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# Chinese participation in Ghana's informal gold mining economy: Drivers, implications and clarifications

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## A B S T R A C T

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This paper brings some clarity to the debate on Chinese participation in Ghana's artisanal and small-scale mining (ASM) sector. Over the past decade, tens of thousands of Chinese nationals have migrated to rural Ghana, where they have proceeded to extract gold, for the most part undeterred, illicitly. The perceived impacts of this migration have captured the interest of the global public and attracted considerable media attention. The Government of Ghana has responded, albeit rather pedestrianly, to mounting concerns by assembling a National Task Force to 'flush out' illegal miners. It is argued here, however, that this will only provide short-term relief because the issue being tackled – growing Chinese participation in ASM – is the latest 'expression' of a much bigger problem: namely the sector's perpetual informality, brought about by an excessively-bureaucratic legalization process and failure, on the part of the government and donors, to deliver adequate and appropriate support to desperate operators. The key to reducing the inflow of Chinese migrants to Ghana's mining regions is adequately addressing the root causes of this informality.

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## 1. Introduction

During the week of 6 June 2013, Ghana's police force arrested 168 Chinese nationals suspected of working in the country's informal gold mining sector. The vast majority of detainees were in possession of expired visas and/or work permits; others, however, had no identification documents at all, let alone valid entry visas. In Ghana, the number of Chinese citizens involved in illegal gold mining activity has risen sharply in recent years. Reports suggest that since 2005, as many as 50,000 gold prospectors have left China for Ghana.<sup>1</sup>

The problem now grips the nation, having roused the local media, NGOs and the general public. A significant amount of attention has been paid to the environmental impacts of illegal Chinese-run operations in particular. Targeting mainly alluvial and shallow hardrock gold deposits, the Chinese have been accused of defacing vast tracts of land in townships such as Wassa Akropong and Dunkwa, and dredging large sections of important rivers such

as the Birim, Pra, Offin and Ankobra.<sup>2</sup> Concerns have also been voiced over the social impacts of 'arriving' Chinese who, in a number of locations, have been accused of widespread human rights abuses. The most reported cases have been in the villages of Keniago and Dunhura in the country's Ashanti Region where, according to Siegel (2012), a burgeoning illegal Chinese mining population has re-routed rivers and flooded roads used by villagers to access markets, seized farmlands unscrupulously, and bulldozed moats constructed for agriculture. Two of a series of settlements which make up the high-profile UN Millennium Village in Bonsaaso, Keniago and Dunhura have attracted considerable international media attention.<sup>3</sup> The project's partial takeover by marauding Chinese miners, however, has proved serious enough

<sup>2</sup> See '45 Chinese Galamsey Operators Arrested' [www.spectatorgh.com/45-chinese-galamsey-operators-arrested/](http://www.spectatorgh.com/45-chinese-galamsey-operators-arrested/) (Accessed 14 August 2013).

<sup>3</sup> 'What's life like at Ghana's Millennium Village Project?' [www.guardian.co.uk/global-development/2012/jun/25/ghana-millennium-village-project](http://www.guardian.co.uk/global-development/2012/jun/25/ghana-millennium-village-project) (Accessed 13 July 2013). The Millennium Village Project was launched by the United Nations in an ambitious effort to meet the Millennium Development Goals. The model is 'built on the premise that, with modest support, rural economies can transition from subsistence farming to self-sustaining commercial activity'. Bonsaaso (Amansie-West District, Ashanti Region) has long been Ghana's flagship Millennium Village. See <http://millenniumvillages.org/the-villages/> (Accessed 3 January 2014).

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<sup>1</sup> 'Ghana takes action against illegal Chinese miners' [www.issafrika.org/iss-today/ghana-takes-action-against-illegal-chinese-miners](http://www.issafrika.org/iss-today/ghana-takes-action-against-illegal-chinese-miners) (Accessed 12 January 2014).

for UN authorities to fast-track the siting of another Millennium Village in Nabari, a fairly remote, 'mineral-free' locality in the north of the country. There have been countless reports of Chinese gold prospectors 'invading' other rural spaces in Ghana, in some instances, threatening locals with firearms.

Whilst numerous arrests have been made in recent months, overall, the Government of Ghana's response to the growing Chinese presence in the country's informal gold mining economy – referred to locally as *galamsey*<sup>4</sup> – has been extremely pedestrian. The lack of urgency has sparked rumours of possible Ghanaian collusion. Accusations have been levelled at a number of high-level government officials in particular, most recently, immigration officers,<sup>5</sup> who are suspected of permitting thousands of Chinese nationals entry into the country – who arrive in the hundreds weekly on connecting Kenya Airways and Emirates flights – without visas or valid work permits. The corruption is believed to extend to the local level, where chiefs and other community leaders are said to have forged working agreements with arriving Chinese partners, 'permitting' them to work sections of land in exchange for a percentage of gold production.<sup>6</sup>

The Government of Ghana recently established a National Task Force to help coordinate the 'flushing out' of illegal Chinese gold miners.<sup>7</sup> But the move is seen to be a façade aimed at pacifying an agitated public. Many believe that the length of time it took to establish the Task Force was due to protracted deliberations by government officials potentially concerned that forceful action could deteriorate relations with China, an important bilateral trading partner that has provided Ghana with significant financial assistance over the past decade. The latest tranche of funding from Beijing, awarded in 2012, was a US\$3 billion loan, the repayment of which is linked to Ghana's newfound oil supplies.<sup>8</sup> With the numbers of illegal Chinese gold miners growing exponentially, these accusations are gaining considerable momentum alongside fresh rumours of government involvement.

