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# **For the Environment: An Assessment of Recent Military Intervention in Informal Gold Mining Communities in Ghana**

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## **Abstract**

This article reflects critically on the impacts of the recent ban on artisanal and small-scale mining (ASM) – low-tech, labour-intensive mineral extraction and processing – in Ghana. Government officials claimed that a ban was necessary because the country's ASM activities, most of which are found in the informal economy, pose a serious threat to local waterbodies and that security forces were needed for its enforcement. It is argued here, however, that projecting the ban and associated military intervention as actions taken specifically to protect the environment has helped the government escape scrutiny over its choice of strategy to combat illegal mining. Perhaps more importantly, it has masked what may be the real reasons behind these moves: 1) to help the government regain control of the purchasing side of an ASM sector that is now heavily populated and influenced by foreigners; and 2) to put it in an improved position to demarcate parcels of land to the multinational mineral exploration and mining companies that supply it with significant quantities of revenue in the form of taxes, royalties and permit fees.

## 1. Introduction and Background

On 1 August 2017, the Government of Ghana launched *Operation Vanguard*, an exercise designed specifically to eradicate all unlicensed artisanal and small-scale mining (ASM)<sup>1</sup> activity in the country. A military intervention involving 400 men drawn from the Ghana Armed Forces, Ghana Air Force, Ghana Navy and the Ghana Police Force, and featuring tanks and other army vehicles, *Operation Vanguard* was initiated by Mr John Peter Amewu, Ghana's Minister of Lands and Natural Resources at the time, and endorsed by the country's newly-elected president, the New Patriotic Party's (NPP) Mr Nana Akufo-Addo. After a brief period of training in the country capital of Accra, the recruits gathered at the Burma Camp, the headquarters of the Ghana Armed Forces and Ministry of Defence. Here, following briefings from key ministers, they boarded military vehicles with 'Operation Vanguard' etched on to their doors and hoods, and were dispatched to the Ashanti Region, Western Region and Eastern Region, the locations of the highest concentrations of informal ASM activity – popularly referred to as *galamsey*<sup>2</sup> – in the country.

The move to ban ASM and use of force to administer it were surprising decisions when considering that Ghana has always been seen as a trailblazer in the context of ASM formalization and where policymakers have consistently piloted and pursued new strategies to support the sector's operators (Davidson, 1993; ILO, 1999; Hentschel et al., 2002). These decisions were also made at a time when other governments in sub-Saharan Africa appeared to be doing precisely the opposite: considering ways to feature ASM more prominently in national economic development plans, and identifying creative ways of bringing operators into the legal domain. But rather than committing resources to pursue either task, the Government of Ghana elected to fortify *Operation Vanguard* throughout, even after it had emerged that the exercise was linked to numerous human rights abuses and had left a trail of destruction in many rural communities. *Operation Vanguard* may have also heavily undermined important work carried out in the country to formalize ASM.

The bedrock for *Operation Vanguard* was laid in May 2013 during the presidential tenure of the National Democratic Congress's (NDC) Mr John Mahama, only months after his own re-election to office. Mr Mahama hastily assembled a five-member Inter-Ministerial Task Force on Illegal Small-Scale Mining, which would work closely with the Ghana Armed Forces and Ghana Police in the months that followed 'to arrest and prosecute Ghanaians and foreigners engaged in illegal mining'.<sup>5</sup> Mr Mahama was forced to soften his stance, however, following numerous allegations of the soldiers and police dispatched to communities having abused many *galamsey* operators, looted gold and maliciously destroyed mine equipment, footage of which was captured on video and later shown on national television.<sup>3</sup> Moreover, the Mahama Government appeared to recognize, shortly after commissioning these military 'sweeps' of communities, that banning ASM, an income-earning activity that employs at least one million Ghanaians directly and which has created millions of additional income-earning opportunities in the upstream and downstream industries it has spawned (Hilson et al., 2014), was not in its best interest, and that using force to do so was both unsustainable and impractical.

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<sup>1</sup> Defined here as low-tech, labour-intensive mineral extraction and processing.

<sup>2</sup> *Galamsey* is label used locally for informal ASM, the literal translation of which is 'gather them and sell'.

<sup>5</sup> 'Mahama inaugurates committee to deal with illegal mining menace', [www.ghanamma.com/2013/05/15/mahama-inaugurates-committee-to-deal-with-illegal-mining-menace/](http://www.ghanamma.com/2013/05/15/mahama-inaugurates-committee-to-deal-with-illegal-mining-menace/) (Accessed 13 October 2017).

<sup>3</sup> 'Investigate the Inter-Ministerial Task Force on Small-Scale Mining – ASM Africa Network', [www.modernghana.com/news/530137/1/investigate-the-inter-ministerial-task-force-on-sm.html](http://www.modernghana.com/news/530137/1/investigate-the-inter-ministerial-task-force-on-sm.html) (Accessed 12 November 2017).

The current government has adopted an even *more* hard-line stance toward *galamsey* operators, dismissing the problems encountered by its predecessor, and ignoring the flurry of calls to take stock of the economic importance of ASM, and to support and formalize the sector's activities. This was a surprising development given how Mr Akufo-Addo made a point to target *galamsey* communities during his electoral campaign. In July 2016, he delivered a particularly memorable and passionate speech in Obuasi, long a *galamsey* 'hot spot', where he assured residents, only months before the election, that if sworn in as president he would formalize ASM activities. He even went as far as condemning his adversary for failing to do so:

I was here in Obuasi to say that Galamsey, which I prefer to call small-scale mining, will be regularized, to ensure that the youth all find work to do. Shortly afterwards, Mahama also came here to tell you that I was lying, and that an Akufo-Addo government will rather sack everyone involved in galamsey...When he [John Mahama] won the election [in 2012], he rather directed soldiers to come and drive out all persons involved in galamsey in Obuasi.<sup>4</sup>

But only months after being sworn in as president, Mr Akufo-Addo would backtrack on these promises by hastily resurrecting the Inter-Ministerial Task Force on Illegal Small-Scale Mining that had gone dormant during the last two years of Mr Mahama's presidency. He declared, publicly, and to the surprise of many, that he was 'prepared to put my Presidency on the line on this matter [i.e. the *galamsey* issue].<sup>5</sup> Drawing inspiration from the president's backing and the rallying calls of the Taskforce's new Chairman, Professor Frimpong Boateng, Mr Amewu himself announced that the 'government intends to sustain its fight against illegal mining by using the military to ensure that the culprits do not return to the site when the reclamation program begins', furthermore insisting that it 'intends to use this approach for at least a year'.<sup>6</sup> He used *Operation Vanguard* as a vehicle to target *galamsey* activities and, in a bid to – in his words – 'sanitize' the sector, simultaneously suspended all *legal* ASM activities and put a freeze on new licenses. When the case for formalizing and supporting ASM in a country as poverty-stricken as Ghana is considered, however, these moves were unjustifiable economically and developmentally.

The purpose of this article is to reflect further on the impacts of the ban, which was officially lifted in December 2018, and more broadly, the Government of Ghana's decision to use force to eradicate informal mining in the country and to suspend all licensed activities. Fuelled by the frenzy generated by #StopGalamseyNow, an Accra-based media-led campaign launched in April 2017 to raise public awareness of and lobby for action to be taken to eliminate unlicensed ASM activities, the NPP Government insisted that its 'war against the *galamsey*' was solely about eradicating what it claimed was a 'menace' responsible for significant environmental degradation. Professor Frimpong Boateng stressed that the government would not 'retreat' from its commitment to protecting the country's water bodies and environment, adding that 'if anybody thought we were joking, they should think again'.<sup>7</sup> But to suggest that protecting the environment was the only reason behind the ban and the launch of *Operation Vanguard* is both misleading and unconvincing. After briefly drawing on aspects of the resource curse literature to frame the case study, the paper traces the antecedents of the ban

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<sup>4</sup> 'Npp will regularize galamsey', [www.ghanaweb.com/GhanaHomePage/NewsArchive/NPP-will-regularize-galamsey-Akufo-Addo-455652](http://www.ghanaweb.com/GhanaHomePage/NewsArchive/NPP-will-regularize-galamsey-Akufo-Addo-455652) (Accessed 12 November 2017).

