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Land Use Disputes in Ghana's Mining  
Communities: Developing Sustainable  
Strategies



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# **Land use disputes in Ghana's mining communities: Developing sustainable strategies**

**Louise J Obara and Heledd Jenkins**

## **Abstract**

In response to heightened global awareness of sustainability, environmental and ethical issues, corporate social responsibility (CSR) has become a priority concern in the mining industry. One of the more serious CSR policy challenges faced by governments and companies in mineral-rich developing countries is the equitable resolution of disputes between small-scale and large-scale mining; one country where this issue has become noticeably intense is Ghana. Several small-scale mining communities – mainly individuals carrying out illegal activities – have surfaced, operating alongside the country's large-scale mining companies. These illegal miners are accused of causing widespread environmental damage, promoting child labour, and encroaching and causing grievances on plots of land demarcated to large-scale mining. This paper describes research undertaken in Ghana's mining communities to improve understanding of the nature of the conflict between small-scale miners and large-scale mining companies. Interviews with a range of key stakeholders were conducted to access a range of informative perspectives on the issue. The paper presents case studies from two mining companies and critically assesses and compares the different approaches taken by each company towards small-scale mining communities. The paper concludes with a discussion of the strategies proposed by the government and the mining companies to alleviate the disputes, and suggests alternative sustainable strategies.

## About the BRASS Centre

In 2001, Cardiff University won £3.1 million in research funds from the Economic and Social Research Council to develop a Research Centre for Business Relationships, Accountability, Sustainability and Society (BRASS). The Centre is a joint venture between the University's Schools of Business, City & Regional Planning and Law. It brings together the three Schools' existing research expertise on issues of sustainability, business ethics, company law, corporate reporting and business communication.

The Centre started work in October 2001 under the leadership of Professor Ken Peattie of the Business School, Professor Terry Marsden of the Department of City and Regional Planning and Professor Bob Lee of the Law School. The funding of the Centre covers an initial five-year period, but this should just mark the beginning of BRASS' contribution to creating more sustainable and responsible businesses locally, nationally and globally.

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## **Introduction**

Historically, the mining industry has taken a 'devil may care' attitude to the impacts of its activities; operating in areas without social legitimacy, causing major devastation, and then leaving when an area has been exhausted of all economically valuable resources. Cost benefit language has often been used to excuse the damage caused because it is outweighed by the overall financial benefits (Jenkins, 2004). However, in response to heightened global awareness of sustainability, environmental and ethical issues, corporate social responsibility (CSR) has become a priority concern in the mining industry. In their efforts to embrace CSR, mining companies are challenged with balancing the diverse demands of communities, the environment and the economy. In doing so, companies must identify the interests, concerns and objectives of various stakeholders (including national, regional government, local authorities, indigenous people, local communities, employees and competitors) and address their often-varying needs (Guerra, 2002). This has proven most difficult in the developing world, where political instability, a lack of government presence, impoverished regulations, and low levels of monitoring have put the onus of responsibility on mining companies to ensure that positive relations with communities are established and maintained.

One of the more serious CSR policy challenges faced by governments and companies in mineral-rich developing countries is the equitable resolution of disputes between small-scale and large-scale mining. Small-scale mining is a poverty driven activity found mainly in developing nations which often generates land use disputes with other stakeholders, particularly large mining companies (Andrew, 2003). This paper describes research undertaken in Ghana's mining communities to understand the nature of the conflict between small-scale miners and large-scale mining companies. Interviews with a range of key stakeholders were conducted to access a range of informative perspectives on the issue. The paper presents case studies from two mining companies, and critically assesses and compares the different approaches taken by each company towards small-scale mining communities.

## **CSR in the mining industry**

The discovery, extraction and processing of mineral resources is widely regarded as one of the most environmentally and socially disruptive activities undertaken by business (Peck & Sinding, 2003). Indeed, as Warhurst (2001) notes, many of the environmental disasters or human rights incidents that have contributed to the growing public concern about the actions of companies over the last 40 years have taken place in the extractive industries: the mining sector, therefore, is a key topic in debates about social and environmental responsibility (Cowell *et al.*, 1999). Consequently, the global mining sector has begun using CSR as a basis for addressing the needs of its stakeholders.

