

Graduate School of Development Studies

**The Impact of Mining on Livelihoods of Local Communities:**

**A Case Study of Newmont Ahafo South Mining Project of Brong Ahafo Region of Ghana.**

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***Irene Jemilatu Yaro***

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Members of the examining committee:

Dr Bram Buscher (Supervisor)

 Dr Murat Arsel (Reader)

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Inquiries:

Postal address: Institute of Social Studies
P.O. Box 29776
2502 LT The Hague
The Netherlands

Location: Kortenaerkade 12
2518 AX The Hague
The Netherlands

Telephone: +31 70 426 0460

Fax: +31 70 426 0799

# Dedication

This piece is dedicated to the Yaro family and Omanhene Kwaku Boateng for their support, encouragement and incessant prayers. With hard work and dedication, it can be achieved.

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# List of Acronyms

ASM Artisanal /Small Scale Mining

CSR Corporate Social Responsibility

EPA Environmental Protection Agency

ERP Economic Recovery Program

ESIA Environmental and Social Impact Assessment

FDI Foreign Direct Investment

IFC International Finance Corporation

 LI Legislative Instrument

MC Minerals Commission

MDF Mineral Development Fund

NGGL Newmont Ghana Gold Limited

RAP Resettlement Action Plan

SAP Structural Adjustment Program

SSA Sub – Saharan Africa

TA Traditional Authority

Abstract

Gold mining in Ghana has gained unprecedented worldwide recognition. The mining sector has played a key role in the socio- economic development of the country. Despite these gains, gold mining has over the years contributed to adverse problems that have affected livelihoods of rural dwellers. In order to eke out a living, local communities need to construct livelihoods by espousing livelihoods strategies/ coping mechanisms.

Through a case study of Newmont Ghana’s Ahafo South mining project this research paper tries to explore the impact of mining (both large scale and artisanal) on the livelihoods of local communities and the coping mechanisms/livelihood strategies adopted to minimize adverse impacts. To achieve this, the study drew on both the sustainable livelihoods framework and the concept of land tenure to critically analyze the specific research questions on impact of mining, emerging livelihood strategies/outcomes and mining politics.

Findings from the study indicate that, gold mining presents a paradox: generally, the national economy benefits in terms of royalties, revenues and taxes which are used for overall developmental projects whereas at the local level, communities are saddled with adverse social and environmental problems which have deprived them of their main source of livelihood: land and natural resources. This necessitated the emergence of alternative livelihood strategies; diversification into off- farm income earning activities such as artisanal mining and migration to close by villages to seek for farm lands as a survival strategy. However, politics has been identified as a key driver of mining issues at the local level. This demonstrates the power dynamics of who gets what, when and how at the local level as the more powerful actors have an edge over the weaker actors.

**Relevance to Development Studies**

Gold mining is one of the areas noted as having the potential to boost a country’s economy through the attraction of foreign direct investment, employment creation and overall poverty reduction. However, gold mining has accounted for negative social and environmental problems which have implications on the livelihoods of local communities. A study of the impact of mining on livelihoods of local communities and livelihoods strategies adopted as a survival mechanism is relevant to provide deeper understanding of issues that can contribute to sustainable development effort.

**Keywords**

Mining, Mining Concessions, Newmont Ghana, livelihoods, livelihood strategies and outcomes, Local Communities

#

# Chapter Introduction

## 1.1 Background

The exploitation of natural resources such as gold, diamonds, bauxite, manganese, forestry products, copper, and oil are traditionally argued to play a vital part in a nation’s growth and development. Countries endowed with these resources are assumed to be able to transform their economies towards the path of ‘sustainable development’. Gold mining is one of the key areas of natural resources that is often argued to have the potential of boosting a country’s economy through the attraction of direct foreign investment (FDI). Ghana is one of the countries with a record of mining dating back to the colonial era. The country is recognised with abundance of mineral resources such as manganese, bauxite, diamond and gold. As the second largest producer of gold in sub-Saharan Africa (SSA) after South Africa, the country has experienced a significant boom in national mining over the last two decades. Between 1983 and 1998, the mining industry brought approximately US $4 billion in FDI to Ghana (Yelpaala and Ali, 2005: 145). “Gold is the largest contributor to the economy, accounting for about 38% of total merchandise and 95% of total mineral export as well as about 80% of all mineral revenue” (Garvin et al, 2009:572).

However, instead of propelling the social-economic development of a nation, many developing countries with abundant resources are confronted with the issue of ‘resource curse’. This theory postulates that existence of mineral resources in many third world countries have turned out to be curses rather blessings, as mining companies, governments and other actors siphon away their wealth leaving the sources of the wealth battling with plethora of economic hurdles which sometimes lead to social unrest and conflicts. For instance Nigeria has enjoyed huge oil windfalls since the late 1960s; however, its per capita GDP is among the lowest in the world. The ‘resource curse’ thesis further suggests that natural resource abundance generates a series of economic and political distortions which ultimately undermines the contributions of the extractive industry to development. It is also argued under the same hypothesis that mining is associated with poor growth performance. (Bebbington et al, 2008:890).

Following the introduction of neoliberal policies of private sector- led development as the only way to recover from economic crisis, most developing countries, adopted the structural adjustment programmes (SAP) in the 1980s as prescribed by the Bretton Wood Institutions. Under these reforms, most SSA with viable sectors such as mining were pressurised into privatising segments of this sector as well as amending and reformulating mineral policies to attract foreign investors. This created many investment opportunities for multinational mining corporations. Ghana was among the first SSA to embark on these neoliberal reforms and its mining sector received priority attention in the country’s Economic Recovery Programme (ERP) launched in 1983(Akabzaa and Darimani, 2001:4). This gave the impetus for reformulation and promulgation of the Mining and Minerals code of 1986. Based on these reforms, “the country’s mining sector experienced a considerable investment boom and increased production. By the end of 1999, the sector had attracted over US$3 billion worth of FDI .The sector now accounts for more than 30% of gross foreign exchange earnings”(ibid).

## 1.2 Indication of Problem

Despite trade reforms, mineral development and the distribution of revenues from mines in Ghana favours the national government (Garvin et al., 2009:573) since the Minerals and Mining Act of Ghana stipulates that “Every mineral in its natural state under or upon land in Ghana, rivers, streams, water – courses throughout the country, the exclusive economic zone and an area covered by the territorial sea or continental shelf is the property of the Republic and is vested in the President in trust for the people of Ghana” (2006, Act703:5). Mining leases /licences are granted by the national government in consultation with stakeholders and institutions such as the Environmental protection Agency (EPA), Minerals Commission (MC), Lands Commission and Geological Survey Department among others.

 The Ministry of Mines and Energy is in charge of all aspects of the Ghanaian mineral sector and is vested with the power to grant all mineral and energy exploration and mining leases. Within the Ministry, the Minerals Commission has the task of advising the government on developments in the mineral sector, administering the Mining Act, recommendation of mineral policy, and serving as a liaison between the government, investors and mining industry. (Coakley, 2003: 171).

 Generally, debates about granting of mining concessions among stakeholders in Ghana are done with little or no consultation with local communities. “As a result, proposals, acquisitions and mining rights are often conferred with little or no local input from communities and sometimes without the knowledge of local leaders. When communities are informed of potential development, it is usually by the mining companies themselves rather than by government agencies” (Garvin et al., 2009:573). Should local communities be consulted, it is the chiefs and opinion leaders who are contacted and they stand the chance of benefitting from mining activities due to the role they play in land allocation issues (ibid).

Even though mining companies contribute to sustainable development effort through the payment of royalties to the central government of Ghana, only 10% is channelled to local communities through the Mineral Development Fund (MDF) to undertake developmental projects in areas in close proximity to the mines (Aryee, 2001:62). According to Hilson and Banchirigah, (2007:178) “the Ghanaian Government has collected over US$68.6 million in royalty payments from mining companies since 1990 (Bank of Ghana, 2003) but little funds have been used to develop rural economies”.

The inability of large scale mining companies to provide adequate employment opportunities for rural dwellers after main sources of livelihood: land and natural resources have been taken for mining activities has compelled many Ghanaians to pursue employment in artisanal/small scale mining (ASM) camps. Approximately, 200 thousand people are currently employed in ASM nationwide .The activities of artisanal mine operators (*‘galamsey’*) plays a vital role in Ghana’s mining industry. The sector is viewed as the backbone of subsistence rural economy, after the agricultural sector as it provides employment for over thousands of youth and farmers (ibid: 178). According to Garvin et al, ( 2009:573), studies by Kumah (2006) on the sustainability of gold mining sector, using Ghana as a case study revealed that, gold mining presents a paradox: it helps the general economy at the national level but at the local level, individual communities are faced with social and environmental problems. In addition, recent studies have also shown that poverty is pervasive and endemic in mining communities. This is because mining companies have taken over vast lands in their operational areas and deprived local communities of their chief source of livelihood: land and natural resources (Akabzaa, 2009). This arises from poor compensation packages and many other reasons which will be explored in this research

Similarly, research conducted by Action Aid Ghana (2006:18) in Obuasi (a mining town) in Ashanti Region of Ghana revealed that large areas of land previously under cultivation are believed to have been contaminated through gold mining activities and toxic water pollution. This has gravely affected food security in the operational area. The cultivation of fruit and vegetables such as local crops, including ‘Obuasi oranges’ on polluted land poses a risk to the health of inhabitants and prevents them from selling their produce on both international and local markets. Likewise, strategies of alternative livelihoods such as grasscutter rearing, petty commodity production, fishponds, batik tie and dye production and oil palm cultivation, have failed to replace people’s food security situation following their loss of land (ibid).

Furthermore, cyanide spillage and tailing[[1]](#footnote-2) have also caused tremendous and sometimes unbearable damage to farmlands and water resources in many mining communities. Farmers in those areas are unable to irrigate their farms due to pollution. Streams are unfit for drinking and for domestic purposes hence women and children have to travel long distances in search of potable water. Frequent spillages at dam sites have compelled many rural settlers to evacuate their communities to other places leaving their farms behind. For instance, a research commissioned by Wassa Association of Communities Affected by Mining (WACAM), a human rights and mining advocacy non -governmental organisation (NGO), on water quality in mining communities around Obuasi and Tarkwa indicated that 250 rivers had been polluted by cyanide and heavy metals ([www.ghanaweb.com](http://www.ghanaweb.com): Accessed on 21/03/2010).

These negative social and environmental problems associated with mining activities have implications on the livelihoods and food security situation of rural dwellers. This is because majority of local communities depend on land for their survival and sustenance. Moreover, agriculture is the mainstay of the Ghanaian economy accounting for approximately 60% of labour force (Akabzaa and Darimani, 2001). In Ghana, there are approximately 19 operating mines and over 100 local and foreign companies of which some are mergers with other mining companies as well as expanding their scope of operations in 4 regions of the country: namely Ashanti, Eastern, Western and the Brong Ahafo Region respectively. The activities of these companies have affected the farmlands of over 30 thousand local communities (Garvin et al, 2009:573). This means, local community members would have to seek /construct alternative livelihoods to make a living as they have been their main source of sustenance. The adoption of livelihood strategies/ coping mechanisms is therefore key to the construction of livelihoods and livelihood outcomes within an ever changing social, institutional, political, economic and environmental context where people strive to make a living (Ellis and Ade Freeman 2005:5).