<sup>5</sup> 'I will put my Presidency on line to stop galamsey', [www.ghananewsagency.org/social/i-will-put-my-presidency-on-line-to-stop-galamsey-president-119418](http://www.ghananewsagency.org/social/i-will-put-my-presidency-on-line-to-stop-galamsey-president-119418) (Accessed 2 November 2017).

<sup>6</sup> 'Military storms galamsey areas in special enforcement operation', <http://citifmonline.com/2017/07/31/military-storms-galamsey-areas-in-special-enforcement-operation/> (Accessed 3 November 2017).

<sup>7</sup> 'Operation Vanguard launched to wipe out galamsey', [www.graphic.com.gh/news/general-news/operation-vanguard-launched-to-wipe-out-galamsey.html](http://www.graphic.com.gh/news/general-news/operation-vanguard-launched-to-wipe-out-galamsey.html) (Accessed 17 August 2017).

and *Operation Vanguard* and weighs in on arguments used as justification for their launch. It then offers more grounded explanations for these decisions.

## 2. The Dynamics of Rent-Seeking in a Mining Space

Recent developments in Ghana's mining sector, including the ban itself, can be contextualized using the literature on the 'resource curse'. Although hotly debated, the resource curse thesis has, for decades, had significant influence as an explanation for why many developing countries have failed to harness their resource wealth to catalyze development (see for example, Sachs and Warner 1997; Collier and Hoeffler, 1998; Ross, 2004, 2015, 2019; Gilberthorpe and Papyrakis, 2015; Van Der Ploeg and Poelhekke, 2016; Gilberthorpe and Rajak, 2016; Poncian, 2019). According to Rosser (2006), the resource curse literature has been situated within three broad subcategories that have focused on: 1) the relationship between resource wealth and economic performance; 2) the links between resources and violent conflict; and 3) the relationship between resource abundance and the nature of political regimes.

Within the third subcategory, a case is now being made for the need for 'good governance' as a remedy for the resource curse in mineral-rich developing countries. Specifically, the 'institutional strand' of the debate (Hilson and Maconachie, 2008; Ackah-Baidoo, 2012; Doraisami, 2016) suggests that 'weak institutions' in these settings, and the responses and performance of governments that have access to sizable and steady streams of revenue from resource extraction, are at the heart of the problem. Ghana, with its buoyant democracy and 'middle income developing country' status, is not the most obvious example of a resource 'cursed' economy in mineral-rich sub-Saharan Africa and therefore tends to be overlooked in most regional assessments of the subject.

Within the resource curse literature, Karl (1997, 1999) is often credited with initially advancing debates on 'weak' institutions in this context, or how the quality and malleability of a country's governing structures impact the management of resource rents. Focusing on petroleum dependence, the author argued that oil turns states into 'honey pots' which can fuel rent-seeking behaviour among many groups of actors. Boutillier (2017) collated the work that has since been published on 'weak' institutions, identifying a host of elements associated with the problem, including complex bureaucracies, poor civil rights records, overlapping property regimes and an unbalanced rule of law. There is, of course, the more fundamental issue regularly overlooked in this discussion, which is whether states have the capacity to handle the excess revenue typically associated with natural resource booms, and the ability to regulate and monitor mining and/or oil production effectively. Ayee et al. (2011) sum up why both tasks are challenging in Ghana:

Weak bureaucratic capacity prevents regulatory institutions from performing their functions effectively. This problem can be identified in almost all the MDAs [Ministries, Departments and Agencies], including the Ministry of Finance and the tax administration...Tackling poor regulatory capacity in this arena has not been a consistent priority. As a result, the mining industry is not being regulated effectively, essential analyses are not being undertaken, and most policy proposals are accepted without sufficient understanding of their implication. [p. 19]

An additional concern in Ghana, the authors explain, is that it has a 'powerful executive president, strong party loyalty, a system of political patronage, and a lack of transparency' (p. 6). For Abdulai (2017), it is this attribute, specifically 'Ghanaian society and the competitive clientelism that it produces', that has 'significantly undermined the effective utilisation of mining revenues for fostering greater inclusion and for the pursuit of the national interest more broadly' (p. 21).

This leads to a second point at the heart of the debate on the ‘institutional strand’ of the resource curse, which is the performance of governments, namely Sachs and Warner’s (1997) observation that ‘easy riches lead to sloth’ (p. 4), a concern which several scholars have since broached. This ‘sloth’ manifests differently, depending on the country. In Ghana, it has played out as follows: initially, following an election, the winning party expends considerable effort repositioning itself to ensure it can continue extracting revenue from mining activity but showing little interest in managing the funds it collects prudently, and committing few resources to regulating and monitoring operations effectively. This behaviour has been visible since the beginning of Ghana’s transition to democracy in the early-1990s, when the country’s gold mining sector began exhibiting signs of recovery following 30 years of deterioration. Since this time, successive governments have, after winning an election, swiftly and decisively taken whatever action has been necessary to maximize economic returns from the country’s sizable gold mining industry. News of this behaviour is unlikely to come as a surprise to scholars who have examined at length how Ghana’s endemic clientelistic politics and patronage networks have fuelled rent-seeking behaviour in other sectors of the economy, in the process nourishing the country’s elite whilst simultaneously impeding national development. But rather than embellishing on this point, this paper grapples with the more fundamental issues which underpin the ‘institutional strand’ of the resource curse in this case. These are: determining *how* the opportunity to rent-seek in Ghana’s gold mining sector has arisen, shedding light on what successive governments have done to put themselves in a position to do so, and explaining how a ban on ASM, *Operation Vanguard* and complementary moves made by the current regime to forcibly eradicate *galamsey* activity are linked to this pattern of behaviour.

In Ghana, fresh opportunities to rent-seek were made possible by the series of changes ushered in by the *Minerals and Mining Law* (PNDCL 153), 1986 (Abdulai, 2017). Key among these were the incentives introduced to lure foreign investors in a bid to revitalize the country’s large-scale gold mining economy: a lowered and standardized royalty rate of 3 percent on profits; a five-year tax holiday; generous rules on the repatriation of profits; and waived import duties on ‘mine equipment’ and supplies (Tsikata, 1997). Jackson (1992) provided a glimpse of the early impact which the influx of investment stimulated by these changes had in Ghana’s major gold-producing areas, including the towns of Tarkwa and Obuasi. These reforms would facilitate, during the period 1983-1998, investment of over US\$4 billion in Ghana’s large-scale – mostly, gold – mining sector, including US\$3.6 billion in exploration and prospecting. At the turn of the century, there were 237 companies prospecting for gold (154 Ghanaian and 83 foreign) and 23 in possession of mining leases, investment from which netted the government US\$79 million in revenue between 1996 and 1998 alone (Aryee, 2001).

With such sizable quantities of revenue flowing into government coffers from gold mining activities, why has Ghana consistently scored so poorly on most social and economic indicators? The likely explanation for its pedestrian pace of development, or what Sachs and Warner (1997) would consider a manifestation of ‘sloth’ behaviour in this case, is that since the country’s transition to democratic rule, successive governments have positioned themselves to maximize economic gains from gold mining and done little more. As indicated, this pattern became quite visible towards the beginning of Ghana’s democratic rule. In the early-1990s, the NDC Government, under the leadership of Jerry Rawlings, was perfectly situated to receive a steady stream of tax revenue from the mushrooming gold mine production and mineral exploration activity at the time. Annual production of gold from large-scale mining more than quadrupled between 1990 and 2000, rising from 517,818 oz to 2,168,802 oz, netting the government US\$125.1 million in royalties alone during this period (Ghana Chamber of Mines, 2016).

