shadows of history

When thinking of the contemporary gold rush and its effects on the environment, the parallel to historicity ought not to be overlooked. This is especially true in the case of Ghana, where a history of mining of precious minerals spanning 1,000 years has shaped a mining and trading tradition anchored within Ghanaian social, cultural, political and economic fabric. <sup>(8)</sup> The Ghanaian coastline stands as a witness to this gold trade, with a shoreline that is dotted with forts and castles. These silent testimonies are a reminder of the power that gold trading had on the whole region during the colonial era. Likewise, they underscore the power wielded by those who controlled its trade. <sup>(9)</sup> The tradition culminated with the colonisation of the Gold Coast (current and ancient Ghana) by Europeans and its integration in 1874 in the British Empire under the Gold Coast Colony. <sup>(10)</sup>

Although a comprehensive historical narrative of gold mining in the region is beyond the scope of the article, this paper offers a glimpse into the interaction of gold over the course of centuries, and the parallels with the current socioeconomic and political Ghanaian landscape. In this regard, the environment becomes intricately connected to gold's predominant role in the contemporary Ghanaian narrative. The key to understanding current grievances in terms of environmental degradation is likely to be found in how gold mining and environmental policies have been conducted since independence. That is where we turn to next.

## Environmental regulation and the fallacy of the gold market liberalisation

Shortly after Ghana gained independence in 1957, the gold industry went into a slump that would only find its revival with the instauration of the Economic Recovery Plan (ERP) and the Structural Adjustment Programme (SAP) in 1983. <sup>(11)</sup> The latter programmes were followed in 1986 by the Minerals and Mining Law (PNDCL 153). <sup>(12)</sup> The plan, like in many other

countries in Africa, was a result of structural adjustments initiated by the International Monetary Fund (IMF) and the World Bank that saw a viable solution for the country's economic recovery in the Ghanaian gold and minerals industry.<sup>(13)</sup> These policies of liberalisation that were aimed to spur investments in fact translated into very little socioeconomic development for the thousands of Ghanaians who were relying on subsistence artisanal gold mining for a living.<sup>(14)</sup> In reality, the streamlining of these policies meant that "almost all state-owned mines were divested or privatized," while competition from indigenous operation was marginalised.<sup>(15)</sup>

Proof of the government's intent to reform its mining policies and to tackle the issue of ASM was the Small Scale Gold Mining Law (PNDCL 218) of 1989, which legalised and codified ASM.<sup>(16)</sup> However, the result of the liberalisation of the mining legislation (the ASM in particular), along with the liberal policies pushed by the IMF and the World Bank, was putting Ghana's trailblazing mining sector reforms in jeopardy. The other side of the coin was that while laws appeared good on paper, the ASM activities governed by these laws were much harder to regulate in practice. In reality, the consequences were reaching well into an already weakened environment that had inherited decades of natural resources mismanagement.<sup>(17)</sup> Conscious of the environmental impact of the liberalisation of gold mining, in 1994 Ghana established the Environmental Protection Agency Act and in 1999, the Environmental Assessment Regulations.<sup>(18)</sup> The latter required ASM "to register with the Minerals Commission who would assign them specific areas to operate."<sup>(19)</sup> Driven by bureaucratic hurdles and sheer frustration, many galamseys opted out of the registration process and chose to operate illegally.<sup>(20)</sup>

More importantly, the liberalisation of gold mining, coupled with an often forgiving, or at times repressive, political structure - depending on who was in power and where one lived - opened up what the Gaia Foundation called a Pandora's Box of "the new wave of land grabbing by the extracting industries."<sup>(21)</sup> Consequently, the environment was likely to bear the brunt of the liberalisation effects and ipso facto find repercussion into the sustainability of socioeconomic developments. This is none more evident than in Ghana's domestic economy that is still strongly dependent on subsistence agriculture; a sector that provides upward of 70% of employment in the country.<sup>(22)</sup>

While the Pandora's Box metaphor may sound alarmist, Gaia's article points us to a direction that is echoed in Ghana. The ASM sector, at its current scale, is leading Ghana to an increased state of environmental degradation, with a cost that has yet to be quantified. Gaia's list of mining related environmental degradation is extensive. It includes the "release of toxic substances such as mercury for amalgamation process, pollutant discharge from abandoned mines, deforestation, wind and water erosion as well as sedimentation, loss of topsoil through mining and afterwards through erosion of the site" just to name a few.<sup>(23)</sup> These examples are plentiful in Ghana where the state often has or chooses not to have any control over land grabbing methods. Often times, acquiring a new plot of land for gold mining is as easy as bribing a law enforcement officer.<sup>(24)</sup>

