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# Grievance and conflict in Ghana's gold mining industry: The case of Obuasi



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#### ABSTRACT

This paper critically explores the key issues of grievance and conflict unfolding in Ghana's gold mining industry. It examines the dynamics of conflict between illegal artisanal and small-scale miners (ASM) and one large-scale mining company, AngloGold Ashanti, in Obuasi. The paper reveals the peculiar nature of the Obuasi ASM-mining company conflict in which grievance seems to factor minimally in explaining the cause. The recent escalation of illegal mining activity on the company's concession has, at times, sparked disputes and violent clashes between the parties. What makes the Obuasi situation unique, however, is that the dispute is not based on grievance over land expropriation per se, as the majority of illegal miners are non-natives who have no ancestral links to the area. It is rather a dispute purely over control of gold resources. The ASM-mining company conflict in Obuasi, therefore, is more of an economically-motivated conflict, which potentially has a longer duration than typical justice-seeking disputes. The formation of a formidable informal association by the illegal miners in Obuasi has proved indispensable in ensuring short-term survival and is potentially a key strategy for ameliorating future disputes in Obuasi.

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### 1. Introduction

Over the past two decades, there have been numerous studies [1–3] undertaken that aim to identify the drivers of conflicts in natural resource-rich developing countries across the world. Each, however, seems to be couched in a different theoretical position [4]. Political economists such as Collier [5] tend to investigate motives and opportunities; political scientists such as Nathan [6] have explored intra-national and international power relations; and economists such as Crammer [7] explain conflict using rational choice and game theory. The diverse conceptualisation of this phenomenon makes research into causes of conflict exceedingly complex.

Though attracting its fair share of criticism, the landmark paper drawn upon in almost all cases is that of Collier and Hoeffler [8]. Despite being overly simplistic and in doing so, potentially detracting from how nuanced the issue of resource conflict truly is, the authors' greed-grievance typology is nevertheless a useful framework for understanding the drivers of resource conflicts in developing countries, and indeed a useful point of departure in this analysis, which again, seeks to broaden understanding of the dynamics of disputes between ASM parties and large-scale miners in Ghana. Many scholars such as Collier and Hoeffler [9], and Humphreys [2] have since used the greed-grievance typology as a framework for understanding conflicts associated with a range of natural resources.

The broad consensus in the literature is that natural resource conflicts take on different dimensions, depending on the type of commodity being extracted, extraction process involved, and the geographical occurrence of deposits [3]. To date, a large number of the resource conflicts that have occurred in sub-Saharan Africa have involved solid minerals and ores. Notable examples include the diamond wars in Angola and Sierra Leone; the conflict over coltan in the Democratic Republic of Congo; and – the focus of this paper – conflict over gold in Ghana.

It must be emphasised that the scale and intensity of the kinds of conflicts experienced in Sierra Leone and Angola are not comparable to the usually latent disputes that have surfaced in gold-rich Ghana due to the different characteristics – as mentioned above – of the commodity being mined, as well as its markets and the players involved in its acquisition. According to the typology, the former have come about because of greed. Specifically, scholars such as Collier and Hoeffler [9], Collier and Sembane [10] and Aspinal [11], among others, have argued that conflicts which have had diamonds at their core, including those that have surfaced in Sierra Leone, Angola and Democratic Republic of Congo, were economically-motivated. They had greed undertones, and the geographically-dispersed nature of deposits and the inability of governments to regulate their extraction provided an impetus for organised rebel groups to mobilise, secure and extract minerals from sites for personal gain [3,12]. Rebel groups have typically taken control of mining areas, often organising insurgencies against the government or the state. When compared to alluvial diamonds, minerals such as gold are far more ubiquitous geologically and associated with very different market dynamics, and therefore unlikely to give rise to conflicts of this nature.

It is important to clarify, however, that a host of countries in sub-Saharan Africa which are now large producers of nonferrous metals such as gold have been the locations of significant resource-related disputes. As scholars such as Ross [1] and Humphrey [2] explain, these comparatively low-intensity disputes, which again have emerged in gold mining communities in the likes of Ghana, Tanzania and more recently, Mali, are attributable to grievances associated with unequal distribution of resource rents, land expropriation and environmental pollution.

The paper focuses on the disputes between artisanal miners and multinational mining firms in Ghana, and Obuasi in particular. It is argued that these conflicts are very much a product of reforms implemented in sub-Saharan Africa over the past two and a half decades, themselves the outcome of a broader neoliberal ideology aimed at transforming and improving the macroeconomic conditions of the region. The reforms led to the promulgation of new and attractive mining laws throughout, immediately, after which private foreign investments quickly began to flow into the mining industry in countries such as Tanzania, Ghana, Guinea, Mali and Senegal [13]. The reforms fuelled the sudden and rapid rise of large-scale mining activities in poor rural communities, which has proved to be the source of company-community conflicts in localities such as Obuasi.

This paper argues that these conflicts have ostensibly emanated from different perceptions of the mining activity that have surfaced under reform [14,15], specifically over environmental and socio-economic concerns, indigenous peoples' rights, a lack of economic opportunities and security.

Whilst a considerable amount of literature has been published about natural resource conflicts, their drivers, implications for development and the resource curse in sub-Saharan Africa, there has been little discussion aimed at broadening understanding of the present and future conflicts between ASM and large-scale miners over terrain rich in gold [13,16]. Under reform, foreign-controlled large-scale operations and indigenous ASM operators have often struggled to coexist. On the one hand, the latter tend to have grievances over challenges such as inadequacy of legislation which give advantage to multinational mining firms [17], a lack of mineralised land on which to work [9,13], and abuse of large-scale mining companies' power [18]. On the other hand, the former are faced with the challenge of diffusing frustrations over issues perceived in a negative light by communities and their responses to these concerns, which include encroachment on to their leased areas, physical assaults on their personnel, invasion of underground facilities, setting alight of equipment, and the indiscriminate use of stolen explosives by artisanal miners [19].

The next section of the paper critically reviews the dynamics of mining conflicts in Ghana, particularly, ASM-mining company clashes in the country's gold-producing communities. The section further outlines the methods and techniques employed to gather primary data. Section 3 focuses on the clashes between ASM operators and AngloGold Ashanti in Obuasi, and outlines steps that have been taken by the company to ameliorate the problem and ensure orderly promotion of a viable small-scale mining sector. Section 4 examines steps taken by the locality's ASM operators to sustain themselves over the long-term, including forming an association, a valuable industry mouthpiece and important strategy for championing their cause. Section 5 concludes by highlighting the peculiar nature of the dispute between ASM and AngloGold Ashanti in Obuasi. The section also presents the various roles played by stakeholders, including ASM associations, in efforts to minimise the problem.

#### 2. Key aspects of mining conflicts in Ghana: The case of Obuasi

Ghana has been plagued by a history of conflict in its gold mining communities, particularly clashes between artisanal and small-scale groups, and multinational companies [20]. Conflict between these parties has, over the past two decades, escalated, becoming a defining feature of the country's gold mining industry. This conflict could thus be viewed as an important aspect of the country's resource curse.

An influx of large-scale multinational gold mining companies stimulated by the Structural Adjustment Programme (SAP) in the early 1990s (intended to boost the economy and reduce poverty), coupled with the Ghanaian Government's intended efforts to formalise illegal small-scale mining in order to provide livelihood opportunities to facilitate reductions in rural

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