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How you start matters: A comparison of Gold Fields' Tarkwa and Damang Mines and their divergent relationships with local small-scale miners in Ghana

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ABSTRACT

This paper argues that actions of large-scale mining companies at the early stages of a mining project establish a legacy which sets the tone for that mine's long-term relationship with the local artisanal and small-scale mining (ASM) stakeholders. This paper compares the experiences of Gold Fields' Tarkwa and Damang mines and the divergent histories of each of these mines' relationship with local small-scale mining stakeholders. Circumstances at Damang during the discovery and early development of the project drove a rift between the mine and the ASM community. As the mine developed, a chain of ASM engagement strategies were enacted in an attempted to repair the relationship but which has never able to regain sufficient trust between the mine and ASM stakeholders. At the nearby Tarkwa mine, ASM confrontations have been much easier to manage. Despite early disagreements at Tarkwa, a relationship characterized by greater trust between the mine and ASM communities was established early and therefore ASM engagement strategies have been simpler and more effective. This paper will conclude that establishing and maintaining a positive mine legacy as early as the exploration phase of a mining project is critical to maintaining a positive, trust-based relationship between LSM companies and their local ASM stakeholders over the life of a mine.

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Introduction

Artisanal and small-scale mining (ASM) is ubiquitous in rural Ghana and is commonly conducted on the concessions of large-scale mining (LSM) companies. Large scale mining companies are becoming increasingly concerned about the threat that ASM poses to their social license to operate as ASM increases its economic importance in the country and increases conflict with LSM. As a result, ASM–LSM relations are becoming a heated topic in Ghana's mining industry and political landscape. This relationship is highly complicated and increasingly tense. However, some LSMs are seemingly able to manage these challenges better than others. This paper examines the case of two mines owned by Gold Fields Ghana which have divergent experiences with ASM. At one mine,

violent interactions with ASM are commonplace and at the other, disagreements with ASM have been successfully managed with dialog and minimal confrontation. What makes these mines different and how can companies learn from their experiences?

The purpose of this paper is to argue that interactions between LSM and ASM at the early stages of a large-scale mining project establish a legacy which sets the tone for that mine's long-term relationship with the ASM community. To make this argument, this paper examines the experiences of Gold Fields' Tarkwa² and Damang³ mines and the divergent histories of each of these mines' relationship with local ASM communities. This paper will show that differences in discovery, geology and geography of these deposits resulted in an early rift between the Damang mine and the ASM community that in turn resulted in inconsistencies in ASM engagement and policy on the part of that mine. On the other hand, at Tarkwa, these confrontations have been inadvertently avoided because of early decisions driven by the differing mine plans and early resettlement policies.

This paper will show that the resultant early chain of hostile interactions between the mine and small-scale miners at Damang has been difficult to reverse and therefore continues to this day. At

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² Held 90% by a subsidiary of Gold Fields: Gold Fields Ghana Holdings, Ltd. The remaining 10% is held by the government of Ghana.

³ Held 90% by a subsidiary of Gold Fields: Abosso Gold Fields, Ltd. The remaining 10% is held by the government of Ghana.

