

# Paradox of Informal Luxury Housing Boom in a Post-Mining Town in Ghana

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## Abstract

This paper examines spontaneous construction of new housing in Obuasi, the largest gold mining town in Ghana after its closure in 2014. Obuasi has become spatially different as more new luxury houses have been developed by the former miners over a relatively short period without coordination. The paper explores the role of lump sum severance packages received from industrial collapse on housing. Using in-depth interviews with former miners who have built their houses after the mine closure, the reasons for the use of the severance packages to build and thoughts behind the choices of housing typologies have been discussed. This paper established that the former workers built their new houses with their take-home money to overcome the bottlenecks in the formal housing finance market and to fulfil continuity of “good-living” privileges previously enjoyed for working and living in the gold mines. The paper concludes that industrial workers should be provided livelihood options training before they are laid off from their respective employments.

**Keywords:** Post-mining towns, Obuasi, informal housing, housing finance, Ghana

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## Introduction

The subject of spatial and social transformation in mining and post-mining towns have been worldwide phenomena for centuries. According to Thorns (2002), Marxists attribute the structure of cities and their shapes to the requirements of capitalist production. He however defines urban expansion from the Fordist perspective which mainly characterises industrialization and its related features to the ‘first-world’. This assertion has been refuted as many cities in developing and emerging countries have seen expansion through industrialization as well. Using the example of Sao Paulo, Da Silver (2000) argues that a city not in the ‘first-world’ has rapidly developed due to its industrial and commercial values.

The highly globalized nature of mining industries makes them prone to international industrial turmoil which also leads to urban decline. Global capital crisis in the 1970s led to a massive restructuring of larger global industrial giants (Sassen, 1994, 1996; Knox & Taylor 1995). This crisis led to new forms of spatial distributions. Some of these cities later transformed around financial and information services due to the emergence of technology. Not all cities are able to revive again. In his accounts of African industrial towns, Ferguson (1999) bemoans that in most cases, without systematic policy attempts to restore such towns, they fade out, lose residents, shrink and eventually become ghost towns.

In 2014, the Obuasi Gold mines in Ghana, operated by AngloGold Ashanti (AGA), headquartered in Johannesburg-South Africa, closed down indefinitely. Ghana is the second largest producer and exporter of gold in Africa. Obuasi is known to have the biggest commercial gold mines in Ghana since the 1890s (Ayensu, 1997) and produces about seventy percent of West Africa’s gold (Bermudez-Lego, 2016). The town is very relevant politically, socially and economically in Ghana. It is the eighth biggest Ghanaian city by population with a total inhabitants of 168,641 and 2.8 percent growth rate per annum (Ghana Statistical Service [GSS], 2012). This can be attributed to the continuous influx of job seekers arriving and settling in the town year after year. The viability of the then Ashanti Goldfields Corporation (AGC) contributed to its merger with AngloGold of South Africa in 2004 to become AngloGold Ashanti (AGA, 2016).

A decade after that merger, fluctuations in global gold prices and unstable electricity supply in the country affected the mining industry. These factors caused a drastic reduction in revenue and higher production cost. This development led to massive retrenchment of the workforce. The role of the workers union in the retrenchment negotiations resulted in ‘respectable’ severance packages for the workers based on various factors such as length of employment and position before the retrenchment.

Before its closure, AngloGold Ashanti Obuasi mines had a total workforce of 5,373 by December 2012 (AGA, 2016) most of whom were living in the company’s residential estates. Each worker had an average of seven dependents (GSS, 2012). When they were laid off, many of the miners at the time used their redundancy benefits to purchase or build their own houses in various parts of the town, especially in the affluent neighbourhoods. This introduced new housing typologies. Instead of moving to the traditional Ghanaian compound housing to join other relatives, most of the workers constructed their own homes. This gave way for more suburban private housing locally called *self-contained*. This has contributed to a socio-spatial expansion of the town from its known core.