Walker and Howard (2002) outline several reasons why CSR and other such voluntary initiatives are important for mining companies. These include the following:

- Public opinion of the sector as a whole is poor; opinion of natural resource extraction industries is influenced more by concerns over environmental and social performance than by performance in areas such as product pricing, quality, and safety (Rae & Rouse, 2001).
- Pressure groups have consistently targeted the sector at local and international levels, challenging the industry's legitimacy.
- The financial sector is increasingly focusing on the sector from both risk management and social responsibility perspectives. It is not unusual for mining companies to be screened out of Socially Responsible Investing (SRI) funds altogether (SRI Compass, 2002).
- Maintaining 'a licence to operate' is a constant challenge.

CSR is a helpful conceptual framework for exploring the corporate attitude of companies towards stakeholders (Wheeler *et al.*, 2002). For the mining industry, CSR is about balancing the diverse demands of communities, and the imperative to protect the environment, with the ever-present need to make a profit (Jenkins, 2004). CSR requires companies to respond, not only to their shareholders but also to other

stakeholders, including employees, customers, affected communities and the general public, on issues such as human rights, employee welfare and climate change (Hamann, 2003).

### **Community engagement**

With longstanding reputations for being environmentally destructive and socially disruptive, multinational mining companies have incorporated such terms as ‘sustainable development’ and ‘environmental management’ into their corporate dialogues in an attempt to show that they are tackling problems with improved strategy and practice. Considerable effort has been made by the industry to highlight its commitment to both protecting the environment and addressing the needs of affected communities. This is particularly evident in the gold mining sector where local communities play an important role in stakeholder relationships. Many companies have attempted to negotiate with important stakeholders and formalise agreements with indigenous communities and central and regional governments to address areas of concern. There are numerous social and environmental concerns and issues associated with the gold mining industry, including access to land at the exploration and mining stages, environmental pollution, damage to the health of affected communities and the increased mechanisation of the industry, which negatively impacts employment levels. (Mitchell, 1999; Cottrell and Rankin, 2000; Hilson and Murck, 2001). Some mining companies are making attempts to face such challenges in order to improve resource efficiency, and are undertaking stakeholder liaison exercises to prevent future confrontations (Cottrell and Rankin, 2000).

In Ghana, resident large-scale gold mining companies assert that they are providing support to indigenous communities. Specific examples of CSR initiatives being carried out include the implementation of Local Economic Development (LED) projects, construction of community infrastructure, and local employment. However, as Campbell (2003); Pegg (2003); Hilson and Haselip (2004) and others explain, the piecemeal nature of the regulations, laissez faire investment policies, and *ad hoc* monitoring systems in place in various developing nations such as Ghana raise the question of how committed mining companies are to sustainable development.

## **Land use disputes between small-scale miners and large mining companies in Ghana**

One of the more serious CSR challenges faced by companies operating in mineral-rich developing countries is the equitable resolution of disputes between artisanal and large-scale mining. Ghana is Africa's second largest gold producer, producing 70 tonnes in 2003 (MBendi, 2004). The industry is comprised of highly-mechanized large-scale operations, as well as numerous small-scale activities<sup>1</sup>. In Ghana, land use competition between small-scale and large-scale mining parties has become noticeably intense. Both segments of the industry have flourished under reform, due in large part to the emphasis placed by the government on strengthening mining policy and regulatory bodies. Specifically, under the auspices of the World Bank, tax codes and investment policies have been modified to encourage foreign investment in large-scale mining projects; inefficient state projects have been heavily privatized; and small-scale mining has been formalized through the implementation of a streamlined licensing process in 1989 for indigenous grassroots operators. However, a growing body of illegal small-scale miners – those without a license – operate alongside Ghana's *registered* small-scale and large-scale mining operations, which has caused considerable tension within many rural areas of the country.

The rapid proliferation of large-scale mining activity has increased demand for mineralized land throughout the country (see figure 1 for a map of Ghana's gold mining area), in turn, causing disputes between mining parties, and exacerbating tensions between foreign multinationals and indigenous groups. Communities have been affected in many ways by mining activities; the national Coalition of Civil Society Groups Against Mining has stated that Ghana's growing foreign investment and production in the mining sector has been destroying the national economy, the environment, community livelihoods and human rights over the last twenty years.<sup>2</sup> For example, it is reported that between 1990 and 1998 more than 30,000 people were

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<sup>1</sup> Small-scale mining is primarily a poverty-related activity, usually found in remote rural areas of developing countries, where there are few employment opportunities and where education levels are extremely low. It is usually characterized by small, relatively unsophisticated operations using simple tools, little mechanization and lacking formal business arrangements or legal title to the sites extracted (UN, 1996; Kambani, 2000; Hilson, 2002).

