Accumulation, Poverty and Dispossession
Unequal Distribution of Mining Benefits and the Impact of Chirano Gold on Local Communities in Ghana

By

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Abstract

Gold mining in Ghana has gained unprecedented global attention and attraction. At the moment, Ghana is Africa’s second leading producer of gold and ranks tenth in the world. The sector is the country’s leading foreign exchange earner, and continues to play a key role in the country’s socio-economic development. While the government of Ghana and other financial institutions defend the mining sector as a viable vehicle for facilitating economic growth in Ghana, concerns are raised about its negative environmental impacts and adverse problems affecting mining communities.

This paper is grounded in a specific socio-political and cultural context through a case study of Chirano Gold Mines Limited (CGML) that explores the impact of both large-scale and artisanal-small scale mining on the livelihoods of local communities, power relational inequality, and the mechanisms that foster and facilitate it. The study draws from the perspective of theory of International Political Economy (IPE) particularly the discourse of accumulation by dispossession to critically analyze the specific research questions.

Generally in mineral economies, it is the national economy that benefits and welcomes increases in national revenues in the form of foreign direct investment and taxes, which are largely unequally distributed, with local communities shouldering the majority of adverse social and environmental risks. This enormous relational inequality and distribution of benefits in the mining area is an outcome of firms seeking to protect their interests at the expense of the local community. Findings from the study indicate that these interests are not necessarily in line with those of the impacted communities, nor concerned with protecting the environment.

I argue that equitable distribution of benefits through certain established frameworks, such as Corporate Social Responsibility (CSR) programs and objectives and compensation injected into the community, largely serve the needs and goals of a minority group in impacted communities, given internal struggles among residents to enhance their livelihoods and ongoing power relations and inequality in the community.
Foreword

This paper examines how the rapid growth of mining has affected local livelihoods in the
global South, using Ghana as a case study. The general point of departure here is that the
developing world has served as a resource periphery for a global capitalist system, driven
by unequal terms (i.e. legal reforms and deregulation of mineral codes), which has
facilitated a transfer of value from poor to rich, and reproduced uneven power relations
between the global North and South in the context of natural resource extraction. This
study speaks to the components and area of concentration of my plan of study, which
aims to bring different bodies of literature ranging from environmental justice discourse
to literature on extraction and development.

This major paper, along with my field experience for Mining Watch Canada that helped
me to define the paper’s subject matter has allowed me to understand a common issue in
resource extraction. In many natural resource rich areas, affected residents experience
severe exploitation and marginalization by dominant transnational actors who dictate the
allocation and unequal distribution of environmental risk on frequently destitute
communities. This, compounded by a broader neoliberal agenda shaping contemporary
IPE, is an inherent condition of extractive capitalism. This has aided in deepening my
understanding of the relationship between forced displacement arising from the impacts
of Canadian mining industry activities and environmental justice.
Acknowledgments

This Major paper has been possible because of the tremendous support and encouragement of many people. It is with pleasure that I express their input and appreciate their unwavering support. First, is the input of my supervisor Dr. Anna Zalik. Dr. Zalik provided me with sound advice, excellent teaching and granted me important contacts that played a key role in determining the outcome of this work. I am indebted to her invaluable brilliance and most importantly for challenging me to do my best, and believing in me. Moreover, without the funding from SSHRC towards my fieldwork via the Partnership Development Grant held jointly by Dr. Anna Zalik, I, Okonta, and organizations from Social Action Nigeria and New Center for Social Research Nigeria, this paper would have been difficult to complete.

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I dedicate this paper to my beloved nieces and nephews: Sarai, Gabrielle, Henri, Samuel, and Alice.
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<th>Description</th>
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<tr>
<td>ASM</td>
<td>Artisanal Small-Scale Mining</td>
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<tr>
<td>BABDA</td>
<td>Bibiani Ahwianso Bekwai District Assembly</td>
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<td>CGML</td>
<td>Chirano Gold Mines Limited</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<tr>
<td>DFAIT</td>
<td>Department of Foreign Affairs and International Trade (Canada)</td>
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<td>DFATD</td>
<td>Department of Foreign Affairs, Trade and Development (Canada)</td>
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<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
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<td>EDC</td>
<td>Export Development Corporation</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>FIPA</td>
<td>Foreign Investment Protection Agreement</td>
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<tr>
<td>FPIC</td>
<td>Free Prior Informed Consent</td>
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<td>GRA</td>
<td>Ghana Revenue Agency</td>
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<tr>
<td>IPE</td>
<td>International Political Economy</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>IFI</td>
<td>International Finance Institutions</td>
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<td>LSM</td>
<td>Large-Scale Mining</td>
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<tr>
<td>MC</td>
<td>Minerals Commission</td>
</tr>
<tr>
<td>MAC</td>
<td>Mining Association of Canada</td>
</tr>
<tr>
<td>MID</td>
<td>Mining Induced Displacement</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organizations</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>QR</td>
<td>Qualitative Research</td>
</tr>
<tr>
<td>SSA</td>
<td>sub-Saharan Africa</td>
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<tr>
<td>SAP</td>
<td>Structural Adjustment Program</td>
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<tr>
<td>SOE</td>
<td>State Owned Enterprises</td>
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<tr>
<td>SWDA</td>
<td>Sefwi Wiawso District Assembly</td>
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<tr>
<td>TSX</td>
<td>Toronto Stock Exchange</td>
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<tr>
<td>TNC</td>
<td>Transnational Corporation</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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Chapter 1

Introduction

This chapter indicates the study’s background, its pertinence to contemporary issues, and the problem necessitating the research. The specific research questions and research objectives I developed to investigate the problem are also highlighted herein.

1.1 Background to the Study

Since its insertion into imperial circuits of accumulation, the extractive industry has been the subject of debate and controversy. In the Ghanaian context these debates have intensified throughout the 20th century. The industry’s latest growth phase, marked by unregulated geographical expansion and extractive exploitation has seen transnational firms investing heavily in developing countries to meet global mineral demands. The result has been twofold: on one hand, some mining countries have welcomed increased national revenues and foreign direct investment, and on the other hand, extractive exploitation and mineral production has brought high environmental and social costs perpetuating forced displacement, environmental destruction, social divisions and disintegration (Tumasi, 2010). Unsurprisingly, these costs outweigh the economic benefits, and are unequally distributed with majority of host communities and the environment disproportionately bearing greater negative consequences (Evans et al, 2002; Akabzaa, 2009; Hilson & Haslip, 2004; Bush, 2009).

There have been broad attempts in the global South to address some of the sector’s environmental and social ills through legal and policy reforms, yet various of these may in fact have worsened overall socio-economic outcomes. In Africa for

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1 Host communities refers to the communities situated in mining areas (Akabzaa, 2000; Akabzaa & Darimani, 2001).
example, these include the World Bank and IMF structural adjustment conditions adopted by a majority of mining countries in the mid-1980s (Akabzaa, 2009). These reforms align with current neoliberal ideology to equate the interests of private capital with those of the nation. Indeed, reforms which promote liberalization, deregulation, and privatization “called for a clearly articulated mining sector policy that highlights the role of the private sector as owner and operator and of the government as regulator and promoter” (World Bank, 1992; cited in Campbell, 2010). In essence, the role of the state is simply to create a favourable institutional environment for capital to pursue its reproduction and expansion (Kinuthia, 2013). At the same time, the distribution of structural powers has been shifted to the advantage of private actors, especially the extractive Transnational Companies (TNCs) operating in African countries (Campbell, 2010). According to Ray Bush (2010), the unequal power relations between actors reflect the dynamics of imperialism promoted by TNCs in the political and economic internationalization of capital. One example of this is manifest in the way Canadian mining companies operate in the Ghanaian context.

While imbalances of power shape the relations between mineral exporters and the international economy, understanding the mechanisms that foster and facilitate inequality within the mining sector also directs attention to the relationship between natural resource extraction and community level exploitation.

1.2 Problem Statement

Mining has long been regarded as a starting point for a series of economic and social changes that constitute development. Proponents of mining as an agent for development often point to mineral resources as ‘buried treasures’ (Bridge, 2004, p.225) that can be
opened with capital and technologies. This treasure chest theory of resource extraction for economic development has shaped policy frameworks espoused by the World Bank’s structural adjustment programmes (SAPs) in Africa, particularly in Ghana—a country endowed with ample natural resources.

Based on these structural reforms, Ghana has seen an ongoing significant presence of multinational companies, including Canadian firms engaged in mining activities. Canadian mining companies, in particular, have played a strong role in the new scramble for Africa’s mineral resources over the last twenty years (Darimani, 2005). According to Darimani (2005), Canadian mining companies are among the leading foreign mining companies in Africa today. Between 1992 and 1996, the number of properties held by Canadian mining companies in Africa increased by 75%. By the end of 1996, there were more than 170 Canadian mining companies in Africa with interests in over 440 mineral properties, located in 27 countries. By the end of 2002, Canadian mining companies had further increased their dominance on the continent with 530 mineral properties in 35 countries in Africa (Darimani, 2005, p.2).

Despite the long history and importance of mining in the developmental process of mineral endowed African states, economic liberalization has contributed to the deepening of inequity in distribution of benefits of mining in favour of transnational foreign mining firms. This is evident in the correlation between a country’s level of mineral dependence and its Human Development Index ranking (Feeney, 2002; cited in Baah-Ennumh, 2012, p.5). The negative correlation between social and economic development driven by foreign capital and mining is explained by David Harvey’s (2003) concept of accumulation by dispossession. This theory posits that capitalist exploitation is
rooted in the logic of a socio-economic system that is driven by the competitive pursuit of profit based on the exploitation of labour, which produces over-accumulation (Gordon & Webber, 2008). Harvey (2003, p. 144) applies the concept of accumulation by dispossession to the ongoing phenomenon that occurs when long standing indigenous modes of production, largely based on traditional forms of reciprocity and exchange, are replaced by new capitalist modes. A result is that contemporary peasant populations are displaced by similar exploitative means and land enclosures and dispossession that scattered them in Europe during the fifteenth to eighteenth centuries. What has brought about accumulation by dispossession is what Patrick Bond (2006) calls primitive ‘looting’ tactics entrenched within the neoliberal free market policies imposed via many governments in the developing world. Under neoliberal economic policies, that weaken governmental oversight and regulatory control over industry, accumulation by dispossession in the extractive industry is on the rise. For instance, advanced capitalist states have successfully sought out new spaces of accumulation, or reorganized older colonial ones in their own interests to boost transfer of capital to the global North (Gordon and Webber, 2008), while the poor located in the peripheries of society are systematically deprived of their means of making a living and forced to look for work from rich and powerful companies (Holden et al, 2011).

The impact of mining on local communities has therefore been an area of growing concern and attention, one that mining companies, communities, and non-governmental agencies (NGOs) address in varied ways. Consequently, Corporate Social Responsibility has become a priority concern in the mining industry. Examples of CSR initiatives carried out by mining companies include construction of community infrastructure such
as community schools, market centers, and local employment and enhanced alternative livelihoods (Akabzaa, 2009). Despite these programs, which are frequently criticized as piece-meal and ineffective substitutes for state supports, tensions exist between foreign multinational companies and the local people. The local people feel cheated and attribute their economic and social problems to the operations of mining companies in their communities. On one hand, from the perspective of community locales, large-scale miners (LSM) pose a threat against traditional rights to work the land, whether through artisanal mining or farming. And on the other hand, LSM operators contend that they are legally entitled, through state-granted licenses, to protect these exclusive concessions against encroachment and intrusion (Aubynn, 2009).

This has had a direct impact on artisanal small-scale miners (ASM) in the region. ASM is often perceived as a poverty-driven activity, some arguing that it provides the poor, with higher income. (The variation between LSM and ASM in this regard is discussed further in Chapter 5). Although ASM has the potential to contribute to poverty reduction, it often perpetuates poverty rather than diminishing poverty due to the fact that individual artisanal miners face serious hazardous accidents, may lack knowledge about efficient or safe techniques and are constantly vulnerable in the environment. ASM is characterized as low productivity, and involves use of rudimentary and inefficient technology, haphazard environmental impacts, hazardous occupational health conditions, inadequate regulatory frameworks, deleterious sociocultural effects and isolation from national economic development initiatives (Tschakert, 2009; Aubynn, 2009). Evidence suggests that these factors tend to keep artisanal miners trapped in the vicious cycle of poverty and vulnerability, which undercuts the sector’s image as a poverty-reducing
activity (Gibb, 2006; Taabazuing et al., 2012).

The study explores the impact of extraction on communities bordering mines. In this regard, the study explores the impact of both large-scale and artisanal, small-scale mining and the enormous inequality in power relations between companies and communities, particularly the mechanisms that foster and facilitate this inequality. In particular, I sought to understand how contemporary Canadian mining companies impact communities bordering mines in Ghana. Consequently, I focused on Chirano Gold Mines Limited (CGML)\(^2\) as a case study.

\(^2\) Kinross believes that they have the responsibility to conduct operations in a manner that is safe for employees, protective of the environment and fair for the host countries and communities where operations are located (http://www.kinross.com/operations/operation-chirano-ghana.aspx: Accessed on 16/06/2014).
1.3 Research Objectives and Questions

The main objective of the study is to explore the impact of large-scale/artisanal small-scale mining encountered by displaced people and communities living at the fringes where Canadian mining companies such as Chirano Gold Mines Limited operate. I seek to identify the mechanisms that foster power inequalities which lead to an unequal distribution of benefits to local communities. Through fieldwork and document analysis conducted between January and February 2015 (detailed in the following methodology section), I pursued answers to the following sub-questions, as a lens onto the broader relationship between Canadian mining firms, Canadian DFAIT supported aid/development programs, and conflicts and social dynamics at Ghanaian mining sites:

Source: Edgewater exploration, 2015
1. What is the impact of mining on livelihoods\(^3\) of local communities in the Chirano mining communities?

2. In the broader context of the Ghanaian mining industry (and the Chirano context if applicable) what is the impact of artisanal small-scale mining (positive and negative effects) on livelihoods in the district?

3. What factors or different authority structures (traditional vs. elected or other local leadership) interact with the corporation (in this case, Kinross) in negotiating access and compensation?