In a similar situation in the *Zambian Copperbelt*, a prominent copper mine of the 1980s, Ferguson (1999) recounts how towns became wretched and helpless and former miners, miserable after the closure of the mines. However, in the early 1990s when Eastern European countries such as Poland, Ukraine and Romania, restructured unproductive coal mines, strategies were made by their respective governments to reduce the negative impact (Haney & Shkaratan, 2003). Local governments within catchment areas of the mines took centre stage in re-equipping and training laid-off workers who did not migrate to other places to start new career that would make them independent again. There is however a paradox of construction of new luxurious houses within the city boundary after the closure of the *Obuasi* mines. This is topical because, aside from the defiance of shrinking with the housing boom, there is no evidence of government intervention of revitalizing the town like what Haney and Shkaratan, (2003) reported from Eastern Europe.

The aim of this study is to identify the reasons behind the choice of the former miners to build houses with their severance packages. The following questions are to be answered to achieve the objectives of the study: First, why did the miners choose to build houses with the severance money? Second, how does financial benefits received from the closure of the mines contribute to the housing boom? Finally, how does the new housing boom adhere to existing housing regulations? Answers to these questions will not only fill the gap in literature about closure of mines and mining towns in Ghana, but also, the relevance of lump sum monies in informal housing processes.

### **Theorizing Housing in Ex-Mining Towns**

This section of the paper reviews literature and conceptualizes major themes in the study. Concepts of former mining towns around the world with emphasis on African mines and secondly, housing finance challenges in Ghana have been discussed below.

### **Post-mining and Industrial Towns**

Littlewood (2014) defines mining towns as resource towns in which mineral extraction is the main occupation. It is likened to industrial towns. Economic transformation and reorganization of industries at the global level have caused the end of many towns and the people living in them (Agueda, 2014). These situations go a long way to affect the physical planning of space. Examples can be drawn from the twentieth century American and European industrial cities. The futures of these towns are usually described as shrinking and ghost towns (Oswalt, 2015).

Brown (2013) describes how the highly rated and respected plutonium mines and workers of the Soviet Union and United States became ordinary after the end of the cold war. The urgency and need for nuclear bombs were not needed much anymore and the same became of the mining towns and the workers. Workers lost the respect that was accorded them by the people living outside the industrial zones because they became ordinary, just as anyone else. In South Africa, Rajak (2011) reports that, instability in the prices of platinum caused Anglo America to terminate the employment of about eleven thousand workers within a short time, which suddenly caused a rise in poor people in the city of Rustenburg where the mine is located. Empty shopping malls, overgrown weedy housing estates, large homelessness and visible poverty have also been published by Ferguson (1999) about *Zambian* towns where copper mines were shut done in the late 1980s and early 1990s. These have been the fate of many prominent mining centres. In most of the cases, not only do infrastructure and reputations suffer, the future of towns also becomes uncertain.

Oswalt (2005) recommends systematic urban planning as a solution for urban decay that arrives out of deindustrialization. Multiple approaches have been used to make dejected cities and towns to regain economic and spatial relevance (Wiechmann & Pallagst, 2012; Oswalt, 2005). Oswalt (2005) mentions how the *Zollverein* mines in Essen, Germany, has been restructured and has reused defunct spaces in the old mines. In this case, the old mines has been turned into a tourist center, contributing meaningfully to revitalization of the one-time vibrant 19<sup>th</sup> century city. Tourism and other service sector enterprises are usually the immediate measures implemented to restore the lost glory of industrial cities. It is also possible to utilise such spaces for mixed use purposes. Combining multiple uses of space could also be a way to reduce poverty levels of former workers through implantation of satellite industries and start-ups within the old industrial sites and prevent rundown of houses by turning them into residential spaces for other local people (Haney & Shkaratan, 2003).