Alongside this, the NDC Government, with assistance from the World Bank through the US\$12.3 million *Mining Sector Development and Environment Project*, worked to curtail the smuggling of gold by positioning its Precious Minerals and Marketing Corporation (PMMC), the state buying agency, to

offer better prices to miners. It also established a PMMC buying office in Tarkwa, a hub of ASM activity, as well as authorized Miramex, a private company, to purchase and export gold and compete with government buyers. A fairly-comprehensive effort was made by the government to define a legalized 'space' for ASM and more importantly, to establish a culture of support for the sector's operators. With only 30,000 people projected by World Bank officials to be engaged in ASM at the time, these seemed to be achievable objectives. To address these, the government used monies from the *Mining Sector Development and Environment Project* to undertake a series of tasks, including testing improved equipment and processing techniques (US\$1.25 million), disseminating new technologies to operators (US\$1.29 million) and enhancing the country's geological database with a view toward delineating areas suitable for ASM to prospective licensees (World Bank, 1995). Moves made to formalize and support ASM, and stem the smuggling of gold, paid immediate dividends: declared annual production increased nearly tenfold between 1990 and 2000, rising sharply from 17,234 oz to 145,662 oz. Whilst there has since been a raging debate in Ghana about how output from ASM is not taxed, having a network in place that is capable of capturing – in this case – the gold produced by operators is as significant an achievement because, as Hentschel et al (2002). explain, it (gold) 'is more or less a standard "currency" the produced value [of which] is equivalent to extra foreign income', and can, therefore, 'be considered a net contribution to foreign income as freely convertible "currency" is produced with pure local input' (p. 52).

When Rawlings' successor, the NPP's John Kufuor, was elected president in 2000, the gold price was about to enter its fifth consecutive year under US\$300/oz. It was a time of immense uncertainty when, because of a series of mine closures and global consolidation of the industry, gold production was stagnating. It had dipped 10 percent between 1999 and 2000 because of the closure of the Teberebie Mine and surface operations at Ashanti Goldfields' Obuasi project. The Kufuor Government correctly anticipated that large-scale gold mine production, which dipped from 2,358,423 oz in 1999 to 1,783,400 oz in 2004,<sup>8</sup> would continue to decline if the gold price remained low. If it was to continue extracting sizable revenue from gold mining, it needed to quickly reposition itself in a space in which large-scale activities were no longer generating the finances they once did. The Kufuor regime would accomplish this by making three very important moves. The first was, alongside efforts to promote mineral exploration, the forging of a 15-year stabilization agreement with the US mining giant Newmont Gold Mining, which, through its acquisition of Normandy Mining Ltd. of Australia and Franco-Nevada Mining Corp. Ltd. of Canada, had gained control of properties at Ahafo in Ghana's Brong-Ahafo Region and Akyem in its Eastern Region.

The second was the role the government played in facilitating AngloGold's acquisition of Ashanti Goldfields and the stabilization agreement forged with the resulting merged entity, AngloGold Ashanti. On 18 February 2004, the NPP gained parliamentary approval for the controversial merger that attracted criticism from the rival NDC, which, in 1999, had rejected a US\$800 million offer by Lonmin, a major shareholder in Ashanti Goldfields at the time, for a similar type of merger. The government's original 17.5 percent US\$222 million stake in Ashanti Goldfields reduced to 2.4 percent after the merger, although it was given an additional 685,000 shares valued at US\$100 million, which increased its ownership in the company to 3.4 percent. The newly-merged company would be protected, for the next 15 years, by a stabilization agreement that diluted even further its responsibilities in this area. It capped the operator's royalty rate at 3 percent of total revenues and its corporate tax rate at 30 percent, and permitted it to hold between 60 and 80 percent of total earnings in offshore accounts (Coakley, 2003). The investments made by Newmont and AngloGold Ashanti would not impact production significantly until after the NPP's departure in 2008. Between 2001 and 2008, the time in which the Kufuor Government was in office, annual large-scale gold mine production only increased slightly, from 2,184,313 oz to 2,378,012 oz. But during this period, the government attracted, on the back of a new law, *The Minerals and Mining Act, 2006*, US\$4.59 billion

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<sup>8</sup> Data obtained from the Minerals Commission, Accra.

in new investment in the mining sector, including US\$1.75 billion in exploration expenditure (Ghana Chamber of Mines, 2016). The law very importantly capped the royalty rate at 3 percent of profits, as well as subsumed all legislation *hitherto* in place for small-scale mining.

The third significant move made by the NPP to maximize economic gains from a gold mining sector in recovery was a commitment to purchasing output from ASM operators. Using the institutional foundation laid by its predecessor, it went to significant lengths to ensure that, through PMMC, it was well-positioned to capture all gold being produced on an artisanal and small scale. By the mid-2000s, there were 700 licensed PMMC buyers patrolling the country, purchasing gold mostly at the site level from ASM operators (Hilson and Pardie, 2006). The rent-seeking element here, however, can be seen as the failure of the government to fully formalize ASM. Specifically, rather than dismantling the bureaucracy associated with, and reducing the costs attached to, obtaining a *Small-Scale Gold Mining License*, and ignoring the broader needs of the sector, policymakers would prioritize the capturing of gold to such an extent that PMMC buyers would turn a blind eye on the masses of illegal activity, purchasing output from *both* licensed miners and *galamsey* operators. Declared gold production from ASM rose nearly fourfold from the time the NPP arrived in office to its departure, increasing from 145,662 oz in 2000 to 418,943 oz in 2008. Most of the gold PMMC officials captured originated from illegal workings: by this time, there were an estimated 200,000-500,000 individuals employed directly in the sector (Carson et al., 2005; World Bank, 2008) but only 100 licensed operations.

One of the more visible examples of ‘sloth’ behaviour took place during the NDC’s return to office. The party’s time in power, initially under the leadership of Atta Mills and subsequently, John Mahama, coincided with a period of extremely high gold prices. The price was already trending upward at the time Atta Mills began his term, and by the end of 2009, his first year in office, it had reached US\$1087.50/oz, peaking at US\$1900/oz on 22 August 2011. During the period of time the NDC was in office, 2009-2016, US\$7.48 billion was injected into Ghana’s mining economy (Ghana Chamber of Mines, 2016), and to take advantage of ‘booming’ gold production (Figure 1), it passed the *Mining (Amendment) Act, 2010 (Act 794)*, which increased the royalty rate from 3 to 5 percent, as well as flirted, in 2012, with the idea of implementing a 10 percent windfall tax.<sup>9</sup> By this point, ASM activities were producing close to one third of the country’s gold; as was the case during the NPP’s reign, most of this originated from unlicensed workings. With its comprehensive system of gold buying in place, the NDC Government seemed unfazed by calls to simplify and reduce the costs of licensing for ASM. In fact, and defying calls made by officials at the International Labour Organization for countries to commit to ‘simplifying registration procedures [for ASM]’ because ‘the regulations are so complex that small-scale miners are dissuaded from attempting to adhere to them’ (ILO, 1999, np), the Government of Ghana *increased* the costs, requiring prospective licensees to pay over US\$1000 in miscellaneous fees.<sup>10</sup>