4. What legal mechanisms operate to facilitate community displacement between the community and mining companies?

1.4 Methodology and Limitations of the Study

All researchers face unique challenges and concerns specific to their study topic and method. I believe that research generally, including how it is approached and undertaken, should be guided by integrity, intellect and the researcher’s knowledge base, and I accept that this process of inquiry is not linear. I choose to complete a single-case study in part due to limitations of time and resource available. My research is both descriptive and explicative since it describes the unequal power dynamics of the mining sector and its implications for local communities, while also explaining how local communities continue to be excluded from accessing benefits in mining areas. My field research employed largely qualitative methods. According to Nicholls & Lewis (2014) qualitative research (QR) is helpful for issues/phenomena which are not well understood or explored, and that are deeply complex and involve processes over time. They point out that researchers study things in natural settings, attempting to make sense of or interpret phenomena in meanings and context. An in-depth exploration of my research questions

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\(^3\) Livelihood refers to people, their capabilities, means of living, and ownership and articulation of information that are vital for the effective utilization of the assets they use to obtain a living (Krantz, 2001).
required a qualitative approach since I wanted participants to explain their perceptions in
detail without limiting their answers. In this regard, direct quotes from some of the
respondents are presented in the paper.

I conducted in-depth interviews with community members in Bibiani and other
communities surrounding Chirano mine as well as with representatives from the
company. My sample was selected from among all stakeholders in the communities,
particularly landowners, farmers, youth, opinion leaders and women. All interviews, a
full list of which is contained in the Appendix (with participants names as pseudonyms),
were completed between January and February of 2015. In addition, I conducted
interpretive document analysis and review of websites, secondary sources, and
complementary interviews in Ottawa in summer 2014. Reports from Environmental
Protection Agency and Minerals Commission and relevant institutions and existing
literature on the mining sector were also obtained. During the fieldwork I conducted in
Ghana in January-February 2015, a local resident took me to some of the communities
surrounding the Chirano mine, specifically Surano, Akoti, Old town/New town (Bibiani),
and Chirano, and helped me to set up some interviews as well as contact key informants
for an overview of the study area. The township of Bibiani, the site of an existing large
gold mine, lies 15 kilometers north-northeast of the Chirano project area (37 kilometers
by road). Access to the mine from the capital Accra is via a paved highway to Kumasi
and another paved highway running southwest towards Bibiani and onwards to Sefwi-
Bekwai. The project area is dominated by steep terrain and dense vegetation intermixed
with small agricultural plots of palm oil, cassava and cocoa. The interviews I conducted
with Chirano Gold Mines Limited representatives were held at their office near
Akoti/Etwebo, and interviews with key stakeholders such as the Ghanaian Minerals Commission (MC)—a government body responsible for regulating and managing policies that relate to the governance of minerals—were conducted in Accra, the national capital.

Within the case study area, I was able to complete 12 interviews with community members from Bibiani, Akoti, and Surano (see Fig 1). I interviewed people who were available when I was in their communities and I made a conscious effort to include participants with differing socioeconomic backgrounds, genders, education, and political position in the community. While this gave me a sense of how the company and mining in general is viewed by local residents, the sample size limits the conclusions that can be drawn from my research. Ideally, a more comprehensive study involving more participants would have been ideal. However, time and financial resources limited this possibility.

Furthermore, it was not easy getting information from respondents. Officials from various institutions were not as willing to disclose information and in some cases they had to seek permission from their superior and other departments which delayed interviews. I overcome this impasse with follow-up communication and my continued assurance that the information they gave would be treated with the deserving confidentiality. Some institutions eventually provided data for the study. To supplement my interviews, I also completed an extensive analysis of publicly available documents including publications from Chirano Gold Mines Limited and other publications such as local newspapers regarding the mine and the communities.
1.5 Selection of Kinross/Chirano as a Case Study

In its 2013 CSR report, Kinross claims that one of the firm’s priorities in Ghana is to use responsible mining to generate sustainable value in the host community where it operates (Kinross, 2013). Indeed, Kinross’ aim is “to develop and operate projects in a manner that respects and strengthen communities and bring positive long-term contributions to the quality of life” (p.9). Through its partners and coordination between the private sector, governments, and civil society as well as stakeholders, Kinross states it can ensure its actions in the community align with their CSR guiding principles. According to the report, a spectrum of approaches, including meetings with local officials and neighbours and impromptu conversations with indigenous peoples near communities help mitigate adverse impacts arising from their operations. Via such approaches, Kinross has developed consultation with a Community Consultative Committee (CCC), which is comprised of stakeholder representatives from traditional authorities including tribal chiefs and security agencies, and local government, farmers and institutions.

The case study method was used in this research. According to Berg (2007), a case study research design provides useful insights which would not have been gained if the research’s geographical scope was large. In this regard, a case study is capable of examining simple or complex phenomenon with units of analysis varying from single individuals to large corporations and businesses. It entails using a variety of data gathering segments and can meaningfully make use of, and contribute to, specific details of application and theory that are often overlooked (Berg, 2007). This case study aims to understand the factors and institutions that shape and influence the effects of mining on communities. As with most countries, the political, economic and social context in which
Ghana is situated is critical to understanding the issues that arise out of the presence of large-scale and artisanal small-scale mining operations. This becomes useful in understanding and identifying differing perspectives on the part of various actors with respect to mining.

1.6 Justification of the Study

The research provides an in-depth analysis of the impact of mining activities on livelihoods in a particular set of host communities. Independent research on these issues is important as increased cases of environmental degradation and marginalization of communities are coming to light. The Ghanaian government relies on foreign investments in the mining sector as a viable economic means for eradicating poverty, yet the sector has not resulted in increased development, social well-being and livelihood security, nor reduced vulnerability of poor communities. Evidenced-based academic research is thus needed to understand and address this discrepancy. While there is often a large gap between research and policy due to government politics, hopefully more research on this topic will facilitate change to improve the impacts of mining on local communities and contribute knowledge on how to limit or prevent negative effects.

1.7 Organization of the study

The Major Paper is divided into six chapters. This introductory chapter one covers the background to the study, the problem statement, objectives and research questions as well as an explanation of the methodology used to carry out this study. Chapter two consists of a literature review that provides the theoretical framing of accumulation by dispossession as a feature of corporate capitalism, and the means by which extractive mining dispossess
and displace communities. It sets the stage by contextualizing global corporate extraction in mining areas theoretically, as well as Canada’s leading role in the global extractive industry. Following this explanation of the theoretical framework, the third chapter provides a historical overview of Ghana’s gold mining sector. To understand the current trends and state of Ghana’s mining sector, I examine the legal and fiscal reforms that have influenced and shaped the current state of Ghana’s mining sector and importantly its implications for mining communities. Following from this, Chapter four presents contextual background of the Chirano Gold mine project, description of the project activities and demographic characteristics of the study district. In Chapter five I offer my analysis and discuss my research findings concerning the impact of mining on livelihoods of local communities synthesizing both the responses from members of the communities located near the Chirano mine and the arguments put forth by the mining company. Finally, chapter six offers a discussion and a conclusion of the results found through my research, contextualizing them within the global corporate extraction debate. I link my conclusions to the current trends globally where legal reforms and regulation of the mining sector have failed to adequately address social problems in mining areas in the global South. That said, with this study, I do not claim to represent the Ghanaian gold mining case comprehensively given that each region and mining area has varying local and unique contextual differences. In this regard, I can provide no simple answers. Rather, I contribute a particular presentation of reality evidenced via the Chirano case. By seeking to fill a small gap in academic research, ideally this study can contribute to influencing how research and policy debates define problems and solutions to mining countries in the global South.
Chapter Two

The Global Extractive Industry and Accumulation by Dispossession: A Literature Review

There is extensive literature on the concept of extractivism, which in the narrow sense refers to mass-scale industrial extraction of natural resources. Scholars over the years have begun to view extractivism in a much broader sense, one that is a characteristic of contemporary capitalism and neoliberalism at large. In this chapter, I begin by considering the historical framework of primitive accumulation, the corporate extractive industry, and Canada’s role in the industry, specifically, the global agenda of Canadian extraction and its strategic importance in Africa. I argue that accumulation by dispossession is enabled by neoliberal policy prescriptions (i.e. The Washington Consensus), which has promoted investment liberalization, deregulation and privatization, and has contributed to the significant growth of extractive companies in sub-Saharan Africa. The extractive sector’s expansion over the last two decades has been based on this theory that investment in natural resource extraction drives economic growth, which in turn spurs development and reduces poverty (see Campbell, 2012, Veltmeyer, 2013; Kinuthia, 2013).

2.1 Global Capitalism and Primitive Accumulation

In the analysis of the social relations from feudalism to capitalism occurring in Europe during the fifteenth to eighteenth centuries, Karl Marx developed the term primitive accumulation (Glassman, 2006; Holden et al, 2011). Primitive accumulation is a concept

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4 In his description of his book Capital volume 1, Marx analyzes this phenomenon. Primitive accumulation for Marx, first and foremost, the ‘historical process of divorcing the producer from the means of production, transforming the means of the social means of subsistence and of
which refers to the process through which people are alienated from their livelihoods and coerced to sell their labour in order to survive (Kinuthia, 2013). It also entails stringent measures to prevent people from using alternative survival strategies that are not within “the system of wage labour” (Kinuthia, 2013, p.21). In the fifteenth century, the movement from feudalism to capitalism was most evident in Western Europe, as agriculture was changed into industrial operation and peasants were driven off their land requiring them to look for work in precarious places such as factories or on ships heading to plunder the New World (Holden et al, 2011). In fact, this was a time when the transatlantic slave trade was a highly profitable industry protected by western colonial business and state-led legal institutions (see Holden et al, 2011, p.141).

In certain respects, primitive accumulation entailed a series of brutal struggles. These violent struggles played out in Britain during the seventeenth century, as peasants and landlords repeatedly clashed over landownership, with resistance movements opposing radically different forms of social organization, as opposed to enclosures and privatization (Harvey, 2003). However, after realizing that self-sufficient peasants could not be coerced into the labour force, the early advocates of primitive accumulation waged a malicious war against the peasants. Unfortunately, in due course, the result was a complete transformation in industry, as well as economic and social organization. In this regard, property became absolute property, and as such all the ‘rights’ that the peasantry had acquired or preserved were now rejected (Kinuthia, 2013, p.21). The dispossession of the peasantry was considered legal since they were only viewed as possessing traditional rights rather than property rights as capitalist agriculture used the Enclosure Acts to production into capital and the immediate producer into wage labourers. This divorce varies and includes the forcible expropriation of property through acts of violence and through parliamentary mechanisms such as the Enclosures Acts (Marx, 1967, p.714-724; see Glassman, 2006, p.610).
legally expropriate the common land (Perelman, 2000, p.14). Thus peasants who for centuries engaged in mutual relationships of exchange with feudal lords could no longer rely on their feudal overlords to protect their rights to livelihood or social security. According to Harvey (2003, p.144), this was a time of ‘disjuncture’ and change whereby traditional societies were being severed from the past, as the bourgeoisie rose into the ranks of power and authority through unscrupulous means of ‘accumulation, predation, fraud, and violence’, thereby setting the stage for the beginnings of capitalism as we know it today (also see Holden et al, 2011, p.141).

Glassman (2006) points out that primitive accumulation was conceptualized as an evolutionary stage in the development of capitalism, which resulted in many Marxist scholars treating the concept of primitive accumulation more as a historical event than as a theoretical approach. This treatment continued until David Harvey placed primitive accumulation within the rubric of “accumulation by dispossession” for modern day social analysis. According to this framework, “the features of primitive accumulation that Marx mentions have remained powerfully present within capitalism’s historical geography” (Harvey, 2003, p.144). That is, contemporary peasant populations are being displaced by many of the same means that dispersed them in Europe during the fifteenth to eighteenth centuries. Harvey’s concept of accumulation pertains to the phenomena occurring when long standing indigenous modes of production largely based on traditional forms of exchange are replaced by new capitalist modes (p.144). However, prior to Harvey, Luxemburg (1968) had observed that primitive accumulation had become a continuing process of exploitation on a global scale and a key modus operandi of imperialism. In fact, much of the industrialized world grew through primitive accumulation, beginning
with the “appropriation of slave labour, antiquities, precious metals, and raw materials” (Bond, 2006, p.158). Harvey (2003, p.139) argues that in keeping profitable opportunities open, “access to cheaper input is just as important as access to widening markets.” This therefore implies that non-capitalist regions should be forced open to trade, and also to permit capital to invest in profitable ventures using cheaper labour power, raw materials, low-cost land, and the like. In other words, the thrust of capitalist logic is that territories should not be held back from capitalist development, but that they should be continuously opened up to capital.

As Harvey points out, features of primitive accumulation have persisted throughout the history of capitalism, such as the displacement of peasant populations and the formation of landless proletariat, often at the insistence of key international institutions such as the World Bank (2003, p.145-146). In this regard, the establishment of political and economic structures favourable to capitalist development becomes necessary, due to the profit imperative that is intrinsic to capitalism. Thus, capitalist actors will always seek lower wages of workers, while profits continually rise (Gibbs & Leech, 2009). And in essence, accumulation by dispossession has been twofold: on the one hand there is accumulation of wealth, and at the same time on the other hand, is the accumulation of misery, displacement, toil, slavery, brutality, and degradation (Marx, 1967, p.645; cited in Kinuthia, 2013, p. 25).

In the case of Ghana for instance, accumulation by dispossession has been on the rise due to the ascendancy of the neoliberal initiatives proposed by the World Bank and IMF who hold that economic development is maximized through the policies associated with the Washington Consensus. The international financial institutions (IFIs) adopted
major structural changes known as structural adjustment, which were later described as neoliberal globalization\(^5\) by critics within academia and social movements (Leadbeater, 2008). Neoliberalism is understood here as a “theory of political economic practices which proposes that human well-being can best be advanced by maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, free markets, and free trade” (Harvey, 2006, p. 145).

Neoliberalism as a policy prescription includes privatization, deregulation, and liberalization, which rely upon the market as a viable vehicle for resource allocation and to increase foreign direct investment. In their application of neoliberal ideology, major multilateral agencies such as African Development Bank, Asian Development Bank, World Bank, International Monetary Fund, the World Trade Organization and major donor countries insist that countries receiving their loans, credits, and development assistance must adopt policy reforms including austerity measures that make the private sector the primary engine of development (Holden et al, 2011; Bonnano & Constance, 2008).