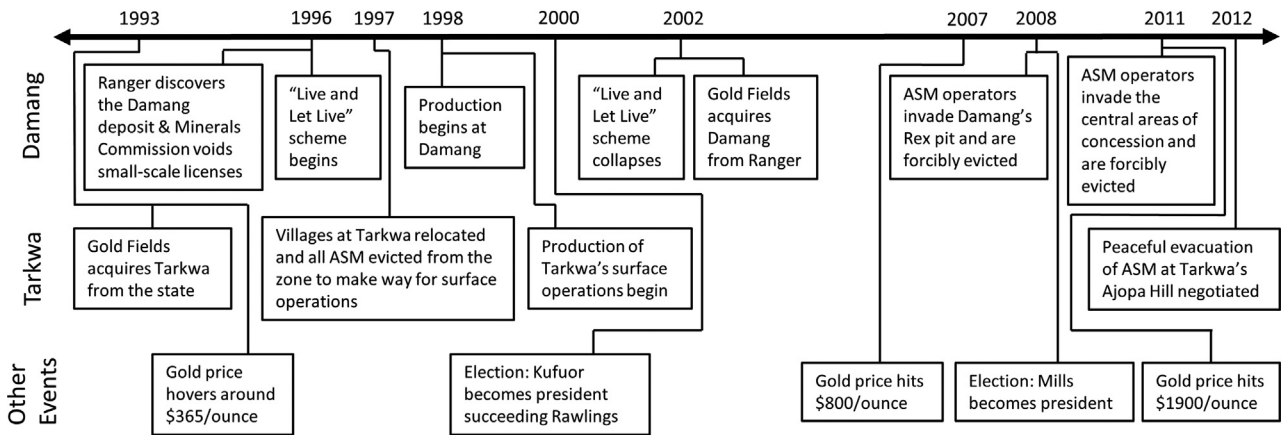


Fig. 1. Timeline of events.

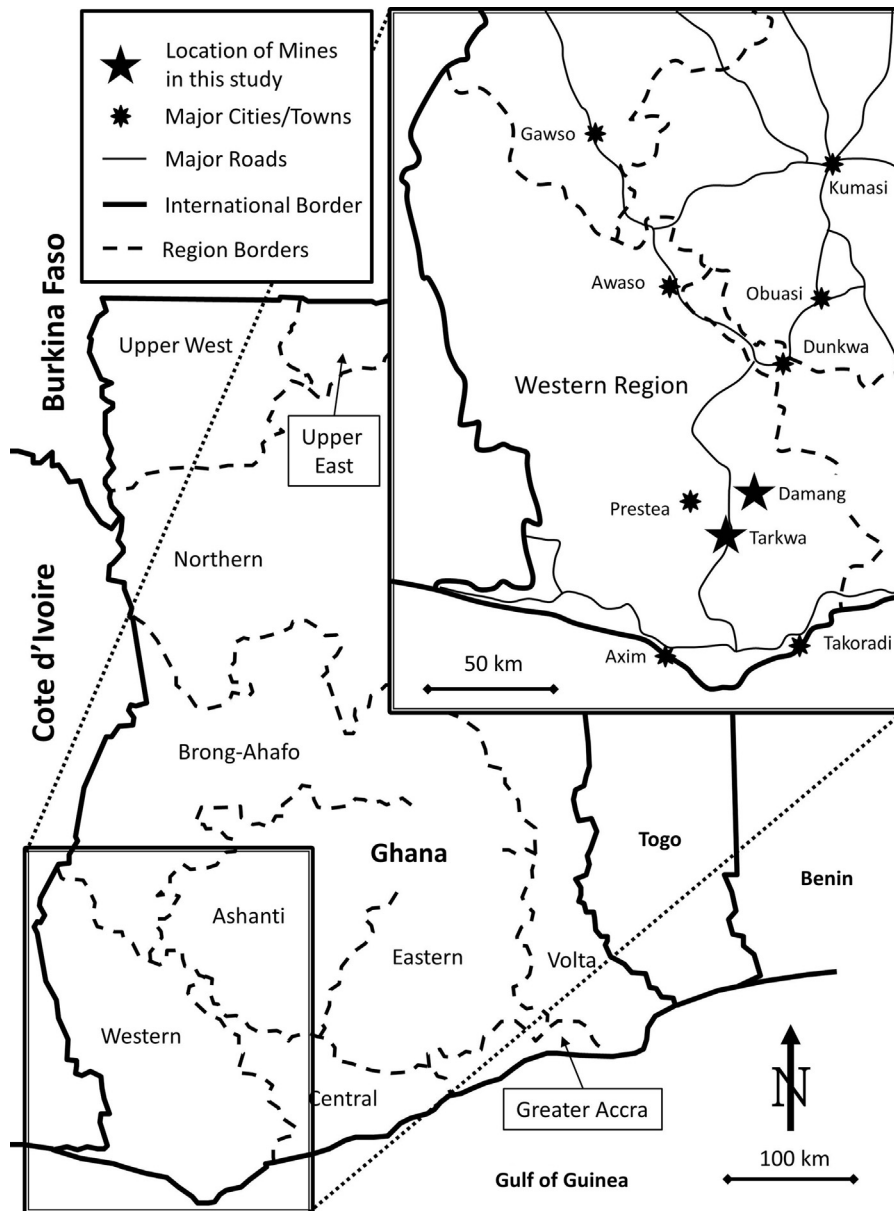


fig. 2. location of mines.

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