To this end, this study seeks to explore the impact of ( large scale and artisanal) mining on livelihoods and the livelihood strategies/coping mechanisms adopted by local communities thus making an analytical comparison of issues that will emerge from the study as well as examine feedback loops and recommend appropriately. This will be done using Newmont Ghana Gold limited’s (NGGL)[[2]](#footnote-3) Ahafo South Project as a case study. The Ahafo South Mine Project in the Brong Ahafo Region (BAR) of Ghana is one of the current mining concessions which were granted by the government of Ghana in December 2003 through the formalization and signing of a foreign investment agreement document between Newmont Mining Company and the Government. The company commenced its gold production in early 2006 with two pits, Apensu and Subika, and later developed the Awonsu and Amoma pits in March 2008 and July 2010 respectively. The expected mine life of the project is between 10 – 20 years (ESIA report: 2005).

## 1.3 Research Objectives

The study seeks to explore the impact of large scale/ASM on livelihoods and the livelihood strategies/coping mechanisms adopted by local communities.

## 1.4 Research Questions

To achieve the above objective, the following major research question and sub questions were posed: what is the impact of mining on livelihoods of local communities in the BAR of Ghana?

## 1.5 Sub Questions

How are livelihoods being changed as a result of mining activities in Ghana?

What kind of livelihood strategies have emerged as a result of mining activities in Ghana?

How does mining politics affect local communities in Ghana?

## 1.6 Research Methodology

To obtain answers to the foregoing research questions, the study was based on both primary and secondary data sources. It adopted a case study approach where the Ahafo South Project of Newmont Ghana was used to analyze the impact of (large scale /artisanal) mining on the livelihoods of local communities and the livelihood strategies adopted to minimize adverse impacts.

### 1.6.1 Selection of Newmont Ahafo South Project as Case Study

Newmont Ahafo South Project was chosen for this case for a number of reasons.

In the first place, Newmont Mining Company’s first project in the continent of Africa is the Ahafo mine of the BAR of Ghana. The project is one of the current areas to have been leased out for mining activities by the government of Ghana in spite of reported cases of negative impacts of mining activities in the country. Newmont Mining Company is a multinational mining company working in five out of eight continents of the world. NGGL is a subsidiary of Newmont Mining Company which oversees Newmont’s concessions in Ghana ([www.newmont.com](http://www.newmont.com) : accessed on 18/09/10). With the commencement of operations in Ghana in 2006 at Ahafo in the BAR, the company has contributed significantly to the socio- economic development of the country through payment of royalties to the tune of $47.8M as at first quarter January – March 2010 as well as employed 4,959 -96% Ghanaians; 34% locals (Newmont Ghana, 2010). By dint of hard work and the fulfilment of its corporate social responsibility (CRS), the government of Ghana gained trust and confidence in the operations of NGGL hence the lease out of 3 additional concessions to the company.

Secondly, in areas where large scale mines exist, one would find ASM operations. These activities are usually carried out on the concessions of large scale mines as is the case of Newmont Ahafo South project. This provides a chance to study the impact of ASM on local communities and how livelihoods are being constructed through ASM.

In addition, even though there are approximately 19 large scale mines operating in Ghana, much research has not been undertaken in that area. It therefore offered a good opportunity to study in depth critical issues on mining thus unravelling the contentious and ambiguities issues surrounding mining activities in the area and also add to the growing body of literature with respect to Newmont Ahafo South Project.

Finally, it provided easy access to information as there existed literature about Newmont Ahafo South project and mining in general.

### 1.6.2 Sources of Data

#### Primary data

Primary data was collected between 23nd July – 15th August 2010 in two phases; the first visit was used to contact key informants to get an overview of the study area, to identify major actors in the mining sector in the region and to identify the key respondents to be interviewed at the second phase. At community level which is the study area, 15 interviews and 2 focus group discussions were conducted. In-depth interviews were conducted at this level with key informants, chiefs and elders and the Asutifi District Assembly as well as the youth and other affected people in the study area. The focus group discussions (FGDs) were held with resettled communities and people living very close to the Newmont plant site yet to be resettled. At the regional level, which was the second phase, 5 interviews were conducted with key stakeholders such as the EPA, Minerals Commission (MC) Lands Commission, Land Valuation and Stool Lands. A total of 20 interviews and 2 focus group discussions (FGD) were conducted. The sample comprised , 4 chiefs and elders, 2 EPA officials, 2 officers of MC, 1 officer from Lands Commission, 1 Land Valuer, Stool Lands 1, 3 officers of the Asutifi District Assembly as well as 6 youth and affected local community members whose farmlands have been affected by mining activities.

#### Secondary data

With respect to secondary data, an extensive review of relevant literature was made taking into account project related documents of NGGL such as Environmental and Social Impact Assessment Report (ESIA), Resettlement Action Plan, progress reports, reports of EPA and other relevant institutions. Existing literature on the mining sector were also consulted.

### 1.6.3 Data Collection Techniques

A three-level qualitative approach was employed to collect the primary data. These included; in – depth interviews focus group discussions and participant observation.

#### In-depth interview

20 semi-structured in-depth interviews were conducted with stakeholder in the mining sector. These interviews were undertaken to examine the impact of mining on livelihoods of local communities, livelihood strategies carved out to enhance economic well being and finally problems local communities have encountered as far as the Ahafo Project is concerned. The in-depth interview was also appropriate for interviewing people with busy schedules especially government institutions. It generated depth of information regarding opinions about the study.

#### Focus group discussion

Similarly 2 FGDs were also conducted. One with resettled people and the other with affected community members yet to be resettled. Each FGD comprised 8-10 participants of different ages ranging from 18 to 60 years and above. The FGD was very relevant in this case because it encouraged sharing of ideas amongst affected local people as well as making it possible for the researcher to probe and assess participants’ perception regarding their situation and Newmont’s mining activities, “since being in a group with others ‘like you’ can give people the confidence to speak about their experience in a way which may not occur in one-on-one interview” (Laws et al, 2003:298).

#### Observation

In addition, participant observation was applied to clarify and ascertain the truth or otherwise of issues that had been raised by respondents. This method was appropriate because, a lot of issues relating to the mining activities were noted - the visit to the ASM site confirmed that majority of the people were engaged in ASM. Worthy of note was the issue of dust/ noise pollution as a result of drilling and blasting of gold bearing rocks. Inspections were also conducted on cracked buildings as a result of vibration effect. This provided the researcher with first hand information on issues related to the study and in-depth qualitative data was generated by the use of this technique.

#### Data Analysis

The data was analyzed qualitatively. The field notes, interviews and transcriptions of the FGDs and in-depth interviews were coded and analyzed using Statistical Package for Social Sciences software. The final output has been presented in this paper basically in the form of texts, direct quotes from key informants/ stakeholders and local community members. The texts and transcribed messages are buttress with relevant pictures, tables and maps.

## 1.7 Limitations

This research had some limitations. To begin with, the study is limited in scope as it is focused on one case study – Ahafo South Project hence has limitations for wider scale generalization. It does not take into consideration the effectiveness and overall brunt of the mining industry but rather examines the impact of large scale gold mining on local communities and how livelihoods have changed as a result of mining activities.

Secondly, availability of some key informants and their willingness to grant in-depth interviews was also a problem given their busy schedules. However with perseverance, FGDs were finally conducted. Again, it was difficult to manage the fieldwork and literature review within a limited timeframe, which has implications for both the conceptual and empirical depth of the research.

Another problem was the issue of politics. Some key informants such as NGOs and resettled community members saw the researcher as a threat to their lives because information peddled around indicated that, the researcher had been hired by the mining company to solicit their views on the activities of the company which might be used against community members. Thus found it difficult to grant audience for interviews/FGDs. However, the introductory letters from the institute and the EPA, helped clear all the fear and anxiety that respondents had entertained and enhanced successful interviews and FGDS.

Lastly a major issue was the difficulty in getting some of the community members to attend the FGDs in view of the fact that the period for the fieldwork was the peak of the rain/farming season. All the FGDs were rescheduled and conducted in the evening after respondents had returned from their businesses.

## 1.8 Organization of the Study

This paper is organized in five chapters. Chapter one provided a concise and systematic background to the study including the research questions and it also discusses how the study was undertaken.

Chapter two, sets out the theoretical framework and the critical discussion about the impact of (large scale and artisanal) mining on livelihoods of local communities and livelihood strategies /coping mechanisms adopted to minimize adverse impact.

Chapter three presents a historical and contextual background of Newmont Ahafo South Mine project, description of project activities and demographic characteristics of the study district.

Chapter four analyzes and discusses research findings with respect to the impact of mining on livelihoods of local communities and livelihood strategies adopted to decrease unfavourable impact.

Chapter five draws a conclusion with a presentation of summary of key findings.

# Chapter 2 Theoretical Framework

## 2.1 Introduction

This chapter focuses on the theoretical framework and concept that would be used in discussing and analyzing this study. In this regard, the research will draw on both sustainable livelihood framework and concept of land tenure to examine the impact of mining paying close attention to power and how livelihoods have altered as a result of mining activities. Insights would be drawn from the ‘resource curse’ and colonial literature.

## 2.2 Sustainable Livelihood Framework

 The issue of livelihoods has been a subject of debate in recent times (1990s). Many scholars have emerged with different definitions of the term livelihoods. According to Chambers (1995), a livelihood is “the means of gaining a living’ or ‘a combination of the resources used and the activities undertaken in order to live” (as cited in Scoones 2009:172). Ellis and Ade Freeman (2005: 4), explain the term livelihood as an attempt to capture both what people do in order to earn a living and the resources that provides them with capability to build a satisfactory living taking into account risk factors, institutional and policy context that either helps or hinders them in their pursuit of viable living.

However the most widely recognized and accepted definition is based on Chambers and Conway (1991) view of a livelihood. According to them, a livelihood “encompasses the capabilities, assets and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation and which contributes net benefits to other livelihoods at the local and global levels and in the long and short term” (as quoted in Hilson and Banchirigah, 2007: 175). This definition has different interpretations and meanings which is relevant for the livelihood framework. In line with this thought, is the use of resources- ‘capitals’ to carve out and achieve livelihood strategies and outcomes by communities, individuals and households. These are inter alia; human capital (skills, education, health), physical capital (produced investment goods), financial capital (money, savings, loan access), natural capital (land, water, trees, grazing) and social capital (network and association) (Ellis and Ade Freeman, 2005:4).

With regards to strategies, the framework identifies three broad groups of livelihood strategies: livelihood extensification/intensification, diversification and migration, of which are important for the construction and enhancement of livelihood outcomes and poverty reduction within an evolving social, political, economic and environmental context (Scoones, 1998: 9). Livelihood intensification/extensification in terms of agriculture (forestry, livestock rearing, crop cultivation, and aquaculture) has to do with for instance more land under cultivation or through extensification processes such as more labour inputs and increase in output per acre of land as a result of an increase in capital investment. Livelihood diversification would emerge through a branch out to other off farm income earning activities. Migration would mean either moving or relocating elsewhere to seek a livelihood which could be either permanently or temporarily (ibid). Livelihood strategies can be described at the individual, national, regional, community or household level. A combination of activities pursues to achieve a livelihood outcome can be seen as ‘livelihood portfolio’ which could result into negative or positive outcomes depending on the time scale and risk associated with the strategy (ibid:10)

The framework further acknowledges the fact that livelihood approaches are holistic and entail a broad range of issues - ‘policies, institutions, and processes’ which are reflected in how power, politics and social differentiation influence livelihood choices. These issues could create constraints and opportunities for communities, households and individuals in their quest for a viable means of living (Scoones, 2009: 180).