2.2 Primitive Accumulation: A Washington Consensus

In recent decades, this ideology has been used to reform and open up national economies to transnational capital and to integrate them into the global market. From an international political economy (IPE) framework, the Washington Consensus reveals how certain powerful actors function to promote their interests and positions within the global political economy. For example, Ray Bush (2007) cites the fact that the liberalization of African economies occurred three times faster than member states of the Organization for

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\(^5\) The IFIs referred to it as structural adjustment programs, however, scholars in academia and anti-globalization movements and social movements commonly refer it to as economic globalization in critiquing the policy prescription of the multilateral agencies.
Economic Cooperation and Development (OECD). He writes, “it is not that markets are good or bad, but that some countries or regions have the power to make the world market work to their advantage, while others do not, and have to bear the cost” (p.42). The argument that investment in the extractive sector drives economic growth, which in turn produces development and reduces poverty, underlies the logic that has dominated the extractive sector over the last two decades. This ideological and philosophical rationale informed the World Bank studies on Africa and Latin America during the 1990s, and was translated into policy recommendations that propelled critical reforms in the extractive sector (Madely, 2000). Although situations vary from country to country, foreign investment in mining was clearly encouraged through opening up African states via SAPs and neoliberal policies in the 1980s and 1990s fostered by IFIs. In the context of Ghana’s mineral economy, liberalization involved different reform measures aimed at providing generous incentives to attract foreign investment a pattern which created significant profitable opportunities that foreign mining companies, including Canadian-owned firms, were eager to harness (Campbell, 2011).

According to Tauli-Copuz (2006), IFIs promotion of economic growth occurred when subsistence lands were transformed into large-scale, capital-intensive, export-oriented commercial production, taking the form of huge commercial mines, plantation forest projects, and/or agricultural monocrop plantations (cited in Kinuthia, 2013, p.27). Yet, from the perspective of neoliberal discourse, developments projects viewed as ‘progress’ are portrayed as inevitable, necessary, and thus should be led by market forces. This has propelled developing countries into adopting resource-led growth strategies (Bond, 2003) and embracing a modernization view of development models which has
resulted in the displacement of millions of people from subsistence livelihoods (Bush, 2010).

Furthermore, though the IFIs maintain a modernization view of development as a unidirectional process, with the private sector as the catalyst and the free market as the key institution behind economic activity, the ongoing reduction of the state oversight and regulation has been the most important outcome of neoliberal policies. Indeed, liberalization involved the retreat of governments from socio-economic and industrial regulation, as well as their reduced sovereignty and autonomy (Campbell, 2011). In particular, the reduction of the state’s distributive role in the economy severely weakens its ability to mediate effectively between conflicting groups within civil society, especially between industry and workforce. Szabloski (2007) refers to this as the ‘selective absence’ wherein the state basically ‘absented itself from substantial parts’ of the legal regimes which were intended to mediate between investors and community interests (Szablowski, 2007, p. 45). Given state’s reduced capacity to control industrial development through its own institutions, the distribution of structural powers has been shifted in order to favour private actors, especially extractive companies (Campbell, 2009, 2010).

2.3 Capitalism and Extractive Industry

Neoliberalism sees mining as an economic potential, however, it minimally considers the environmental and social consequences of mining. While some aspects of neoliberalism are new and unprecedented, the dominance and volume of financial capital being invested globally shows that many contemporary features of neoliberal globalization are reminiscent of earlier conditions of colonialism. For instance, in recent times, extractive
companies or TNCs have gained “unprecedented access to a larger proportion of the
earth’s surface than ever before…shaped by a world marketplace where countries must
points out that through this process, TNCs have become “conduits of commodification
and dispossession” simply because they exemplify and embody the emerging ideology of
global capital accumulation by expanding to new frontiers for global capitalism (Evans et
al, 2002). Due to their vast resources and modern technology at their disposal as
compared to host governments, corporations are now the dominant institutional force on
the planet (Cavanagh & Mander, 2004). According to the Institute of Policy Studies,
fifty-one of the top one hundred economic units in the world are corporations, not
countries (Cavanagh & Mander, 2004). In fact, at the turn of the century, the largest five
hundred corporations accounted for about 80% of foreign investment, 70% of world
trade, and 30% of world output (Madaley, 2000).

Corporate globalization provides important context for understanding dynamics of
power relations between foreign, global firms and adversely affected communities. There
has been a massive increase in the concentration and control of capital, which has seen a
few TNCs dominate trade and production both domestically and globally (Dunning,
1997; cited in Kinuthia, 2013). For example, while in 1990 the four largest mining TNCs
controlled almost 15 % of the capital in the global mining sector, by 2002, the amount
had doubled (Humphreys, 2005). In Ghana for example, more than 300 out of
approximately 350 state owned enterprises (SOEs) have been privatized with foreign
firms comprising most of the bidders (Austrade, 2007, cited in Oppong, 2013, p.31). It
should also be noted that this process of concentration of capital has intensified via
corporate mergers. As neoliberal capitalism is premised on the logic of economic growth and free trade, corporations must constantly produce, sell and transform to achieve sustained growth and address internal contradictions within capitalism (Gibbs & Leech, 2009).

In the last thirty years, the growth of mining firms has been greatly enhanced in the global South through the acquisition of land increasingly through privatization and changes in laws that reinforce leverage over host governments. Several examples of this process can be found in the extractive industry. Through debt repayment and market conditionalities in natural resource extraction imposed by multilateral institutions via the World Trade Organization (WTO) and IFIs, global South countries continue to seek private capital. As a result, TNCs have lobbied for less taxation, more security, and increased access, thereby exploiting liberalizing economies for foreign mining capital as governments in developing nations have extended various concessions in order to attract foreign direct investment. James Ferguson (2006, p.210) refers to this as “extractive neoliberalism”.

Historically extractive companies have played a major role in attracting foreign investments from the global South to the global North. By 1998, total foreign direct investment hit a record level of $649 billion in a single year, and some estimates suggest it well surpassed the trillion-dollar mark in 2000 (McNally, 2002; cited in Gordon & Webber, 2008, p.67). In Ghana for example, FDI inflows into the Ghanaian mining sector increased from $205.24 million in 1989 to $762.26 million in 2009. And estimations of the annual growth rate of FDI into the mineral sector between that periods shows a 27.80 percent growth (Eshun & Jellicoe, 2011). Canadian firms have also increased their FDI
and activities and have stimulated over $9 billion of FDI from 1986 to 2009 (Eshun & Jellicoe, 2011). It should be noted that about 95 percent of all FDI in the mining sector goes into the gold mining sub-sector (Broch & Owusu, 2011; cited in Eshun & Jellicoe, 2011). Yet despite this growth rate, one central concern with foreign direct investment is that there is poor integration of TNCs into the economies of host countries, because FDI is largely concentrated on resource extraction in small mining locales while contributing little to the development of those communities.

2.4 The Canadian Mining Agenda: A Global Player

2.4.1 Canada’s Global Position in Mining

In the recent past TNCs from relatively few countries notably Canada, the U.S., South Africa, Russia, Australia, Peru, Bolivia, and increasingly China and Brazil have made up the gold mining industry (Bebbington, 2009). However, from this elite group of mining countries, Canada has become by far the most dominant and influential, as it boasts of the largest mining industry in the world (Gordon and Webber, 2008, p.7). It is indisputable that Canada is a major player in the mining industry. In fact, the country is one of the largest producers of minerals and metals and has about 75% of the world’s mining exploration or operating firms (Deneault & Sacher, 2012; DFAIT, 2009). North and Young (2013, p. 1) report that the Toronto Stock Exchange (TSX) today lists more mining companies than any other exchange in the world, and the Vancouver Stock Exchange plays an important role in raising venture capital. According to Hogenboom (2012, p.140) the neoliberal mining policy influenced by today’s powerful Canadian firms may be described as a sort of “Toronto Consensus.” Canada is now globally known as a mining country and the operations of its firms have received growing attention due to
their association with environmental degradation, destruction of community livelihoods and human rights abuses (Darimani, 2005).

With regards to Canadian firms operating in Ghana, Canadian mining firms have been primarily concerned about the financial costs and benefits of their operations (Yankson, 2010) as well as unfair barriers to accessing Africa’s mineral deposit, including environmental laws and regulations. The industry has been strong advocates for a uniform ‘process for hemispheric investment,’ protecting the rights of Canadian companies (Gordon and Webber, 2008). The Canadian mining industry has been fairly successful, due to the intervention and investment agreements made to advance Canadian economic and commercial interest accomplished under the support of CIDA’s extractive-industry led ‘development’. The work done by Canada’s Department of Foreign Affairs and International Trade (DFAIT), Export Development Canada (EDC), and the Canadian International Development Agency (CIDA), further demonstrates the government’s role in promoting and facilitating the expansion of Canadian extractive companies overseas (Deneault and Sacher, 2012).

However, in recent years, due to public awareness and mounting pressure from civil society and community members regarding human rights violations and negative social and environmental impacts involving Canadian companies, the Canadian mining industry has sought to address its environmental and social track record. This has involved implementing Corporate Social Responsibility (CSR) initiatives as fundamental practices within resource extraction operations and as community-building relations exercises (Fishlock, 2010; Schulman & Nieto, 2011; Blackwood and Stewart, 2012). In Canada, the demand for the adoption of CSR guidelines was a response to the need for
better ‘certification’, intending to ensure and reinforce legitimacy of Canadian companies in the extractive sector (Campbell, 2008). To help better facilitate CSR, Canadian mining firms are now relying on a growing support of development practitioners and NGOs to collaborate in delivering development and thus to gain the ‘social license’ to operate (Fishlock, 2010; Schulman & Nieto, 2011; Blackwood and Stewart, 2012; Veltmeyer, 2013).

According to Fishlock (2010), Canada has historically profited from mineral extraction in countries around the world that are impoverished, infamous for their corrupt governance and at times engaged in conflict, usually over the mineral resources within the country. In 2002, a UN Special Report implicated ten Canadian mining companies for violating Organization for Economic Cooperation and Development (OECD) guidelines in the war-ravaged Democratic Republic of Congo (DRC) (Engler, 2009, p.189). Unfortunately, the Canadian government refused to investigate and even provided support to defend the companies. Further, a report by the Canadian Centre for the Study of Resource Conflict (CCSRC) showed that in the preceding decade Canadian mining companies were involved in more than 30% of the reported incidents of community conflict, human rights abuses, illegal practices or environmental degradation in developing countries (Hassanerin et al, 2009). In response to the negative consequences of Canadian mining activities abroad, the Canadian government published in 2009 a document titled *Building the Canadian Advantage: A Corporate Social Responsibility Strategy for the Canadian International Extractive Sector*, which proposed voluntary guidelines for Canadian extractive companies operating abroad. However, these guidelines still do not necessarily reflect or respect all international human rights norms.
and practices that may be affected by Canadian extractive industries operating overseas.

2.4.2 The Strategic Importance of Canadian Mining in Africa

Mining has a long history in the development process of many African countries. The continent as a whole holds (42%) percent of the world’s share of bauxite; (38%) percent of its uranium (42%) percent of the world’s reserves of gold; (73%) percent of platinum; (88%) percent of diamonds. The continent also has enormous reserves of nonferrous metals like chromite (44%), manganese (82%), vanadium (95%) and cobalt (55%) (Bush, 2010). Such natural endowments have long constituted an important part of the continent’s geopolitical importance, and place Africa in an enviable position with respect to the distribution and potential of mineral resources (Darimani, 2005, p. 1).

In 2002, the International Financial Corporation (IFC) reported that the extractive industries accounted for more than 50% of Africa’s exports, and 65% of the foreign direct investment in the continent (Peggy 2000, p.3; cited in Fishlock, p. 51). The World Bank Group (WGB), which has provided over $8 billion in loans and grants to the extractive industries, actively encourages sub-Saharan Africa’s continued dependence on oil, gas, and mineral extraction (Fishlock, 2010). As a result, mineral investment in Africa grew significantly over the same period from $2 billion US in 2001 to $6 billion in 2005, and projected to reach about $17 billion by 2010 (CCIC, 2010). In 2011 Africa accounted for about 17% of Canadian mining assets abroad, up from 11% in 2001 (Campbell, 2011). Indeed, next to South African investments, companies registered on Canadian stock exchanges currently represent the most important source of investment in mining in Africa. From a total amount of $2.87 billion in 2001 and $6.0 billion in 2005, Canadian mining investment in Africa exceeded $23.6 billion in 2010 (Campbell, 2011).
See Fig 2 of the Cumulative Canadian Mining assets in Africa.

**Fig. 1.0 Canadian Mining Assets in Africa**

![Graph showing the increase in Canadian mining assets in Africa from 2001 to 2009.](image)

**Source:** Cumulative Canadian Mining assets in Africa Source: Government of Canada, Natural Resources Canada. 2010; attained from Campbell, 2011.

This increase of mining investment in Africa favours Canadian firms who hold half of mining concessions and approximately 6.5 percent of investment (Campbell, 2011). In total, the country boasts of 16 operating mines, six projects at mine development stage and over 150 local and foreign companies with exploration licenses, mainly in the domain of gold (CCIC, 2010). Canada has been cited as one of the most aggressive proponents of bilateral free trade agreements, signing Foreign Investment Protection Agreements (FIPAS) with countries most of which are in the global South (Gordon &
In 2002, CIDA invested about $9.6 million to projects in Latin America and Africa under the Minerals Resources Reform Project. This project has extended to include public-private partnerships, such as controversial projects with multimillion-dollar mining companies that are already being piloted in countries such as Ghana, Burkina Faso, and Peru, as an important tool of CIDA’s development programing. Through its important role in providing financial and technical assistance, CIDA’s development strategies are defended as ‘contributing to development and poverty reduction’ despite the reality that Canada’s commercial profile remains aggressive in Africa (Segal, 2007; SSCFAIT, 2007; cited in Blackwood and Stewart, 2012).

