

# Social Impact Analysis of Mining Operations in Kenyasi and Surrounding Communities of Ghana: The Case of Newmont Gold Mining Company in Ghana

Jones Opoku-Ware

Institute of Distance Learning, Kwame Nkrumah University of Science and Technology (KNUST), Kumasi  
Ghana

Email: [opokuwarejns@yahoo.co.uk](mailto:opokuwarejns@yahoo.co.uk)

## Abstract

This article discusses the findings of a study on mining and its social impacts on Kenyasi, a mining community in Ghana and other nearby communities especially Ntotroso and Atronie where mining activities are ongoing by mining giant Newmont Gold Mining Company. The study investigates the real and latent social impacts of mining activities on the communities in the light of the numerous promises and prospects that mining is said to provide for communities. The study employed qualitative methods of data collection of interviews, observation and focus group discussions. The study finds that from the prospecting stages through the construction of mining infrastructure and the actual mining itself, there are diverse social impacts on communities that can be very devastating on the communities where the mining takes place. These social impacts can to a larger extent, change the dynamics of community living and can make the lives of its residents better or worse. It is these impacts, real or imagined that this study unravels even though the social indicators assessed in this study are by no means exhaustive.

**Keywords:** Social impacts, Kenyasi community, mining activities, livelihood, Newmont Mining Company.

## 1. Introduction

Many countries such as Ghana and South Africa consider their mineral wealth an asset, which could be used and in fact is used to stimulate or enhance their economic growth potential and also to steer their economies into greater levels of development. In countries such as Mongolia, the mining sector is said to account for about 17 percent of Gross Domestic Product (GDP), 65 percent of industrial value added and 58 percent of export, hence making it the largest contributor to the Mongolian national economy (The World Bank, 2006:1). Furthermore, mining has played a significant role in the development process of a country like Ghana that is rated second after South Africa in terms of gold production on the African continent (Akabzaa & Darimani, 2001: 4). Mate notes that mineral wealth in the form of gold, bauxite, diamond and manganese abound in larger quantities and have been a major foreign exchange earner for the Ghanaian economy (Mate, 1998: 3) whereas as at 1999, the mining sector alone had attracted over US\$3 billion worth of foreign direct investment and accounting for a whopping 30 percent of gross foreign exchange earnings (Akabzaa & Darimani, 2001: 4).

However, like all other industries and sectors, the mining sector is also bereft with its own problems and challenges. The “footprints” it usually leaves behind are tremendous especially when it is not managed well because ‘badly managed impacts of mining on the environment or the social fabrics of society can reflect negatively on economic parameters countrywide’ (World Bank & International Finance Corporation, 2002: 2). It is observed that “ mining has a poor record in terms of its contribution to sustainable development, with few communities receiving significant benefit and mining sites experiencing lasting negative ramifications” (Reed & Miranda, 2007: 15).