Power can be understood as “the ability of an actor to control their own interaction with the environment and the interaction of other actors with the environment” (Bryant and Bailey, 1997:39). Power could emanate from the state, individuals and institutions alike. The possession of power in greater or less amounts could bring about an unequal relations between actors, thus influences the outcome of environmental issues. Power, depending on how it is exerted or used makes it possible for certain outcomes to be achieved in the interest of actors as is the case of colonial and neo-colonial states (ibid). The relationship between colonial and neo-colonial states granted audience for the development of a new relation of production in peripheral countries. This gave rise to social strata or classes engaged in trade, mining, crop production and other economic activities; since their interests coincided with those of the colonial state, “the latter granted political independence in the knowledge that these ‘comprador elements’ who came to acquire a large measure of political power in the new states, could maintain the existing patterns of trade and industrial dependency” hence the continuous flow of resource from neo-colonial states. The demands of the puppet class (‘bureaucratic bourgeoisie’) were satisfied by importing manufactured goods and the peripheral countries remained substantially producers of primary commodities for export” (Tordoff, 1984:21-22).

Power can also be used to control people’s access to a diversity of environmental resources such as land, minerals, water and forest, control over the environment of others through control over societal priorities of environmental projects hence the marginalization of vulnerable groups who are often left with a plethora of problems (Bryant and Bailey, 1997: 40). Reference could also be made to ‘resource curse’ thesis which postulates that, existence of mineral resources in many third world countries have turned out to be curses rather blessings, as powerful actors such as mining companies, governments and other actors siphon away their wealth leaving sources of the wealth battling with a medley of economic hurdles which sometimes lead to social unrest and conflicts (Bebbington et al, 2008:890).

On the other hand, power could lead to resistance and conflicts between stronger actors and weaker actors over environmental resource use. (Bryant and Bailey: 39-44). These conflicts have been be due to revenues streams, struggles over control of space, access to environmental resources, defence of human and citizen’s rights and displeasure of people over distribution of mineral rents. Such conflicts have been recorded in Ghana, Guyana and Papua New Guinea (Bebbington et al, 2008:890).

## 2.3 Concept of Land Tenure

“Land tenure refers to the possession or holding of many rights associated with each parcel of land. It is thus basically, a legal and social concept. In other words, land tenure is the legal or customary system in which people have access to the land they use” (Bruce, 1998:1)

According to Ofori (2003) Land tenure system refers to the relationship between a landlord and a tenant in acquisition, occupancy and use of a piece of land. In more specific terms, land tenure systems are the customary, legal or otherwise institutionalized arrangements, between government, communities, groups and individuals regulating the ownership and control of land and rights and duties accompanying such relations. “A land tenure system is all the types of tenure recognized by a national and or local system of law taken together thus a land tenure system cannot be understood except in relationship to the economic, political and social systems which produce it and which it influences” (Bruce, 1998:1).

Different tenure regimes/systems may apply in a particular place depending on the economic, social, and political systems. Ownership of land does not necessarily imply ownership of trees and other natural resources on it. Different sets of rights (bundles of rights) may be applicable to a parcel of land based on the land tenure system. Tenure systems structure the ways in which these bundles of rights are built up, transacted, negotiated, asserted, and protected (ibid).

Tenure issues are concerned with property rights. According to Turner (1995), “property is a benefit (or income) steam, and a property right is a claim to a benefit stream that some authority will agree to protect through the assignment and enforcement of obligations on others who may seek to enjoy that benefit stream”. Related to rights is the value attached to land and land resources. Two associated kinds of value can be generated from land and land resources. First, the value of streams of benefits that people acquire for holding rights to them and the value that market forces ascribe to them. Property rights can be grouped into four main types; state property, private property, communal property and open access (ibid).

In Ghana, two main types of land ownership - public or state lands and private lands - exist. Public ownership involves the government’s compulsory acquisition of land through application of the State Land Act of 1962, paying compensation on it and vesting the land in the presidency, in trust for the people of Ghana. Private ownership is largely exercised by the community or group(s). Such lands are held in trust for the community or the group by the chieftaincy institution (by a stool or skin) which serves a as a symbol of traditional authority or in the care of the family head (abusuapanyin). The nature of land tenure arrangements implicit in the mineral laws and legislations in Ghana ensure that while land may be owned by individuals, families or other customary institutions, the right to precious minerals in the soil is the property of the state hence the payment of compensation to inhabitants (Owusu et al, 2007: 8). This means that government has every right to lease out lands for mining activities once the country stands to benefit from such activities.

## 2.4 Linkage to study

This study delves into the impact of mining on livelihoods of local communities. The use of both sustainable livelihood framework and concept of land tenure would provide a better understanding of how mining activities affect livelihoods of local communities taking into account the interplay of power dynamics of who gets what, when and how. Equally, these frameworks would help point out how livelihoods are carved out through livelihood strategies / coping mechanisms which are reflected in livelihood outcomes.

In the first place, the concept of land tenure clearly explains the nature of tenure arrangements in which government has the ultimate right to lands with minerals underneath therefore has the power to let out lands for mining activities, even though individuals, communities or households maybe in a position to use and generate benefits from land and land resources (Owusu et al, 2007:8). The prerogative to lease out lands for mining activities is undertaken in line with institutional and policy processes and arrangements (laws, rights).These institutional processes and policy arrangements could create opportunities and constraints for local communities in relation to their livelihoods and livelihood outcomes as explained in the livelihoods framework(Scoones2009:180).This is specifically based on the way trade liberalization policies with respect to mining have been designed and implemented in most developing countries. These policies have been designed such that, the national government benefits in terms of royalties and taxes which are used for overall development while mining communities are faced with severe problems which deprive of their source of livelihood (Akabzaa and Darimani, 2001). In the same vein, the livelihood framework touches on local level politics, power and social differentiation which addresses the social, political structures and processes that influence livelihood decisions (ibid).

This brings to the discussion, the issue of government politics / interest particularly in situations where government’s interest co insides with that of metropolitan states. Government might be obliged to take decisions in favour of both parties as argued in the neo-colonial assumption that, the relationship between developed and developing countries gave the impetus for the “development of a new relation of production in the peripheral countries, ‘based on their progressive exposure to, and domination by, capitalism” (Tordoff, 1984:21). Based on this relationship, new classes/ strata emerged and were engaged in mining, trading and other businesses. Once their interest coincided with the metropolitan centre “ the latter granted political independence in the knowledge that these ‘comprador elements’ who came to acquire a large measure of political power in the new states, could maintain the existing patterns of trade and industrial dependency. The bulk of the surplus therefore continued to be extracted for use in the metropolitan countries, which enjoyed a monopoly in industrial technology as well as in international commodity markets. The demands of the puppet class (‘bureaucratic bourgeoisie’) were satisfied by importing manufactured goods and the peripheral countries remained substantially producers of primary commodities for export” (ibid: 22).

 The interplay of power dynamics of who gets what, when, and how, shows how power is negotiated between actors such as chiefs, local bureaucrats, and local communities with regards to mining activities. The power which each actor possesses either in greater or lesser amounts influences the outcomes of mining activities thus creates an unequal relation between actors- mining companies, bureaucrats , chiefs and local communities depriving vulnerable local groups of their main source of livelihood :land and natural resources (Bryant and Bailey, 1997: 39) which is also reflected in the ‘resource curse’ thesis. The theory postulates that existence of mineral resources in many third world countries have turned out to be curses rather blessings, as mining companies, governments and other actors siphon away their wealth leaving the sources of the wealth battling with a plethora of economic hurdles which sometimes lead to social unrest and conflicts(Bebbington et al, 2008:890). On the one hand, the exercise of power could also generate into conflict and resistance between chiefs, mining companies, bureaucrats and local community members due to mine revenues (Byrant and Bailey, 1997:39-44). This is in line with the ‘resource curse’ argument that, natural resource extraction has been identified as a major source of environmental and social conflicts. There have been recorded cases of such conflicts in Ghana, Guyana, Indonesia and Papua New Guinea (Bebbington et al, 2008:890).

Secondly, it is the idle practice that once mining concessions are granted by the government to whosoever, impacted communities should be awarded compensation. For that matter, local communities would have to engage in other livelihood strategies such as livelihood diversification and migration to deal with poverty and other related issues. Bearing in mind that large scale and ASM are ‘bed fellows’ local community members may diversify to ASM or migrate elsewhere permanently or temporally to acquire alternative livelihoods. This might be dependent on the combination of ‘capitals’ such as financial, human, social and natural capital as livelihoods are drawn from different assets or resources (Scoones, 1998: 10).

Finally, the livelihood approach describes how livelihood strategies translate into outcomes and other livelihood sources. In the area of ASM, compensations and revenues generated from this venture could be used for building projects, shops and cars serving as outcomes of which other livelihoods could emerge for rural dwellers (ibid).

## 2.5 Conclusion

The framework and the concept discussed above point to the research questions and would help address them in this paper. Whereas the concept of land tenure provides the basis of how tenure arrangements have implications on land and land resources hence would help analyze the impact of mining, the livelihoods framework would provide a better understanding of how livelihoods are constructed thus would enable me analyze strategies/coping mechanisms adopted by local communities in their bid to make a living.

To this end, the next chapter (3) discusses the research context, Newmont Ahafo project interventions and the demographic characteristics of the study area.

# Chapter 3 The Research Context: Newmont Ahafo South Project Area.

## 3 .1 Introduction

This chapter presents a historical and contextual background of the Newmont Ahafo South Mine project, description of project activities, and demographic characteristics of the study district.

## 3.2 Historical Background.

The Newmont Ahafo Mine Project was formalized in December 2003 by gaining approval of its foreign investment agreement with the government of Ghana. NGGL acquired the right to operationalize its activities in the Ahafo area by merging exploration interest of Ntotoroso and Sefwi projects that were previously covered by permits of the EPA. With these mergers, the project was renamed by NGGL as Newmont Ahafo Project. The Ahafo Gold Project is Newmont’s first operation in Africa. The project is a Greenfield open pit operation located within the Asutifi District of BAR of Ghana, some 300 km north west of the capital city of Accra, 107 km North West of the second largest city, Kumasi and 40km, south to the Subenso area. The region has no history of large scale mining. The mining lease for the project covers 536.56 square kilometres. It is projected that, the project will add an additional 6.81 million ounces to Ghana’s overall export of gold. The project, which is part – funded by the International Finance Corporation (IFC) is being developed in two phases: Ahafo South -phase 1 and Ahafo North -phase 2 (Newmont Ghana- Amoma and ESIA Reports, 2005).

## 3.3 Newmont Ahafo South Mine Project.

The Ahafo South Project which is phase 1 of the Ahafo Project involves mining and processing of ore in the southern portion of the lease area. The total mine area of the Ahafo South Project is 3,111hectares. The South Phase lease area generally extends from Amoma shelterbelt/Bosumkese Forest Reserve on the north and east; the communities of kenyase 1 and 2 on the south; and to the headwaters of the Subri and Awonsu drainages in the west. Gold production commenced in July 2006 with two pits, Apensu and Subika. Two other pits – Awonsu and Amoma were later developed in March 2008 and July 2010 respectively. The expected mine life of the project is between 10 – 20 years (Newmont Ghana- Amoma Project and ESIA Reports, 2005).