<sup>2</sup> Corp Watch (30 July 2003) Anti-Mining Activists Threatened and Harassed (Accessed 8 December 2004 [http://www.corpwatch.org/print\\_article.php&id=7772](http://www.corpwatch.org/print_article.php&id=7772))

displaced in Ghana's Tarkwa District, as well as rivers contaminated and farms and forest land destroyed.<sup>3</sup>

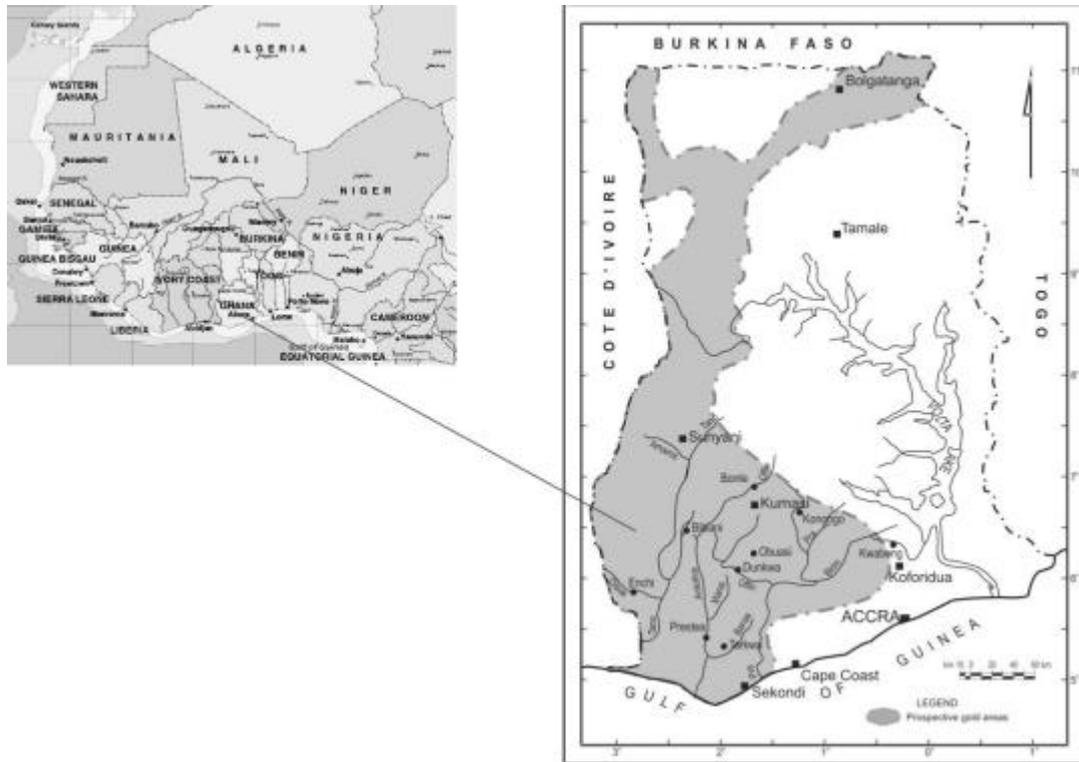


Figure 1. Map of Ghana's current and prospective gold mining areas.