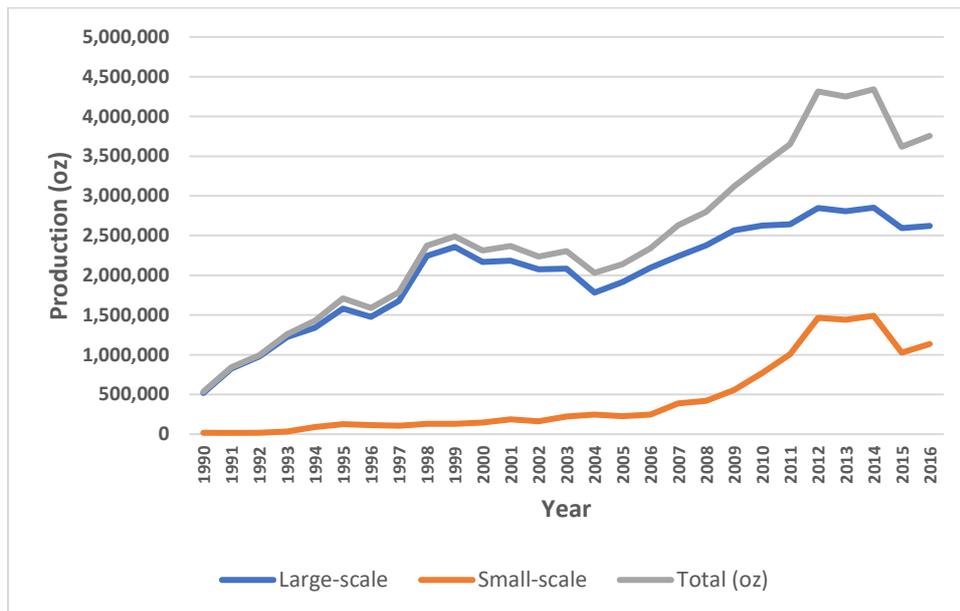
With investment from large-scale mining companies continuing to rise, yielding US\$1.85 billion in tax between 2011 and 2013, a time of record gold prices, and PMMC collecting 3,912,901 oz of gold from ASM operators during this period, the NDC Government probably did not see any need to improve relationships with the former or to fully formalize the latter.

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<sup>9</sup> ‘Ghana plans to reintroduce mining windfall tax’, [www.iol.co.za/business-report/international/ghana-plans-to-reintroduce-mining-windfall-tax-1609311](http://www.iol.co.za/business-report/international/ghana-plans-to-reintroduce-mining-windfall-tax-1609311) (Accessed 4 August 2017).

<sup>10</sup> Prospective licensees were required to pay, during the time of the NDC, in the range of US\$512 to prepare a site plan; US\$51 for an application form; US\$128 as a processing fee; a US\$282 ‘consideration’ fee; an estimated US\$384 to the Environmental Protection Agency for the completion of an environmental impact assessment; and several other fees, including a stamp duty, court duties, and stool land registration (Hilson et al., 2014).

**Figure 1: Gold production in Ghana, 1990-Present<sup>11</sup>**



### 3. The Ban and *Operation Vanguard*: An Elaborate Pretext for Rent-Seeking?

When *Operation Vanguard* was launched, government officials maintained that military intervention was needed to enforce a ban on ASM, a decision which they claim was made because the sector, in particular, *galamsey* activities, has a sizable environmental footprint and is populated by tens of thousands of Chinese ‘gold seekers’ who have introduced technologies (in particular, river dredges) that are causing significant damage to waterbodies. These decisions were buoyed by the #StopGalamseyNow campaign, whose architects – employees at the Accra-based radio station CITI FM – skilfully used images of contaminated land and water degradation in ASM communities to galvanize support from influential NGOs, think-tanks, church organizations and the general public for a ban and military action. Extensive campaigning in the streets of Accra yielded a lengthy list of signatures which CITI FM employees used to petition parliament to bring *galamsey* activities to a halt.

This paper contests that the ban, and the government’s stated reasons for enacting and enforcing it, should be viewed as the latest phase in a decades-long pattern of rent-seeking linked to gold mining in Ghana. At first, local media coverage of the ban, *Operation Vanguard* and the environment was extensive and unavoidable. Developments around the country’s gold mining sector, including potential patterns of rent seeking behaviour, therefore, were overshadowed by the rhetoric around the *galamsey* ‘menace’. The discussion that follows reflects more critically on these developments and more broadly, the impact of *Operation Vanguard* and rationale behind the ban on ASM, which was officially lifted on 17 December 2018. The authors remain resolute in their convictions: that these decisions were less about protecting the environment and removing marauding Chinese gold ‘seekers’, as was claimed at the time, and more about the government recalibrating to extract revenue from gold mining. In addition to drawing attention to the timing of particular developments, selected mine data, press clips and excerpts from interviews are drawn upon in a bid to bolster these arguments.

<sup>11</sup> Data obtained from the Minerals Commission, Accra.

The rent-seeking dimension explored here has become exceptionally more nuanced, as the specific actions taken suggest a willingness on the part of government officials to deploy more creative tactics for personal gain, and to use engaging rhetoric wherever necessary and to showcase particular policy positions toward the sector to position themselves to secure additional funds. The objective here is to not only stimulate further discussion about the ban and accompanying military intervention but more generally, debates on how what Hilson (2019) dubs a large-scale mining ‘bias’ and the rent-seeking behaviour linked to it has hindered the formalization of, and implementation of support services for, ASM activities. After briefly reviewing the environmental argument used to justify the ban and the launch of Operation Vanguard, alternative explanations for these decisions are provided.

### **3.1 Moving beyond the Environmental Argument**

The #StopGalamseyNow campaign galvanized public interest in *galamsey* with extensive lobbying and engaging messages such as ‘Life is more Precious than Gold’, ‘Help End Galamsey now’, ‘Stop Illegal Mining’, ‘Think Right, Mine Right, Live Right’, ‘Value Life not Gold’, ‘Preserve our Water Bodies’, and ‘Preserve our Rich Forests’ (Hilson, 2017). Whilst it is true that mining is, by its very nature, an environmentally-destructive activity, the environmental argument, is, for several reasons, insufficient on its own in explaining the course of action taken by the NPP Government.

First, environmental impacts are only a small aspect of the *galamsey* story. In their public speeches, Ghana’s politicians avoid sharing what may be more important information about ASM which would provide a much fuller picture of the sector. This includes how it is largely poverty-driven, creating employment opportunities for many millions of people both directly at sites and in ancillary trades, and how activities dovetail, and support, subsistence agriculture. They also fail to explain *why* the country’s ASM sector has progressed along the environmentally-destructive path it has in the first place. The reason for this is that most of its activities are found in the informal economy, where, without titles, operators come under the control of middlemen and chiefs. In Ghana, it is mainly the bureaucratic policy framework in place for ASM that is responsible for fuelling the proliferation of environmentally-destructive *galamsey* activities.

The second reason concerns the peculiar timing of the campaign (#StopGalamseyNow) and a military exercise (*Operation Vanguard*) built around the theme of environmental protection. Whilst important and certainly in need of being tackled comprehensively, the environmental impacts of ASM have *never* elicited much of a response from Ghana’s policymakers in the past. When this point was raised during an interview with one government official, the response given was that ‘it [the sector’s environmental impact] has become a matter of urgency now’.<sup>12</sup> But this is an inadequate explanation for a problem which has been ‘a matter of urgency’ for more than two decades, repeatedly brought to the attention of Ghana’s policymakers and other African governments during this period by scholars and donors (e.g. Amonoo-Neizer et al., 1996; Bonzongo et al., 2003; Rajaei et al., 2015). The continued lack of interest shown by officials at the Environmental Protection Agency (EPA), Ghana’s national environmental body, in regulating ASM activity is a telling indication of the low level of importance the country’s policymakers have attached to managing the environmental impacts of *galamsey* activities over the years. Aside from implementing an Environmental Impact Assessment (EIA), which is little more than a checklist, the EPA plays no role in the regulation and monitoring of ASM in the country. This EIA has long been identified as a major reason why the licensing process for ASM in Ghana experiences so many protracted delays. It is also costly, and despite concerns voiced in the ASM community about it being an expensive financial outlay, the government elected to *increase* the

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<sup>12</sup> Interview, government official, Accra, 25 August 2018.

processing fee to US\$3500.<sup>13</sup> The cost and bureaucracy linked to the EIA, administered by an organization that has little to do with the regulation of ASM nor wants this responsibility, have, ironically, fuelled the growth of the *galamsey* sector which government officials alleged to be the impetus behind the ban and the launch of *Operation Vanguard*. The list of officials includes Professor Frimpong-Boateng, the current Minister of Environment, Science, Technology and Innovation.