Harvey (1978) accepts that social changes have a large impact in the growth of urban areas. Andersen and Engelstoft (2004) explain Harvey's assertion by using economic buoyancy of the urban setting, attractiveness of residential areas and easy accessibility. With these elements in place, though a city can acceptably plummet in terms of relevance, it can still be reignited. Mining and other industrial cities can rely on their previous glory and the existing infrastructure to harness their sustenance if not their complete growth. Therefore, the presence of conditions such as global networks and the availability of skilled and experienced labour (Maskell & Malmberg, 1999) in a town due to its industrial past could be redirected into making a new venture impactful and relaunching into recognition once again. However, Agueda (2014) argues that, some cities after the industrial decline, never get back to their status even with several strategic local and national interventions.

## **Mining Towns in Ghana**

Mining has been part of Ghana even before the arrival of the Europeans in the fifteenth century. It became an essential part of the trade relations between the local people and the various Europeans that docked at the shores of the then Gold Coast. Until the commencement of the first commercial gold mines in the forest town of Obuasi in 1897 through the partnership of British investors and some local merchants (Ayensu, 1997; Ofosu-Mensah, 2011), people collected gold from the surface of the soil and rivers (Knapp, 1998). In the precolonial era, when the locals gathered gold through a panning process, it was sent to the coast where it was exchanged for salt and gunpowder from European merchants (Knapp et al, 1998).

Millions of dollars obtained from commercial mining are repatriated to the country of the primary investor of the mining company leaving the workers and the local economy with just negligible amount, environmental degradation (Akabzaa & Darimani, 2001) and unattainable desire to live like rich people as their lands. It has been argued that countries or towns with abundance of natural resources become economically retrogressive due to over dependence on minerals and its vulnerability to market forces pushed by the capitalist multinational owners (Szablowski, 2002; Fatawu & Allan, 2014). Economic hardships that resource rich areas face limit across-the-board success of the masses which then breed conflicts (Collier, 2007, Fatawu & Allan, 2014) and corruption (Karl, 2005; Norman, 2012; Li, 2013). Indigenous of mining towns and communities are impoverished by the operations of the companies because it destroys their farms, homes, degrades their environments, and sometimes, does not employ enough of the local people (Kitula, 2006; Action Aid, 2006). Till today, many mining towns are bedevilled with poverty in Ghana and other parts of the developing world.

Ghanaian mining towns have been in deplorable states from all aspects (Akabzaa & Darimani, 2001). However, Ayensu (1997) shows that there is another part of these same mining towns that look like American or European style suburbs; private homes with beautiful avenue trees and lawns. These areas serve as homes for the miners and their families. Some of them are completely gated and corded from non-miners. It therefore creates a clear distinction between two brothers with one employed in the mines and therefore lives in this splash neighbourhood and the other who is unlucky, hence has to endure the hardship of the other side of town. Considering such a divided setting of luxury and gory, any opportunity to continue to live a 'miners' life' may be an attempt taken by former miners after their retirement especially when they can finance it.

## **Informal Housing in Ghana**

Many family (compound) houses across the country were constructed from the mid-twentieth century using revenue from the sales of cocoa beans (Briesinger et al, 2008) in cities such as Kumasi, Sunyani and other forest towns or through profits from trading and merchandising (Aryeetey, 2015) especially in cities along the coast such as Accra, Cape Coast and Takoradi. These old settlements are well planned with a grid system, roads, and open spaces for social events as well as essential services such as schools. What is common in all the funding sources are reliable household income streams. However, the high prevalence of the informal sector in recent decades (GSS, 2014; Hart, 1973) has made it difficult for people to easily finance housing construction or purchasing. Boamah (2010) in a study of housing finance in Kumasi and Tamale discovered that, housing finance through the formal system, thus, mortgage, is almost non-existent in Ghana and even where possible to access, the requirements become laborious. He further mentioned that people go ahead to use their own savings accumulated over several years to build.