According to Lapointe (2009), Canadian mining regulations do not fully address social and environmental rights and standards such as those promoted in international law and in numerous voluntary initiatives and norms (e.g. Brundtland Commission Report (1987); Rio Declaration (1992); Framework for Sustainable Mining (2005), to mention a few. In addition, there is generally no public review of mining projects or purposeful consultation processes for people affected by mining (Lapointe, 2009). Even though the concept of “free, prior, and informed consent” (FPIC, sometimes called FIPC, or “fully, informed, prior consent” has become the focus of negotiations between projected affected communities, mining companies, civil society, and governments, regarding access to natural resources, the Canadian government has refused to sign the United Nations’ Draft Declaration on the Rights of Indigenous Peoples for the ‘informed consent’ of indigenous

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6 CIDA and DFAIT were merged into one government agency to form the new Department of Foreign Affairs, Trade and Development (DFATD) in the middle of 2013, signifying the fusion of Canadian foreign aid and Canadian foreign policy. This shift affects the way in which Canada carries out foreign aid by allowing it to be highly politicized and by creating aid projects that are financially beneficial to Canadian interests.
people before a project can be initiated on their land (Szablowski, 2010). According to Szablowski, FPIC refers to decision-making or engagement in which the free and informed consent of those affected by development projects are obtained beforehand. However, to date, mining corporations have “almost universally failed to recognize this right” (Moody, 2007, p.11) and “communities are rarely involved in designing projects that affect them” (Weitzner, 2010; cited in Kinuthia, 2013, p.13). As Canel et al (2010) point out, the exclusion of communities from effective civic participation, or in the planning and implementation of projects that concern them is a systemic and enduring crisis of neoliberal globalization.

The failure of the Canadian government to regulate adequately its overseas extractive industries and impose any kind of human rights standards on Canadian companies’ action outside Canada perpetuates the systemic problems of resource extraction activities, as experienced by mining communities directly affected by mining projects. This includes harm to their health, environment and livelihoods, receiving few benefits yet bearing most of cost. The case study of Chirano I offer in chapter five sheds light on this reality. But importantly I seek to explore and reveal that the promises of socioeconomic development and poverty reduction which were supposed to materialize with investment in mining, in that case, have for the most part failed to become reality. Rather, mining continues to reproduce negative environmental impacts, with few linkages to community development, employment creation, adequate compensation, or transformative livelihood alternatives for mining communities.
2.5 Conclusion

Although a longstanding process, accumulation by dispossession via global extractive industry has accelerated within the rubric of economic neoliberalism and corporate globalization—further displacing communities. Under the auspices of the Washington Consensus, TNCs including Canadian firms, have gained significant concessions and increased their dominance in Sub-Saharan Africa. These firms, with the technical and financial support of government and international agencies such as IMF/WB/CIDA/DFAIT have propagated the logic that investment in resource extraction is necessary for economic prosperity and poverty reduction. Unfortunately, current processes of economic liberalization have rather contributed to further deepening the imbalance in the distribution of benefits from mining, frequently impoverishing local communities where these firms operate. As I explore in further detail in the subsequent chapter, the prominence of Canadian mining companies such as Kinross in Ghana combined with the Canadian government’s involvement and influence in this natural-rich country, demonstrates how Canada’s foreign aid policy is tied to benefits for Canadian companies. Taken together, the foreign policy changes discussed in this chapter indicate that Canada is now playing a major role in the environmental and social degradation in countries of the global South through its global mining agenda. To highlight and understand the continual effects of attracting private capital, the next chapter seeks to examine the legal and fiscal reforms that have influenced and shaped the current state of Ghana’s mining sector and their implications for mining communities.
Chapter Three

An Evolving Sector: Historical and Current Perspective on Ghana’s Mineral Reforms

Historically, the gold mining industry has been an important sector of the Ghanaian economy and continues to play a significant role in the country’s socioeconomic development. Over the past three decades, gold production in Ghana has increased considerably, a factor linked to the legal reforms that facilitated increased foreign investment and the persistent entry of TNCs into the sector (Akabzaa & Darimani, 2001; Tsuma, 2010; Eshun & Jellicoe, 2011; Oppong, 2013). Despite this growth in the Ghanaian mining industry, the benefits expected from mining are controlled by a small minority group, who use their power and influence to exclude and marginalize the majority populations of poor communities. It is the latter that ultimately bear negative consequences of the environmental and social costs of mining (Akabzaa and Darimani, 2001).

In order to better grasp dynamics within the Ghanaian mining industry, I use this chapter to discuss the historical perspectives and legal reforms that have shaped the sector. I categorize these reforms in four eras: the Pre-Independence period, Post-Independence period, Post-SAPs reforms, and Ghana’s current mineral performance. It is important to note that these reforms have been extensively documented and presented in the literature with regard to the mining sector’s gross national contribution to the country (see Akabzaa, 2000; 2004; Akabzaa & Darimani, 2001; Aryee, 2000; Ayine, 2001; Oppong, 2013).

Whilst there is no disagreement on the mineral potential of the country, opinions do differ as to the contribution of the mining industry to the national economy given
widespread poverty in mining communities (see Campbell, 2009; Hilson and Banchirigah, 2009). For example, on one hand Akabzaa (2001) and Agbesinyale (2003) contend that despite positive trends in the transformation of the mining industry, the sector has not resulted in increased development, social well-being and livelihood security, nor has it reduced vulnerability of poor communities. On the other hand, others similarly posit that improved performance of the sector as the leading Foreign Direct Investment (FDI) and dominant gross foreign exchange earner does not reflect visibly in the performance of the national economy, because the government retains only a small fraction of the returns of its wealth. This is especially so in view of the mining legal framework in Ghana which is favourable to foreign investors (Lawson and Bentil, 2014, p. 218).

3.1 Pre-Independence Reform and The Mercury Ordinance

Ghana’s mining history dates back over 1000 years, hence its colonial name the Gold Coast (Annin, 1992; Dumett, 1998; Government of Ghana, 1980; Clark, 2000; cited in Garvin et al, 2009). Ghana’s mining tradition, particularly gold mining was vibrant during the pre-independence period. According to Terray (1974), by the time colonialists reached the Gold Coast, the Ashanti Kingdom and Wassa Kingdom of Western Ghana had already established very strong and powerful empires built upon robust gold production controlled by village chiefs (Terray, 1974; cited in Tsuma, 2010). In fact,

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7 See the Africa Mining Vision (AMV) which sets to renegotiate mining contracts and review fiscal regimes so as to increase their share of mining revenues. Member states want to use Africa’s natural resource sector to transform the continent’s social and economic woes, and set Africa on an industrialization path, based on increased revenues from mineral wealth and capital (Graham, 2010).

8 The early traders on the Gold Coast included the British, Portuguese and the Arab empires who established contacts with kings and chiefs of the Ashanti kingdom for Gold (Dumett, 1980; cited in Tsuma, 2010).
exploitation of Ghana’s natural resources started with the ‘free’ trade in gold between the fourteenth and fifteenth centuries, when Portuguese, Dutch, and later, English merchants bought gold cheaply from local miners in the Akan areas of the Gold Coast, to the gold rush and colonialism in the late nineteenth century (Dumett 1998, Hilson 2002; cited in Ayelazuno, 2002). As Raymond Dumett documents, this changed with the coming of a new colonial regime. The goal of the colonial government was primarily to gain access to and control mineral-rich resources. And to achieve this, a strategy was needed to undermine the influence of chiefs as well as break down the solidarity established by family ties in these areas (Tsuma, 2010).

The 1932 Mercury ordinance⁹ was therefore the law employed to weaken these local structures (Tsuma, 2010, p.10). Through this legislation, the use of mercury by Ghanaian miners was prohibited and regarded as illegal. With the application of mercury made illegal, Ghanaian mining operations were impaired as cracks showed in what had been a solid system of production and trade. Interestingly, as a key reform before independence, the mercury law of 1932 can be linked to the current set up in Ghana given that this legal reform marked the beginning of the criminalization of indigenous, small-scale gold mining. In 1989, the small-scale mining law was enacted to give legal status to the sub-sector again, but new forms of criminalization began for those who could not meet the conditions of the law (Akabzaa & Darimani, 2001; cited in Tsuma, 2010).

In essence, the small-scale mining law of 1989 had direct impact on indigenous mine workers. Historically, many of the motives behind the promulgation of mining laws

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⁹ The Mercury Ordinance of 1932 was aimed first at establishing legal and administrative frameworks that would facilitate mining operations, and secondly, to undermine Ghanaians preference to work in their own mines rather than work for the Europeans who encouraged the Colonial Office to pass. Consequently this edged out Ghanaian gold producers until the 1989 Small Scale Mining law.
and regulations in Ghana have been to promote investment in the LSM sector. The law created opportunities for individual commercialization of mines in these areas, mostly by the wealthy local elites and concession middlemen who could afford to pay the costly registration fees and endure the excessive bureaucratic procedures of the Small Scale Mining Law. These were individuals that, irrespective of where they came from originally, were able to secure mining rights on any piece of land and source for labour as well as use their own strategies to market and sell their gold. And for those who could not afford this process, they were either relegated to working on the mines as casual labourers, or continue engaging in illegal mining (see Akabzaa and Darimani 2001, Aryee et al., 2003; Hilson et al., 2009; Hilson and Potter, 2003:115; Yakovleva, 2007; Banchirigah, 2008).

Moreover, the banning of indigenous gold mining not only weakened the influence of chiefs, largely because they lost control over their mineral lands but also paved the way for the colonial government to facilitate its mining interests. In particular, this favoured the British mining interest at the Gold Coast and the sub-region as a whole (Akabzaa & Darimani, 2001; Tskitia, 1997). According to Akabzaa & Darimani (2001), British mining companies formed a lobbyist group at the time to influence both the Colonial Office in London and the governor in Ghana to enact the Mercury Law. Because of this pressure from home, the colonial regime was pushed to establish legal and administrative frameworks facilitating British mining operations into the region’s mining sector, ultimately promoting self-sufficiency for the British Empire\(^\text{10}\) (Akabzaa &

\(^{10}\) Large-scale mining by British and other foreign investors began in the late 19th century. British mining interests were a significant source of influence on the Colonial Office in London and its representatives in the territory and shaped the formulation and implementation of mineral policy in the colony.
Darimani, 2001; cited in Tsuma, 2010, p.11). It can be argued that this resembles modern day privatization of Ghana’s mining sector. Like today’s neoliberal policies removing protections on the sector, the colonial government at that time created a conducive environment for foreign investments to meet growing demands of the British colonial state, but not necessarily to address local development problems. According to Paula Butler (2015), it is a classic activity of colonizers to introduce new legal regimes in foreign territories they have occupied. The British on Ghanaian indigenes and the Mercury Ordinance is one example of establishment of laws that creates a semblance of legality for dominant resource appropriation.

In terms of the impact of pre-independence reforms on gold production levels, the banning of indigenous gold mining through the Mercury Act did boost large-scale mining as more indigenous labour was freed (Tsuma, 2010) and arguably coerced, to work there. Additionally, the period of 1933 to 1952 saw increased mine output. However, the emergences of major gold producing countries in Africa (i.e. Botswana, Tanzania), and the growing struggle for independence continent-wide that created political uncertainties, were also important factors in the region's depleting share of world production (Tsuma, 2010).

3.2 Post-Independence Period (1957 to 1986)

After colonial rule, most independent governments and their leaders became occupied with enhancing their economies. Many strived to restructure the minerals sector to enhance their economic and social development within the continent. In the 1960s and 1970s, when the air of independence and support for national sovereignty was sweeping
through many African countries the dominant rationale espoused was that development could be better fostered if the state had full ownership of its mining enterprises (Campbell, 2008; Hilson and Haslip, 2004).

This thought propelled the nationalization of large private companies. It is documented that Ghana set the pace for the continent, as the era “between 1957 and 1986 could be termed an attempt to ensure large-scale nationalization of mineral resources, renegotiation of existing arrangements and the creation of state enterprises and numerous commodity producer associations to oversee the management of mines and mining operations” (Akabzaa & Darimani, 2001, p. 45). The decisions made across the continent demonstrated hope and support for the sector, which was perceived as the engine of growth and quick industrialization during this era. Ghana’s mining industry was state-controlled via the State Gold Mining Corporation (SGMC) (Akabzaa & Darimani, 2001). The SGMC was established in 1961, which immediately acquired the main gold deposits and mining plants in Tarkwa, Bibiani, Prestea, Konongo, Obuasi, and Dunkwa from British companies. As noted by Akabzaa & Darimani (2001), the government’s objective in the acquisition of these mines was to centralize and control the resources, while creating employment and improving the livelihoods of the Ghanaian people. Nevertheless despite state-ownership of mining enterprises, this period was constrained by various factors that limited growth and contributed to the stagnation and decline of the nationalized mining industry. These included political interference in business decisions; lack of adequate respect for managerial and technical expertise; low reinvestment leading to capital consumption; limited finance access; and depression of mineral prices (Hilson and Haslip, 2004). The sector therefore became increasingly obsolescent and
uncompetitive. The Bibiani and Konongo mines began to incur losses, and as a result were eventually closed down.