The purpose of this article is to bring some clarity to the debate on Ghana's burgeoning Chinese *galamsey* population. Whilst certainly thought-provoking, analysis of the subject to date has been largely unfocused, failing to highlight significant underlying issues. Less than one week after the 168 arrests were made, the Ghana Immigration Service announced that no one would be prosecuted because all detainees had agreed to return to China.<sup>9</sup> The announcement was made in response to officials at the Chinese embassy in Accra declaring, publicly, that they would provide miners with free transport back to their home villages and assist the Task Force with its 'roundup'.<sup>10</sup> It is argued here, however, that the recent rapid increase in Chinese *galamsey* activity is the latest

'expression' of a much bigger problem, which periodic arrests, deportation and a simultaneous military-led 'crackdown' on operations are incapable of resolving on their own.

Drawing on findings from interviews with key stakeholders, the paper interrogates many of the claims presented in the local media about *galamsey*, in the process, making two contributions to the debate on Chinese involvement in Ghana's informal gold mining economy. First, it aims to dispel claims that Chinese migrants have 'taken over' Ghana's informal gold mining economy. Their entry into Ghana has been facilitated by partnerships forged with local operators and other nationals, as well as through service companies operating in the country, a large number of which are owned by Chinese businessmen. Second, the paper argues that the growing number of Chinese *galamsey* operators is, as indicated, the latest manifestation of a much larger problem in Ghana which continues to be overlooked: namely, an unsupported informal artisanal gold mining sector populated heavily by individuals who are in desperate need of assistance. For over three decades, Ghana's policymakers have prioritized the development of the large-scale gold mining sector, providing a series of generous tax breaks in an attempt to attract foreign investment. But at the same time, successive governments have ignored the needs of indigenous small-scale gold mine operators, implementing and modifying a regulatory framework that has *discouraged*, rather than *facilitated*, legalization. Recent, in-depth analysis (Hilson, 2002a; Tschakert and Singha, 2007; Bush, 2009; Hilson and Ackah-Baidoo, 2011) has captured the essence of the *ad hoc* approach taken to formalize and support the sector over the years. Apart from yielding an inappropriate regulatory apparatus, this strategy has repeatedly led to the demarcation of land for prospective licensees which has very low concentrations – and occasionally, no accessible deposits – of gold, and the dispatching of inappropriate equipment to needy operators. What seems to be lost in the euphoria surrounding the 'invasion' is that the decision made by scores of Ghana's *galamsey* miners to 'reach out' to foreign financiers, which has ultimately catalyzed the steady inflow of Chinese citizens to the sector, is behaviour typical of most informal sector trades found in sub-Saharan Africa today. By confining Ghanaians to the *galamsey* economy through complex regulations and policies, the government and donors are, in part, to blame for the complications now associated with informal gold mining in the country, including its latest nuance: growing Chinese participation.

Recent scholarship on Chinese investment patterns in, and migration to, sub-Saharan Africa, reinforces these points. After 'locating' the case study in this body of literature, the paper reflects critically on the drivers and implications of growing Chinese participation in Ghana's informal gold mining economy.

## 2. 'Informalized' spaces, Chinese investment and the re-shaping of rural sub-Saharan Africa

The questions which have come to dominate recent public discussions and policy dialogue on Chinese participation in Ghana's informal gold mining economy are little different to those which underpin much larger debates about Beijing's growing interests in Africa. Chinese investment across the continent has reached unprecedented levels. Through a series of soft loans and direct funding, Beijing has financed numerous infrastructural projects, moves which have helped to foster strategic economic partnerships: during the period 1999–2009, the value of trade between Africa and China increased from US\$4.8 billion to US\$72 billion (Huang et al., 2013). Today, there are over 800 state-owned Chinese corporations and countless private enterprises operating across the continent (Hiemstra-van der Horst, 2011).

<sup>4</sup> A local label for illegal mining, the literal translation of which is 'gather them and sell'.

<sup>5</sup> 'Ghana Immigration Service cannot escape blame' <http://graphic.com.gh/Editorial/ghana-immigration-service-cannot-escape-blame.html> (Accessed 21 June 2013).

<sup>6</sup> 'GIS Officer Linked to Chinese Entry' <http://thechronicle.com.gh/gis-officer-linked-to-chinese-entry/> (Accessed 28 August 2013).

<sup>7</sup> This is not the first time that the Government of Ghana has combatted illegal artisanal mining with force. The country has a long history of military 'sweeps' of artisanal mining communities, many of which have been associated with widespread human rights abuses (see Hilson and Yakovelva, 2007).

<sup>8</sup> 'Ghana Signs \$1 Billion Loan With China for Natural Gas Project' [www.bloomberg.com/news/2012-04-16/ghana-signs-1-billion-loan-with-china-for-natural-gas-project.html](http://www.bloomberg.com/news/2012-04-16/ghana-signs-1-billion-loan-with-china-for-natural-gas-project.html) (Accessed 13 May 2013).

<sup>9</sup> 'Chinese are not being prosecuted because they volunteered to leave – GIS' [www.citifmonline.com/index.php?id=1.1417450](http://www.citifmonline.com/index.php?id=1.1417450) (Accessed 15 July 2013).

<sup>10</sup> 'Embassy vows to aid embattled Chinese gold miners in Ghana' [www.scmp.com/news/china/article/1256044/embassy-vows-aid-embattled-chinese-gold-miners-ghana](http://www.scmp.com/news/china/article/1256044/embassy-vows-aid-embattled-chinese-gold-miners-ghana) (Accessed 31 August 2013).

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