Map 1: Map of Ghana showing the Project Location

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Project Location

Source: [*http://www.ambafrance-gh.org/local/cachegnettes/L375xH551/ghanamap-5f053.jpg*](http://www.ambafrance-gh.org/local/cachegnettes/L375xH551/ghanamap-5f053.jpg) ... accessed on 19/09/10

Map 2: Ahafo Mining Lease

 

Ahafo South Mine Lease

*Source: Newmont Ghana Gold Limited*

## 3.4 Project Description

The Project involved development of four mine pits (Apensu, Subika, Awonsu and Amoma) which will produce and process approximately7.5 million tonnes (Mt) of ore annually over a period of 15-years. Current resources are estimated at 105Mt of ore containing 6.8 million ounces of gold in a Carbon in Leach process plant near Kenyase. Other facilities developed include; treatment plant, waste rock disposal facilities, water storage facility to provide water for processing plant, tailing storage facility, environmental control dams and ancillary facilities (Newmont Ghana- Amoma Project and ESIA Reports, 2005).

## 3. 5 District Profile

As mentioned earlier, the project is located entirely within Asutifi District of BAR of Ghana. Asutifi District is one of the Twenty two (22) districts in BAR which was carved out of a larger Ahafo District in 1988. The District has a population of approximately 84,475 people (2000 Population Census) which is typically rural. Kenyasi is the district capital and it is about 50km away from Sunyani, the regional capital of BAR. The district has about 117 settlements and four paramouncies, namely: Kenyasi No.1 Kenyasi No.2, Hwidiem and Acherensua ([www.districtsinghana.com](http://www.districtsinghana.com): accessed on 12/09/200).

The project covers 10 communities – Gyedu, Kenyase 1 and 2, Ntotoroso and Hwidiem constitute Ahafo South while Dokyekrom, kodiwohia, kwakyekrom, Yawusukrom and Acherensua form part of Ahafo North. These communities are the seats of paramount Chiefs in the area. Traditional authority plays an important role in the southern part of Ghana where most minerals deposits are located. At the local level where traditional status continues to command respect, chiefs and sub chiefs exert control and power over land and land resources through land allocations as they are regarded as the custodians of the land. (Newmont Ghana- ESIA, 2005).

In terms of soil type and geology of the area, the district is underlain by clay and sand deposits. Sand deposits can be found at Kenyasi, Gambia No.2, Hwidiem and Acherensua whilst clay deposits are found at Nsunyameye and Dadiesoaba. The area is endowed with mineral bearing rocks of Precambrian rock formation of Birimain and Dahomeyan. These rock formations are known to be the gold bearing rocks which also have a high potential for Manganese, Bauxite and Diamond. Currently gold is being mined in areas where these rocks are found by NGGL. ASM operations are also on-going in these same areas where these rocks are found. The areas include; Kenyasi No. 1 & 2 Ntotroso, Gyedu-Wamahinso and other smaller communities. However, other exploration activities are on-going in other communities within the district. Diamond is discovered at Wamahinso. There are rounded out crops of granite found over the Birimian rocks at Kwadwo Addae Krom, Goa Asutifi, Georgekrom and Konkontreso which have high potential of Iron and Bauxite ([www.distristinghana.com](http://www.distristinghana.com): accessed on 12/09/2010).

With regards to land use, the district lies within the moist semi deciduous forest zone of Ghana which is marked by double rainfall. Agricultural land use dominates with the majority of the people depending on farming as the source of livelihood and the principal means of employment. The population consists of farmers with limited income due to low output from small family farms. Non – farming sources of income are limited and two – thirds (2/3) of adults have no employable skills other than farming. Ethnic diversity is high, due to immigration over the past 50 years of persons seeking land to farm. Agriculture accounts for about 65% of the labour force. This reflects the agrarian nature of the local economy. Major food crops cultivated include: cereals, legumes, plantain, yam, cocoyam, vegetables and cassava and are produced for both consumption and sale. Women are a large part of the agricultural workforce, and generate the majority of non – farm income (Newmont Ghana-RAP, 2005).

The Ministry of Local Government classifies Asutifi District as one of the deprived and poorest districts of the country with limited development opportunities, inadequate infrastructural facilities and low standard of living. Therefore the presence of NGGL in the district is seen as a panacea to the numerous problems of the district (ibid).

In this regard, NGGL has initiated a number of poverty reduction initiatives for affected/impacted people in the mine area under the company’s land access program. These are inter alia; resettlement/compensation packages, livelihoods and community development and economic empowerment programs.

## 3.6 Conclusion

Mining activities have brought untold hardships to rural dwellers with regards to their livelihoods. This calls for the espousement of livelihood strategies to make a living. In this light, the next chapter (4), looks at how activities of Newmont Ghana has impacted on livelihoods of local communities and livelihood strategies rural communities have taken on to earn a living.

# Chapter 4 Analysis and discussion of findings: Opinions of Stakeholders and Local Community Members

## 4.1 Introduction

This chapter focuses on analysing and discussing the findings regarding the effects of gold mining on local communities and how livelihoods have changed as a result of mining activities. In line with the livelihoods framework and the concept of land tenure, analysis and discussion is based on the local impact of Newmont Ahafo South project taking into consideration the following themes – what is the impact of large scale mining activities on local communities, what are the emerging livelihood strategies as a result of mining activities, mining politics at the local level, and the impact of ASM on local communities.

## 4.2 The Impact of Large Scale Mining Activities on Local Communities

This section looks at the positive impact as well as opposing views about mining activities. To elicit the views of respondents on the above issue, questions such as: what is the impact of mining? How has mining been profitable to the country? Do you consider the contributions of mining to the growth of the national economy significant? Should government continue to grant mining concessions? were posed. Majority of respondents mentioned that mining was profitable for the country (micro level). As pointed out in table 1 below:

| Table 1: Is mining Profitable to Ghana?

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Frequency** | **Percent** |
|  | Yes | 13 | 65.0 |
| No | 7 | 35.0 |
| **Total** | **20** | **100.0** |

 |

*Source: Author’s interview with respondents, 22/ 07/10*

As depicted in table 1 above, 65% of respondents were of the view that mining companies were contributing significantly to the country’s national development. The reasons assigned were; the country acquired revenue in the form of royalties, rents, taxes and other fringe benefits which are used for developmental projects for rural communities. At the same time, mining companies provided employment; executed their CSR programmes in the area of health, education, agriculture, infrastructural development, and the implementation of poverty reduction programs. To confirm this, the Ghana Minerals Commission reported that revenues generated by gold mining in Ghana in 2002 was $646 million with royalties of ¢142,587,137,200. Gold accounted for almost 93 percent of the total mineral royalties collected during 2002. Over 12,900 people were employed by gold mining in Ghana in 2002, and corporate taxes from large scale mining equalled ¢8,227,057,875 (ESIA, 2005:1).

In terms of the impact of NGGL’s mining activities, the country had benefitted from payment of royalties to the tune of - $47.8M as at the first quarter of the year 2010. In addition, Over 700 local youths were given training in carpentry, painting, masonry and wielding during project construction stage. Under the project’s apprenticeship program, 19 graduates have been trained with 17 of them acquiring employment with the company, 54 are currently in program. On the whole, Newmont has employed 4,959 people with 96% being Ghanaians and 34% locals (Newmont Ghana, 2010). The company also sponsored programs of the district Assembly such as ‘farmer’s day’, sanitation programs, and had built a number of schools, hospitals, water and sanitary facilities for the district. It had also instituted the Ahafo development fund where for every ounce of gold one dollar was dedicated for the development of the area. Other programs were scholarship packages for needy students and poverty reduction initiatives. As one respondent attested:

*“infact, Newmont is one step ahead of other companies in terms of ensuring sustainable development because they have initiated a lot of programs such as scholarship packages for needy students, poverty reduction programs, resettled and compensated farmers and they also help the assembly by sponsoring our programmes. Newmont has a better chance because they are doing well in terms of their corporate social responsibility. If they are able to enforce it, the community will benefit. For every one ounce of gold, one dollar is dedicated to the Newmont Ahafo Gold Fund”* (50- year old Administrative Officer, Kenyase, 22/07/10).

Another young man stated:

*“since the mining started in 2006, some of our people are doing labourer work with the company, some of the youth too have been trained in apprenticeship, a few are being sponsored to go to school, what the company is doing is not bad”* (30 – year old Youth Leader, Kenyase, 22/07/10).

The above comments indicate that mining activities could have positive impact on local communities depending on how mining companies implemented their CRS. If corporate responsibilities are implemented in a sustainable manner, the overall goal of sustainable development could be achieved.

On the other hand, 35% of respondents said mining was not profitable for the country due to the adoption of the neoliberal policies of private sector led development which called for the promulgation and reformulation of the mining and mineral laws of the country. These laws permitted mining companies to enjoy numerous tax breaks and incentive packages which were detrimental to the country’s development. To what extent have trade reforms contributed to the growth of developing countries? The economies of most developing countries were in serious economic crisis. However with the introduction of the neoliberal policies, most developing counties had their mining sectors revamped to attract FDI. Owing to this, countries like Argentina after implementing the revised national mineral policy, mining cost reduced and a number of barriers to foreign capital were eliminated hence increased the number of mining companies in the country from 4 in 1989 to 62 in 1995 with an investment increase from US$4million to US$55million (Albarracin, 1997: 43 as cited in Hilson and Haselip, 2004: 38).

Likewise, Ghana’s mining sector also suffered precarious economic hurdles after the country’s attainment of independence. For four decades, no new mine was opened in the country. However, after yielding to the pressures of the Bretton Wood Institutions to private viable sectors of the economy, some US$4 billion of private investment capital was pumped into the mining sector for mineral exploration, expansion and rehabilitation of new and old mines ([www.ghana-mining.org](http://www.ghana-mining.org): accessed on 18/09/10). This refurbished the sector hence the attraction of foreign companies to invest in the country. By the close of 1998, the country had recorded 237 companies (154 Ghanaian and 83 foreign) prospecting for gold and 23 had been granted mining lease/permits (ibid). The sector now accounts for more than 30% of gross foreign earnings (Akabzaa and Darimani, 2001:4). This shows how market forces driven by the neoliberal paradigm assign value to land and land resources as elucidated in the concept of land tenure. According to Turner (1995), “two associated kinds of value can be generated from land and land resources. First, the value represented by the streams of benefits that they generate for those holding rights to them and the value that market forces ascribe to them”.