Unlike western housing market where regulation and the influence of state policies are highly felt (Whitehead & Scanlon, 2007), the Ghanaian housing sector is highly unregulated (BOG, 2007; Boamah, 2010). Housing industry in Ghana is still in its early stages after many years of take-off. The state's formal involvement in providing housing dates back to the 1960s immediately after independence through the establishment of the State Housing Corporation (SHC). SHC works slowed down and eventually suspended after providing few housing units in major cities making private citizens responsible for financing and building their own houses through informal means (BOG, 2007). There is about 1.7 million to 2 million housing deficit in the country (GSS, 2014; Ansah, 2014; Afrane, et al, 2016).

The informal sector has been the largest provider of housing in Ghana (Adaney, et al, 2015) since the state is not up to the task. This approach works better for the masses because they save as much money as they can at their own pace and engage the services of artisans to build for them. This serves as a filling for the non-friendly mortgage and rigid formal financial system. It is therefore not surprising that the Bank of Ghana (BOG, 2007) established that it takes between five and fifteen years for the average person to be able to complete a housing project. Many people still go through this cumbersome process to own their own houses in the long-run.

The informal sector has not been able to meet the increasing housing demand. Decardi-Nelson et al (2012) highlight the improvisation that the majority go through to meet their housing needs by reinforcing the informal sector to meet the financial requirements and close the housing deficit. The informality in the housing market uses artisans instead of professional builders and does it in an unplanned manner. Most of these houses have no building plans and no specific budget. The effort of the sector seems to be yielding results in the long run. Bank of Ghana

(2007) reports that the housing sector has boomed across the country in the last decade.

In conclusion, literature has proven that post-mining towns face challenges unless they are strategically directed back to economic relevance. Some of the challenges of such towns include ruins of urban infrastructure and a halt in physical expansion. In events where towns lose the economic strength due to the collapse of industrial backbones, the expectation becomes gloomy unless drastic policy and strategies are displayed to redesign the urban status of such towns. Also, housing finance from banks and other financial institutions has been proven to be difficult in Ghana, paving way for self-financing which takes very long time to complete. This paper attempts to prove how the closure of the Obuasi mines paradoxically fills this gap in literature and how severance packages given to laid-off staff of industries can be used to keep such towns active again through informal individual involvement in real estate

### **Research Design and Data Collection Source**

The aim of the study is to conceptualize why there have been more new housing in Obuasi after the closure of the gold mines and to identify the role of the severance packages given to the workers in the spatial expansion process. The paper therefore seeks to build theory from the research participants' interpretations and understanding. The study is situated in grounded theory design (Glassier & Strauss, 1967; Strauss & Corbin 1990). Grounded theory affords a researcher the opportunity to inductively conceptualize participants' interaction into theories.

### **Data Collection and Sources**

Empirical data was gathered through interviews and participant observations in March 2017. Fetherman (1998) believes that long term continuous fieldwork is usually difficult because of time and logistical constraints. This therefore makes it relevant for the researcher to use the most appropriate and workable approach to collate as much data as possible within the available time. The researcher grew up in Obuasi and therefore makes him understand the context of the study.

Semi-structured interviews were conducted face-to-face with key informants of twenty (20) purposely selected ex miners affected by the closure of the mines who have built houses in the town and live in them. These participants were selected because they were all declared redundant when the mines closed down and all of them built their houses out of the severance package received. This makes them experienced to speak to matters in this research. Table 1 shows the profile of the respondents (Appendix A)

An interview with a local chief was also conducted to obtain his expert views on matters regarding land acquisitions since they are the people who lease the land to new developers. An officer from the planning department of Obuasi Municipal Assembly (OMA) was also interviewed to get expert knowledge on building regulations and how they are addressing the sudden housing boom within the municipality. All the data collected were documented on audio recorder after consent was sought from the interviewees. They were later transcribed for analysis into a notebook and identities of the respondents were anonymised. The data is validated through the use of experts in the interviews.