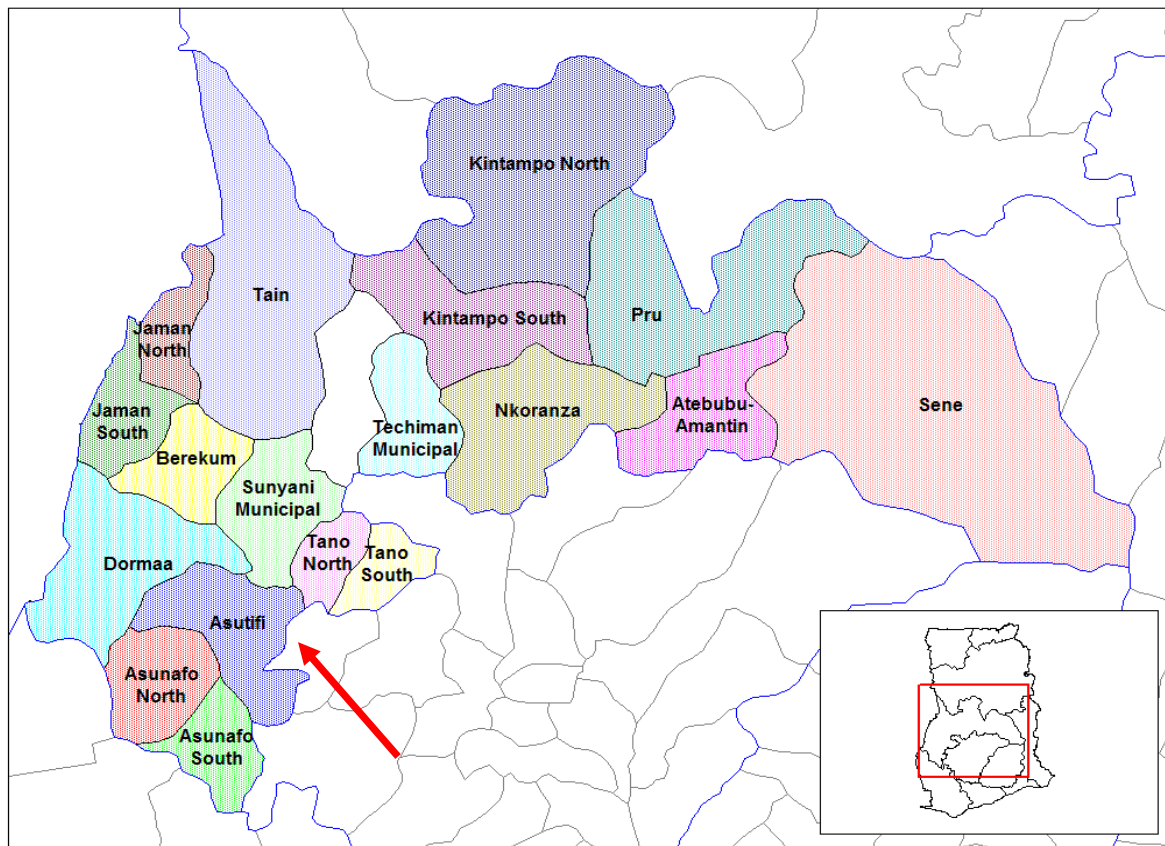
Though it is true that economies needs these mineral resources and the proceeds accrued from them to satisfy their basic needs, it is also true that the continual exploitation of the mineral resources is destroying the livelihoods and environments of the communities where mining activities or operations are carried out. So, to what extent is mining impacting on indigenous peoples and their communities?

This research set out to investigate the real social impacts of mining activities on indigenous communities of Kenyasi and surrounding communities in Ghana where mining operation is currently being undertaken by both a US based Mining giant, Newmont. The focus is specifically on how mining operations in the area is impacting on the Kenyasi community socially.

## 2. Brief Description of the study Area

Kenyasi is the capital of the Asutifi district in the Brong Ahafo region of Ghana. “The Asutifi District is one of the Nineteen (19) districts in Brong Ahafo located between latitudes 6°40’ and 7°15’ North and Longitudes 2°15’ and 2°45’ West sharing boundaries with Sunyani District in the North, Tano South District to the North East, Dormaa District to North West, Asunafo North and South Districts in the South West and Ahafo Ano South and North Districts (Ashanti Region) in the South East” (Government of Ghana, 2002).

Figure 1. Map showing Brong Ahafo region of Ghana with its districts including the Asutifi District (With arrow). Data source: Government of Ghana 2009.