Ayling and Kelly (1997) argue that one reason why small-scale mining has a huge potential for land use conflict is because different interests compete for a limited amount of resources, and clear, legitimate rights of access are often lacking. The conflict between small-scale and large-scale mining in Ghana is deeply-rooted; large-scale mining companies argue that they have gone through the necessary legal channels to secure concessions and should therefore have legal entitlement, and indigenous groups and small-scale mining parties maintain that they have cultural ties to land. In particular, the process by which mining institutions have awarded concessions to large-scale mining companies has been questioned, with representatives of local communities and NGOs arguing on their behalf that exceedingly – and often unnecessarily – large plots of land are awarded for significant lengths of time (ILO, 1999). This has further exacerbated hostility between mining parties as small-scale miners experience difficulties finding suitable plots of land that

<sup>3</sup> Dirty Metals Mining, Communities and the Environment, and Mining. Earthworks and Oxfam America (2004), Watch Canada (4 July 2003) Canadian Mining Companies Destroy Environment and Community Resources in Ghana. (accessed 25 November 2004) [http://www.miningwatch.ca/publications/Cdn\\_Cos\\_in\\_Ghana.html](http://www.miningwatch.ca/publications/Cdn_Cos_in_Ghana.html)

do not form part of a large-scale mining concession, as well as the fact that “*there has been a tendency for the government to demarcate unproductive land plots to artisans, which has forced many to encroach onto neighbouring large-scale concessions.*” (Hilson and Potter, 2005, p. 119). Due to its labour intensity small-scale mining may generate significant employment avenues, especially in remote rural areas where alternative job opportunities are scarce and low paying. Apart from the direct employment contributions of small-scale mining, it also generates a substantial number of indirect jobs in other sectors of the economy (Amankwaha and Anim-Sackey, 2003). However, the Ghanaian Government’s focus on promoting the interests of large-scale mining companies means that this is rarely recognised and a negative public perception surrounds illegal small-scale mining, referred to locally as *galamsey*. They are accused (often by the media) of causing widespread environmental damage, promoting child labour, and most significantly, encroaching and causing grievances on land plots demarcated to large-scale mining.

In March 2005, the Ghanaian government announced that it was cracking down on illegal mining, calling for *galamsey* in the Western Region – the location of 50% of the country’s gold mines and an area that has been especially prone to land use disputes – to vacate their plots. This has caused escalated levels of agitation and conflict in the majority of Ghana’s principal mining regions. Recent analysis (Nyame 2002; Amankwah and Anim-Sackey 2003; Hilson and Potter 2003) has shown that the policies now in place for small-scale mining have in fact further marginalized prospective indigenous mining groups, fuelling the rapid growth of *galamsey* communities. The costs attached to, and time delays in, securing a plot of land through legal channels have deterred many *galamsey* from registering operations with the government. And overall, there is little land available for indigenous people seeking to register as a small-scale miner, as most has been demarcated for large-scale mining purposes (much of which is unused).

Having described the nature of the dispute in Ghana’s gold mining communities, the following section will present two case studies outlining the different approaches taken by large-scale mining companies operating in Ghana toward small-scale mining communities. These approaches will be compared and critically assessed, the

strategies proposed by the government and the mining companies to alleviate the disputes will be discussed, and alternative sustainable strategies suggested.

## **Methodology**

A qualitative approach was adopted to investigate the nature of illegal mining in Ghana, and critically examine the complex relationships between the Ghanaian Government, large-scale mining companies and small-scale miners. Semi-structured interviews with key stakeholders were undertaken to access a range of informative perspectives on the issue, and included Government officials, large-scale mining companies, licensed and unlicensed small-scale miners, non-governmental organisations (NGOs) and licensed gold buyers. Moreover, several focus group interviews were conducted in *galamsey* communities that have been affected by land use disputes with large-scale mining companies. A predominantly qualitative method of investigation was selected to allow the researchers to explore at length the viewpoints of each relevant party in an area where the nature and causes of land use disputes is complex and poorly understood. A range of secondary material was also collected, for example company sustainable development reports, Government documents, and magazine, newspaper and journal articles.

To investigate the nature of disputes in Ghana's mining communities a comparative case study analysis of two large-scale mining companies operating in Ghana was conducted. This consisted of a critical assessment and comparison of the different approaches taken by these companies towards *galamsey* communities, and community development as a whole.

The data gathered from the interviews and secondary material was assessed to investigate four main areas:

- To understanding the nature and causes of illegal mining in Ghana.
- Explore and critically assess the viewpoints of a range of actors concerning land use disputes and tensions between large-scale mining companies, small-scale miners and the Ghanaian Government.

- Discuss and examine strategies proposed by the Ghanaian Government and the mining companies to alleviate the disputes.
- To critically assess and compare the different approaches taken by large-scale mining companies operating in Ghana toward *galamsey* communities, and community development as a whole.