Thus the mining sector, which had accounted for close to 24 percent of Ghana’s national exports at independence accounted for only 15 percent in 1978. This was a clear indication of the industry’s stagnating output (Akabzaa & Darimani, 2001) (see table 1 of Post Independence performance of Ghana’s mineral industry). Furthermore, the economic recession that crippled a large section of African countries in the 1970s and early 1980s by virtue of debt repayments and structural adjustments deepened the industry’s weakening. As Akabzaa highlights, by 1985 there were no significant investments in Ghana’s gold mining sector, as almost all the mines declined due to the fact that the sector contributed little to gross national earnings (see Akabzaa & Darimani, 2001).
Table 1 Post Independence Gold Production Trends (1963-1986)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gold - Ounces</th>
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<tbody>
<tr>
<td>1963</td>
<td>911663</td>
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<tr>
<td>1964</td>
<td>912592</td>
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<tr>
<td>1965</td>
<td>851090</td>
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<td>1966</td>
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<td>1967</td>
<td>724134</td>
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<td>1968</td>
<td>757346</td>
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<td>1969</td>
<td>750435</td>
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<td>1970</td>
<td>714442</td>
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<tr>
<td>1971</td>
<td>693770</td>
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<tr>
<td>1972</td>
<td>710013</td>
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<td>1973</td>
<td>731711</td>
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<tr>
<td>1974</td>
<td>709550</td>
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<td>583103</td>
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<td>1976</td>
<td>515654</td>
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<td>1977</td>
<td>531084</td>
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<td>1978</td>
<td>465651</td>
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<td>1979</td>
<td>387730</td>
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<td>1980</td>
<td>437669</td>
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<td>1981</td>
<td>349870</td>
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<td>1982</td>
<td>335724</td>
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<td>1983</td>
<td>276659</td>
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<td>282299</td>
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<td>1985</td>
<td>299615</td>
</tr>
<tr>
<td>1986</td>
<td>287124</td>
</tr>
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</table>

Source: Akabzaa & Darimani, 2001; attained from Tsuma, 2010

3.3 Post 1986 Mineral Reforms (Post-SAPs era)

The 1980s was a decade in which Africa’s mining industry underachieved and underperformed; part of a broader economic ‘crisis’ associated with the period of the third world debt crisis (Morgan, 2002; cited in Campbell, 2003). This forced many governments to change their attitudes. There was a fundamental paradigm shift and redefinition of the role of the state, from having full control and ownership of its mining industry, to deregulation and complete withdrawal due to Structural Adjustment Policies.
(SAPs). Following the debt crisis, many African countries embarked on nefarious reforms with the aim of attracting foreign direct investments in order to rehabilitate their waning minerals and mining sector (Campbell, 2008, 2009, 2010; Akabzaa, 2009; Oppong, 2013; Eshun & Jellicoe, 2011). To this end, state enterprises were privatized and efforts and resources were deployed to improve the investment climate. The argument was that new mineral policies including legal, regulatory and administrative frameworks favourable to private investors would bring adequate development returns. In this regard, state mining companies were privatized, sold off to foreign investors, and new concessions awarded under very generous investment conditions. These involved low royalty rates, tax exemptions, long-term freezing of tax rates and freedom to retain high percentage of earnings abroad (Graham, 2010; Campbell, 2010; Blackwood and Steward, 2012). Yao Graham (2010) stresses that the terms of many of these codes are so favourable to foreign capital that little or no benefit accrues to the host state.

In Ghana, the first phase of SAPs was introduced in 1983-1986; these forced the Government of Ghana (GoG) to address its economic weaknesses by adopting fiscal discipline through changes in taxation, new public spending priorities, competitive exchange rates, increased foreign spending, privatization and deregulation (Akabzaa and Darimani, 2001; Hilson & Potter, 2005, 2004; Bush, 2009; Akabzaa, 2009; Tschaker, 2009; Garvin et al, 2009; Anyidoho & Crawford, 2014). In line with this belief, the adoption of SAPs under the Economic Recovery Program (ERP) was expected to revive the economy toward higher growth while alleviating poverty. Thus, the ERP became a central pillar in the country’s economic reform program as Ghana focused on stabilization of its mines through foreign direct investment.
To further encourage the legal regimes intended to attract foreign investment, the Minerals Commission (MC) was established as a mining investment center in 1986. A legislative structure specific to mining was created through it to enact Ghana’s Minerals and Mining Law (PNDCL 153) (Akabzaa, 2009, p.32; Campbell, 2010, p.207; Hilson & Potter, 2005). This mining code was in line with the World Bank’s policy strategies for promoting mining in African countries. For example, the code was developed and implemented with ‘technical assistance’ generous to private mining firms operating in Ghana, which included significant low taxes and royalty payments, low import duties on equipment, high retention of revenue, and repatriation of profits (Akabzaa, 2009). In addition, all minerals “in their natural state” are the property of the government—meaning that the president has the legal power to acquire any land deemed viable for mining and also issue mining contracts on the same land to an investor as reaffirmed in the 1992 Constitution. The result was that transnational mining companies headquartered in United States, South Africa, Australia and Canada, amongst other countries raced into Ghana from the mid-1980s onward to gain land concessions for large-scale gold mining (Anyidoho & Crawford, 2014, p.487).

Though the 1986 law brought significant foreign investments to Ghana, it was revised and replaced by the Minerals and Mining Act (Act 703) of 2006 to further strengthen the country’s investment profile. Again with substantial financial and technical assistance from the World Bank (Akabzaa, 2009), the fiscal provisions of the 2006 Act were generally more favourable to the mining companies, and included a reduction in corporate income tax from 35 percent to 25 percent, and pegged royalties at a reduced scale of 3 percent and 6 percent (from 3 to 12 percent), with the additional tax

This resulted in increased gold production by transnationals over the past quarter century and has generated immense profits for foreign mining companies in Ghana. This is largely confirmed by Akabzaa & Darimani (2001) who note that the policy changes achieved the desired results with respect to the investment environment and the volume and value of mineral output in Ghana. In this regard, the industrialization and structural transformation of the economy has made Ghana one of the leading countries in West Africa in commerce and mining. In fact, Ghana is now known internationally to be among a few select African countries with the most attractive geological and mining investment environment (Akabzaa & Darimani, 2001). A recent comparative ranking produced by a Canadian pro-private investment think-tank, which depicts the most attractive African countries for mining investment (Figure 2.0), placed Ghana fifth after Botswana, Zambia, and Morocco
3.4 Ghana’s Current Mining Performance

Mining is undoubtedly a major economic activity in the country. Many African states depend on the extractive sector for their economic development, and Ghana is exemplary. The importance of the contemporary mining industry to the economy of Ghana cannot be over-stated. According to Aryee (2010), approximately US $10 billion has been invested
in the mining sector (1983-2009) and the sector has become the highest foreign exchange 
earner, increasing from 15 percent in the 1980s to 45 percent in 2008 (cited Lawson & 
Bentil, 2014). The sector also contributed 7 percent of Ghana’s corporate tax earnings, 12 
percent of government revenue, and 5.5 percent to the GDP from 2000 to 2008 (GoG, 
2010a; cited Lawson and Bentil, 2014). In 2009, Ghana’s Internal Revenue Services 
(IRS) collected $243 million in taxes from the mining sector, which is equivalent to 
almost 20 percent total tax collections (Lawson and Bentil, 2014).

In 2012 a year impaired by short-falls in energy supply and several fiscal 
imbalances, the mining industry’s overall contribution to GDP increased from 9.5 percent 
to 9.8 percent, largely on account of increased production in the downstream oil sector 
(Minerals Commission report, 2013). In line with developments globally, the mining 
sector in Ghana maintained its position as the foremost contributor to domestic revenue 
in 2013. According to Ghana’s Revenue Agency (GRA), a total outflow from the sector 
to the country’s national account was approximately GH₵1.1 billion in 2013. This 
amount represented 18.7 percent of direct tax and 14.3 percent of total domestic revenue 
mobilized by the GRA in 2013 (see Minerals Commission report, 2013). Notwithstanding 
the fiscal contributions to the mining sector, the sector is also growing with the number of 
prospecting licenses issued. According to the Government of Ghana, in 2009 128 local 
and 51 foreign companies held exploration licenses, with 37 granted full mining leases 
(Lawson and Bentil, 2014). Many of these firms focus on gold exploration; indeed over 
the years, the primary focus of Ghana’s mining and minerals development industry has 
and continues to be gold.
Fig 3.0 Share of Gold Production in 2013

Source: Ghana Chamber of Mines (2013)
Moreover, though mineral revenue continues to achieve positive results within Ghana, the results of the fiscal reforms nevertheless manifest how “developing countries with large mining sectors are found to have less resilient and diversified economies and are generally economically worse off than countries without large mining sectors” (Dansereau, 2005, p.48; cited in Oppong, 2013, p. 36). This situation brings Ghana’s mineral industry under growing criticism as it can be situated within the inherent neoliberal contradictions and discourse that purports mining to be the key that opens the ‘buried treasure’ of development (Bridge, 2004), yet leads to stagnation in other sectors. In Ghana, the extractive industry has undermined the natural environment and has had
adverse impacts on communities. For example, in 2003, the economic cost of environmental and natural resources degradation rose to US$ 730 million, equivalent to 9.6 percent of the GDP (Lawson & Bentil, 2014). This cost not only thwarts the gains of economic development but also adversely affects national efforts and opportunities for poverty reduction through sustainable development. Consequently, just as mining can be a vital economic engine, it can also be a source of social discontent, civil unrest, and a detriment to livelihoods of communities where mining activities or operations are carried out (Akabzaa, 2009; Bush, 2009; Hilson, 2010). Akabzaa accentuates this point as he notes that, despite the reforms in the sector and the increased foreign investment, mining continues to destroy the environment which local communities depend on for their livelihoods.

Although the social and ecological effects of mining in Ghana are extensively documented, there is little discussion of how affected mining communities respond differently to the negative impacts of mining. From existing reports, analysis and my own field experience, it is clear that violations of human rights, forceful displacement, inadequate compensation, mining-related health problems, and food insecurity are serious issues in mining communities. The Chirano case is no exception to this reality. In fact, in recent years tensions have grown—from the differing perspectives of both mining communities and companies—concerning environmental, social and economic risks, as well as their sources. For example, on one hand, mining communities place both high expectations and blame on the companies, as they argue that legal mineral reforms are geared towards attracting foreign companies into their communities and do not address macroeconomic objectives that could accelerate broader local development (Akabzaa,
2009; Campbell, 2010). On the other hand, the companies deflect the blame for the negative impacts of mining to the communities themselves, government policies, or global economic forces (Hilson & Yakovleva, 2007; Garvin et al, 2009). As noted by Stephen Gill (2002, p.48; cited in Ayelazuno, 2011, p. 540) both the PNDCL 153 and Act 703 laws are cases of ‘new constitutionalism’, which is that constitutions and legal mechanisms are used not to guarantee the rights of ordinary, but rather to redefine the terrain or normal politics so as to ‘lock in’ the power gains of capital and to ‘lock out’ or depoliticize forces challenging these gains.

3.5 Conclusion

This chapter has shown how economic and mining reforms as implemented in Ghana have been heavily foreign-driven and influenced. From colonial periods to the present-day, Ghana’s extractive regime has been politically and legally organized largely around transnational corporations and their foreign investments. Despite the attempts to reform the legal mining sector, the enormous environmental and social consequences of mining have led to major conflicts over the creation of new mines and the continuation of many mining projects. While mining companies and national governments see mining as a highly beneficial economic activity, this is often not the experience of mining among local community members who have resisted, or suffered from, mineral projects. In their eyes, extractive industries increase environmental degradation and unequal distribution of benefits (as we shall see in Chapter 5).

To this end, the focus of the next chapter presents a contextual background of the Chirano Gold mine project, along with description of the project activities and demographic characteristics of the study district (Anhwiweso-Bekwai District (Bibiani)).
Chapter Four

The Research Context: A profile of the Western Region and Chirano Gold Mine Project

This chapter provides a brief profile of the Western Region and background to the Chirano Gold Mine project in Bibiani. The main issues covered are the physical characteristics of the region and economic/social characteristics, as well as other conditions that have direct bearing on livelihoods in the region and study area.

4.1 Profile of the Western Region

The Western region is situated in in the Southwestern part of Ghana. According to the Ghana Statistical Service (2010), the region covers an area of 23,921 square kilometers, constituting about 10 percent of the total land space of Ghana. The region has a total of 17 Metropolitan, Municipal and District Assemblies (MMDAs) comprising of one metropolis, three municipalities and 13 districts.
Map 2.0 Map of the Western Region

Source: Ghana Statistical Service, 2010

The region falls in the physiographic type classified by Dickson and Benneh (2001) as forest dissected plateau. Approximately 75 percent of its vegetation is within the high forest zone of Ghana (GSS, 2010, p.1). The southwestern part of the region is notable for its rain forest, mangrove forests along the coast and coastal wetlands. Prominent among these are the Bia Reserve, Cape Three Points National Park, and the Ankasa/Nini Suhyien forest and Game reserve. The climatic conditions favour agriculture (including fishing, animal husbandry and hunting) which is the major source of livelihood in the region. In fact, as noted by GSS, agriculture employs about 58 percent of the labour force in the region. The region has a total cultivable area of 1100 square kilometers (representing about 46 percent of the total land mass of the region) of which 45,000 hectares is under tree crops, while 1600 hectares is held for food crop production (GSS,
In addition to agriculture, the major industrial activity in the region is the petroleum (oil and gas exploration/production) and the mining industry.

4.2 Economic and Social Characteristics
The Western region is endowed with natural resources. It is noted as one of the most economically active regions in the country. The region is also the highest producer of cocoa in Ghana contributing over 50 percent of the total national production. It is rich in tropical forests with different species of timber and wildlife (GSS, 2010). It has a variety of minerals, including gold, bauxite, iron, diamonds, and manganese. The region is in fact the second largest producer of gold after Ashanti region, and the sole producer of rubber, and has deposits of iron ore, limestone and salt (GSS, 2010) making the region a very important contributor to Ghana’s GDP.

Yet despite its rich resource endowment and national contributions, the region is poor and the level of development is low. Livelihood opportunities seem to benefit migrants working in the mining sector more than indigenes. The economic potential of the region has also eroded given that infrastructure and transportation is poorly maintained. As a result, food crops are usually locked-up and isolated in the interior of the region (GSS, 2010). This situation has also increased the cost of transportation in the region in terms of distance, travel time and money. This, compounded with the collapse of the railway system that linked most of the mineral and food-producing centers to the region’s capital and the port, exacerbates the development challenges facing the region. In fact, over the years the region’s economic activity has declined with majority of unemployed persons in urban areas reaching 58.9 percent and 25.6 percent in rural areas (GSS. 2010, p.111).
4.3 Background of Chirano Gold Mines Operation

Kinross Gold is a Canadian based gold mining company with mines and projects in Brazil, Canada, Chile, Ghana, Mauritania, Russia and the United States, employing over 9,100 people worldwide. Kinross acquired its ownership in the Chirano mine on September 17, 2010 upon completing acquisition of Red Back Mining Inc. Chirano mine is within the Bibiani gold belt and consists of 11 deposits: Akwaaba, Suraw, Akoti South, Akoti North, Akoti Extended, Paboase, Tano, Obra South, Sariehu and Mamnao. The Chirano Gold Mine project is based on a mining lease (PL2/56) which dates from April 8, 2004 that covers an area of 36.34 square kilometers, and is valid for a period of 15 years (Oppong, 2011). In 2005, Chirano Gold Mine achieved its first gold pour and is still in progress in search of more deposits by both open pit and underground mining methods\textsuperscript{11} (Kinross.com).