 On the flip side, neoliberal policies have actually contributed to the vulnerability of most developing countries to the global mine lobby. In their bid to attract FDI, most governments in the third world have redrafted and reformulated their mining policies to suit donor conditions to the disadvantage of the development of their countries. In Bolivia for instance, the governments interest with regards to mining had been to attract FDI “via the dismantlement of national regulations, the reduction of corporate taxation, and the entrenchment of national and international legal frameworks to guarantee the supremacy of investor right” (Clark, 2003:17 as cited in Hilson and Haselip, 2004: 40). According to Appiah (1998), the government of Ghana, also introduced new mining codes that permitted foreign investors as much as 80% profit repatriation, removed exchange controls and provided tax breaks and incentives(as cited in ibid:32). This point is further corroborated by Campbell (2008:3) who noted that:

*“the ways in which the World Bank Group has supported mining actually undermines state capacity and weakens potential links between mining and development. Neoliberal reforms have been designed merely to increase investment, and have paid scant attention to themes such as regional development, mining – agriculture linkages, environmental protection or social impacts: “reforms have had the effect of reducing institutional capacity, constraining policy options, as well as driving down norms and standards in areas of critical importance for social and economic development and protection of the environment”* (Campbell, 2008:3).

Table 2 below illustrates the Government of Ghana’s share of interest in mining companies. It is fascinating to find out that the government’s share of interest is a meagre 10% whereas mining companies own 90% interest.

Table 2: Government of Ghana Interest in Mining Companies

|  |  |
| --- | --- |
| **Parent Tree** | [Ministry of Land, Forestry & Mines](http://www.afdevinfo.com/htmlreports/org/org_14802.html) |
|  | [Government of Ghana](http://www.afdevinfo.com/htmlreports/org/org_14190.html) |

|  |  |
| --- | --- |
| **Subsidiary Organisations** | AngloGold Ashanti (3.34%)  |
|  | [Obenemase Gold Mines Ltd (10%)](http://www.afdevinfo.com/htmlreports/org/org_55663.html) |
|  | [Obotan Gold Mine (10%)](http://www.afdevinfo.com/htmlreports/org/org_55664.html) |
|  | [Damang Gold Mine (10%)](http://www.afdevinfo.com/htmlreports/org/org_55788.html) |
|  | [Abosso Goldfields Ltd (10%)](http://www.afdevinfo.com/htmlreports/org/org_55791.html) |
|  |  |
|  | [Bogoso Gold Mine (10%)](http://www.afdevinfo.com/htmlreports/org/org_55808.html) |
|  | [Kenyase Gold Mine (10%)](http://www.afdevinfo.com/htmlreports/org/org_55815.html) |
|  | [Ntotoroso Gold Mine (10%)](http://www.afdevinfo.com/htmlreports/org/org_55817.html) |
|  | [Akyem Gold Mine (10%)](http://www.afdevinfo.com/htmlreports/org/org_55825.html) |
|  | Chirano Gold Mines Limited (10%)  |
|  | The North Ashanti Project (10%)  |

Source: [www.afdevinfo.com/htm/reports](http://www.afdevinfo.com/htm/reports): accessed on 12/08/10.

Consistent with the above reason, is the issue of politics/government interest. In every facet of life politics / people’s interest plays a crucial role. Within a stable political environment, there could always be variation in people’s thoughts, interests and values hence their ability to secure favourable outcomes be it political, social or economic (Bryant and Bailey 1998:39). Politics involves the ability to secure power to attain one’s interest and values in conflict with others. Power could be understood as “the ability of an actor to control their own interaction with the environment and the interaction of other actors with the environment” (ibid). What then is the source of this power? Who has power? How is this power negotiated? What does it make possible? The nature of land tenure arrangements implicit in the minerals and mining legislation of Ghana gives the state the right to lands with minerals (Owusu et al 2007: 8). Land and land resources are ascribed with two values. The value that market forces assign to it and the streams of benefits that individuals derive from it (Turner, 1995). Therefore the state holds the power to control and take decisions on land and land resource in consultation with other actors such as institutions, local communities, chiefs and bureaucrats with respect to mining activities. The exertion of power by actors could make it possible for some outcomes to be achieved (Byrant and Bailey, 1997:39). Power could also lead to unequal relations among actors thus leading to resistance and conflicts which could be due to dissatisfaction over mineral revenues, human right abuses and control over space (Bebbington et al, 2008: 890).

 In Ghana, the commencement of mining activities in an area serves as a basis for government to capitalize on for its political manoeuvres as government reserves the right to grant mining concessions. Majority of mining companies in an attempt to deliver in terms of their CRS provide social amenities in areas where government fell short in the provision of these facilities, the government of the day usually finds a way of interpreting this to appear as if it had brought development to the doorsteps of rural dwellers. The said government becomes popular and acquires a lot of votes in that area during political campaigns. As argued by Bryant and Bailey (1997: 39), the possession of power, in greater or lesser amounts, when exerted could make it possible for certain outcomes to be achieved. It is also relevant to mention here that, politics has been translated into ethnic and tribal ties in Ghana. Once you belong to the same ethnic, tribal or political group in power, you stand a better chance of gaining favours from actors with greater control whereas lesser actors who do not have any affiliations with people in power are squeezed out. As also purported by the neo-colonial theory, in instances where the interest of the government fall in line with that of the metropolitan country, the ‘comporador elements’ who have assumed power within the ‘puppet’ state and engaged in mining and other economic ventures, would ensure that there is free flow of resource from either sides. Thus, maintain the relationship between both two parties. Classes or strata that emerged out of this relationship at top and bottom stand to benefit from this rapport (Tordoff, 1984:22).

## 4.3 Mining politics at the local level

Mining politics at the study area will be discussed in relation to two issues- environmental and socio- cultural impact. With regards to environmental issues, all respondents interviewed unanimously asserted that the study area was bedevilled with adverse environmental problems as a result of the mining activities as shown in table 3 below.

| Table 3: Is NGGL’s operations associated with Environmental problems?

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Frequency** | **Percent** |
|  | **Yes** | **20** | **100.0** |

 |

*Source: Author’s interview with respondents, 22/07/10*

As illustrated in table 3 above, 100% representing all 20 respondents concurred to the fact that mining activities in the study area had brought in its wake a myriad of environmental problems. As indicated by Noronha (cited in Kitula, 2006: 406), “the social and environmental impact of mining are more pervasive in regions where operations are newly - established or are closing down”. The main environmental problems identified in the study area were; land degradation, water pollution and noise/dust pollution.

On the issue of land degradation, vast portions of land and vegetation were cleared to accommodate surface mining. Lands for agricultural and grazing purposes were also destroyed through the mining activities. Ecosystem imbalance, deforestation and destruction of wildlife habitats had occurred as a result of both large scale and ASM in the area as mineral exploitation involved the construction of dredges, underground pits and the destruction of rocks using explosives which could cause excessive damage to the environment. Loss of vegetative cover had rendered most soils bear leading to soil erosion and excessive run off during raining seasons (Ogola et al, 2002).

 Dust and noise pollution were common in the mine area as a result of the use of explosives, excavation and drilling activities. These activities had accounted for volumes of dust and noise in the area which could be dangerous to human’s health. There were reported cases of hearing and eye problems, catarrh, coughs, and skin diseases (rashes and boils). Excavated pits as a result of ASM could serve as death traps for both animals and humans. Mining Activities, particularly drilling and blasting had resulted in cracks and collapse of buildings (Kitula, 2006). About 20 local community members testified of cracked houses resultant from the operations of the mine.

Pollution of water in the study area was significant as a result of the mining activities. Most water bodies in the study area (Subika, Apensu, Amoma and Awonsu) were all polluted thus a discoloration of the water sources to milky brown as shown in figure 1 below. Gold mining generally produces large quantities of waste or tailings which usually contained poisonous chemicals such as mercury and sulphur. Should these chemicals interact with water, aquatic life and water bodies would be destroyed. During rainy seasons, run off from piles of mine waste and tailings contaminated by toxic metals and cyanide as figure 2 indicates might find their way into water sources which could be dangerous to aquatic life and humans. In such instances, inhabitants especially women and children would have to travel long distances in search of potable water. Inappropriate disposal of waste from mine activity and cyanide spillages could also be dangerous to human life, water sources and irrigable lands (ibid).

Figure 1: Polluted water source Figure 2: Mine waste/tailings from NGGL

**Source: by Author (fieldwork) Source: by Author (field work)**

In recent times (from 1990s), Ghana has experienced a number of cyanide spills which have contaminated many of the freshwater sources, destroyed aquatic life and crops and farmlands local community members depend on for their survival and livelihood. The first cyanide spill occurred in June 1996 at the Teberebie site, which resulted in the release of 36 million litres of cyanide solution into the Angonaben stream, a tributary of the Bonsu River. Cocoa crops and fish populations were destroyed, and a number of locals complained of skin ailments. Another 2 spills occurred in October 2001 in Wassa West District of the Western Region (Hilson and Haselip, 2004: 33). In the same vein, the study area also witnessed a cyanide spillage on the 8th of October 2009 which was as a result of the operations of Newmont Ghana ([www.ghanaweb.com](http://www.ghanaweb.com) : accessed on 12/08/2010).

With regards to socio- cultural issues, interviews with respondents revealed that mining activities in the study area had brought about unprecedented socio- cultural problems. As indicated in table 5 below.

| Table 4: Is NGGL’s activities associated with Socio-cultural problems?

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Frequency** | **Percent** |
|  | **Yes** | **20** | **100.0** |

 |

*Source: Author’s interview with respondents, 22/07/10*

As depicted in table 4 above, all respondents (100%) were of the view that mining was associated with socio-cultural problems. The commencement of mining activities resulted in large numbers of people in search of employment in the study area. This in turn resulted in an increased pressure on existing infrastructure and social amenities, heightened social vices such as prostitution thus an increase in the spread of sexually transmitted diseases and HIV/AIDS, high rates of banditry, drug abuse , importation of different lifestyles and competition among the youth for natural resources (Kitula, 2006). To add to that, there had been an increase in temporal marriages resulting in an increase in divorce rate in the area in the quest to secure jobs with Newmont. The company had instituted a challenging local recruitment policy for the unskilled category of workers. The policy ensured the employment of only indigenes. Thus, majority of migrants seeking employment with the company were compelled to register for false marriages in order to be employed. These marriages were endorsed by the traditional council with the issuance of a marriage certificate which was used to secure jobs. After most of these people had gotten employed they filed for divorce hence an increase in divorce rate in the area.

Another social concern was displacement/ resettlement. As earlier mentioned, a total of 1,701 households- 9,575 people were impacted/ displaced by the mining activity in the project area (Newmont Ghana, 2005). Majority of the people are farmers who depended on the environment for their livelihood and source of income. The implications of such displacement were acute food shortage and heightened levels of poverty. Resettlement / relocation also contributed to breakdown in family relations and disruption of social cohesion. Aside this was the issue of wife snatching. Some community members reported of their wives being snatched by Newmont workers. Some company workers had capitalized on the inability of some community members to secure jobs after losing their livelihoods to the mine to snatch their wives away from them by providing them with money and packed lunch. As one community member stated:

*“as for this company people, they are not good, they have taken our lands and now they are even snatching our wives from us. When they get your wife, you are finished. What they do is to provide the ladies with money and take away”* (30 – year old Community Member, Kenyase, 24/07/10).