## **Case studies**

The location of both case study companies is an area in which numerous mining companies have been awarded large concessions. Both case studies are multi-national companies with mining operations worldwide, and in Ghana each company has a number of underground and open cast mines. An outline of each company's community development activities is provided below, including the approach they have taken towards illegal miners located on their concessions.

### Company A

The community development approach of this company is based on a Foundation Fund, set up by the company, which is used to support various community development activities. The fund is generated entirely by the company; for every ounce of gold produced \$1 is allocated to the fund, as well as 0.5% of the company's annual profit before tax. This fund has been in place for a number of years and has financed a variety of community development activities and projects, such as social investment support, assistance for the construction and repair of local infrastructure (roads, sanitation, water supply, education facilities), and establishing sustainable livelihood programmes.

The company is now embarking on a five year community development plan, which is more structured and comprehensive in its objectives than previous community development work. A participatory approach was undertaken in the development of the five year strategy and a number of stakeholders were involved, including a study on *galamsey* operators. The inclusion and participation of illegal miners is an important element in the company's community development plans and day-to-day work in general. This is not to suggest that the company openly welcomes and

encourages small-scale illegal mining on their concession, but rather, *galamsey* operators are recognised as constituting part of the ‘community’.

*“...generally in the area of the artisanal [galamsey] mining we think that they are part of the stakeholders. That’s the concept, that’s the way we look at community”* (Company A representative).

The company asserts that it is primarily the responsibility of the Ghanaian Government to address illegal mining. However, it does recognise that to be a good corporate citizen *galamsey* operators must be acknowledged and engaged with. The company’s official approach towards illegal mining, therefore, is based on dialogue and engagement, with meetings organised between the two parties when issues or problems arise. To date, this method has proved successful and explains how, with relatively few problems, the company has been able to relocate a number of illegal miners operating on their concession. The majority of relocations have taken place peacefully, although some problems have occurred. One notable relocation in the 1990’s was heavily criticised, with those relocated arguing that the company did not provide them with adequate basic facilities as agreed in the relocation package.

As well as working with illegal miners as and when issues arise, the company also engages this section of the community in a more structured fashion. Firstly, the company, in partnership with other agencies, organises workshops for small-scale miners (which includes *galamsey* operators) who are based within the company’s stakeholder catchment communities<sup>4</sup>. The purpose of the workshops is to communicate and share best practice methods, as well as educating workers on health and safety issues, particularly on the use of mercury. The rationale behind the company’s involvement in these workshops is threefold.

1. Firstly, the company view it as their social obligation to provide assistance to those groups within their catchment communities that are known to be operating in a way that is dangerous to their health.

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<sup>4</sup> ‘Stakeholder catchment communities’ are communities that the company has identified as the focus of their community development work, and includes communities located within the concession and externally.

2. Secondly, educating workers on health and safety issues protects the company against possible problems arising from injuries sustained by illegal miners on their concession.
3. Thirdly, illegal miners that attend the workshops are encouraged to register their operations.

The company also works with illegal small-scale miners via sustainable alternative livelihood programmes. The purpose of this approach is to reduce the communities' economic dependence on the mine, and develop alternative and sustainable employment opportunities for stakeholder communities, including *galamsey* operators. Therefore, alternative livelihood projects are set up in consultation with communities and regional governmental agencies, and practical training and initial material support is provided. A variety of livelihood programmes have been developed, such as farming of poultry, pigs, snails and fish, batik fabric printing, and improved cultivation methods for food crops.

#### Company B

The community development approach of this company has become more coordinated and structured over the past year with the introduction of a designated Community Relations department. Through this department the company is involved in a range of community development work, such as funding and supporting community assistance programmes (school improvements and equipment, libraries, community centres, road improvements, and so forth). Another major focus for the company's community development work, akin to Company A, is the establishment of alternative livelihood projects for communities in the vicinity of their mining operations. These projects have a mainly agricultural focus, and initiatives implemented include fish farming, mulberry plantations, and silk production and processing.

Whereas Company A's community development activities incorporate illegal small-scale miners, the approach of Company B towards *galamsey* operators is very

different. Illegal miners are not considered to be a part of their community development work, and are in fact deemed a ‘risk’ by the company.

*“You wouldn’t have meetings with the galamsey; the company don’t recognise the galamsey”* (Company B representative).