## **Gold mining threats, community involvement and the spectre of the Chinese miner**

The reasons for turning to gold mining; mainly for socioeconomic reasons, are often a reflection of wealth redistribution

policies implemented by various governments, which may vary from region to region. The northern part of Ghana (Upper East, Upper West and Northern Region) is the perfect example of how a system of ethnic favouritism and land concession allocation inherited from the colonial period was replicated in the adjustment policies of the IMF and in the allocation of government subsidies. In these savannah-dominated regions, uneven agricultural subsidies, along with the difficult access to healthcare and other social services, have perpetuated northern Ghana's role as a source of cheap labour for the quickly developing urban economy of the south.<sup>(25)</sup> However, a multitude of reports show that nowadays, ASM-linked environmental degradation is not limited to a particular geographical location but is found throughout the country where ASM activities occur.

In the Western region, the Wassa West District is reported to have lost 60% of its rainforests due to "mining operations which have also polluted surface and groundwater with cyanide and other chemicals."<sup>(26)</sup> In the Talensi-Nabdam District of the Upper East Region, a study by Ghanaian scholars reported that the "major environmental impact of small-scale gold mining in the district is land degradation, more specifically the clearing of vast expanses of savannah vegetation, digging pits and the upturning of vegetation which in turn leaves land bare and exposed to agents of erosion."<sup>(27)</sup> The abandoned pits not only represent a major hazard, but also a breeding ground for mosquitoes that not only impacts on health but also on the socioeconomic livelihood of the population in a district already too familiar with environmental problems.<sup>(28)</sup>

In addition, Ghana must now cope with a new wave of miners, more scrupulous, and less inclined to making a living on subsistence mining. Lately, villagers around Ghana have expressed outrage over the increased presence of Chinese mining companies that are buying up land with little regard for the socioeconomic and environmental repercussions on the local communities.<sup>(29)</sup> The foreign presence, notably China's, coupled with the imports of cheap Chinese mining equipment, renders the process of starting an ASM affordable by Ghanaian standards. Lured by such an affordable glittering outlook, Ghana has been witnessing an increase in foreigners who are now pouring into the country with the hope of striking gold.<sup>(30)</sup> These social pressures tend to exacerbate already palpable environmental stress. Similarly, villagers are at the centre of a new wave of community pressure movements. Oftentimes, they must face off with foreign miners, who use force and intimidation to set up ASM operations and pose a threat to the desecration of sacred land, and destruction of harvest. It is thus up to the community, with often limited resources, to make its voice heard at the different levels of the political structures.

In 2004, such social pressures were reported in the Tanchara community (Lawra District) in the Upper West Region. Faced with the prospect of gold mining prospecting in their community, locals feared that mining would not only attract illegal ASMs but would further degrade the surrounding environment and desecrate their sacred groves.<sup>(31)</sup> In fact, the Ghanaian Government had granted Australia's Azumah Resources Limited the prospecting rights for gold in the region.<sup>(32)</sup> The case of Tanchara is telling of the fact that decisions made by the Ghanaian Government to authorise mining in the region in 2000 were seemingly not relayed to the community or to organisations working in the region until several years later. Only in 2007, when information was made available, did the local community, with the help of the Centre for Indigenous Knowledge and Organizational Development (CIKOD), send a protest statement to the appropriate authorities regarding the mining issues.<sup>(33)</sup> By June 2010, CIKOD had a study ready and an awareness programme had been set up in the community. With the help of CIKOD, a community forum - durbar - was held between the district assemblies and the Upper West regional house of chiefs to discuss the strategies to adopt against Azumah.<sup>(34)</sup> In the case of Tanchara, gold mining reached into the social and cultural sensitivity of the community illustrating how environmental concerns far outweighed potential economic gains. Eventually, and after months of discussions between various actors, the prospecting project was pushed back to 2013.

## **Forward-looking environmental policies: more of the same or a glimmer of hope?**

The preceding examples are indicative of several important issues regarding ASM. They highlight the difficulty of assessing a multitude of paradoxes, namely the debate between land rights and land use, the importance and place of community rights and customary laws, and the relationship between local and national government. The case of Tanchara highlights the strength of community work in a bottom-up approach. It also recognises the important role played by grassroots movements and organisations along with the role of various leaders; elders and chiefs but also of the local councils in the face of

environmental degradation, for the good of the community.<sup>(35)</sup> All the examples above show a similar pattern in that they underscore the recurring structural issues that often leave communities or districts to find solutions by themselves.