Occupying a total land surface area of 1500 sq.km, the district is one of the smallest in the Brong Ahafo Region with a total of 117 settlements in the district and four paramountcies, namely: Kenyasi No.1 Kenyasi No.2, Hwidiem and Acherensua (Government of Ghana (GoG), 2000). “The district capital Kenyasi is about 50km from Sunyani, the regional capital of Brong Ahafo, through Atronie and Ntotroso” (GoG, 2000). Perhaps the most important potential for the development of the district lie in the abundant natural resources in the areas of forest and forestry products, good soil of high agronomic value, sand, clay and mineral deposits like gold, diamond, and bauxite (GoG, 2002). Topographically, Kenyasi lies within the forest dissected plateau “with average height of about 700 feet above sea level and the lowest part of Kenyasi found along the river basins whilst the highest point is found within a chain of mountains” (GoG, 2000). In fact, geologically, the area is fully covered by rocks of Birimian and Dahomeyan formations with these rocks known to be gold, manganese and Bauxite bearing rocks (GoG, 2000) and could explain why currently gold is being mined in the areas where these rocks are found by Newmont Ghana Gold Limited one of the biggest mining companies in the world. Predominantly, it is Kenyasi here that massive exploratory works is being carried out by mining companies. In addition to these are “large areas of forest reserves such as the Biaso Shelter Belt, Bia Tam Forest Reserve, Asukese Forest Reserve, Goa Forest Reserve and Desiri Forest Reserve with these forest reserves together covering a total of about 475.63 square kilometres , about 30% of the entire land surface area of the area” (GoG, 2000) and it is to be assumed that the massive exploitation of the area for minerals would invariably affect these forest since they are also embedded with some Birimian rocks.

The predominant occupation in Kenyasi is subsistence agriculture which engages 66.7 percent of the economically active labour force. As a matter of fact, the sector (farming and animal husbandry) employs majority of women population in Kenyasi. About 91 per cent of those engaged in other occupations outside agriculture still take up agriculture as a minor activity” (GoG, 2002). With the recent operation of mining activities by Newmont Ghana Gold Limited to mine gold within its boundaries, it has created grave concern about the tremendous implications of the mining activities on the local economy. For instance, farmers feel threatened by the mining operations, but on the other hand, a lot of job opportunities are being created both directly and indirectly. Kenyasi therefore finds itself in the middle of profound structural changes providing

opportunities and challenges to managers of the town.

### **3. Methodology**

#### **3.1. Epistemological and Ontological Consideration**

In the conduct of this research, I identified the most useful approach to obtain knowledge. Basically, I operate in two major worlds in the approach to gaining knowledge. This is the epistemological and ontological world. For this research, I operated in an epistemological interpretivism and an ontological constructionist considerations. This is largely because the focus is to study people in their natural setting and to understand their perceptions, beliefs and meanings they attach to social phenomena and reality that confronts them in their natural setting. In understanding the social reality, the adoption of an interpretivist and constructionist approach ensured that I was able to deeply delve into the subjective meanings that individual actors within the social setting attribute to social phenomena and reality they face. I therefore employed methods that helped me understand their social world and their constructions. The approach adopted is therefore very useful. This influenced the research strategy that I adopted in this study.

#### **3.2. Research Strategy**

The adoption of an interpretative epistemology and constructionist ontological approaches ultimately influenced my adoption of a strategy for my research. In this study, I employed a qualitative strategy. Qualitative research strategy was adopted and it provided me with the opportunity to observe, understand, assess and explore the nature and extent of the impacts of mining activities in depth and to see the situation as it is without being speculative. Specifically, qualitative data collection methods of interviewing, participant observation, focus group discussion and analyses of relevant documents were used.

#### **3.3. Data Collection Methods**

##### **3.3.1. Semi- Structured Interview**

For this research, semi –structured was used. This form was basically used to elicit information from indigenous people about how mining operations in the community has impacted on them socially and environmentally. The rationale for using semi structured interviews was because it helped me to get in-depth information about the social and environmental impacts on the people on a one- on- one basis. In addition, I was also able to probe further since I could pick on the responses given by the respondents to ask further questions

##### **3.3.2. Focus Group Discussion**

This study employed focus group discussion because it was a very useful method for ascertaining the general views of the local people on mining operations in the area. Community or opinion leaders and selected indigenous people, some members of pressure groups in the area were selected to engage in the discussion that basically focused on impacts, coping mechanisms and management of the impacts.

##### **3.3.3. Participant Observation**

By using Participant observation, I was adequately able to compare what I saw or observed with what was said by the people during the interviews and the focus group discussions. The result of this method was an in-depth understanding of the nature and extent of impacts of the mining activities on the indigenous people in the real setting. It helped me to “better gain a foothold on social reality.