Finally, given where protection of the environment registers on the Government of Ghana's agenda, to argue that pollution from *galamsey* activities was justification for the ban on ASM and associated military intervention is simply unconvincing. It is even more inexplicable when the origins of, and support for, these actions is considered:<sup>14</sup> Accra, which, in 2017, was the world's most polluted city.<sup>15</sup> It specifically raises the question of why politicians and Ghana's elite, who are unfamiliar with the organization and economic importance of ASM, would suddenly decide to combat, forcefully, perceived problems that persist many hundreds of kilometres away in rural areas of the country and which they barely understand the dynamics of, when there are far more pressing environmental concerns to tackle in their own backyards. These include Accra's air pollution and congestion;<sup>16</sup> its 'open defecation problem' due to 70 percent of residents not having 'access to their own place of convenience';<sup>17</sup> and a waste management crisis brought about by a shortage of sanitation facilities, which are only able to treat 600 of the 2000 tonnes of garbage the city generates daily.<sup>18</sup>

It is likely more of a case of the Government of Ghana recognizing that conveying the impression that implementation of a ban on ASM and how the deployment of police and the military to enforce it were necessary moves to protect the environment would position it to access other sources of finance. This appears to have been the case with the Global Environmental Facility, which, in support of Ghana's ratification of the *Minamata Convention on Mercury*,<sup>19</sup> catalyzed US\$200,000 and US\$555,250 to assist the government with developing a Minamata Conventional Initial Assessment and a National Action Plan for the Artisanal and Small-Scale Gold Mining Sector, respectively.<sup>20</sup> Whilst both projects were approved in 2016 or a full year before the official enactment of the ban, given the demands imposed on countries that ratify the convention, a comprehensive list of tasks which includes

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<sup>13</sup> One government official interviewed (18 June 2018) was of the view that this fee increase was made because the EPA is unable to pay its own employees.

<sup>14</sup> Hilson, 2017.

<sup>15</sup> 'Accra ranked as most polluted city on earth', [www.pulse.com.gh/news/accra-ranked-as-most-polluted-city-in-the-world-id5457261.html](http://www.pulse.com.gh/news/accra-ranked-as-most-polluted-city-in-the-world-id5457261.html) (Accessed 4 November 2017).

<sup>16</sup> 'Gridlock in West Africa: Accra's Troubled Attempts to Tackle Traffic Crisis', <https://www.theguardian.com/cities/2016/nov/11/gridlock-west-africa-accra-troubled-attempts-tackle-traffic-crisis> (Accessed 12 October 2017).

<sup>17</sup> 'Open Defecation In Accra; Health And Environmental Implications', [www.ghanaweb.com/GhanaHomePage/features/Open-Defecation-In-Accra-Health-And-Environmental-Implications-194499](http://www.ghanaweb.com/GhanaHomePage/features/Open-Defecation-In-Accra-Health-And-Environmental-Implications-194499) (Accessed 13 November 2017).

<sup>18</sup> 'More processing plants needed to treat waste', <http://citifmonlie.com/2017/11/13/more-processing-plants-needed-to-treat-waste/> (Accessed 12 November 2017).

<sup>19</sup> The Minamata Convention is an international treaty, coordinated by the United Nations Environment Program, that addresses specific anthropogenic activities which contribute to mercury pollution (Hilson et al. 2018).

<sup>20</sup> 'National Action Plan on Mercury in the Artisanal and Small-scale Gold Mining Sector in Ghana', [www.thegef.org/project/national-action-plan-mercury-artisanal-and-small-scale-gold-mining-sector-ghana](http://www.thegef.org/project/national-action-plan-mercury-artisanal-and-small-scale-gold-mining-sector-ghana) (Accessed 3 February 2019); 'Development of a Minamata Convention Initial Assessment (MIA) for Ghana', [www.thegef.org/project/development-minamata-convention-initial-assessment-mia-ghana](http://www.thegef.org/project/development-minamata-convention-initial-assessment-mia-ghana) (Accessed 4 February 2019). It is also worth noting that the Executing Agency in both cases is the Ghana EPA, which, as noted, has never taken on a regulatory role in the ASM sector. What is perhaps even more disconcerting is that all matters related to the Minamata Convention, including these two projects, are being managed by the EPA's Chemicals Control and Management Centre, which has never handled any significant work related to mining, and not its Mining Department.

outlining steps to formalize ASM, it is unlikely that monies would have been released without the government showing that it was attempting to gain control of illegal ASM, which a suspension of activities and military intervention probably accomplished. More importantly, these moves likely helped the government secure a combined US\$8,715,696 in GEF project financing and catalyze US\$66,050,000 in co-financing in support of the *Reducing Environmental Health Risks in Artisanal Gold Mining and E-Waste in Ghana*. The project, which is one strand of the regional 60-month long *Environmental Health and Pollution Management Program in Africa* that was approved officially on 1 May 2017, is being executed by the Ministry of Environment, Science and Technology, which again, Professor Frimpong-Boateng heads.<sup>21</sup> It has also likely encouraged other donor bodies which have already pledged significant funds in support of environmental projects in Ghana to commit additional finances. The clearest example of this is the US\$19.39 million *Additional Financing for Ghana Forest Investment Program – Enhancing Natural Forest and Agroforest Landscapes Project* under the Climate Investment Funds. It was approved on 26 June 2018 and is being managed by the Ministry of Lands and Natural Resources and ‘dovetails with the [Government of Ghana’s] GoG’s wider efforts to control illegal ASM and mitigate its consequences’.<sup>22</sup>

In summary, it appears that the decision to ban ASM because of its impact on the environment has helped many government departments in Ghana secure significant finance. In addition, however, and as will be explained, it has helped the Government of Ghana reposition itself to extract revenue from gold mining.

### **3.2 Losing Control of ASM?**

Between 2012 and 2013, the amount of gold collected from ASM operators had started to decline, dropping from 1,464,781 oz to 1,441,497 oz. After experiencing a slight increase to 1,489,497 oz in 2014, gold collected from ASM again dropped sharply to 1,025,671 oz in 2015. The current NPP Government attributes this decline to a rise in smuggling, declaring, in 2016, that *galamsey* operators repatriated, illegally, US\$7 billion in gold.<sup>24</sup> Whilst likely an exaggeration, there is little disputing that an influx of ‘foreigners’ into the *galamsey* economy has altered the dynamics of PMMC’s purchasing significantly. There are rumours of foreigners purchasing gold in local currency directly from *galamsey* sites and subsequently smuggling it out through their embassies. It is the recent arrival of 50,000 Chinese gold ‘seekers’, however, that has had the greatest impact. They have fast become the ‘face’ of ASM in Ghana but for the wrong reasons (Crawford and Botchwey, 2017).

Accounts of the rapid proliferation of Chinese operators in Ghana’s ASM communities, as well as the well-documented roundup of nationals, has triggered xenophobic reactions across the country. But what was referred to as the ‘Chinese problem’<sup>25</sup> by one official in an interview is largely the government’s creation. Under Kufuor, the NPP Government permitted thousands of foreigners to register ‘services companies’ for mining; this continued under the subsequent NDC Government. Heading the pilgrimage were Chinese entrepreneurs, who quickly became a visible presence in Ghana’s major mining towns, including Tarkwa, Obuasi and Dunkwa as well as its major industrial

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<sup>21</sup> ‘EHPMP – Environmental Health and Pollution Management Program in Africa’, [www.thegef.org/project/ehpmp-environmental-health-and-pollution-management-program-africa](http://www.thegef.org/project/ehpmp-environmental-health-and-pollution-management-program-africa) (Accessed 3 February 2019).

<sup>22</sup> ‘Additional Financing for Ghana Forest Investment Program – Enhancing Natural Forest and Agroforest Landscapes Project’ [www.climateinvestmentfunds.org/projects/additional-financing-ghana-forest-investment-program-enhancing-natural-forest-and](http://www.climateinvestmentfunds.org/projects/additional-financing-ghana-forest-investment-program-enhancing-natural-forest-and) (Accessed 13 February 2019).