This particular company has experienced many problems and disputes with illegal miners operating on their concession, the causes of which are extremely complex. To some extent the tension between the two parties is due to the sheer number of *galamsey* situated on their concession. It also seems that the number of illegal miners has increased significantly in recent years. The approach that the company has taken towards *galamsey* operators on their concession has been to seek the intervention of the Ghanaian Government.

*“The bottom line is that the Government should deal with this, they should deal with the relationship between large scale miners and galamsey ...”*  
(Company B representative)

*“...there should be some radical way of going about it...my personal opinion is let them bring in the military, keep the military and keep the rules enforced...”*  
(Company B representative).

The government has been very active in addressing the illegal miners, and attempts have been made to relocate them to three designated regions which are outside the company’s concession area. A specific deadline was issued, which has since passed, and the government has pledged to assist Company B to ensure that no illegal miners remain on the concession after this date. According to the Ghanaian Ministry of Lands, Forestry and Mining, over one thousand illegal miners have so far been relocated with attempts continuing to move remaining *galamsey* operators<sup>5</sup>

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<sup>5</sup> See <http://www.ghana.gov.gh/governing/ministries/infrastructure/forestry.php>

## Discussion

### Different approaches to dispute resolution

As previously noted the conflict between small-scale and large-scale mining in Ghana is deeply-rooted and the reasons behind the disputes are extremely complex. It would be simplistic to argue that one company's approach to the *galamsey* issue holds all the answers. The situation at each site is very different due to a number of historical, institutional and logistical reasons; for example there are significantly more illegal small-scale miners operating on Company B's concession in comparison to Company A. The *galamsey* issue is also very context dependent – one method of dispute resolution will be successful in one area, but not in another. Any solution to the land use disputes should consider the individual causes of conflict in each area.

*“I don't believe in the universal approach to galamsey issues in our mining environment. I believe that each galamsey, each mine should manage each galamsey separately. My reason simply being that galamsey issues are very, very complex and in handling it you need be very, very careful. It's so dynamic. Giving it a universal approach would rather worsen the situation”*  
(Company A representative).

However, certain inferences can be made from each company's approach. Both companies view the *galamsey* operating on their concessions as a risk in terms of environmental damage, health and safety and direct competition for land. As each company's operations become economically marginal over time, it is highly likely they will move their mining activities to the more peripheral areas of their concession, areas which are currently operated by *galamsey*. Therefore, the already delicate status quo is likely to be further destabilized. Company B has dealt with these risks by seeking the intervention of the Ghanaian Government to address the problem, insisting the Government relocate, by force if necessary, *galamsey* on its concession. As discussed, the company does not consider *galamsey* to be a stakeholder, and they are not included in the company's community development plans, hence dialogue is limited. Resolution of land use disputes is therefore stilted by a lack of participation

and engagement, and the use of the military to remove *galamsey* is unlikely to provide a long-term solution to the problem.

Company A has dealt with these risks in a more conciliatory way. While it does not welcome *galamsey* on its concession, and some of its past dispute resolution methods have attracted criticism, it does recognise them as a company stakeholder and has sought their participation in risk mitigation measures and in developing alternative livelihoods. Given the difficult nature of disputes with small-scale miners a participatory approach would seem to be the more effective method. Balancing conflicting stakeholder demands is a difficult process. Andrew (2003) suggests that mediation holds considerable promise as an effective mechanism for resolving conflicts between small-scale and large-scale mining.

*“Mediation is a voluntary, negotiation-based process in which parties involved in a current or potential dispute meet together with the assistance of a neutral and impartial mediator for collaborative problem solving and consensus building, with the goal of achieving a mutually acceptable resolution. At the heart of mediation is the process of negotiation or bargaining between stakeholders, in an attempt to resolve issues on which they disagree”* (Andrew, 2003, p.123).

For mediation to be effective, increased communication between the companies and *galamsey* is vital, and illegal small-scale miners must be recognised as an important stakeholder that must be engaged with. A skilled and completely independent mediator would also be needed to address the power imbalances likely to arise between large companies and small-scale mining communities (*ibid.*).