In practicality, the task of regulating gold mining on a country-wide scale is daunting. Given the impact of ASM on the environment, it is almost fallacious to even suggest that the situation will evolve in the near future. The Ghanaian press abounds with accounts of the difficulties met by the Minerals Commission and the Ghana Immigration Service (GIS) in monitoring foreign illegal ASM. This shows yet another side of the environmental danger that looms ahead should the government's own agencies remain unable to track down these miners. As a reminder, the Minerals and Mining Act, 2006 (Act 703) Section 83(a) clearly states that "a licence for small-scale mining operation shall not be granted to a person unless that person is a citizen of Ghana."<sup>(36)</sup>

In reality, this is far from being the case. The Ghanaian newspaper Graphic Online recently covered the illegal mining business and related environmental destructive effects in Ghana. The findings point out recurring structural problems that continue to impede the efforts of agencies to conduct their work. These problems are caused by:

1. A lack of proper funding for the task-force assigned to anti-illegal mining security,
2. Vehicular issues that prevent immigration services from working efficiently in remote areas,
3. Lack of oversight in the issuing of licences and whether or not they are sold to foreigners, and
4. Financial incentives of partnering with foreigners that are hard to turn down.

(37)

The new dawn of Ghanaian gold mining has yet to show its glittering capacity to fully integrate the environment by means of meaningful political action.

## Concluding remarks

Ghana is another case in point in which the environment and the protection thereof is enmeshed within a plethora of socioeconomic, political and cultural factors that form a complex web of paradigms. This nexus renders the approach to environmental protection and ASM all the more challenging to grasp. This article decries that gold mining in Ghana and the adjacent environmental degradation are not limited to a particular geographic region of Ghana. Rather, it illustrates, through providing concrete examples, that from the Western Central or Greater Accra coastal regions to the northern regions of the Upper East and Upper West, gold mining has the potential to leave a trail of misery in its wake.

Ghana is also a victim, like many other African countries, of economic policies imposed by international cartels on how it should or should not dispose of its natural resources. In so doing, economic recovery plans often brush aside the intricacies of social and environmental variables. In Ghana, this resource curse, to borrow from Richard Auty's thesis,<sup>(38)</sup> perpetuates the paradox of plenty with the consequences for an environment that is likely to deteriorate further in the years to come, while socioeconomic outlooks for ASM remain bleak. However, aid disbursement and loan policies, such as Ghana's relationship with the IMF along with budget allocation at the country level, are critical points that deserve more debate and exposure as they both directly impact the state's capacity and/or willingness to address ASM and environmental concerns. Despite an array of legal tools at their disposal, the reality in Ghana indicates that the effectiveness of regulations and enforcement thereof often trickles down to the communities. Pushed to their limit, communities are often helpless to address environmental concerns and ASM at their own level. The hope remains that peaceful solutions and dialogue between communities and authorities will prevail and not succumb to a spiral of violence.

### Notes:

(2) '2010 Minerals Yearbook: Ghana', U.S. Geological Survey, April 2012, <http://minerals.usgs.gov>.

(3) According to the 2011 dataset, Ghana currently ranks as the ninth highest gold producer in the world. 'Gold facts: Ghana', World Gold Council, <http://www.goldfacts.org>.

(4) In 2011, the Ghana Chamber of Mines estimated that mining producing companies employed 14,257 persons (of which 235 were expatriates). 'Factoid 2011', The Ghana Chamber of Mines, <http://www.ghanachamberofmines.org>;

Regarding ASM, a February 2013 report by the International Institute for Environment and Development (IIED) estimates the number to be between 180,000 and 200,000 workers. Buxton, A., 'Responding to the challenge of artisanal and small-scale mining. How can knowledge networks help?', IIED, February 2013, <http://pubs.iied.org>.; Other sources indicate that since the "legalisation of small-scale gold mining" in Ghana, the number of jobs related to the mining sector could be over one million. Donkor, A.K., et al., 2006. Artisanal mining of gold with mercury in Ghana. West Africa Journal of Applied Ecology, 9(January-June), pp. 2-18.

(5) The informal sector, which mainly includes agriculture, livestock and fishing, represents over 75% of the work in rural Ghana and is a significant contributor to GDP. Boaten, C. and Ampratwum, E., 'The informal sector in Ghana', Friedrich Ebert Stiftung, October 2011, <http://www.fesghana.org>.

(6) Sheikh, F., 'Canada eyes resources in Nigeria and Ghana as aid shrinks', The Guardian, 16 November 2012, <http://www.guardian.co.uk>.

(7) Numerous laws regulating the mining sector exist in Ghana. For this article, a focus on ASM laws has been chosen.

(8) For a more detailed account of Ghana's history, please read Owusu-Ansah, D., 2005. Historical dictionary of Ghana (3rd edition). Scarecrow Press: Lanham, MD.

(9) See for example, 'Ghana Museums and Monuments Board', <http://www.ghanamuseums.org>.

(10) Ofosu-Mensah, E.A., 2011. Labour migration during the colonial period to the Obuasi mines in Ghana. International Research Journal of Library, Information, and Archival Studies, 1(3), pp. 68-80.