 In spite of all these problems being encountered by local community members, stronger actors are using politics/ power to acquire favours and benefits from the mining activity. Politics has had a trickling effect on local communities. As mentioned earlier, politics is about securing power and using this power to achieve what one desires in conflict with the needs of others (Bryant and Bailey, 1997). Who are these actors? What kind of power do they possess? What is the source of this power? What can this power do or undo? How do people react to this power? Interviews and FGDs with local community members on mining politics at the local level revealed that, the chiefs, opinion leaders and bureaucrats were the beneficiaries of the mining activity. Chiefs, bureaucrats and opinion leaders have now become part of the mining lobby at the local level. The nature of land tenure arrangements in Ghana entrust communal lands in the chieftaincy institution - by a skin or stool (Owusu et al, 2007:8). Likewise, different sets of rights (bundles of rights) may be applicable to a parcel of land based on the land tenure system in place as land could belong to several different groups or persons. Tenure systems structure the ways in which these bundles of rights can be built up, asserted, transacted and protected (Bruce, 1998:1).

As has already been noted in an earlier chapter (3), traditional authority holds considerable institutional importance especially at the local level. Chiefs continue to command respect and dignity as they are regarded the custodians of the land. Thus they play a significant role in land allocation with respect to stool lands particularly in the southern part of Ghana. In consultation with elders and opinion leaders, chiefs resolve and settle disputes. By virtue of the power vested in them as custodians of the land, community members contended that, their chiefs had allocated their farmlands to mining companies for mining activities. As compensation, all their chiefs, sub chiefs, some local bureaucrats and opinion leaders had been offered houses, cars, money and employment in the form of contracts. The contracts ranged from cleaning of gutters, washing bays, building and construction. Owing to these gains, these actors have always sided with the company anytime disagreements/conflicts erupted between the latter and local community members in their bid to drum home their demands. Community members believe their chiefs and bureaucrats have been corrupted by gains of the company hence their inability to take firm decisions concerning development of the area. As asserted by the ‘resource curse’ thesis, the existence of mineral resources in many third world countries have turned out to be curses rather than blessings as powerful actors such as mining companies, local bureaucrats, chiefs and others alike siphon away their wealth leaving the sources of the wealth battling with a plethora of economic hurdles which sometimes lead to social unrest and conflicts (Bebbington et al, 2008:890). This point is further corroborated by Byrant and Bailey (1997:40), that “the manifestation of power could lead to an unequal relationship between stronger and weaker actors in terms of access and control over land and land resources leading to the marginalization of weaker grass root actors who are often left vulnerable to episodic changes” As one youth leader said;

“the *company has bought all our chiefs and officers by giving them fat fat envelopes, buying them cars, houses and employment. Now all the chiefs have jobs to do, they have gotten contracts such as washing bays, cleaning of gutters, construction and watering of our roads from the company and they employ their own people to do the work for them. Because of this if you send your problem to them, they will not mind you but rather accuse you of talking against the chiefs and gods of the land thereby requesting you to slaughter a sheep to pacify the gods. We are now praying that our chief who is old dies early so that we can enstool a young, energetic and proactive chief (Mbrantiehene) who can help us”* (Youth Leader, Kenyase, 24/07/10).

It is important to state here that, the chiefs had adopted a strategy of levying fines against youth leaders who tried to mobilize the community as a strong force to agitate for their rights. Fines in the form of schnapps and animals (sheep) were most of the time requested to appease the gods of the land for going against their wishes. This served as a deterrent to the youth thus broke their front.

On the other hand, Newmont had also developed an approach of dealing with local officials and kingpins in the community who agitated against the company’s operations. The company offered such people short contracts/ employment or incites the community against such a person. Local bureaucrats who also disagreed with the company in terms of its operations were usually provided with packages during festive occasions to silence them. As one officer pointed out;

*“this company they think they are smart. When I took them on for their bad practices, they quickly brought me a hamper for Christmas which they never did in the past. Now every year, they present me with a parcel just to stop me from lashing at their back” (*Field Worker, Kenyase 25/07/2010)

The above quotes point to how stronger actors such as chiefs, opinion leaders, local bureaucrats and Newmont are utilizing their powers to achieve benefits at the expense of weaker actors -local community members. Whereas chiefs are gaining by virtue of their positions as custodians of the land, Newmont is using its power in terms of wealth to manipulate bureaucrats and chiefs. This could be an indication of how mining companies are using their wealth to acquire natural resources and other incentive packages with respect to their operations.

 Following from the above, mining politics had also generated a lot of resistance and conflicts between chiefs, opinion leaders, bureaucrats, and local community members over the operations of Newmont. According to Bryant and Bailey (1997: 44), “a situation whereby powerful actors seek to build up a long – term stake in a given locality could provide an opportunity for weaker states to resist development practices that they perceive to be inimical to their interest”. Most of these conflicts resulted in human rights abuses where local community members were battered, tortured, arrested and jailed. As also explained in the ‘resource curse’ thesis, the extraction of natural resources has been identified as a major source of environmental and social conflicts especially in situations where people are disgruntled over the distribution of natural resource revenues (Bebbington et al, 2008: 890)

Relating the issue of mining politics to other areas, it could be concluded that what is happening in Ghana, in particular Kenyase as noted above, might not be different from other developing countries where similar mining activities are taking place. Politics is everywhere. People would always want to secure wealth and power which might conflict or co inside with the interest of others to achieve their aim and ambitions. In so doing, conflicts and resistance could occur between various actors (Bryant and Bailey, 1997). Reference could be made to the case of Cajamarca, Peru where Newmont Gold Mining Company excavated an area of 97 square miles within a 67,000 acre concession of land which was of relevance to local farmers and ranchers. Several water bodies were contaminated and aquatic life was lost through the process of deforestation and clearance of vegetation. Flora (medicinal species) and fauna were also lost through mining operations. This led to agitations, resistance and conflicts between the government, local communities and environmental activists (Project Underground, 2002).

## 4.4 Livelihood Strategies and Outcomes as a result of Mining Activities

Concerning issues of livelihood strategies and outcomes of local communities, responses were based on the willingness and resistance of local community to offer their farmlands for mining activities. Questions such as: Were you willing to offer your farmland for mining activities? What motivated you to release your farmland for mining activities? How are you coping in the absence of your land? What activities are you engaged in? How has this been beneficial to you? were asked. Local community members stated that, they were willing to release their lands for mining activities as shown in table 5 below. As to what motivated them, they indicated the promises made by Newmont to provide them with; adequate compensation packages, resettlement houses and employment packages.

| Table 5: Were you willing to release your farmland for mining activities?

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Frequency** | **Percent** |
|  | Yes | 12 | 60.0 |
| No | 8 | 40.0 |
| **Total** | **20** | **100.0** |

 |

*Source: Author’s interview with community members, 23/07/10*

As indicated in table 5 above, majority of respondents (12) representing 60% of the sample population mentioned that they were willing to offer their farmlands for mining activities. Are the lands degraded or infertile such that community members preferred to do away with them for the benefits of compensation and other packages? Or it is that local community members are anxious to ‘get rich quick’ hence the release of their lands? Could it also be that farming activities cannot sustain local communities all year round?

 The southern zone of Ghana falls within the semi -deciduous forested zone characterized by double rainfall. Most land are fertile thus serves as the food basket of the country (van der Geest, 2003:3). The zone is endowed with mineral deposits. However, the nature of land tenure regime in existence within a particular place with respect to the political, social and economic environment determines ownership of natural endowments. Ownership of land does not necessarily mean ownership of trees or other resources on it. Different sets of rights (bundles of rights) may be applicable to a parcel of land based on the land tenure system (Bruce, 1998:1). In Ghana, the land tenure arrangements implicit in the mineral laws and legislations ensures that while land may be owned by individuals, families or other customary institutions, the right to minerals beneath the soil is the property of the state hence the payment of compensation to inhabitants (Owusu et al, 2007: 8).

“The 1992 Constitution of the republic provides the constitutional framework for the payment of compensation in Ghana. Article 257 of the constitution ‘empowers the President of the republic to compulsory acquire lands in any part of the country on behalf of its citizens and in public interest. However, the exercise of this power must duly recognise due process of law and the payment of prompts and adequate compensation” (Abubynn (2002) cited in Hilson and Haselip 2004: 32). Likewise, the Minerals and Mining Amendment Act of 1992 *“requires mineral right holders to affect as little as possible the interest of any lawful occupier of the land. A mineral right holder must compensate for any disturbance to the rights of owners or occupiers and for damage done to the surface of the land, buildings, works or improvements, or the livestock, crops or trees in the area of mineral operations. The act requires that the amount of compensation is subject to the approval of the Land valuation Board, be determined by agreement between the parties concerned. No act provides for compensation for the land itself” (*Newmont Ghana, 2005:3).

 Majority of mining companies deem it necessary to compensate impacted communities as a way of adhering to legal stipulations and to strengthen relations with rural settlers. The operations of Newmont Ghana affected and impacted on a total number of 1,701 (Newmont Ghana- RAP, 2005:1). In adherence to this standard, Newmont Ghana in collaboration with the Crop Rate Review Committee negotiated the terms and conditions under which crop compensation was paid. Compensation was awarded based on the type of cash crops that existed on an acre of land at the time. Only cash crops such as teak, palm, cocoa were compensated for based on their maturity levels. Lands with no crops were not compensated for as there was no act in that regard. Only farmers with tree crops on their farms at the time were given compensation. Payment for the tree crops was one – off. Charcoal burners and other categories of people who had lost their sustenance to the mine operations were not catered for. The amounts of money paid as crop compensation differed for the under mentioned cash crops. The following rates were paid inter alia: teak (1 acre) - ¢68m, cocoa (1 acre) – ¢34m, palm (1 acre) – ¢9m. Comparing these rates to areas like Akyem and Tarkwa where similar mining activities are taking place, local community members received - ¢120m for an acre of teak in Akyem and ¢175m in Tarkwa respectively. As the saying goes ‘what is good for the goose is also good for the gander’. The people of Kenyase were piqued and felt that they had been treated unfairly and therefore desired a better deal.

 It was also noted in FGDs that, beneficiaries of the compensation package lost all their monies to a rural bank (Tano Rural Bank) in their bid to save. Once the compensation had to be paid through a bank, beneficiaries were compelled by Newmont to open bank accounts with the Tano rural bank. After 3 months of depositing their monies with the bank, officials of the bank (Bank Manager and Accountant) bolted away with the money rendering the bank bankrupt. Sums of money ranging from ¢100m– ¢500m were carried away. A total number of approximately 300 people lost their money to the bank. After a long tussle with management, the government and the law court, the perpetrators have still not been brought to book. The people of Kenyase have the believe that, Newmont connived with the bank in this unjust act. They think that the government’s interest to lure mining investors into the country surpasses its concern to protect their means of livelihood: land and natural resource. As a beneficiary lamented:

 *“the coming of Newmont to this town has not helped us in any way, it has rather brought suffering. The compensation they gave us was not enough, and when we put the money in the bank, the bank people also ran away with our money. We don’t know whether Newmont has a hand in. Now we are left with nothing, our lands that we use to farm on small small for survival are gone. Our money too is gone”* (50- year old Beneficiary, Kenyase, 23/07/10).

To add to that, the inadequacy of the compensation package also created social frictions and tensions within some families and households especially in situations where the land belonged to a family not an individual. The money was paid to the family head (Abusuapanyin) for distribution to other family members. In instances where the family heads squandered the money, tensions and frictions existed.