The Chirano Gold deposits form a range of hills. This runs roughly north-south with a height of about 250 meters above sea level to about 550 meters at its crest. About 42 percent of the mining lease lies within the forest reserves, and is covered by tall, primary rainforest (Oppong, 2011). Moreover the CGML project area lies partly within the Suraw sub-basin of the Tano river basin and in the main Ankobra basin. These two major rivers drain parts of Ghana into the Atlantic Ocean (Oppong, 2011). Within the project area, most of these water bodies are devoid of major pollution problems. They are used mainly during the rainy season, as sources of potable water by communities near the mining project. Surface water collection and the use of groundwater resources mainly for domestic purposes are common in the region. All the main villages of the project area have access to at least one borehole equipped with hand-activated pump (Chirano Gold

\textsuperscript{11} Also see http://www.miningweekly.com/article/chirano-mine-ghana-2009-01-08
The immediate communities in and around the Chirano Gold Mines project area are, for example, villages such as Etwebo, Kwaokrom, Anyinasie and Surano in the Bibiani-Ahwianso-Bekwai district and Akoti, Paboase in the Sefwi Wiawso District. To date, CGML have identified 21 villages living within the boundary of its proposed mining lease (Chirano Gold Projects, EIS, 2004; cited in Oppong, 2011). According to Mining, Minerals and Sustainable Development (MMSD, 2005), local mining communities are those whose livelihoods, economic activities or dwellings are situated within or in close proximity to mining sites or concessions.

The majority of the inhabitants of these communities depend on land for their
sustenance as well as for their income, however, the expansion of mining is rapidly reducing the land available for farming as an economic activity in these areas (Tsuma, 2010). In this regard, the inhabitants of communities along the mine provide an understanding of the social and economic characteristics of the area, which are in constant interaction with mining operations. Chirano Gold is not located on empty space, as Asare (1997) argues, rather on land, shared among communities who depend on it for various economic and livelihood purposes (cited in Tsuma, 2010). In the process of mining, it is inevitable that extractive investments will have direct and indirect impact on the communities. This interaction is not always amiable, but manifest through tenuous conflicts especially when mining activities engender negative impacts like pollution, destruction of land, health risks, and the like. From this perspective, the following chapter explores and examines how Chirano Gold activities impact local communities in their project area. The chapter provides a comprehensive description of the company and community perspectives on mining activities.
Chapter Five

Contestation of ‘Traditional rights’ and ‘Mineral rights’: The Perspectives of Stakeholders and Local Community Members on Chirano Gold

In this chapter the lens narrows as I examine the tensions and dilemmas embedded within the relationships between Chirano Gold Mine Ltd and community members. The chapter focuses on analyzing and discussing my findings regarding the effects of gold mining on local communities and how livelihoods have changed as a result of mining activities. The section provides comprehensive information from key informant interviews as well as data collected from the mining company via documents, reports and articles which supplements my interviews.

The chapter is divided into two sections. In the first section I provide a description of the company’s perspective on large-scale mining’s impact on local communities. This is organized into three main themes: poverty reduction, district development, and community conflict. The second section relays community perspectives obtained through interviews with members from three communities surrounding the Chirano mine, Akoti, Surano and Bibiani old town.

5.1 The Impact of Large-scale mining on Local communities: Chirano’s Position

Recent discussions about Ghana’s mining projects have centered on corporate social responsibility, mining-company transparency, greater openness and partnerships with communities and other stakeholders. As referenced earlier, in Kinross’ CSR report (2013), the company states that mining can be a positive force for development. The report indicates that the company has the responsibility to make sure that it has strong
community relations, mitigates the negative impacts of mining, and has strategic goals which generate long-term economic benefits and poverty reduction, while facilitating sustainable development initiatives for community livelihoods.

5.1.1 Poverty Reduction

A company representative from Chirano in Ghana explained in an interview this sense of responsibility, saying that the company has a commitment to fighting poverty through their projects. He stated:

Poverty reduction should be looked at from this angle. Development is a progressive acceleration, and because mining can have negative impacts on communities, we critically always look at the human rights aspect of all the engagements in our catchment areas… And insofar as we are impacting on their livelihoods, we make sure they are compensated, cash wise, and given some social amenities to augment their livelihood. That is why we have provided educational infrastructure; the aim is to improve the manpower of the community from years to come. That is also why we provide health infrastructure, electricity, and continue to provide portable drinking water, and fight malaria which is the most serious issue in communities such as ours, and most importantly, that is why the company tries to employ as many local members as possible to lift them out of poverty. We have hired some of the community members without specialized skills to contracts such as car services, catering services, equipment services, all this for them. If you can contrast the time the company relocated here and now, you will see a big difference…because some of the business thriving now are own by local people, lifting themselves up from the standard we met them in. And this remains the principle that we have and continue to work towards (Chirano representative, interview, January 19, 2015).

The Chirano representative espoused that the company feels a social obligation to reduce poverty and thus promote development, despite the fact that many community members do not attest to this effort. He also said that:

Development is the most important issue here...our programs we deliver to the community are to the letter. For the past two years running, we are the best in doing what we have planned to do for the community and what we do. Officials come and validate the programs for the communities. Particularly, our CSR is very distinctive, given that in every fiscal year we achieve our targeted goals and the community is aware of this. In my experience, it takes a long time for the community to realize that these are for them because they don’t agree with us or see eye to eye on issues such as employment.
He added that the company’s position and agenda has always been to assist the community and bring forth development, and thus far the projects have been positive in regards to better livelihoods, because “what you can notice is that the index of poverty is going down” (Chirano representative, interview, January 19, 2015).

5.1.2 Economic Development of the District and the Communities

Another important aspect of the mining project emphasized by the company representative is the various ways gold mining has contributed to the development of the District. For example, there was an increase in the total annual generated funds in the community from 2006 to 2009 (Kinross, 2013). The main source of this increase was mineral royalties from the mining company, which in 2013 amounted to $63.6 million in taxes, royalties and payments to governments in Ghana (Kinross, 2013). The Chirano representative I spoke with in Ghana explained that there was also an increase in the number of developmental projects being undertaken by the company in the District. Some of the projects funded from royalties included: construction of police stations, a court building, and construction repairs to schools and market places.

As of 2012, Chirano initiated the development of a new Corporate Social Responsibility Strategy developed in consultation with Community Consultative Committees (CCC). The CCC is comprised of stakeholder representatives from traditional authorities including chiefs, local governments, security agencies, and local farmers (Kinross, 2013). This initiative was setup to support the diversification of the District and communities by creating or improving business associations and other institutions that can nurture the district’s development. The Chirano representative confirmed this stating, “investment strategies have benefited the beneficiaries. The
company supports the development of local farmers and businesses through capacity building that helps to diversify local economies outside the mining sector…and to provide long-term sustainable opportunities to local community members” (Chirano representative, interview, January 19, 2015). According to the mining company, it implements its CSR through the CCC and in consultation with the District assembly. And this collaboration is a conduit by which the company delivers its project effectively.

5.1.3 Removing Conflict

The company noted that conflict has been a reality of all mining operations worldwide. The Chirano representative I interviewed explains:

the company has taken the necessary legal mechanisms through the state via concessional contract to acquire the land the company operates on…the company has a resettlement program for the communities but when the community is not prepared to leave because they are not prepared to lose certain benefits in terms of having the company meet their critical needs, perhaps this is where the conflict is born (Chirano representative, interview, January 19, 2015).

As an explanation for resolving conflict between the company and communities, the representative provided a case study of a particular community where the company negotiated and had sufficient dialogue to permit the community to stay in and around the mining concession. However, he points out that the relationship between most mining companies and communities in Ghana is not a conflict-free game, as often portrayed by mining proponents. In fact, he argues “there is always tension between mining companies and local indigenous Ghanaians, but the whole point is to have sufficient dialogue and confidence building”. He emphasized this through the application of CSR projects which he defends as “part and parcel” in building trust and confidence. According to the Chirano representative, “the company makes sure that the community is very protected with facilities, water sources are protected so that they will not go back to previous
streams, dusts are suppressed on the community roads, and other social amenities that the community enjoys” (Chirano representative, interview, January 19, 2015).

The narratives from the company present Chirano’s operations in a very positive light. The company will admit that it is not perfect, but argues that it has good intentions and is making an effort to be as positive a force for development as possible for the communities in which they operate. This external portrayal which the company employs in Ghana posits that one of their mandates is to address poverty and sustainable development for the communities affected by its operations. From the perspective of the company, this can be achieved and be successful when the company implements CSR strategies in a sustainable manner. However, despite the company’s objective of community development and strategies in ameliorating the negative conditions of locals, the next section of this chapter shows that community perspectives greatly differ from that of the company.

5.2 Community Perspectives

Despite the positive image of Chirano presented by the company’s representative explained in the first section of this chapter, Chirano is criticized by community members living near their mining operations for environmental degradation, human rights abuses, and unethical operations. Perhaps the most notable recent criticism exhibited against Chirano is the company’s failure to adequately address settlement and compensation settlements with landowners.

In 2012, conflict arose between landowners of Sefwi and Chirano Gold as farmers threatened to take back their lands due to delayed compensation for the felling of mature cocoa trees. The issue dates back between 2004 and 2006 when Chirano Gold paid
compensation to farmers based on GH¢ 2.5 per matured cocoa tree after falsely representing to the farmers that the government of Ghana’s approved rate of compensation was GH¢ 2.3 per mature cocoa tree (Third World Network). In writing about the issue, Daniel Owusu-Koranteng, the founder and head of WACAM—a local NGO that advocates for human rights protection of residents of mining communities in Ghana—states that:

Considering that it takes more than three years to foster a cocoa plant before it begins bearing fruit, and that the cocoa plant has a lifespan of more than 30 years (both being very conservative estimates), no rational farmer will agree to his/her cocoa farm of, say, 10 years of age being destroyed even if he/she is promised the most attractive compensation. Let alone in cases where the farmers claimed that no compensation was paid to them, and in others the compensation, woefully inadequate (Owusu-Koranteng, 2008, p.464, cited in Ayelazuno, 2011, p. 545).

Though the matter has been taken to court with the intervention from the Minister of Lands and Natural Resources, Owusu-Koranteng argues that the communities surrounding Chirano mines accuses the company of not fulfilling their promise to full compensation of their crops and land. In addition, Owusu-Koranteng evinces that while the company created a progressive image of itself through commitments to CSR, sustainable development and strategies to promote community building, community members still have significant concerns over environmental and social issues caused by mining. He therefore captures the plight of Ghana’s most marginalized people and communities in mining areas with the metaphor of a “person standing permanently up to the neck in water, where even the ripples can drown them” (Scott, 1976, p.6; cited in Ayelazuno, 2011, p.546). In this regard, the activities of Chirano Gold by virtue of

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displacement, inadequate compensation, lack of employment, and environmental ills, are factors that constitute a great tide rather than a ripple.

The following section explains perspectives gathered from interviews in the communities I visited surrounding the Chirano Gold Mine, Akoti and Surano as well as with residents in the town of Bibiani. While in these communities, I conducted twelve interviews with community members of varying socioeconomic backgrounds, professions, and levels of political involvement (see Appendix). The small sample size cannot reflect all of the different perspectives in regards to community experience with mining within each community, and therefore limits the conclusions that can be drawn from my research. Nevertheless, participants in these interviews were able to provide me with their own unique accounts and information that contribute to documented case studies of mining in Ghana, particularly in the Western Region.

The interviews that I conducted were open-ended, allowing participants to express their concerns regarding mining, views on Chirano Gold, and the current reality of environmental degradation plaguing their communities. The results showed that introduction of industrial gold mining contributed towards the changing socioeconomic and environmental conditions in the communities. The experiences were largely negative, with room for improvements to take place. This correlates with other findings from Garvin et al, (2009). Within the context of the interviews, four major themes emerged: (i) Land displacement/involuntary displacement, (ii) environmental concerns, (iii) conflicting expectations, (iv) and the ASM/Galamsey problem\textsuperscript{13}. The following section

\textsuperscript{13} A Ghanaian local terminology to describe illicit mining and miners who trade without license; the term means to ‘gather and sell’. It is often interchanged with ASM.
explains some of the local views on these themes by combining the statements given in participant interviews with literature.

5.2.1 Land Displacement and destroyed Community Livelihoods

According to Terminski (2012), one of the negative effects of mining today is how it forces thousands of people to abandon their current place of residence. Mining-induced displacement (MID) constitutes a major social problem and challenge for human rights. Most importantly, mining displacement and resettlement is not only an issue of human rights violations, but also community-company conflicts, the struggle for resources, access to land, indigenous rights, the question of self-determination of tribal people and local communities, and sustainable development (Terminski, 2012). Akabzaa and Darimani (2001) have documented how each year hundreds of indigenous people are resettled as a result of mining development, and despite the mass displacement and environmental disruption, compensation policy for displacement remains inadequate and does not consider the tenancy status of many locals. In similar documented cases (see Bush, 2009) many who are displaced enter the vicious cycle of poverty and turn to elicit mining—‘galamsey’ for survival.

Industrial mining involves a significant amount of land for unearthing of open pits and roads (Kapstein & Kim, 2011). In Ghana, the nature of land tenure arrangements in the mineral laws and regulations ensure that whilst land may be owned by individuals, families and other customary institutions\(^\text{14}\), ‘mineral rights’ by virtue of minerals in the

\(^{14}\text{Vested Lands are lands owned by a stool (chieftaincy based on traditional communal land holdings), but managed by the state on behalf of the land owning stool. The legal rights to sell, lease, manage, collect rent have been taken from the customary landowners by the application of specific laws on that land and vested in the state. The landowners retain an equitable interest in the land (i.e., the right to benefit from the land). Traditional council, comprised of paramount}

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ground remain the property of the state (Lawson et al, 2014). According to Yaro (2010), land tenure may be defined as the terms and conditions on which land is held, used and transacted. This means that the government has the ultimate control of the land to lease for mining activities; and thus affected persons are compensated. Unfortunately it is often the case that land for large-scale mining is compulsorily attained by large-scale mining companies from the people who live on it. As a result, many local members are displaced before mining begins (Mares, 2012; Lawson et al, 2014). For example, the Chirano Gold project spans a total of 3686 hectares, and the project has led to physical and economic displacement of households in five villages and rural farms between 2005 and 2010. Although compensation was paid to beneficiaries in cash and through arrangements of resettlement, there is still enormous discontentment among community members. Many complained about the loss and destruction of their land, which remains a primary economic source for their livelihood.