(11) Hilson, G. and Potte, C., 2005. Structural adjustment and subsistence industry: Artisanal gold mining in Ghana. Development and Change, 36(1), pp. 103-131.

(12) Ibid.

(13) Tsuma, M., 2012. Gold mining in Ghana: Actors, alliances and power. LIT Verlag: Münster.

(14) Hilson, G. and Potte, C., 2005. Structural adjustment and subsistence industry: Artisanal gold mining in Ghana. Development and Change, 36(1), pp. 103-131.

(15) Awumbila, M. and Tsikata, D., 'Migration dynamics and small scale gold mining in north-eastern Ghana: Implications for sustainable rural livelihoods', Union for African Population Studies Fifth African Population Conference, Arusha, 10-14 December 2007.

(16) 'Small-scale Gold Mining Act, 1989', Ghana: Ghana Environmental Agency, <http://www.epa.gov.gh>.

(17) Nsiah-Gyabaah, K., 2002. "Human security and the environment in Sub-Saharan Africa: The challenge of the new millennium", in Page, E. and Redclift, M. (eds.). Human security and the environment: International comparisons. Edward Elgar Publishing: Northampton.

(18) Environmental matters in Ghana are overseen by the Environmental Protection Agency. Its role is clearly defined in its status as "the leading public body for protecting and improving the environment in Ghana." See the following website for further information, Environmental Protection Agency, <http://www.epa.gov.gh>.

(19) Awumbila, M. and Tsikata, D., 'Migration dynamics and small scale gold mining in north-eastern Ghana: Implications for sustainable rural livelihoods', Union for African Population Studies Fifth African Population Conference, Arusha, 10-14 December 2007.

(20) Botchway, F., 2011. Natural resource investment and Africa's development. Edward Elgar Publishing: Cheltenham.

(21) Sibaud, P., 'Opening Pandora's Box: The new wave of land grabbing by the extractive industries and the devastating impact on Earth', 2012, <http://www.gaiafoundation.org>.

(22) Agyarko, T., 'FOSA country report - Ghana', Food and Agriculture Organisation of the United Nations (FAO), 2001, <http://www.fao.org>.

(23) Sibaud, P., 'Opening Pandora's Box: The new wave of land grabbing by the extractive industries and the devastating impact on Earth', 2012, <http://www.gaiafoundation.org>.

(24) Kunateh, M.A., 'Foreign illegal miners bribe chiefs with GH¢20.00', The Chronicle, 25 July 2012, <http://thechronicle.com.gh>.

(25) Awumbila, M., 2006. Gender equality and poverty in Ghana: Implications for poverty reduction strategies. GeoJournal, 67(2), pp. 149-161.

(26) 'Mining social and environmental impacts', World Rainforest Movement, March 2004, <http://www.wrm.org.uy>.

(27) Awumbila, M. and Tsikata, D., 'Migration dynamics and small scale gold mining in north-eastern Ghana: Implications for sustainable rural livelihoods', Union for African Population Studies Fifth African Population Conference, Arusha, 10-14 December 2007.

(28) 'Natural environment', Talensi-Nabdam, <http://tongo.ghanadistricts.gov.gh>.

- (29) 'Five Chinese illegal miners arrested at Nweneso II', Ghana News Agency, 5 September 2012, <http://www.ghananewsagency.org>; Badu, K., 'The lunatic fringe of Chinese immigrants must be reprimanded', Modern Ghana, 19 January 2013, <http://www.modernghana.com>.
- (30) Estimates put the numbers of Chinese engaged in gold mines in Ghana at around 10,000. Although an exact tally of these miners remains difficult, Ghanaian Immigration Services (GIS) regularly conduct sting operations which often lead to the arrest of dozens of Chinese nationals working illegally in the gold mines. 'Gold madness', Global Times, 25 November 2012, <http://www.globaltimes.cn>.
- (31) Guri, B., et al., 2012. "Sacred groves versus gold mines: Biocultural community protocols in Ghana", in Ashley, H., Kenton, N. and Milligan, A. (eds.) Participatory learning and action 65. IIED: London.
- (32) Ibid.
- (33) Ibid.
- (34) Ibid.
- (35) 'Tanchara community protocol', The Tanchara community with support of the Center for Indigenous Knowledge and Organisational Development (CIKOD), 2010, <http://procasur.org>.
- (36) 'Minerals and Mining Act, 2006 (Act 703)', FAOLEX, 22 March 2006, <http://faolex.fao.org>.
- (37) Yeboah, K., 'Fight against foreigners in small scale mining - action or rhetoric?', Graphic Online, 11 March 2013, <http://graphic.com.gh>.
- (38) Auty, R., 2001. Sustaining development in mineral economies: The resource curse thesis. Routledge: London.

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