 Surprisingly enough, local community members had resorted to ASM as a livelihood /survival strategy in spite of all the hazards associated with it. They preferred to lease out their lands for this activity since it was more lucrative and fetched them more money than large scale mining companies which offered them inadequate compensation and at the end of the day took their source of livelihood (land) forever. The compensation awarded was five times more than what was obtained from large scale mining. For every acre of land sublet to ASM, the land owner was entitled to at least 3 bags of gold bearing rocks on a pit depending on the number of bags acquired and the number of pits on the land. An acre of land could carry 10 gold mining pits. Assuming a person had 10 pits on an acre of land, she or he could obtain 30 bags of gold bearing rocks in a week. Approximately, one could emerge with 10 bags of gold bearing rocks from a pit. With ASM, local people believed that, once your land was leased out, you were assured of your daily subsistence since this activity would exist forever. The Outcome has been the acquisition of cars, houses and shops which serve as alternative livelihoods for others. As the indigenous adage goes ‘dia ebe si bia ye’ which literally means ‘anything that happens in life should be accepted in good fate’. There has been a mad rush to lease out existing lands for ASM activities in kenyase and surrounding communities. As one respondent stated:

*“the richest local woman in kenyase had her money from galamsey. The compensation the company gave her was not plenty however after giving out her land for galamsey; you should see the money she has. Today she has two houses, 3 taxis and she has opened a big store. She now goes to Kumasi and Accra to buy wares for her shop. As for the galamsey is very good, if the government could give them licence it will help us better than these big companies coming for our land”.* (25 year old respondent, Kenyase, 23/07/10).

The quote points to how livelihoods have changed as a result of Newmont’s operations. Other livelihoods and outcomes have emerged out of this venture in the form of taxis, houses and shops which could be rented out /hired to other people.

As explained in the sustainable livelihoods framework, within an ever changing political, policy and institutional, social, economic and environmental context, people strive to make a living taking into account a combination of ‘capitals’ and livelihood resources. Depending on the livelihood strategies/mechanisms adopted, within a particular time scale, positive or negative outcomes could be achieved at community, household, national or regional level (Scoones, 1998: 10). With reference to mining, majority of local community members resort to ASM as a survival strategy should in case large scale mines take over their means of livelihood (farmlands) since in most areas where large scale mines operate; it is possible to find ASM. With regards to the study area, the livelihood strategy adopted has been diversification to off -farm income activity such as ASM. As acknowledged by the livelihood framework, livelihood diversification would emerge through a branch out to other off farm income earning activities (ibid: 9).

 In connection with resettlement, Newmont Ghana, constructed resettlement villages on the outskirts of Kenyase 2 (Ola resettlement village) and Ntotoroso (Ntotoroso resettlement village) for 399 resettling households. 312 households (2,028 persons) moved to the Ola resettlement village whilst 87 households (566 persons) occupied the Ntotoroso resettlement village. In consultation with the Resettlement Negotiating Committee, the company identified, evaluated planed and constructed the resettlement villages. In all 341 resettlement houses were built (Newmont Ghana –RAP, 2005: 10). Even though Newmont abided by its Land Access Program of which resettlement and movement of farmers to resettlement villages were components, the package came with its trail a myriad of problems. Concerns voiced out were that: the 90 square foot bedroom houses; as shown in figure 4 below were too small to accommodate large family sizes especially in the rural settings where the extended family system is so strong, with its attendant sense of solidarity and interdependence. Resettlers who initially owned 10 rooms in their communities, were allocated 5 rooms, others had 3 and 1 respectively depending on the family size. This situation disrupted family cohesion, thus the sense of togetherness and we- feeling were lost as some family members had to rent rooms elsewhere. Figure 3 below depicts a rural setting with a cluster of mud rooms which indicates a sense of social bond. Likewise, due to the inadequacy of resettlement sums, community members who used their money for building projects had difficulty in completing them thus had to rent rooms. Formally, a room cost ¢5 -¢10 thousand but due to mining activities in the town, a room now ranged between ¢150 – ¢200 thousand which sounded too dear for local people.

Figure 3: Before – mud house Figure 4: After- resettled house

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***Source: By Author (fieldwork) Source: By Author (fieldwork)***

It is important to note here that, some community members were reluctant to move from their communities whereas others also sold their resettled houses and relocated to close by villages because to them, living in the ‘city’ was too costly hence could not afford luxurious lifestyles. Once in the village, they just needed few foodstuffs from their farms for survival as compared to the city where they would have to buy everything. As one respondent aptly said:

*“town life’ is expensive so local people do not want to move. They just get their kontomire and cassava and they are okay”* (30 year Land Valuer, Kenyase, 22/07/10).

 It is worrying to state that, owing to the above mentioned problems, majority of community members in the study area impacted by activities of Newmont Ghana had migrated to close by towns and villages namely, Mim, Kenyase no.3, Atuanehe, and Donkorkrom respectively to seek for farming lands. Could it be that farmlands in these areas are cheap and easy to acquire or are very fertile to sustain all year farming? As earlier mentioned above, the BAR which is part of the southern sector is the middle belt of Ghana. The region is characterized by high rainfall which spreads over two seasons. Most farming lands are very fertile as compared to the northern part where the natural resource base is very poor. Thus, people migrate from the northern part of the country to engage in farming, ASM and other economic activities in those areas (van der Geest, 2003:3). Activities such as large scale mining could compel local communities off their lands and deprive them of their main source of livelihood that as large scale mines have stressed and destroyed vast portions of land (Anon, 2001 as cited in Hilson and Haselip, 2004:33). This means that, local communities would have to seek/ adopt alternative livelihood strategies to earn a living. As recognised in the sustainable livelihood framework, migration is one of the livelihood strategies that could be adopted in the pursuit of a livelihood. People could decide to move away either permanently - permanent settlement or temporarily elsewhere as is the case of seasonal labour migrants (ibid) to seek for a livelihood through the use of resources – ‘capitals’ at their disposal (Scoones, 1998: 9). The outcome of such migration has been increased remittances back home, building projects, support of family members and other businesses (van der Geest, 2003:4).

 To add to that, the Minerals and Mining Amendment Act of 1994 states that, “Any pre – existing settlement located close to mining operations where the pre- existing inhabitant’s public safety is at risk, or where the inhabitants are subjected to unreasonable nuisance, shall be resettled at a more distant site with at least an equal standard of accommodation and services at the cost of the company” (Newmont Ghana -RAP, 2005: 3). Likewise, the EPA Legislative Instrument – EIA LI (1652, amendment 703) also explains that, any undertaking be it mining or any developmental project should have a buffer of approximately 500 metres or more away from communities (ESIA, 2005). In spite of these stipulations, Newmont refused to resettle the people of Ananiekrom community (Apensu South) living very close - about 30 metres away from the boundary of the company’s concession with the reason that the community fell outside the concession of the company as depicted in figure 5 below. Could it be that the people moved to that area themselves in order to enjoy compensation packages offered by Newmont? Ananiekrom is a small community with about 10 hamlets. The community is about 3 miles away from the main Kenyase town ship. Basically, the people are subsistence farmers.

In this regard, interactions with inhabitants during FGDs revealed that the community was in existence before the commencement of the mine. Owning to the fact that they stayed so close to the mine site, they were plagued with a plethora of problems which were inter alia: health related problems such as catarrh, skin irritations, boils, eye problems due to environmental impacts of mining. Other challenges were lack of potable water as a result of pollution by mine activities as shown in figure 6 below, lack of livelihood sources since farming lands had been taken over by mine activities hence people have to travel 2 km each day in search of jobs and farmlands, lack of employment and other social amenities. Aside this, the place is very isolated thus prevents community members access to social amenities. The people are now pleading with Newmont and the government to come to their rescue and resettle them because they think they are ‘suffering’

|  |  |
| --- | --- |
| Figure 5: Boundary of Newmont concession  | Figure 6: Contaminated water as a result of NGGL’s Activities  |
|  |  |
| ***Source: By Author (fieldwork)***  |  ***Source: By Author (fieldwork)*** |

On the other hand, the refusal of Newmont to resettle community members could imply that mining companies prefer to invest in countries with weaker environmental rules as they might not be indebted by law to bear the cost of environmental externalities. In Ghana and probably most SSA states, governmental organizations lack adequate logistics and the capacity to undertake regular monitoring exercises to ensure that mining companies and other actors adhere to environmental regulations (Akabzaa and Darimani, 2001). This point is corroborated by Robert et al (2000), argument that “mining companies are already taking advantage of the shortage of environmental regulation in the developing world, indicating that “many observers have argued that the reason behind the upsurge in Latin America during the 1990s is generally due to the region’s less restrictive environmental legislation and tax enforcement” (as cited in Hilson and Haselip, 2004: 26).

As mentioned earlier, one of the reasons for the release of land for mining activities in the study area was employment. Local community members, considering the prospects of education and employment agreed to offer their lands. Despite the fact that Newmont offered apprenticeship programs to 19 graduates to date – 17 remain employed with the company: 54 are currently in program (Newmont Ghana, 2010) the number employed was woefully inadequate taking into account the number of communities (10) involved in the project and the population of the area. Majority of the people have taken up employment with ASM.

With respect to the issue of resistance to release farmlands for mining activities, 40% of respondents said they were unwilling to grant their farmlands for mining operations. Why were they unwilling? Is the possession of land a source of prestige or social value? What do they benefit from the land? In the first place, the lands served as their only source of livelihood. Hence, to release them meant they had lost their means of survival forever. The supposed lands were very fertile thus one could harvest about 20 bags of maize from an acre of land in a year which could sustain a household in terms of income and food supply throughout the year. This portrays the value that land has with respect to the streams of benefit that people generate as they hold rights to them (Turner, 1995). Secondly, future generations (posterity) would also have a means of livelihood since the land was handed over to them by their ancestral generation. Land, in most traditional settings was ascribed with spiritual values and viewed as sacred. Thus, to part with it implied delinking the ancestral ties and therefore not entitled to the streams of benefits generated from it (ibid). However, they had no option because any land with minerals underneath belonged to the government as stated in the constitution of Ghana (Owusu et al, 2007:8). Even though Newmont had initiated a number of poverty reduction programs which seemed to be good, local community members felt that they had lost their lands, farms and livelihood forever. A pointer to this fact is the Agricultural Improvement and Land Access Program being implemented by Newmont which is a post resettlement program for farmers. What the company did was to rent 2 acres of land for 2 years for impacted farmers. After which, each farmer was requested to vacate the land, provided he or she was unable to pay for the rent (Newmont Ghana-RAP, 2005).

A local community member from Ntotoroso had this to say when asked why he released his land to Newmont;

*“As for me I did not want to give my land to Newmont because that is what I and my family feed on. The land was given to us by our Nananom (ancestors). Now the land has been taken away, when I die, Nananom will punish me for denying the next generation their livelihood*” (Local community member, Ntotoroso, 23/07/10).

Generally, compensation packages with respect to mining activities- be it crop or compensation for damages have been unsuitable for majority of local communities where large scale mines exist. Issues such as inadequate compensation, delays in the payment of compensation and conflicts over the payment of compensation have been some of the reported cases. F or instance in Papua New Guinea, conflicts ensued over the delay and inadequate compensation packages awarded by BHP for damages to land. Likewise, at the Tintaya Copper and Gold mine in Peru, local communities contended that negotiations regarding land sales had not been fair and equitable. (Hilson and Haselip, 2004: 36&40.) In the case of Newmont Ghana, compensation packages were awarded in February 2006, during the dry season where most farm lands were bare hence most farmers were not covered by the package. Secondly, the country lacks a legal stipulation with standard crop rate, thus Newmont had to negotiate and determine rates payable to farmers. Finally, Payment of compensation had not been prompt and adequate since some farmers were yet to be compensated. I therefore agree with Andoe, (2002) that “the procedure for obtaining compensation for land in Ghana is often cumbersome and subject to considerable delays, and generally, ‘the amount involved is considered inadequate and the system is accused of unfairness”(ibid:32).