### **A critical examination of current land use dispute resolution solutions**

The following discussion explores the strategies proposed by the government and mining companies to address land use disputes with Ghana’s mining communities. Due to the complexity of this area it is beyond the scope of this paper to provide a detailed analysis of the proposed solutions; therefore, the intention is to briefly introduce the main strategies, as well as outline key criticisms of each.

### The registration process

The majority of interviewees generally agreed that it is the government's responsibility to address land use disputes between small-scale and large-scale mining. The government has taken steps to resolve the *galamsey* issue by means of legalizing the small-scale mining sector through a process of registration and demarcating plots of land specifically for small-scale mining operations. Again, there was a consensus by those interviewed that not only is legalizing the small-scale mining sector the correct approach, but that the government should increase its efforts to ensure that all small-scale miners are registered.

In many cases, small-scale mining activity may be illegal only because of difficulties in obtaining permits (Andrew, 2003). This appears to be the case in Ghana, and while many illegal small-scale mining operations have been eradicated, a significant number remain unregistered (Hilson and Potter, 2003). The registration process has so far failed to adequately address the *galamsey* issue due to a number of flaws in the system. A summary of the main criticisms leveled at the registration process is outlined below, a comprehensive review of which is provided by Hilson and Potter (2005; 2003).

- Problems with the licensing process acts as a disincentive for small-scale miners to register. These include complex legislation and licensing procedures, the excessive length of the process, the inadequate life-span of permits once awarded, the difficulty many small-scale miners experience with completing the necessary paperwork, and the disproportionate cost of registering.
- There is insufficient institutional support from departments set up specifically to aid the registration process. For example, the lack of funding and staff, and a lack of basic and essential facilities (such as telephones) have undermined the capacity of these departments to do their job effectively.

Several solutions to the problems inherent in the licensing process have been suggested:

- The government should reiterate and strengthen its commitment to the registration process and think more strategically about the status of the small-scale mining sector within the Ghanaian economy (Hilson and Potter, 2005).
- Improved communication between all stakeholders, including *galamsey*, to work towards improving the registration process.
- Confidence in the registration process and legalization of small-scale mining must be restored by making registration easier and quicker, extending land tenure to 10 years, and improving support services.
- The acute unavailability of land for small-scale miners should be improved by a geo-prospecting and land allocation policy specifically for small-scale miners.
- The introduction of re-skilling programmes for small-scale miners in alternative and sustainable employment.

#### Land allocation and relocation

As well as the registration process, a further strategy proposed by the government to address illegal mining activity and alleviate land use disputes relates to the allocation of land specifically for small-scale gold mining. The government view this as a potential means of addressing illegal mining activity, and it was considered an important strategy by all interviewees. There are, however, several difficulties with this approach, the main one relating to the issue of prospecting and gold reserves. In order to attract small-scale miners to a designated plot of land “*intensive prospecting must first be undertaken in the field, and the findings must then be both compiled in accessible reports and diagrammed*” (Hilson and Potter, 2003, p.261).

Those interviewed fear that the government will essentially ‘cut corners’ and designate areas without conducting thorough research to determine the amount of gold available to mine. The consequences of which could be extremely damaging not only to the relocated miners, but to the strategy as a whole since *galamsey* groups will not relocate if they believe there is no gold or limited gold to mine. This issue has been a particular barrier to the relocation of *galamsey* operators on Company B’s concession. In this case, despite the government proposing three regions for the

*galamsey* to mine, it is widely believed by the *galamsey* and other stakeholders that these areas hold insufficient amounts of gold.

Even if an adequate amount of gold can be assured there are still several potential problems with relocating *galamsey* groups to these areas. For example, a situation of hostility could arise between groups already present and mining gold in the area and relocated small-scale miners. If, as in the case of Company B, *galamsey* groups are encouraged to relocate because of disputes with large-scale mining companies, this will only serve to move land use disputes from one area to another. There are also other factors to consider, such as the social impact of relocating large numbers of *galamsey* workers and their families on communities already present in these areas.

### Alternative and sustainable livelihoods

A further strategy proposed to address illegal small-scale mining, and hence eliminate land use disputes between *galamsey* and large scale companies, comes in the form of the alternative and sustainable livelihoods approach. This has received an increasing amount of attention in recent years, especially since the launch of the United Nation's Development Programme Sustainable Livelihoods Projects (UNDP)<sup>6</sup>. The sustainable livelihoods approach is a broad concept, but generally refers to

*“the creation of conditions that are (self-) supportive of sustainable development (...) which, whilst safeguarding resources and opportunities for future generations, provides individuals with means to provide themselves with food, shelter and an acceptable quality of life”* (The Stockholm Environment<sup>7</sup>).