A related consequence of the establishment of mines that respondents noted was the decrease in agricultural activities resulting directly from the expropriation of land and displacement of villages. As one community member lamented, “as for this company, they have taken our lands. My husband harvests crops to feed our family but because of the company taking the best part of the land, our vegetation cycle has gone down” (community member in Surano, interview, January 22, 2015; translated from local dialect to English).

The direct effect of land displacement reduces the amount of land available for use by local people. In the communities of Akoti and Surano, the five respondents

chiefs and village elders, typically administer land under customary ownership. The councils, referred to in Ghana as the “allodial title” holders, hold the ultimate right to allocate and retract user rights and reallocate and alienate land (Mares, 2012).
interviewed indicated that cash cropping and farming were their primary livelihood activity\textsuperscript{15}. This means that any loss of land directly threatens the livelihood of individuals and families. Critical examination and respondents’ views illustrate that land is a fundamental source of livelihood. And thus the loss of land or its drastic reduction puts communities characterized by a land-based, hunting-gathering economy at risk of economic marginalization affecting both women and men in the community. This not only creates a deterioration in their economic situation but also creates pathologies that lead to social marginalization, health problems, and unemployment (Terminski, 2012).

In spite of the problems encountered by local community members, stronger actors use power to acquire favours and benefits from the company. As noted in Chapter three, the role of the chief holds considerable institutional importance as the leader of the community. According to Tsuma (2010), the significance of chiefs as custodians of land in some rural and urban areas of Ghana is one vital resource that determines the patterns of social and economic exchange. As pointed out above, land remains a central capital for both mining activities as well as for local communities. In Bibiani/Anhwiaso/Bekwai chiefs own, control, administer and manage land and other natural resources. By virtue of the power invested in them as custodians of the land, community members point out the chiefs allocated their farmlands to mining companies for mining activities. One respondent asserted that the chief in his community had been offered houses, cars, money and other forms of contracts from the company such as watering the roads and construction. In this regard, community members believe that their chiefs and other

\textsuperscript{15} The main income sources of respondents were subsistence farming and cash crops. Subsistence farming comprises vegetable production, while cash crop farming consists of cultivation of palm oil and cocoa.
elected officials have been corrupted by gains they received from the company, hence their inability to take stern decisions concerning development of the communities.

According to many critical scholars including Bebbington el al, (2008), the existence of mineral resources in many third world countries has turned out to be a curse rather than a blessing as powerful actors such as mining companies, local bureaucrats, elected and traditional leaders siphon away their wealth, leaving instead a plethora of economic hurdles that cause social unrest and conflicts. Bryant and Bailey (1997) assert that the manifestation of power shapes an unequal relationship between stronger and weaker actors in terms of access and control over land and resources leading to the marginalization of weaker grassroots actors who are often left susceptible to rapid changes (Tsuma, 2010). As one community member put it: “the company has bought our chiefs and officers [by] giving them envelopes. Now our chiefs can’t beat their drums properly to address problems between the community and company. Many people continue to lose their land and because of this if you send them your problem, they will not mind you but rather accuse you of speaking ill against them” (Community member in Akoti, Interview, January 22, 2015).

5.2.2 Mining and Environmental Implications

In Ghana, environmental problems have historically been presented as technical problems that require technical solutions (Tschakert and Laliberte, 2009). Although the Ghanaian government has environmental regulatory frameworks such as the Environmental Protection Agency in place for large-scale mining to minimize environmental destruction, enforcement remains piecemeal. One of the major concerns of mining in the area is environmental damage. Respondents in the study area indicate that the intrinsic
components of land, water, and air have been severely damaged by mining operations, thus negatively impacting local wellbeing and health.

Dust and Noise Concerns

Dust and noise pollution from mining activities resonated among the communities covered in the study. Residents complained about intense volumes of dust and noise resulting from the use of explosives, excavation, and drilling machines. There were reported cases of locals having health problems they linked to the noise and dust pollution: these included hearing and eye problems, unprovoked coughs, and skin rashes and boils. In addition to concerns of health, residents reported that particularly drilling and blasting weakened their building structures. Seven local members interviewed testified to the impact of blasting on their homes resulting from the operations of the mine. According to Armah et al, (2011) blasting was introduced when surface mining operations began in 1985. According to the mining blasting Legislation Instrument 542, which stipulates distance between communities and mines, the distance for the purpose of blasting is 500 meters. However, this is arbitrary since in the mining law there is no standard to regulate the process of blasting and measuring of air pollution in host communities. In this regard, requirements and ethical conduct hinges on the company’s discretion.

Water Contamination

Furthermore, mining is an activity with a substantial potential for environmental degradation. The first environmental problem associated with mining is the amount of waste it generates. Most of the waste produced is in the form of tailings, which are frequently stored in large ponds called tailings ponds containing extremely toxic water
(Holden et al, 2011). The danger of a catastrophic tailings pond failure is an eminent possibility and major spills are a significant concern for communities nearby the mines. In recent times, particularly in the 1990s, Ghana experienced high volumes of environmental disasters involving tailing spillages which contaminated many of the freshwater sources, crops and farmlands local people depended on for their livelihoods. As Niekerk and Viljoen (2005) have noted elsewhere, mine discard and tailing dams are not revenue producing aspects of mining projects and industry, and as a result many mining companies have been reluctant to spend money in addressing their waste, and have cut corners. Although communities nearing Chirano have not experienced any waste spillage or leakages into their water streams, many locals identified ground water and stream pollution as their main concern during the rainy seasons.

5.2.3 Conflicting Expectations

Limited Employment

The economic impacts of mining on local communities have been well documented (see Hilson and Haselip, 2004; Akabzaa, 2001, 2009). Generally, community members view the inception of mining activities as an opportunity to improve their standard of living through job creation, social services, and other amenities. However, as the mine has continued to operate, it is obvious that there has not been any significant improvement in monthly earnings of respondents. Many indicated that their only source of financial assistance and income remain friends and relatives because of land lost to the mining company. In addition, many of the youth in the community held a low perception and expectation of employment in the mines due to the few jobs given to local residents despite expectations to the contrary. Most reported that the company failed to honour
promises of employment of youth even though some had undergone some training by the mining company. This has culminated in mistrust between the company and community, particular unemployed youth. Respondents asserted that they felt marginalized and discriminated against when it came to employment. And as such, there is a general feeling of frustration and anger towards the company. A youth leader in Bibiani explains:

The company says we need to have the qualifications to work. You see, many of the youth in this community have gone outside to the city to learn, get the university degree and to return and have no employment opportunities. The company makes all these promises that they will take us all, but now they don’t want to employ us. They bring people who do not live in the community to work, while we remain poor and unemployed. So what is the use of us going to school and getting the necessary skills if they wont hire us? (A Bibiani youth leader, Interview, January 26, 2015).

I have some friends who got a job [with the mining company], but now they are laid off. They tell him to come today and tomorrow you are home. This is our land with gold and instead of giving us work so we can benefit we are left to struggle and compete with others who come far away to live in the community and work (A youth at Surano, Interview, January, 21, 2015).

With exception of those who directly benefited from the mining operations such as mine workers and contractors, living conditions for most community members have been difficult (Hilson and Banchirigah, 2010). These quotes confirm that the economic situations of respondents have not improved. Most of the youth and community respondents perceived the impacts of mining on their livelihood as negative. The factors of unemployment, air and water pollution were identified as the foremost impacts of gold mining. It is therefore not surprising that the youth perceive the performance of CGML as unsatisfactory.

More Quality Services

In mining, some scholars argue that CSR is an effective tool of development by virtue
that it compensates local populations for negative impacts of mining by providing the necessary social, economic, and environmental projects to the community. However, in Ghana, mining companies have garnered criticism for the over-reliance of CSR provisions and social services such as schools, hospitals, and sanitation services (Lawson et al, 2014). Given that there are no best practice management systems for applying CSR nor are there nationally recognized CSR standards against which a company can benchmark its efforts, standards are always discretionary across mining companies.

In response to this issue, a company representative pointed out that the benefits the firm attains from the mining operations, including long-term capital gain, leads to improvement and greater investment in their corporate social responsibility initiatives. For example, in 2013 Kinross committed to a total investment of US$ 1.4 and $1.8 in 2008 and 2012 to combat malaria by 80 percent in 2015 within and around the Mine operations. In addition, $433,120 was added to educational activities including funds to build schools in the communities of Akoti, Etwebo, and Paboase (Kinross.com). Though respondents thought that there had been some improvements in social services such as electricity and water, the study found that a number of projects undertaken by the company as part of their CSR projects such as school buildings and libraries remained empty and locked. Moreover, respondents also complained of the inadequacy of these facilities and their continuous breakdowns. Most importantly, respondents pointed out the notable absence of accessible and affordable local hospitals given the population of the communities and children suffering from the negative impacts of the mine.

Generally, respondents viewed the company’s CSR efforts as positive. However, as Clark and North (2006) argue, CSR opportunities can create a culture of dependency
as well as encourage state retreat. This means that while mining companies may be funding health and educational programs, the government may withdraw its funding for healthcare and educational programs with the assumption that the corporation is taking care of the issue. Boon (2011) also emphasizes this point stating that “CSR allows the state to shrink its responsibilities… thereby increasing the risk of unsustainable dependency on companies” (p.76). This is problematic since social services provided by the company will disappear after the lease of the mine. Moreover, community members need to be educated on the fact that CSR services such as schools, health services and electricity are primary responsibility of the local and national government (Lawson et al, 2014). Nevertheless, while the government has an important role to play in the area of providing legal frameworks for enhancing best practice for CSR standards and governance, it appears that the ultimate responsibility for environmental behaviour still lies with the company itself.

5.3 Illegal Mining and Mineral Rights: The Impact of ASM on the Host Community

The Blacksmith Institute (2011) defines ASM as mining activities that use rudimentary methods to extract and process minerals and metals on a small scale. Artisanal miners according to the IFC work independently, mining or panning for gold using their own resources, while small-scale mining includes enterprises or individuals that employ workers for mining but generally work with hand tools (International Finance Corporation, 2008). Small-scale mining has been defined differently around the world. However, in Ghana, small-scale mining is defined in the country’s Small-Scale Mining Law of 1989 (PNDC Law 218) as, “mining by any method not involving substantial expenditure by an individual or group of persons not exceeding nine in number or by a
cooperative society made up of ten or more persons” (Awatey, 2014, p.162).

Globally, and in Ghana, concerns raised about ASM activities are over the environmental damages the sector produces. ASM produces negative impacts on both the physical and social environment during various stages of mining. Notably, environmental problems include chemical pollution such as cyanide, mercury, noise and water pollution via direct dumping of tailings. These practices destroy land, lead to deforestation, and damage sensitive traditionally sacred areas such as grooves and sacred places (Awatey, 2014). As far as respondents are concerned, despite its environmental degradation, ASM is an important employment opportunity for most unemployed people, particularly the youth in the communities. Those interviewed asserted that since Chirano and other mining companies are not providing employment, ASM remains a necessary means for ‘survival’ as well as a quick way to earn fast money. Although the Ghana mining law prohibits unlicensed galamsey operations, the respondent I interviewed admitted his team of about seven people and family members are involved in the practice.

According to Hilson and Potter (2005), in Ghana an estimated 500,000-800,000 men, women and children are involved in ASM, accounting for over 60 percent of the country’s total mining labour force. Moreover, Ghana’s Ministry of Labour and Employment, (2004) identified that between 150,000-200,000 students leave school to enter the labour market (working as galamsey operators) every year because of perceived remuneration expected in the sector (Hilson and Potter, 2005, p. 113). For them, it is a question of livelihoods and survival. My respondents attributed it to three inter-related factors. First, they assert that most of their agricultural land is taken away or degraded to the point that it cannot yield productive crops, a situation that reduces incentives for
agricultural production. Second, and most important, the mining companies have failed to employ the youth and members of the community whose livelihoods have been destroyed due to the mining operations. And thirdly, there is a lack of sustainable livelihood alternatives for individuals and families impacted by LSM. This finding confirms and is also in agreement with the work of Hilson and Potter (2005), Tschakert and Laliberte, (2009), and Aubynn (2009) who note that ASM livelihoods have been reduced to basic income, which suggest that their plight can be solved with alternative visions that are ‘fashionable-short lived’ livelihood options (Aubynn, 2009).

The activity of ASM (galamsey) remains one of the backbones of Ghana’s rural economy, and certainly an important employment option for many youth and unemployed farmers. Yet, respondents who are involved in illicit mining acknowledged that there is continued rivalry between mining parties over land resources. Respondents alluded to the fact that due to their illegal status, mining companies have convinced the media and government officials to label galamsey miners as reckless stewards who are degrading the ecosystem, and endangering community health through irresponsible use and handling of mercury during gold amalgamation. This in turn has excluded them from governmental programs and loans that allow them to purchase safer technologies and acquire licenses. In this regard, the vicious cycle of lack of access to information, health care, alternative technologies, and protection continue to trap miners into destroying the environment for which they are then criticized and marginalized. Consequently, their identities are as much contaminated by their working environment as by governmental officials and LSM corporations (Tschakert and Laliberte, 2009). In the case of the Bibiani
community, however, the results of the study reveal that people resort to ASM because it remains an important economic activity and a source of livelihood.

5.4 Conclusion

The relationship between Chirano Gold and the communities living near its mine is complex. While the communities are made of diverse people with differing opinions about the mine, one thing is clear: environmental degradation has worsened due to the existence of the mines and the livelihoods of the communities in the study area have changed as a result of mining activities. These changes include the destruction of land and farmlands, water and air pollution and ineffective alternative options. The situation has worsened the plight of the community since this implies decreased agricultural productivity. Furthermore, there appears to be a wide communication gap between CGML and the communities due to unfulfilled commitments and promises by the company, further weakening the mutual coexistence between the community on one hand and the company on the other. In the case of the former, this is attributed to the fact that the potential of mining to offer employment was perceived to be low likely due to the few jobs given to local residents despite expectations to the contrary.