### **Data Recording, Analysis and Interpretation**

All the gathered data were coded based on Glassier and Strauss (1967) and Strauss and Corbin (1994) grounded theory coding principles. Data collection and analysis are not exclusive of each other (Saldaña, 2009). The codes were intended to identify themes associated with the research through open coding. The codes were pre-entered on the interview guide providing room for new discoveries that may come up in the process of the data collection. New themes that came up were sub-coded under the main questions and were finally grouped for easy referencing and cross referencing analysis in relation to the main questions and objectives by using key words to identify themes. Strauss and Corbin (1990) coding processes of open coding, axial coding and selective coding were used in filtering the data, finding patterns and categorizing the data into themes. The themes were interpreted using hermeneutic approach (Newman, 2014). This approach helps in interpreting text into details without losing its relevance.

### **Results and Discussion**

This part of the paper presents the analyses and findings of how the closure of the Obuasi mines has contributed to the spatial expansion of the town. The discussion considers the severance packages received by the workers, the decision to build with it and the types of houses constructed.

#### **Severance package**

The closure of the Obuasi mines in 2014 led to retrenchment of almost all the workers. Each laid-off worker was given some amount of money for their service rendered to the company. The main factors considered included number of years served by the worker, salary level at the time of the closure and number of years left before retirement. Therefore, the severance package of the respondents varied from each other. People of the same rank



working in the same section or unit within the mines who were paid the same salary were given different severance amount because of the other included factors.

One of the respondents, a senior staff had worked for twenty-nine years and had ten more years before attaining retirement age. He had gone through the ranks to the level of underground supervisor at the time of the closure of the mines. He was given GHS500,000 as take-home money. At the same time, the longest serving person amongst the research participants entered the mines at nineteen years old and served for thirty-five years before the mines abruptly closed. He received GHS200,000 as severance package. Other junior staff workers in this study took home GHS184,000 down to GHS10,000. The earner of the GHS10,000 was a sixty-year old former Geologist Assistant who was only few months away from retirement at the time of his laying off. He technically did not get any amount for the redundancy. The money given to him was for his pension which the company had started processing before the closure.

Responses from the participants showed a clear distinction between what junior staff workers received and what the senior staff did. Though some of the junior staff respondents had worked for many years and had less number of years left before statutory retirement age than the senior staff counterparts, the amount received by the latter was more than twice the amount of the junior staff. In this regard, senior staff workers can do twice as much as their junior staff co-workers of more service years. If the same market serves all of them, then senior staff workers would be able to afford more than the others.

### **Decision to build with the end-of-service benefits**

Farewell money given to workers in emergency shutdown of firms they work with, like what happened in Obuasi, is to compensate for the abrupt end of their contracts with the company. In Obuasi, AngloGold Ashanti workers were paid for their early retirement from the company. To enquire about the use of the money and to build a connection between the closure of the mine and the numerous housing developed within the short span of time in the town, the study asked the participants about the main uses of the severance package they received. In their responses, all twenty (20) participants mentioned that they used substantial portions of the package to build, complete an already started housing project, to renovate old house or to purchase their present houses. One of the participants narrated the use of his severance money as:

*"I received GHS200,000...I invested GHS110,000 in this house. I bought a taxi for GHS30,000 ....and expanded my cocoa farm..." [FI07]*

The respondent quoted above, just like many others, saw the need for building as a priority and therefore performed that activity before undertaking any other task with the remaining money. In many cases, the participants, depending on the volume of the money received, responded that they used more than half of the money in constructing the houses. The cost does not include chattels and other movable household effects. The former miners tried as much as they could to build the best houses that they could afford.

A respondent indicated that he had previously applied to his bank on two occasions for funds to build a house but his requests were denied even though he had a constant salary job. The reason of the bank for the denial, according to this respondent, was that his salary was not enough to guarantee the amount he had requested for. The main sources of funding for housing before the closure of mines as identified in the study were loans, salaries, provident fund, and family savings. The few people who started building their houses years before their abrupt redundancy had used part of their income to acquire land and gradually built their houses according to their strength. One respondent mentioned that he acquired his land ten years earlier but because his salary was not enough as compared to his expenditure, he had to take a loan and steadily attend to the building from time to time whenever he had some extra money. The largely informal housing system in the country allows people to slowly build their houses and finish it at any time as their financial strength may be capable.