#### **3.4. Sampling**

For this study, the households that were selected for the interviews were randomly selected because the residence pattern of Kenyasi and the surrounding communities made it quite easy for me to enter into houses and interview them easily. In the houses, male heads mostly answered the interview questions because of the traditional family structure of male dominance over females. However, in some households, some females were interviewed because of two major reasons. First, the men were absent and secondly, the women volunteered to contribute and they were given the opportunity to do so even if the males were around. As noted earlier, this was done randomly. Although the simple random sampling was used in the selection of households for the interviews, at the latter stages of the interview process, snowballing emerged in selecting two household since my key informant, who also happened to be an opinion leader directed me to two households who was very vocal and knowledgeable in most of the issues of interest to my study. I therefore interviewed these two households.

For the focus group discussion, the members of the group were also selected randomly but with much consideration to their social background. Seven people who were all males were selected to be on the group. Consideration was not given to gender in the selection of respondents because the study was not interested in the gendered perspectives of the issues under study although mining can impact on gender differently. Rather, the focus was to unravel the extent to which the community as a whole is impacted by mining activities in the area.. For respondents from Newmont Mining Company which operates in the area, I interviewed one person who was an employee and official of Newmont’s Communication Department. I choose to interview an employee from

the Communication Department of Newmont other than any other department because the Communication department is repository of all information about Newmont and their areas of operation. Selection of the official for interview was done using the snowballing sample technique since initial people contacted led me to a top communication official of the department who was very conversant and knowledgeable of the issues that was of interest in the study.

#### **4. Presentation of Findings and Discussions**

Unavoidably, mining activities in Kenyasi has affected natural resources in the Kenyasi community. Particularly affected are some acres of land, plant and forest cover as well as major rivers and water bodies that were previously used by the people in Kenyasi. Rainwater is no more usable in the community and it can be said that chemicals gases that are released into the atmosphere by the mining company especially during the blasting of the land for excavation is the major reason why people no longer use rainwater. Though the mining company has cleared large acres of land for mining, mining activities is limited to only small portions of land comparative to whole land area of Kenyasi even though the company has earmarked other areas for future mining activities. This is a confirmation of the company's report that as of 2009, deforestation and land clearance for mining purposes in the company's whole concession including Kenyasi is limited to the smallest extent possible (Newmont Sustainability report 2005). As a result, large areas of land and forest cover still exist untouched at Kenyasi thereby maintaining its original outlook as a forest. However, it is also worth stating that the current mining practice of Newmont which is surface mining would in the next five to ten year pose a serious risk and changes to natural resources of Kenyasi since the continual clearance of large acres of land and forest cover for mining from time to time would result in serious deforestation and land degradation that would lead to a massive loss of large vestiges of land and forest cover.

The social impacts of the mining activities in Kenyasi are mixed in terms of its positivity or negativity. With the impacts spanning through social indicators such as employment, population increase and migration, economic and business development, prostitution, crime, conflict, poverty issues, infrastructural development and prices of goods and services, there is the general acceptance in the community on the impacts of mining activities in the community in any of these ways. After all, majority of the respondents indicated that they have been affected by major social and structural changes in the community since mining began.

On employment, the situation is very unique in Kenyasi because contrary to popular opinions of job creation and massive business development in mining areas due to mining activities, the situation as it persist in Kenyasi is far from such reality. In fact, the promise of jobs and employment in the mining company to the people of Kenyasi which in one way or the other served as a guarantee for mining in the community has not been forth coming to the disappointment of the people. Most of the people are unemployed especially the youth after their farms and lands have been taken over and destroyed by Newmont and have been denied employment into the mining company basically due to two major reasons namely, lack of employable and requisite skills to work in mines because of the high illiteracy rate in the community and secondly, corruption mainly from bribery and impersonation. The implication of the finding is that mining cannot be solely depended on by countries and their governments as an avenue for reducing unemployment rates by providing its citizenry with enough employment since most of the large mining companies have gradually shifted from the labour based mining methods like underground mining as previously practiced by most mining firms. This is because large scale mining in particular has proven to lack the capacity to employ a chunk of the teaming unemployed Ghanaians since on the national scale, its total share of employment of the working age population is only 0.7 per cent, in comparison to agriculture's 55 per cent, trade's 18 per cent and manufacturing's 12 per cent (Ghana Statistical Service, 2000 cited in Akabzaa, 2009). On the contrary, it largely displaces most community residents previously employed especially at the agricultural sector and hence, deny them their source of livelihood.