While the government of Ghana has an important role to play in the area of providing legal frameworks for enhancing environmental governance and mining practices, it is evident that corporate mining dominates resource extraction, with capital and coercive labour regimes and financial controls by transnationals holding higher priority over communities and the environment. Elements of these processes generate persistent problems that include: commodification and privatization of land and forceful expulsion of peasant populations, conversions of various forms of property rights into exclusive private property rights, suppression of rights to the commons; commodification
of labour power and the suppression of alternative indigenous forms of production and consumption (Bush, 2009, p. 60). Shaped by these continued patterns of primitive accumulation and capitalist development, it is evident that realities of endemic poverty, environmental degradation, human rights abuses, and conflict remains a serious issue plaguing communities bordering mines.

It is via reflection on this context that the following chapter concludes this paper. Therein I summarize the information presented thus far and further explain the main themes, particularly the impact of mining through LSM/ASM on communities, drawing on the framework of accumulation by dispossession.
Chapter Six

Conclusion

The paper explores the impact of mining on local communities using Chirano Gold Mines Limited of Bibiani/Anhwiaso/Bekwai District as a case study. The study has focused on three communities impacted by the activities of a mining company. Because it is a case study, fieldwork was a necessary means to respond to the research questions. While there are limitations to the conclusions that can be drawn from the research due to the small number of participants, the interviews that I conducted provide some insight into how communities living near Chirano Gold mine experience the effects of mining. Nevertheless, other mining communities in other regions may face different impacts and have different perceptions towards mining.

As discussed in Chapter five, the company perceives its operations in the communities as positive. First, they claim that poverty reduction can be achieved through training and employment opportunities given to community members. Chirano representatives maintain that through their projects which focus on economic development and social services through their CSR programs, the community is reaching a better standard of living, and thus the mine is making positive gains towards achieving the goal of poverty reduction. In addition, they argue that some positive socioeconomic gains have been achieved throughout the district. They posit that through royalties, taxes, and social amenities and district-based programmes catered to assisting community needs, the company has enhanced the livelihoods of the communities. For instance, they refer to how district development funds have yielded buildings and have increased local entrepreneurship. Moreover, they purport that the application of CSR projects and
‘sufficient dialogue’ is the key to diffusing community-company conflict. These indications, they hold suggest that the mining company is contributing to sustainable development efforts and poverty reduction in the communities.

The perspectives of the community members, however, differed from and were less consolidated than those of the company. As shown in Chapter five, the conclusion that I was able to draw from the field is that CGML operations have perpetuated environmental and social impacts of mining in the communities. These include inadequate compensation packages, displacement/involuntary dislocation of farmers, loss of farmlands, air, water and noise pollution, and unemployment among the youth; consequently, many have turned to ASM to construct an alternative livelihood for survival. Based on these findings, it can be concluded that mining communities bear the direct and indirect costs of mining projects, including harm to their health, environment, and destruction of their farms and livelihoods, while receiving few benefits. In addition, mining communities have also suffered from abuses of power by mining companies through unequal processes of concession allocation procedures which has often culminated in violent confrontations between the mining parties and communities.

While no one I spoke with in the communities surrounding Chirano seemed to be completely satisfied with Chirano Gold Mine Limited community-development/CSR initiatives, there were participants who believed that in the future they could benefit from the mining projects if the company improved their quality and quantity of projects. Participants from the Surano community, seemed to be more accepting of Chirano Gold and their presence compared to participants from other communities, despite expressing similar frustrations over the environment and ideas of development.
Furthermore, as explained in the preceding chapter, the case study examined through my research is part of a larger Canadian international development strategy that illustrates the neoliberal approach to development. This includes the privatization of the host country’s economic development through a foreign company, and trade reforms that facilitate the opening up of mining sectors of developing countries (Campbell, 2011). In most cases, reform of legal and regulatory frameworks in the mining sectors of many countries in sub-Saharan Africa has led to a much more favourable environment for foreign direct investment. But, as we have seen, this flow of investment and reform has not always resulted in local-level benefits. The World Bank Group (WBG) a major proponent of economic globalization contends this fact and note that without effective policies to encourage economic growth, large-scale extraction does not inevitably lead to long-term sustainable development. In fact, the World Bank admits that exploitation of resources leaves affected communities poorer. Yet, despite this reality, the WBG supports and promotes resource-led development as a model for economic growth in developing countries with a paradox of underdevelopment in areas such as sub-Saharan Africa (Kinuthia, 2013). Ironically, countries with abundant resources tend to perform less well economically than countries that are considered resource poor (Bush, 2007). Large-scale resource extraction continues to ruin traditional means of livelihood and natural environments worldwide, leaving behind sustainable societies and local economies dependent on foreign firms and external markets (Evans et al, 2002).

Mining, which Canadian capital is particularly active, remains a critical factor driving the contemporary process of capital accumulation on a global scale. This has led to Canada’s expansive role in extractive imperialism linked to the development projects
rapidly spreading across the global South despite large-scale mining’s negative impacts and reputations. In view of Canada’s leading role in the global extractive industry, the present and ongoing situation in Ghana broadly reveals a fundamental dynamic of extractive capitalism and imperialist exploitation of TNCs and Canadian industries operating abroad. Whether in the context of broader structural adjustment programs and neoliberal regulatory shifts, or earlier colonialism, the looting of a country’s resources results in an uneven development of the forces of production and unequal distribution of wealth and income. Foreign capital and economic benefits are expatriated in the form of profits on invested capital, with a relatively limited share appropriated by the government and few benefits flowing to the local communities, who bear the brunt of the associated social, economic, and environmental costs (Veltmeyer, 2013). In the case of Ghana’s mining industry, privatization of large-scale projects has serious consequences for communities, primarily because of public institutional and governmental assistance to private Canadian mining companies who are at the forefront of financing and exploration activities. Moreover, the manner in which Canada’s trade and investment strategies support the strategies of the IFIs continues to encourages liberalization and deregulation, further contributing to the economic marginalization of communities while denying them access to and control over the development of their own resources.

As discussed in chapter 2, while Canada prides itself on being the most important source of mining investment in Africa (outside South Africa), Canadian companies are mostly concerned with their capital and global profits and not necessarily local interests (Campbell, 2011). Through weakened institutional capacity and limited responsibility and accountability, their growing presence in Ghanaian mining communities appears to
depend on what Campbell refers to as “do as you please” with regards to respecting international norms concerning labour standards, environmental rights accords or international displacement and resettlement guidelines (ibid). And since large-scale projects unconstrained by human rights accord generally subordinate the rights of minority groups to the agendas of corporate interest and the logic of the market, it is noted in this research that mining companies often pay lip service to the guidelines contained in legislation, while many governments are either unable to ensure that these companies comply with regulations or willfully turn a blind eye to infractions, thereby leaving affected communities with no access to justice (Kinuthia, 2013).

With this approach, there is urgent need for the countries where extractive companies originate to assume responsibility for ensuring that mining companies respect international standards, and that essential monitoring and reporting procedures are in place. They should also ensure that measures of redress and compensation are taken when necessary, particularly in the context of weakened political capacity inherited from past reforms (Kinuthia, 2013). In the meanwhile, however, present trends confirm that the risk of conflict and violence in which Canadian companies operating in mineral rich countries of Africa are implicated is growing.

Unfortunately the Ghanaian state, which is supposed to protect peasants, has been complicit in the areas of forced relocation, displacement and the violence of primitive accumulation. The fact that the state is capital-oriented, and is politically and legally organized around transnational corporations in their continuous primitive accumulation in Ghana, contributes to the injustices and plight facing some of Ghana’s most marginalized people. Their struggles continue to include social and environmental problems and
unemployment as well as class struggle over extraction and exploitation. More specifically, the Ghanaian government needs to do a better job in challenging the real issues of structural problems particularly the reform regime, and implement actual best practices that will be recognized at home. If mining is a development strategy for the state and local communities, then a more radical integrated approach incorporating the various interrelations between parties need to be explored and enhance community development. As Redclift (1987) argued many years ago, “sustainable community development and global capitalism are incompatible, because the quest to accumulate capital always undermines the social and environmental resources upon which it depends” (cited in Maconachie & Hilson, 2013, p.354). Li (2011, p. 289; cited in Maconachie & Hilson, 2013, p.354) further adds that it is against the dominant capitallogic to expect private investors to take the lead in designing and managing schemes that reduce their profits in favour of local communities, and for this reason and beyond, poverty reduction should not, and cannot, be left to corporations (see also Zalik, 2004). Thus, with all interactions between extractive industries and host communities, the host government needs to challenge the idea that companies have sovereign control over concessions (Bush, 2009) and understand that their foremost priority is to the communities who have been marginalized and left out of the decision-making process. Furthermore, it should be noted that the support of and investment in ASM should be prioritized on government agendas and long-term strategy plans since mistrust and confrontations exemplify the tenuous relationship that exists between ASM and LSM.

Furthermore, Canada also needs to reform its mining laws, so as to address structural problems like poverty, mining, and inequitable distribution under capitalism if
it seeks to be recognized as a true social leader in the global extractive industry.

According to Campbell (2010), Canada’s extractive industry is guided by the ‘free entry’ system, which allows mining companies and prospectors to legally enter private land and stake claims without consulting or even notifying affected landowners. Campbell opines that the free entry principle also guided the liberalization process of mining regimes in the 1980s and 1990s. The fact that Canadian companies are more likely to be involved in mining in the global South than many other countries warrants much greater attention, particularly to issues of community development and conflict management. The right of free access to lands and resources is at the root of numerous conflicts worldwide, involving landowners, governments, and mining firms. These conflicts are often settled in favour of the extractive industry. In view of this country’s leading role in the global extractive industry, it is important that Canada establish crucial benchmarks for the global extractive industry, while also protecting the rights of communities affected by its extractive projects. In 2005, the Standing Committee on Foreign Affairs and International Trade (SCFAIT) report called on the Canadian government to establish clear and legal norms in Canada and abroad to ensure that Canadian mining companies and residents are held accountable when there is evidence of environmental and/or human rights violations associated with Canadian mining firms. At the moment, Canadian firms do not have to answer to any allegations that are brought against them, as they are not held accountable anywhere (Kinuthia, 2013). In this regard, it has become clear from the results of the vote of Bill C-300 that the Canadian government has failed to recognize the importance of taking a more serious approach to accountability (Campbell, 2011). Furthermore, the socio-political relations of power in mineral-rich regions need to be analyzed and
addressed in ways that enable greater control, ownership, and input into policy decisions by local communities through democratic processes with objectives of ‘development’ critically examined.

In general, there are no easy answers. This paper does not claim to explain the reality of Ghana’s mining sector, but uses the case study of Chirano to offer snap-shots that could be investigated in other mining communities and broader global trends in capitalist industry based on resource extraction. It is therefore important to note that overall, mining communities are complex with various societal groups driven by cultural, economic, and political interests, possessing varying levels of power. They engage and negotiate in varied ways with the mining companies to achieve their objectives and overcome constraints.

**Moving Forward with Subsequent Research**

The Chirano case provides an important point of departure for future research, and there are many directions to pursue as interest in development issues and resource extraction continues to grow. Since I began this research, and from the time I was in the field, I observed that there is more to learn regarding issues stemming from mining and with regard to the companies themselves. For example, it would be interesting to further research on how communities obtain information on mining and the accuracy of such information. Given that there is research which seeks to understand the difference between responsible and irresponsible mining so as to improve public knowledge, it would be interesting to explore questions concerning how displaced communities can obtain information for use in consultation purposes such as negotiating for both physical and social infrastructure planning and design.

While in the field another theme that surfaced which warrants further exploration
include gender dimensions in mining communities. According to Keenan et al (2014),
gender and mining are fundamentally interconnected. Gender influences how women and
men access, negotiate and experience both the positive and negative changes generated
by mining development. Without attention to gender dynamics a company’s claim to
contribute to sustainable development should be called into question. Although there is an
expanding body of research on the intersection between gender and mining, this work has
raised awareness of the roles and experiences of women and men in a range of mining
contexts: within mining companies, in the communities affected by mining, and in the
informal mining sector (Lahiri-Dutt 2011b; cited in Keenan et al, 2014). Women have
always been linked to the mining industry in a variety of ways: as miners in small scale
or artisanal operations; in direct and indirect employment in industrial-scale mining
operations; as community representatives and leaders; and as regulators, advocates and
activists (Gibson and Kemp 2008). Nonetheless, mining remains a characteristically
‘masculine’ industry, where the power and profit tends to reside with males. The industry
and its related institutions (e.g. regulatory bodies) tend to reproduce this inherent gender
bias, which reinforces a male-centric view of development and can exclude women from
exercising agency in relation to mining developments and their impact on livelihoods
(Keenan et al, 2014). Therefore by examining some social issues associated with mining
through a gender lens, we can begin to differentiate some of the impacts experienced
within a community, and how these impacts change the roles, responsibilities and
relationships between women and men in different contexts. For example in Ghana, there
is a proactive stance from the Minerals Policy to include women in decisions relating to
minerals and mining. However, it will be interesting to examine if women are afforded
the same opportunities as men to attend and enroll in Mines and Technology schools and programs in as well as training programs that emphasize development in their communities.

Through an investigation into these topics I hope that ongoing studies can expand the conversation I began through this research. Bringing together other investigators will create a needed base from which we can identify and build knowledge that engages all stakeholders in discussion, debates, and frameworks that address the challenges facing mining communities in Ghana and other countries on the African continent and the Global South.
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## Appendix

### List of Interviews

<table>
<thead>
<tr>
<th>Pseudonyms</th>
<th>Title/Role in the community</th>
<th>Community/village</th>
<th>Date of Interview</th>
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<td>“John &amp; Kevin”</td>
<td>Community member</td>
<td>Bibiani</td>
<td>January 17, 2015</td>
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<tr>
<td>Chirano Gold Mine Representative</td>
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<td>“Enoch”</td>
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<td>Surano</td>
<td>January 21, 2015</td>
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<td>“Daniel”</td>
<td>Community member</td>
<td>Akoti</td>
<td>January 22, 2015</td>
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<td>Bibiani Citizens Rights Protection Association</td>
<td>Local grassroots movement</td>
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<tr>
<td>Citizen’s Rights Protection Association</td>
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<td>Community member</td>
<td>Surano</td>
<td>January 22, 2015</td>
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<td>“Charles/Kennedy”</td>
<td>Community member representative</td>
<td>Surano</td>
<td>January 22, 2015</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
<td>Location</td>
<td>Visit Dates</td>
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<td>“Mavis”</td>
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<td>Ghana Investment Promotion Center (Chief Executive Officer)</td>
<td>Accra Headquarters</td>
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