The severance package became the new mortgage for the workers to quickly get their homes put-up. It was a way to satisfy their joy and to reward their labour in working underground under difficult conditions for years. One of the participants responded that:

*"I have always wanted to build a mansion but I didn't know how that was going to be possible considering my salary and the encumbering responsibilities. This redundancy was just God sent, I immediately commenced this house once the cheque was handed to me.... I think I now have true freedom, I am not under anybody's authority and I can point to this house as my achievement from the mines." [FI14]*

This former miner considered the construction of a modern styled private housing in an affluent neighbourhood as a success story after working as a miner for thirteen years. Most of the houses are built with the best imported materials. Porcelain tiles, Plaster of Paris (POP), polished wood ceilings, decorative lightings, galvanised sashed doors and windows, coloured zinc roofing sheets and other materials that are common in neighbourhoods that are deemed for rich people. In addition to this, the new home owners tried to replicate all the services that they enjoyed in the company houses, especially water. The participants revealed that, they spent between GHS7,000 to GHS10,000 on drilling and maintaining mechanised boreholes in their homes to provide unlimited water supply. These are services that are only available for the rich who can afford it and the average

person without access to tap water from the national water provider would have to walk to stand pipes in parts of the various neighbourhood to fetch some.

#### **Determination of housing types and sizes**

The main reason assigned for the choice of housing type was “family size”. Though the company’s accommodation where the workers were living was serene, it did not take into account workers' family sizes. The allocations were made based on availability and the department of the worker. Some of the respondents therefore revealed in the interviews that their household members had to adjust into the available room spaces in the house. When it was time to build their own, the picture of this elusive comfort was fresh on their minds. That was the reason why they chose to build such housing types. One respondent stated that:

*“I was living at Sam Jonah Estate. I had one living room, two bedrooms, a kitchen, a toilet, a store and a porch. I and my wife had to use one of the bedrooms and my two daughters and my last born (boy) had to use the other bedroom. My [grown] sons and my nephew who lives with me had to be sleeping in the living room each night. This was not too pleasant for me but I had no option. Therefore, when I had the opportunity to build from the scratch, I decided to have at least six bedrooms, one for each of my children and one master bedroom for me and my wife. I wanted everybody to feel comfortable and enjoy some level of privacy” [FI06]*

The cost of building as a percentage of the total take home money played a crucial role in deciding the type of housing. The amount of money one received went a long way to influence what type of house, the level of quality of materials and different spaces that would be in the building. It was seen that most people who received more than GHS 100,000 as a severance package had relatively bigger houses and nice finishing. One of the participants simplified this assertion by stating that:

*“I chose this type of house because I didn’t want to get stuck before the money got finished. There are three bedrooms and a living room. There are also of course, toilet, bathroom and kitchen. There is a small piece of land back there. I intend to build two bedrooms on it when money comes into my hand again. For now, I am growing some plantains on it” [FI02]*

Most of the houses put up by the new home owners are not the commonly known Ghanaian typology of *compound* housing. Almost all of them are of the private family house typology which is locally referred to as “self-contain”. The study also found out that none of the new houses were built for rental purposes. The self-contained typology is basically made for the members of a particular household and at the time of collecting data for this study, no research participant had rented any space out.

#### **Adherence to Building Regulations and Land Registration**

Before a construction project could be commenced, there are a number of regulations that are required to be met. The sudden explosion of housing development in Obuasi caused this research to investigate the application and adherence to national and local building laws. Most of the respondents had no building permit for their houses nor had they registered the land in the Land Register at the Lands Commission. The main reasons given were that they were not aware of the existence of the acquisition of building permit before commencing construction. Neither did they see the need to register the land at the Lands Commission after a chief had leased a land to them. Others said they were not ready to go through the cumbersome process. Potsiou and Boulaka, (2012) gave similar reasons why “illegal” buildings would be built in Greece; frustration from the authorising institutions. It was evident that most houses had no approval due to various reasons including a longer period taken to complete the process.