Compounding the problem of unemployment in Kenyasi is the massive increase in population growth. The trend is basically attributed to two major factors, migration and high birth rate over the last few years. The influx of strangers from other mining areas of Ghana has increased the physical presence of people in the community in the search of jobs at the mines. It is evident from responses obtained from field interviews that the large influx of migrants mainly accounts for the increase in Kenyasi's population and is confirmed by data from the Asutifi District where Kenyasi is located that there have been a 4.7% increase from the figure of 50% working group in the year 2002 largely attributed to the influx of unskilled and skilled youth from regions outside Asutifi and even the Brong Ahafo into the district expecting job opportunities especially in the mining areas of Kenyasi and Ntotroso (Asutifi District Profile, 2006). The population figures is estimated to have increased from 84,475 as at 2000 to about 108,682 in 2009 considering the fact that demand for mining related jobs and services increased within the period leading to a massive influx of migrants into the district particularly Kenyasi and Ntotroso (Asutifi District Profile, 2006).

The presence of Newmont Mining Company in Kenyasi has undoubtedly created and generated some business and economic opportunities for the people of Kenyasi with some people now engaged in other business

ventures particularly in the selling of phone card and credits, operating mini-restaurants, selling food and water on the streets as well as general merchandise. However, this study finds that the number of people engaged in these business ventures is only a handful and are usually some people who have been compensated for their destroyed farms who decides to invest their monies in these businesses as alternative means or source of livelihood. Only few people indicated to have benefited from such SME schemes but even complained that start up capital given them was inadequate resulting in the collapse of most their businesses and eventual inability to pay the credit given them by the company. In essence, the capital- intensive nature of these businesses makes it very difficult for most people in the community to engage in them because of the poor financial situation of the people in the community. Their lack of employable skills and its subsequent guarantee for jobs at the mines ensures that their access to purchasing power and sources of finance is very limited.

Again, Prostitution was identified as one major social vice that has seen an upsurge in Kenyasi and the surrounding communities that mining is carried out. In simple term, prostitution is high in Kenyasi especially since mining started. The lack of employment among the youth coupled with the high levels of poverty has resulted in increased levels of prostitution among women. It is not uncommon to find very young women at night trading sex for money at various hotels and guest houses at Kenyasi. Usually, clients are Newmont workers and some expatriate workers at Newmont who have the money to pay for sexual services. Most respondents indicate that the quest to survive, poverty and the lack of employment in the community have created this condition. At the extremes, married women are also engaged in the practice because their legitimate husbands who are usually Kenyasi indigenes cannot provide for all their needs. Some of these women have divorced their legitimate husbands and are now co-habiting with some Newmont workers who have supposedly promised to marry them. Generally, the prices of goods and services in Kenyasi that hitherto used to be low have increased tremendously because of mining. This is confirmed by almost all the respondents interviewed who complained about arbitrary increases in foodstuffs in particular. Kenyasi is now an expensive town because it is now filled with workers of Newmont who are perceived to be very rich. The massive presence of these high income groups in Kenyasi has resulted in increased prices of basic goods and services because most of the people who have the capital to start up any form of business would want to cash in because of the supposed increased demand by the mine workers. This has compounded the poverty situation in the community since the local people would have to buy the same goods and services at the same prices as the workers of Newmont who can easily afford them at any rate. This confirms that there is not only the perception that miners are rich but that they actually are.

