

Mining and Community Development in Ghana

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The mining industry has seen some tremendous growth over the last three decades, in part due to stable and increasing commodity prices and in part due to institutional reforms directed by the World Bank toward making the industry more attractive in the developing world. Despite the huge expansion, there continues to be a nagging question about the role of the industry in poverty alleviation around the world. The last few years have recorded an enthusiastic response especially at the international level towards dealing with the problems of poverty around mining operations, led by the UN through its Global Compact and through the International Council on Mining and Minerals (ICMM) symbolized most unequivocally in its Community Development Toolkit and 10 Principles. These developments have attracted large scholarly interest over the last decade. Unfortunately, there has been a tendency of concentrating these scholarly efforts on debates about whether or not mining can or does contribute to poverty reduction. Consequently, very little has been done to understand what mining companies are doing to address the development challenges in their operational areas, the nature of these interventions, and/or their impacts on community well-being. This is the task of my research.

I spent the summer of 2011 doing preliminary work at my study sites in Ghana. The trip lasted roughly 3 months and afforded me the opportunity to visit and forge close collaboration with my prospective cases. I had the chance to speak with and interview mining company representatives of 4 companies,



interact with members of multiple communities (about 17 in all), and spent time studying the peculiar cultural ethos of the communities that might be of consequence to my study. The trip proved extremely useful in getting my foot in the door to my actual study. I had always suspected huge difficulties in securing agreements with the mining companies for the study, but nothing of the level I met on the trip. For one particular company, it took approximately 3 months, after traversing the entire corporate structure both at international and country levels, to have an agreement for interviews. So I count the trip a great blessing in sorting this particular hurdle out.

In terms of community development practice, there is strong evidence that all 4 mining companies visited (except one) are heavily involved in calculated activities to address the development concerns of their communities, anchored on explicit policies towards same. The institutional arrangement for managing these activities are largely identical although some appear more elaborate – in terms of human resource commitment and organization- than others. For example, all the companies now have dedicated departments for managing community development activities, some with as many as over 80 employees,

others with as little as 6. For the older companies, this strategy represents a shift away from the era of outsourcing of community development activities, a transition that is still playing out. It does appear that the newer companies are doing better in terms of the number of interventions put in place and there appears some superficial evidence that communities around the new mining companies are generally more satisfied than those around the older ones. The differences in the activities between the old and new companies raise interesting questions that would be explored in my substantive work by using institutional theory.



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