<sup>24</sup> ‘Illegal miners smuggled \$7bn worth of gold in 2016’, <https://www.graphic.com.gh/news/general-news/illegal-miners-smuggled-7bn-worth-of-gold-in-2016.html> (Accessed 13 November 2017).

<sup>25</sup> Interview, government official, Accra, 25 August 2018.

centres, such as Suame (Kumasi) Magazine.<sup>26</sup> As will be explained, it is the lack of interest shown by successive governments toward formalizing ASM that would stimulate the movement of Chinese gold seekers to sites *en masse*. They now provide the crucial support services that the government has failed to make available to the country's ASM operators, including those in possession of licenses (Hilson et al., 2014).

The first Chinese gold 'seekers' entered Ghana 'legally', convincing the authorities they had ties to registered mine service companies. But once inside the country, many quickly relocated to *galamsey* sites. Lost in the growing public condemnation of the environmental impact of *galamsey* activities and widespread documentation of growing Chinese participation in the sector is how these phenomena are linked to the sector's informality. Indeed, there is now a vast literature focusing on Chinese participation in Ghana's gold mining economy (e.g. see Crawford and Botchwey, 2017; Crawford et al., 2016; Bach, 2014; Aidoo, 2016; Armah et al., 2013). However, much of this scholarship fails to take stock of the bigger picture. The latest addition to this growing list of scholars is Tschakert (2016), who examines public perceptions of these Chinese 'gold seekers'. Whilst their vilification is, indeed, disconcerting, as the author suggests, it is superfluous when the more fundamental concern of *why* these individuals are found in abundance in Ghana's *galamsey* camps altogether is taken into account. What cannot be overlooked here is again, *why* the Chinese are found in such large numbers in the *galamsey* economy. Their presence and growing importance in this space are, as Hilson et al. (2014) explain, owed to the sector's informality. Had successive governments committed to formalizing and supporting ASM, *galamsey* communities would not be overridden with Chinese gold 'seekers' today.

Perhaps the most surprising views on the 'Chinese problem' have been those aired by Ghanaian government officials. Most have condemned the growing presence of Chinese nationals in the country's informal ASM sector, and more significantly, fail to recognize how the policies they have designed and/or endorsed have triggered this particular development. The likely reasons for this are: 1) that senior government officials have not made the connection, genuinely lacking knowledge of the dynamics of the *galamsey* economy; or 2) have simply chosen to ignore the importance of formalizing ASM, content with capturing gold from a quasi-illegal sector populated by both unlicensed and registered operators. The strategy adopted by successive governments in Ghana over the past two decades suggest that it is more a case of the latter, with some moves predictably stifling the formalization of ASM and confining most operators to the *galamsey* economy. It is not only the prohibitive fees attached to, and bureaucracy associated with, small-scale gold mining licenses that are fuelling this informality. The root cause of the problem is an institutional setup, which, over the past two decades, has deemphasized the formalization of ASM and the dismantling of an administrative structure that at one time had delegated regulatory responsibilities for the sector among government departments fairly effectively.

The latter commenced when senior executives at the Minerals Commission, the country's mining policymaking body, elected not to replace the director of its Small-Scale Mining Division when he was transferred to the Ministry of Lands and Natural Resources (then the Ministry of Lands, Forestry and Mines), in the capacity of a ministerial advisor, in 2004. With the jobs of most of the Commission's employees, including those based at field stations, being linked in some way to ASM, this has added to the bureaucracy, as each employee must now report to a different line manager.<sup>23</sup> According to one government official, this move has left the 'management [of the Commission] in chaos'.<sup>24</sup> There was likely no incentive for the NPP Government in power between 2001 and 2008 to formalize ASM because numerous influential parties were deriving benefit from it remaining informal: at the one

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<sup>26</sup> A major industrialized area in Ghana that employs an estimated 200,000 workers, across a host of workshops.

<sup>23</sup> Interview, NGO official, 20 November 2017

<sup>24</sup> Interview, government official, 13 October 2018.

extreme, through PMMC, the government was capturing a significant share of gold produced by *galamsey* operators, and at the other extreme, local-level actors, including politicians, policemen and the very chiefs who have voiced complaints about ASM degrading the environment, found themselves in a position to extract sizable bribes from operators, taking advantage of the lack of regulatory presence (Aidoo, 2016).<sup>25</sup>

Significantly, however, the arrival of Chinese gold ‘seekers’ and other foreigners has potentially compromised the government’s ability to buy gold directly from *galamsey* operators. The general public and those who endorsed *Operation Vanguard* and #StopGalamsey were largely unaware at the time that the government, through PMMC, had, for decades, been purchasing gold from unlicensed operators indiscriminately, in the process perpetuating and fortifying the informal ASM economy. It was explained during several interviews with government officials that the sharp drop in the amount of gold collected from ASM operators by PMMC buyers between 2014 and 2015 was believed by senior policymakers to be the result of a galvanizing Chinese purchasing presence at the local level. Concerns over no longer being able to capture this gold, it was further explained by these officials, would ultimately become a major reason why a ban on ASM was considered.

### **3.3 Large-Scale Mining: A Reset?**

Over the last two decades, governments in resource-rich sub-Saharan Africa have consistently prioritized large-scale mining in their development strategies. Large-scale mechanized extraction has often been associated with progress and ‘modernization’, whilst artisanal operators have been ostracized and subjected to military ‘sweeps’. In addition to Ghana, there have been sweeps conducted in a range of other locations, including the Marange diamond fields in Zimbabwe (Masiya and Benkenstein, 2012; Chipangura, 2019) and artisanal gold mining fields in Côte d'Ivoire (Van Bockstael, 2019).

Recent research by Hilson et al. (2020) has explored how this large-scale bias is deeply-rooted in host governments’ desire to extract ‘easy money’ in the form of taxes, permit fees and exploration licences. Significantly, there seems to be a lengthy history of this bias in the region: there were early reports and anecdotal evidence of this behaviour surfacing over a decade ago in the likes of Tanzania (Lissu, 2004; Lange, 2006), Liberia (Wallace and Lepol, 2008), and the Democratic Republic of Congo (World Bank, 2008). In most cases, as Hilson (2019) notes, policies designed to bolster this bias towards large-scale mine development allow governments to generate significant amounts of revenue, whilst at the same time marginalizing the ASM sector. In Ghana, the NPP’s intentions to develop its large-scale mining sector were made clear under the Kufuor regime, as evidenced by the stabilization agreements negotiated with Newmont and AngloGold Ashanti. The Akufo-Addo Government seems determined to cultivate further relationships with these, and other, international mining houses, as well as to fortify the country’s large-scale mineral exploration facility.

The temptation to rent-seek from large-scale mining may be too great for the government. In 2016, mining accounted for US\$369.3 million, or 16 percent of all revenue collected by the Ghana Revenue Authority.<sup>26</sup> The taxes and other fees paid by the holders of the 593 active reconnaissance and prospecting licenses, and quarterly royalty payments made by the country’s mine operators, are sources of continuous and sizable sums of money which, as one government official put it in an

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<sup>25</sup> ‘Chiefs, politicians, others cited in BNI report on galamsey’, [www.myjoyonline.com/news/2017/May-5th/chiefs-politicians-others-cited-in-bni-report-on-galamsey.php](http://www.myjoyonline.com/news/2017/May-5th/chiefs-politicians-others-cited-in-bni-report-on-galamsey.php) (Accessed 3 November 2017).