Crime in the community however is minimal especially murder and burglary but petty theft has increased relative to the previous situation before mining started in the community. For Kenyasi, one major reason for the low level of crime is the existence of some traditional taboos that imbibe some high levels of fear in the people in committing major criminal acts like murder and burglary. However, the increase in theft especially in other people farms is because poverty in the community has worsened, and as a result some have resorted to stealing farm produce in particular to sell to other people or use it. Almost all the respondents attested to increased theft of farm produce and the general believe is that peoples whose farms have been taken by Newmont might be responsible for the practice.

Although it is clearly evident that the increased poverty in the community accounts for these practices, it has not resulted in any form of communal conflict in Kenyasi even though there are clear indications that there is tension in the community and the people are very prepared to engage in any form of conflict especially with Newmont Company when the time is ripe for them. In fact, responses by some respondents about the purchase of guns by most Kenyasi people is a clear confirmation of the simmering tension and readiness of the people to engage in conflict with the mining firm when the time comes. It is therefore a sign that Kenyasi residents are largely dissatisfied with Newmont's activities in the community especially when their expectations have not been met and the promises made to them have not been fulfilled by the company. This finding although very revealing calls for measures by Newmont and the local authorities to ensure a cordial relationship is maintained and promoted between the mining company and the community as a whole by fulfilling the expectation of the community residents especially the youth who feel frustrated due the loss of their livelihood and disappointments from many unfulfilled promises made by Newmont and the local authorities to them before mining began in the community.

## 5. Conclusion

The discussion and analysis of the social impacts of mining in Kenyasi indicates a worrying trend of how mining is impacting on the social life of the residents of Kenyasi. Impacts on employment, high prices of goods and services, lack of infrastructure and social amenities and increased poverty levels are very widespread in Kenyasi and are largely felt by most people in the community in one way or the other. In reality, the number of people affected by the social impacts of the mining activities is very widespread and in fact, social life and organization of the people in particular have greatly been affected. There is therefore no doubt that in Kenyasi, their social structure and organization has largely been tampered with increased disruptions in their traditional ways of lives

especially in the disruption of social ties due to the resettlement.

## 6. Recommendations

On the basis of the findings, I provide the following recommendations which I believe will be useful for Newmont, the local and national authorities in Kenyasi and Ghana in general in managing the impacts of mining on the community as well as other mining communities in Ghana.

- It is recommended that great attention be paid to the massive unemployment situation caused largely as a result of the displacement of the people from the farms which basically served as the major source of employment and livelihood for the people because they are predominantly farmers. The apparent simmering tensions as indicated in the findings of this study is a warning signal and Newmont Mining Company in particular should make it a serious point in employing the local residents as stipulated by their policy statements of giving priority to locals in times of employment. It should be stated that the blank excuse given by Newmont that the local people are illiterates and uneducated to work in the mines is dangerous and as such it is recommended that Newmont takes steps to provide the people with some training and programmes to make them capable of working in the mines or its subsidiaries.
- Newmont Mining Company should take conscious steps in fulfilling its promise of infrastructural development and investment particularly water, electricity, hospital and other social amenities at little or no cost to the community residents. At worst, the few existing ones can be expanded to provide and cater for the needs of the teeming number of community residents especially when migrants settlers into the Kenyasi community has increased tremendously with the start of mining in the community, thereby putting more pressure on the existing facilities and infrastructure resulting in its destruction and demise. Adding more facilities and expanding the existing one would in the long ease the pressure on the few ones and prolong its lifespan in the long run.
- Finally, community engagements should be undertaken by Newmont by engaging community representatives in their activities and programmes that are carried out by the mining firm. Such engagements could provide good platforms for community residents to express their grievances and also act as avenues for information dissemination for Newmont. Such a move enhances community participation as it gives the community residents an opportunity to interact with Newmont management on personal basis as well as communicate and participate directly in programmes and strategies undertaken by Newmont. By doing so, a greater sense of partnership is fostered between the community residents and the mining company to achieve community commitment of their development programmes. Rather than seeing them as recipients of development assistance, the community should be seen as a more active participant of the development process itself. In that way, the people would be empowered to work out their own development initiatives and also be committed in making those initiatives succeed.

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