## 4.5 Impact of Artisanal /Small Scale Mining

As mentioned in section 4.4, majority of community members were employed by ASM. To understand better the impact of ASM, questions such as; what is the role of ASM? Does the country equally benefit from the activities of these miners as it is the case with corporate mining? were posed. It is relevant to state here that, even though respondents mentioned that ASM was an employment engine for most unemployed people, they maintained that the country did not generate much revenue from this activity compared to large scale mining since these activities were mostly illegal. Moreover, ASM comparatively, caused excessive damage to the environment than large scale mines where impact was quite minimal. However, because Newmont could not offer them employment, they had to survival through this venture. Secondly, it was an easy way to ‘get rich quick’ despite its hazards.

 In Ghana for instance, a total number of 124 people lost their lives through ASM activities at Dunkwa – on – Offin in the central region of Ghana on the 27th of June 2010 when the mine pits they were working in carved in as a result of a heavy down pour (Ghanaian Daily Graphic, 29/06/10). This incident did not serve as a deterrent to the people of Kenyase because the only means of survival to them was to engage in ‘galamsey’ since they have been deprived of their main source of livelihood – land as shown in figures 7and 8 below. As the indigenous adage goes ‘mentee se dogo benu abe’ which literally means ‘survival is man’s ultimate ’. This finding is consistent with the study of Hilson and Banchirigah, (2007:178), who note that, “an estimated two hundred thousand (200,000) people are currently employed in artisanal and small – scale mining nationwide. The activity of ASM operators (‘galamsey’) is today the backbone of Ghana’s subsistence rural economy. The sector has become an unrivalled employment engine, providing hundreds of thousands of jobs to otherwise unemployed farmers, youth and nomad”.

Figures7 and 8: Illegal gold mining activity at Kenyase



***Source: By Author (fieldwork) Source: By Author (fieldwork)***

In any situation one finds him or herself in, there is always a way out. People have different ways of coping and recovering from stress or shock. Either by engaging all ‘capitals’ at their disposal or a combination of resources and strategies to earn a living (Scoones, 1998: 10). As is the case of Kenyase, the people resorted to ASM as coping mechanism/ source of livelihood.

## 4.6 Conclusion

The views of stakeholders and local community members in this chapter revealed a number of issues regarding the impact of mining on local communities in the study area and how livelihoods have changed as a result of mining activities. The interviews showed that, though majority of local community members were willingly to offer their farmlands for mining activities due to compensation packages, they diversified into ASM as alternative livelihood strategy. The outcomes were acquisition of cars, houses, and shops. Others embarked on migration through which remittance were used for building project and support for family member. The interplay of power at the local level reflected the power dynamics of who gets what, when and how.

# CHAPTER 5: Summary of Findings and Conclusion

This paper explored the impact of mining on livelihood and livelihood strategies of local communities using Newmont’s Ahafo South Project of the Brong Ahafo Region of Ghana as a case. In this chapter, a conclusion is drawn based on the analysis of data on key findings in relation to the main themes – Impact of mining(Corporate/ASM), livelihood strategies/ outcomes and mining politics drawing on the sustainable livelihood framework and concept of land tenure .

This study points out that, the operations of NGGL’s brought some positive socio-economic impact to the people of Kenyase and Ghana as a whole in terms of royalties, rents, taxes, social amenities and employment opportunities. As mentioned earlier in chapter 3, Asutifi district has been classified as one of the poorest and deprived districts of the country with limited development opportunities, inadequate infrastructural facilities and low standard of living by the Ministry of Local Government (Newmont Ghana-RAP, 2005). Thus, through NGGL’s activities, the District has benefitted in terms of social amenities such as schools/hospitals, revenue and taxes for day to day administration of the district, district development fund for overall development of the area and support of district based programmes. In addition, over 700 people have acquired training in livelihood enhancement programmes (ibid). This is an indication that mining companies are contributing to sustainable development effort and poverty reduction which are key for development in this 21st century.

However, it is abundantly clear that NGGL’s operations also brought in its wake enormous environmental and social impact such as inadequate compensation packages, displacement/ dislocation of rural dwellers, loss of farmlands, and pollution of water sources /irrigable lands which had implications on livelihoods and food security situation of local communities. Thus, rural dwellers were compelled to seek/construct alternative livelihoods through the adoption of livelihood strategies. According to Scoones (1998:9), the sustainable livelihoods framework identifies three broad categories of livelihood strategies: livelihood extensification/intensification, diversification and migration, which are important for the construction and enhancement of livelihoods/ livelihood outcomes. For that matter, local communities veered into

ASM as a survival / livelihood strategy. The outcome of this venture has been the acquisition of cars, houses, and shops. Others also embarked on migration to close by villages to seek for farming lands. Such migration which was either permanent or temporal yielded positive results in terms of remittances and cash which were used for building projects and support of family members (van der Geest, 2003) .

 Further, the study discovered that neoliberal policies and politics were drivers of mining issues. While neoliberal policies accounted for the susceptibility of most SSA countries to the global mine lobby, hence, weakened state capacity with respect to policy options (Campbell, 2008:3), trade reforms have actually facilitated the opening up of mining sectors of developing countries. Thus, contributed to increase in multinational mining companies in most countries vis - a – vis increase in FDI flow.

 In relation to politics, government is using mining activities to canvass for votes during political campaigns as has been its interest. In areas where government is unable to provide social amenities, discharge of CSR in mining communities serves as basis for government’s interpretation of achievement of developmental goals. Thus, its popularity and wining of votes during political elections. On the one hand, powerful actors- chiefs, local bureaucrats, and opinion leaders were using power dynamics of who gets what, how and when to acquire wealth and property in the form of contracts- washing bays, cleaning of gutters, construction works, cars, money and houses at the expense of local community members (weaker actors) whose main source of livelihood has been affected by mining activities. Dissatisfaction over the use of mining revenues and other benefits from the mining activity generated a lot resistance, agitations and conflicts between chiefs, Newmont and local Bureaucrats. As Bryant and Bailey (1997: 39) pointed out, the possession of power in greater or less amounts could bring about unequal relations between actors which could lead to resistance and conflicts among actors. Politics/power is a battle of classes and it is everywhere. You either win or lose. Fruitful or unprofitable outcomes could be achieved depending on how it is negotiated.

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# Appendices

***Appendix i***

**Profitability of Mining to Ghana**

|  |  | **Frequency** | **Percent** |
| --- | --- | --- | --- |
|  | Yes | 13 | 65.0 |
| No | 7 | 35.0 |
| Total | 20 | 100.0 |

**Willingness of Local Communities to Release Farmlands for Mining Activities**

|  |  | **Frequency** | **Percent** |
| --- | --- | --- | --- |
|  | Yes | 12 | 60.0 |
| No | 8 | 40.0 |
| Total | 20 | 100.0 |

**Environmental Problems Associated with Mining**

|  |  | **Frequency** | **Percent** |
| --- | --- | --- | --- |
|  | Yes | 20 | 100.0 |

**Socio-Cultural Problems Associated with Mining**

|  |  | **Frequency** | **Percent** |
| --- | --- | --- | --- |
|  | Yes | 20 | 100.0 |

***Appendix ii***

**In-depth Interview Guide for key Informants/Stakeholders**

**Section A (Demographic Data)**

1. Occupation: ……………………………………………………………………………
2. Gender: M [ ] F [ ]
3. Age: < 20 20 - 29yrs [ ] 30 – 39yrs [ ] 40 – 49yrs [ ] 50 - 59yrs [ ] 60+ [ ]
4. Educational Background: Tertiary [ ] SHS [ ] JHS [ ] Non-Formal [ ] No Education [ ]

**Section B (Impacts of Mining)**

1. Has the activities of mining companies been profitable to the country?

Yes [ ] No [ ]

 If yes, how has it been profitable? ………………………………………….

If no, why……………………………………………………………………

1. Do you consider the contributions of mining to the growth of the national economy significant?

Yes [ ] No [ ]

If yes, in what ways have mining activities contributed to national development?.............………………………………………………………………

If no, why…………………………………………………………….

1. In what ways have communities benefited from the operations of mining companies?...................................................................................................
2. Are local community members willing to release their farmlands for mining activities?

Yes [ ] No [ ]

If yes, what is the motivation......................................................................................

 If no, why .………………………………………………………………………

1. How are livelihoods changing as a result of mining activities…………………
2. Are there any environmental problems associated with the operations of mining companies? Yes [ ] No [ ]

If yes, what are some of the environmental problems…………………………….

If no, why………………………………………………………………………...

11. Are there any socio –cultural problems associated with the operations of mining companies? Yes [ ] No [ ]

 If yes, how…………………………………………………………………….

 If no, why………………………………………………………………………

12. Have the benefits of mining activities measured up to the adverse effects? Yes [ ] No [ ]

 If yes, how……………………………………………………………………...

 If no, why………………………………………………………………………

***Thank you for your time.***

***Appendix iii***

**Interview Guide for FGD among Resettlement Communities**

1. Has your farm been converted to mining activities Yes [ ] No [ ]
2. If yes, why ……………………………………………………………….

 3. If no, why…………………………………………………………………..

1. How did the mining company get your land………………………………..
2. Were you willing to offer your farmland as a mining concession…...............
3. Were you compensated? Yes [ ] No [ ]
4. If yes, how much ……………………………………………………………
5. If no, why …………………………………………………………………..
6. If yes how much……………………………………………………………...
7. If no, why……………………………………………………………………
8. Has the compensation affected your living condition positively?
9. Yes [ ] No [ ]
10. If yes, how has it affected your living condition……………………………
11. If no, why…………………………………………………………………..
12. How has mining activities affected the socio-cultural life of the folks in your community?...................................................................................................................
13. Have you had any problems with stakeholders since the mining activities commenced? ............................................................................................................
14. How has mining activities affected the environment

***Thank you***

***Appendix IV***



1. Cyanide is an ion, CN-, composed of carbon and nitrogen which is highly toxic and mainly produced for the mining of gold and silver. It helps to dissolve these metals and their ores. The amalgamation of cyanide with water could be deadly to aquatic and human life. Tailing is refuse or dross remaining after ore has been processed. [(www.answers.com](http://(www.answers.com) : Accessed on 6/11/10).

 [↑](#footnote-ref-2)
2. Newmont Mining Corporation is primarily a gold producer, with significant assets or operations in the United States, Australia, Peru, Indonesia, Ghana, Canada, New Zealand and Mexico. Founded in 1921 by Col. Boyce Thompson and publicly traded since 1925, Newmont is one of the world’s largest gold producers. Headquartered near Denver, Colorado USA, the company has over 35,000 employees and contractors worldwide The Ahafo mine is Newmont’s first operation in Africa and it is being managed by Newmont Ghana Gold Limited (NGGL) a subsidiary of Newmont Mining Company([www.newmont.com](http://www.newmont.com) :Accessed on 18/09/2010) [↑](#footnote-ref-3)