<sup>26</sup> ‘Mining investors want Ghana to remove taxes on exploration’, [www.newsghana.com.gh/mining-investors-want-ghana-to-remove-taxes-on-exploration/](http://www.newsghana.com.gh/mining-investors-want-ghana-to-remove-taxes-on-exploration/) (Accessed 12 November 2017).

interview, are available ‘for chopping’.<sup>27</sup> This is, the official continued, ‘effortless money’ that can be accessed with minimal manoeuvring, and could explain why, shortly after the launch of *Operation Vanguard*, the government entered into an agreement with mining companies to ‘protect’ their sites from encroaching *galamsey* operators. Mr Amewu announced at the time that ‘The Chamber of Mines has signed an agreement with some companies in collaborations with the military for protection of their sites’, and that ‘What we want to do is to let the public know that these particular mine sites have been protected’.<sup>28</sup> The government understands that competition for foreign investment in mineral exploration and extraction, particularly for gold, has stiffened dramatically in sub-Saharan Africa over the past two decades. During the early years of the Kufuor regime, when gold prices were in the range of US\$300/oz, Ghana’s only meaningful competition in the region outside of South Africa was Tanzania. Today, however, because of a gold price that has exceeded US\$1000/oz since 2009, there is competition from a range of countries. The list includes neighbouring Mali, now Africa’s third-largest gold producer, and Côte d’Ivoire, deemed the continent’s most appealing destination for mine investment (Jackson and Green, 2017). For the current regime, protecting these investments, therefore, is paramount.

Ghana received a much-needed boost on this front following publication of the *Fraser Institute Annual Survey of Mining Companies 2016*, which ranked it as the second most appealing destination for mine investment in Africa.<sup>29</sup> This grade was awarded on the basis of the country’s political stability and robust policy framework, it having made strides in ameliorating its well-documented power generation problem, and diminished investor confidence in other mineral-rich destinations worldwide (KPMG, 2014).<sup>30</sup> Maintaining and eventually increasing large-scale gold mine production hinges upon a buoyant mineral exploration facility. A suspension of small-scale mining licenses, *Operation Vanguard* and complementary military intervention helped make this possible, clearing the path for ongoing and planned activity and helping the government continue building relationships with the holders of the country’s reconnaissance and prospecting licenses, and large-scale mining leases, to whom it has committed a large share of the country’s land (Tables 1 and 2).<sup>31</sup> Headlining this list are corporate entities based in Canada, the location of the Toronto Stock Exchange, which lists 58 percent of the world’s mining companies. The major Canadian gold mining companies currently operating in Ghana include Golden Star Resources (in possession of nine mining leases covering a combined 451.05 km<sup>2</sup>, and 13 prospecting licenses covering a combined 4834.75 km<sup>2</sup>); Kinross Gold (holder of two mining leases covering a combined 106.33 km<sup>2</sup>, and 21 prospecting licenses covering a combined 3384.23 km<sup>2</sup>); and Asanko Gold (two mining leases covering a combined 55.51 km<sup>2</sup>, and four prospecting licenses, covering a combined 284.13 km<sup>2</sup>) (Kwakyewah and Idemudia, 2017). More than 50 percent of the country’s foreign-owned concessions belong to Canadian companies. The Canadian Government did not openly endorse *Operation Vanguard* and military sweeps, electing to be more covert with its support, such as providing finance to reclaim areas mined out by *galamsey* operators.<sup>32</sup>

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<sup>27</sup> Interview, Government Official, 21 November 2017.

<sup>28</sup> ‘Lands ministry names mining firms with military protection’, <http://citifmonline.com/2017/07/11/lands-ministry-names-mining-firms-with-military-protection/> (Accessed 3 November 2017).

<sup>29</sup> ‘Lands ministry names mining firms with military protection’, <http://citifmonline.com/2017/07/11/lands-ministry-names-mining-firms-with-military-protection/> (Accessed 3 November 2017).

<sup>30</sup> KPMG. 2014. *Ghana Country Mining Guide*. KPMG, Accra.

<sup>31</sup> Data obtained from the Minerals Commission, Accra.

<sup>32</sup> ‘Gov’t begins moves to reclaim *galamsey* lands in Kyebi’, <https://citifmonline.com/2017/11/11/govt-begins-moves-to-reclaim-galamsey-lands-in-kyebi/> (Accessed 13 November, 2017).

**Table 1:** Profile of large-scale mining activity in Ghana<sup>33</sup>

Total number of concessions	<b>592</b>
Total number of prospecting and reconnaissance licenses, Ghanaian companies	<b>296</b>
Total number of prospecting and reconnaissance licenses, foreign companies	<b>220</b>
Total number mining leases	<b>76</b>
Total Area Ghana	<b>238,538 km<sup>2</sup></b>
Total territory under concession, Reconnaissance Licenses and Prospecting Licenses (Ghanaian companies)	<b>25,208.07 km<sup>2</sup></b>
Total territory under concession, Reconnaissance Licenses and Prospecting Licenses (Foreign companies) - (includes offshore concession of 10,000 km <sup>2</sup> awarded to Marine Mining Corp in Western Central Region).	<b>39,184.99 km<sup>2</sup></b>
Total territory under concession, Mining Licenses	<b>3,932.72 km<sup>2</sup></b>

**Table 2:** Total area in Ghana under concession by region (km<sup>2</sup>)<sup>34</sup>

Region	Size (km <sup>2</sup> )	Total area of covered by licenses (Reconnaissance + Prospecting + Mining), km <sup>2</sup>
<b>Ashanti</b>	24,390	9,749.29
<b>Western/Ashanti</b>		69.72
<b>Eastern/Ashanti</b>		183.71
<b>Ashanti/Central</b>		0.02
<b>Brong-Ahafo/Ashanti</b>		377.45
<b>Brong-Ahafo</b>	39,557	8,511.05
<b>Central</b>	9,826	6,510.48
<b>Central/Western</b>		10,442.03
<b>Central/Eastern</b>		270.69
<b>Eastern</b>	19,977	4,344.45
<b>Greater Accra</b>	2,593	N/A
<b>Northern</b>	70,383	4,620.98
<b>Western</b>	23,921	12,825.15
<b>Upper East</b>	8,842	5,067.92
<b>Upper West</b>	18,477	4,912.47
<b>Volta</b>	20,572	440.37

The Government of Australia and Government of the United States, however, openly endorsed the ban and accompanying military intervention. In the case of Australia, Mr Andrew Barnes, the country's High Commissioner to Ghana, publicly declared, at the time of *Operation Vanguard's* launch, that:

<sup>33</sup> Data obtained from Minerals Commission, Accra

<sup>34</sup> Data obtained from Minerals Commission, Accra.

The Australian government, through its embassy in Accra, is very supportive of Ghana government's attempt to manage the *galamsey*. We understand that it is a significant problem for Ghana, for the environment, for health and safety, for the people involved in this industry. It is also bad for the economy because it is diverting a lot of the gold revenues out of Ghana without being appropriately taxed and it also makes the legitimate investments of mining companies much more difficult to work here and undermine the legitimate miners.<sup>35</sup>

The statement should come as no surprise. Australian companies have injected more than US\$30 billion into extractive projects across Africa to date. Ghana, which, according to the inaugural *World Risk Report* (Mining Journal, 2017), is a more appealing destination for mine investment than Australia's own gold-rich Northern Territory, is a top destination for the country's mining companies. The reference made by Mr Barnes to 'legitimate investments of mining companies' include Australian multinationals Perseus Mining and Endeavour Mining Corporation, which invested US\$20 billion in Ghana to develop gold mines during the period 2011-12 alone.<sup>36</sup> Mr Robert Jackson, the United States Ambassador to Ghana, also praised *Operation Vanguard*, endorsing, publicly, the Government of Ghana's efforts to eradicate *galamsey* activity. Mr Jackson stated that, 'It is incumbent on stakeholders to let the community see the value of preserving the environment', furthermore arguing, with reference to the Atewa Forest Reserve in the Eastern Region of the country, that 'We need to have a sustainable programme that will conserve and preserve the environment for future generations'.<sup>37</sup> This is, coincidentally, very close to Newmont's Akyem project, which could explain the timing of Mr Jackson's statement. Denver-headquartered Newmont (now Newmont Goldcorp) is the largest US gold mining company, and has invested, to date, a combined US\$3.2 billion in its Ahafo and Akyem projects, which account for 15 percent of the corporation's global production. Ironically, Newmont was accused of moving its operations into gazetted forest reserves during the initial developmental phase of its Akyem project (Hilson and Nyame, 2006).