One of the participants revealed that:

*“I haven’t registered the land and I don’t have a building permit because when I left the mines, I was sick so I just wanted to finish it [the house] so that I can use the remaining money to take care of my health. ....I heard the building permit cost a lot of money and time which I don’t have now” [FI16]*

Few respondents had building permits from the Municipal Assembly. When asked why they went to apply for permits for their houses, they said they acquired the permit after completing the houses. One of them said he needed the permit as part of a document to guarantee his son’s visa application to study abroad. That’s why he quickly went to the local assembly to apply for the building permit. This respondent discussed the difficulty of acquiring a permit. He said he had to find a middleman to help him get it done. The municipal authority’s inability to enforce building regulations and by-laws could be reason for property developers’ non interest in going through the process. The Local Government Act, Act 462 (Republic of Ghana,1993) empowers local authorities to punish offenders and at extreme cases, demolish the structure and surcharge the owner of the house with the cost. This law is rarely applied to offenders.

The municipal government official interviewed in this study did not agree to the longevity of the process as described by the respondents. “If an applicant has all required documents, we do it for them within the stipulated time of three months” said the official from the Municipality. He also mentioned that the Assembly has been taking inspection around the town to summon developers who do not have permits.

It was therefore intriguing, when one interviewee admitted that the Municipal Assembly summoned him to

pay a penalty for developing the land without a permit.

*"Yes, I even paid penalty because I didn't tell them before constructing the foundation" [F118]*

This could be a case of luck eluding one person when everybody is committing the same illegality because in a study of a whole town where many buildings have been constructed over a period, if only one person has been punished for building without a permit, there could be the question of supervision and enforcement.

On the contrary, the houses without permit are assessed for property tax purposes. Homeowners see this taxation as a legalization of their houses and acceptance of the existence of the property in government's records. This therefore does not push homeowners to be concerned because the local government will come to them anyway.

Regarding land acquisition and registration processes, it may seem simple but it is very cumbersome. The study therefore tried to find out the knowledge of the respondents on the land acquisition and registration processes. All the respondents had gone through the first process which is land acquisition. There is no squatter or illegal occupier in the study. At this stage, the chief of the area who is the custodian of the land or his representative, is the only person who can issue a land to anybody for any use. The chief's demarcation of the land must be sent to the planning department of the municipality office for approval in order to ensure conformity with the general zoning and land use schemes.

In an interview with a chief of one of the communities, he claimed a good relationship with the municipal government but was not sure if the new areas being developed in recent years have fully been approved by the municipal authority. He was of the view that, so far as the lands belong to the traditional authorities, the municipal authority cannot stop them from issuing the land to their subjects who are in need of the land for development purposes. The official from the municipality revealed that the chiefs sometimes issue land for development without the approval of municipal authorities. This, he said, are later noticed when the new owners approach the municipality for building permits or when the municipality's officials see the development on some parcels of land which have no record of approval for development. Due to the respect accorded chiefs and traditional rulers, it becomes difficult for technocrats to challenge their decisions unless it extremely endangers lives. This could be why chiefs bypass the planning authorities to issue lands without recourse to lay down regulations. Developers base their strength on the authority of traditional rulers who have allocated the land to them.

The chief hinted that, the average value of land before 2014 was pegged around GHS5,000 and it shot to GHS9,000 because of the higher demand that came along with the closure of the mines. He later added that, the demand has fallen since the beginning of the year 2016. This has forced land values downwards to GHS6,000. It could therefore be said based on this analysis that the rush for land for residential purposes has gotten to its peak and has begun to fall. This could mean that, all the people who wanted to build their houses within the town acquired the land within the first two years and now, there is less request for housing. If there are former miners who have not acquired land at this time, such people might have done so in other cities or used the money for something else.