This approach is used to address and eradicate poverty, particularly in developing countries such as Ghana. Moreover, as illegal small-scale mining is seen as primarily a poverty-driven activity, sustainable livelihood programmes are viewed as a potential strategy to re-skill *galamsey* operators in alternative and sustainable livelihoods. It is

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<sup>6</sup> This aims to address poverty eradication in poorer countries, in the context of poverty and environmental nexus. Its Sustainable Livelihood Unit seeks to provide people with access to facilities and opportunities that can be used to increase the sustainability of poor people's livelihoods.

<sup>7</sup> The Stockholm Environment <http://www.sei.se/> (accessed 24 February 2006).

important to note also that the concepts of sustainable livelihood and alternative livelihood are used synonymously by the mining literature (see Hilson and Mohammed, 2006, for further discussion on livelihood approaches).

This method has been particularly fashionable amongst large-scale mining companies who have made it a significant focus of their community development activities and strategies. Mining companies adopt this method in the belief that it will help reduce the communities' economic dependence on the mine, so that communities are self-sustaining after the mine has closed. Company A also viewed this approach as a means of providing alternative livelihoods for illegal small-scale miners operating on their concession.

The sustainable and alternative livelihood approach is viewed positively not only by the two case study companies, but by the majority of those interviewed. However, several potential problems were identified with this approach in relation to illegal small-scale mining, predominantly the issue of quick return versus long-term investment.

*“How do you convince a person who takes or gets a million [Ghanaian Cedis] in a week into a livelihood like cocoa or oil palm that will take him 3 years before he gets a penny? The problem is that they can't wait.”* (Company A representative).

For this method to be attractive to illegal small-scale miners it was noted by one commentator that their earnings must equal the return they acquire in mining gold. Therefore, real financial commitment is needed to implement and sustain these projects until they are self-financing. Also, for the programmes to be successful, support and training is needed throughout the lifetime of such projects to develop the capacity of those involved.

Hilson and Potter (2003) outline a further potential difficulty of the livelihoods approach – small-scale miners may be apprehensive with the idea of moving from a sector in which they have relative day-to-day autonomy, to working within complex employee structures. Hilson and Potter (*ibid.* p.265) suggest that

*“...if miners are informed that taking up alternative employment could lead to improved quality of life (through improved working conditions and work benefits), the task of promoting re-skilling would be less daunting...”*

## **Conclusions**

This paper has presented and critically examined the issue of land use disputes between small-scale mining communities and large mining companies in Ghana. Two companies operating in Ghana were selected as case studies, and their contrasting approaches to dispute resolution were discussed. Governmental strategies for addressing the issue of illegal small-scale mining were also explored. CSR is an increasingly important issue for the mining industry and companies are expected to operate in a socially and environmentally responsible manner. This involves approaching potential disputes with affected communities with sensitivity and transparency. It is clear that transparent dialogue and engagement with *all* stakeholders is a crucial component of community development, including land use dispute resolution. It is crucial that all stakeholders who are affected by the strategic decisions that mining companies and the government make are consulted and have an equal say. Where consultation with communities does take place it is often superficial and inadequate. Consultation is rarely all-inclusive, leading to some members of the community being given more ‘voice’ than others.

If good communication can be established, mediation is proposed as a possible strategy for addressing disputes between large mining companies and small-scale miners. It is suggested that all relevant parties must work together to achieve a solution to the *galamsey* issue; but the government must first and foremost address the weaknesses identified in the registration process, as well as ensuring the development of a strategic land allocation policy. The development of alternative and sustainable livelihood programmes is identified as a positive step; however companies, the government and other organisations must ensure that adequate support is provided in order to fulfil their long-term capacity and success.

This paper, based on work conducted in Ghana, has uncovered some of the issues surrounding the relationships between large-scale mining companies and communities of interest. More active research work is needed that uncovers and analyses the true nature of the mining issues so that solutions to problems such as land use disputes, the equitable distribution of prosperous land, sustainable community development and human rights abuses can be found and applied in other cases.

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