Mr Jackson's actions come at a time when the media and government appear to be working diligently on another 'sanitization' campaign: to alter public perception of large-scale mining. Despite its lengthy history of well-documented environmental and community-level impacts in Ghana, large-scale mining has barely been mentioned in a negative light since the launch of *Operation Vanguard*. In fact, alongside the flood of media reports which condemn *galamsey* activities because of their impacts on the environment, there are numerous accounts which attempt to draw attention to the *positive* contributions being made by large-scale gold miners to Ghanaian society. Examples include 'Newmont Ghana names mining company of the year',<sup>38</sup> 'Newmont builds accommodation for health workers',<sup>39</sup> 'Teachers receive rewards from Gold Fields',<sup>40</sup> and 'AngloGold constructs social centre for Bankyim community'.<sup>41</sup> Messages such as these have helped to further legitimize the current government's moves to promote large-scale gold mining.

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<sup>35</sup> 'Australian govt backs Ghana's anti-galamsey fight, pledges support', [www.myjoyonline.com/politics/2017/april-14th/australian-govt-backs-ghanas-anti-galamsey-fight-pledges-support.php](http://www.myjoyonline.com/politics/2017/april-14th/australian-govt-backs-ghanas-anti-galamsey-fight-pledges-support.php) (Accessed 13 November 2017).

<sup>36</sup> Endeavour Mining announced its intention to delist from the ASX on September 21, 2015.

<sup>37</sup> 'US Embassy Committed to Help Ghana Protect its Environment', [www.peacefonline.com/pages/local/news/201705/315050.php](http://www.peacefonline.com/pages/local/news/201705/315050.php) (Accessed 31 May 2017).

<sup>38</sup> 'Newmont Ghana names mining company of the year', <http://www.miningne.ws/2017/11/13/newmont-ghana-named-mining-company-of-the-year/> (Accessed 14 November 2017).

<sup>39</sup> 'Newmont builds accommodation for health workers', <http://www.ghananewsagency.org/social/newmont-builds-accommodation-for-health-workers-124947> (Accessed 14 November 2017).

<sup>40</sup> 'Teachers receive rewards from Gold Fields', <https://www.modernghana.com/news/816456/teachers-receive-rewards-from-gold-fields.html> (Accessed 13 November 2017).

<sup>41</sup> 'AngloGold Ashanti Constructs Social Centre for Bankyim Community', <http://www.ghananewsagency.org/social/anglogold-ashanti-constructs-social-centre-for-bankyim-community-123069> (Accessed 14 November 2017).

The ban and *Operation Vanguard* appear to be little more than the cornerstones of an elaborate rent-seeking exercise linked to large-scale mining. Whilst the government was suspending all ASM activities, development of large-scale mining activities continued, unimpeded: in 2017, the Minerals Commission awarded eight reconnaissance licenses, 25 prospecting licenses and three mining leases.<sup>42</sup> The ban enabled the government to reset its mining agenda, helping to build on this work to pave the way for fresh large-scale exploration and mining works, in the process increasing the inflow of 'effortless money'. At the 2019 Mining Indaba, the largest gathering of mine investors in the world, President Akufo-Addo made very clear his government's position on mining, post-ban. In a speech, he felt the need to reiterate to the audience the government's view, explaining that 'We in Ghana have a big problem with a particularly dark side of mining. It has been leading to a dramatic degradation of our land and waterways', furthermore claiming that 'Now it has become a large scale and dangerous operation, mainly as the result of sophisticated equipment and material being brought into the field by foreign-controlled criminal syndicates'.<sup>43</sup> He simultaneously reaffirmed the government's view that large-scale resource extraction is vital, economically, for the African continent. He seemingly felt compelled to exaggeratedly claim that 'The value chain of mineral extraction has great potential for job-creation, and can form an essential basis for the transformation of economies around the continent',<sup>44</sup> despite the continent's capital-intensive, export-based model of mining-led activities rarely yielding anything close to this.

As a point of departure, it is instructive to revisit the environmental argument used by the government as justification for banning ASM. At Indaba, Mr Akufo-Addo also stated Ghana's intentions to develop other segments of its large-scale mining sector. What he strategically avoided discussing after detailing the government's plans to construct an aluminium smelter, and to develop the country's manganese and iron ore deposits, however, was the US\$15 billion deal forged with the Chinese to mine bauxite. As part of this deal, the Government of Ghana has controversially released the Atewa Forest to the Government of China to mine, despite the millions of dollars provided to it by the World Bank to conserve the reserve. Ironically, a main reason why World Bank recently released additional funds for this purpose was because 'the pace of degradation associated with illegal mining (galamsey) has accelerated in recent years and this provides the rationale for the Additional Financing, which is in progress'. Yet, the Government of Ghana has permitted the Chinese to engage in opencast bauxite mining in a forest reserve, a move which promises to cause significant environmental damage. More importantly, in the context of the discussion presented in this paper, the move discredits further the stated rationale behind the ban on ASM and the launch of *Operation Vanguard*, and casts doubt on the level of commitment the Government of Ghana has to protecting the environment more generally.

#### 4. Conclusion

This paper has weighed in on the recent decision made in Ghana to ban ASM activity. Buoyed by growing public concern over how the sector's activities are damaging the environment, the Government of Ghana launched *Operation Vanguard*, a military-led intervention aimed at bringing to a standstill all unlicensed ASM activities in the country. The government also suspended all active small-scale mining licenses at the time, which its officials claimed was necessary whilst it 'sanitized' the sector and eradicated what it would routinely refer to as a 'menace'.

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<sup>42</sup> Data obtained from the Minerals Commission.

<sup>43</sup> 'Ghana's Nana-Akufo Addo says war on illegal mining yields eco-dividends', [www.miningmx.com/special-reports/mining-indaba/mining-indaba-2019/35851-ghanas-nana-akufo-addo-says-war-on-illegal-mining-yields-eco-dividends/](http://www.miningmx.com/special-reports/mining-indaba/mining-indaba-2019/35851-ghanas-nana-akufo-addo-says-war-on-illegal-mining-yields-eco-dividends/) (Accessed 9 February 2019).

<sup>44</sup> 'Africa: 'Mining Must Make Africa Prosperous Not Poor' – President Akufo-Addo, <https://allafrica.com/stories/201902060323.html> (Accessed 17 February 2019).

The paper questions the government's stated justification for the ban – that is, protection of the environment – and its decision to engage the military and police to enforce it. It argues that *Operation Vanguard*, which was endorsed by the Ghanaian public and media, helped to mask what is believed here to have been the true objective of this intervention and the ban more generally: moves made by the government to position itself to continue extracting revenue directly from a booming gold mining sector. This should come as no surprise, given how previous governments have done precisely the same. The ban on ASM and *Operation Vanguard*, therefore, should not be seen as collective action taken to protect the environment from 'a menace' but rather the latest move made by a Ghanaian Government to rent-seek from a lucrative 'space'.

More broadly, the analysis in the paper contributes to the resource curse literature in sub-Saharan Africa, adding nuance to the 'institutional strand' of the debate. In exploring the 'institutions are weak' argument in detail, the analysis offers a glimpse of what happens when a government becomes fixated on a particular revenue stream, and the implications of the changes it initiates to facilitate this. The discussion has drawn on an analysis of media sources, mine investment and production data, and findings from selected semi-structured interviews conducted with policymakers in Accra to argue that the move to ban ASM was motivated by factors that go beyond merely *wanting* to tackle illegal activities because of their environmental impacts. Based on the evidence presented, these moves appear to be little more than an elaborate façade by the government aimed at masquerading its efforts to reposition itself to capture revenue from a gold mining sector that has experienced significant organizational changes in recent years.

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