## Conclusion

This paper explored the relationship between the closure of the mines that served as the source of employment and livelihood for thousands of people in Obuasi, Ghana and its contribution to the spatial expansion. Many new houses have been constructed all over the gold mining town after 2014 when AngloGold Ashanti's Obuasi mines shut down indefinitely due to high operational cost and fall in world gold prices. The main aim of the study was to establish the role of the closure of the mines to the eruption of many new luxury housing springing in the town and how retirement packages given to the miners count in financing informal housing construction in Ghana. Also, the study sought to test how local government authorities respond to compliance to building regulations in the mix of massive housing boom. Using grounded theory design, the study discovered that the recent increase in housing in the town has a connection to the closure of the mines. The former miners who did not migrate out of the town, went into building their own houses, some before they packed out of the official company estate housing.

The study on one hand affirms the role of informal housing finance in the real estate market in Ghana due to challenges in acquiring mortgage and other formal housing finance vehicles. The quick use of the majority of the severance package to finance their housing projects within the town shows how most Ghanaians would want to be property owners but are hindered by financial challenges. It has been established by Boamah (2010) and BOG (2007) that access to housing finance is a big challenge to many Ghanaians both in the formal and informal sectors and any lump sum that comes from external sources quickens the housing development timelines from five to fifteen years (BOG, 2007) to a shorter time; in a matter of months as found by this paper. Therefore, if more funding opportunities become available, it will reduce the length of housing construction. Regarding the subject of relevance of the town after the mines, there are still many people living in Obuasi even after the mines because they have acquired housing there.

On another hand, this paper also echoes the weakness in the planning and zoning regulation implementation by the planning authorities in Ghana. The study reveals an unpalatable situation where almost all new houses developed within Obuasi after the closure of the mines do not have building permits. The few homeowners who

have obtained building permits did so for personal reasons rather than heeding to regulations. It could be expected that the municipal authority would have taken advantage of the massive housing boom to regulate spatial planning that has been a challenge in most Ghanaian cities to conform to zoning plans. It could also have generated funds to the municipal government to be used for development project funding but less was made out of it. Moreover, legality and title to land in this study was perceived by many Ghanaians to be complete once chiefs issue allocation notes. Most of the lands on which the houses are constructed were also not registered in the land registry of the Lands Commission. To this end, building regulations and land title registration are still not popular to homeowners. Whether or not the new housing will make the town strong enough to evade the fate of most former mining towns will need further study to confirm in the future.

The study is limited by the sample size of twenty (20) former miners to represent the several hundreds who were laid-off from the mines. Also, the respondents were selected from few localities within the town. Therefore, description of the situation may not be exact for the entire town though there is a uniform development trend and practices across Ghanaian cities and towns. Possible further research topic emanating from this paper is a look at the incentives that make people continue to live in a city with less hope for economic backing.

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## Appendix A

Table1: Respondents List

code	age	sex	working years	Redundancy Package GHS	Occupation in the mines	Current Occupation	AGA Residence
FI01	46	M	19	114,000	Long hole driller	Taxi driver	Yes
FI02	49	M	25	174,000	Long hole Driller	Unemployed	Yes
FI03	32	M	6	40,000	Long hole Driller	Unemployed	No
FI04	47	M	21	87,200	Forklift Operator	Carpenter	No
FI05	47	M	21	85,000	Blastman	Unemployed	Yes
FI06	54	M		150,000	Scoop Operator	Unemployed	Yes
FI07	57	M	35	200,000	Longhole Driller	Trader, farmer, taxi owner	Yes
FI08	52	M	26	155,000	Winder Operator	Trader	Yes
FI09	44	M	17	101,000	Welding and Fabrication	-	Yes
FI10	60	M	33	10,000	Geologist	None	Yes
FI11	48	M		92,000	Longhole Driller	-	Yes
FI12	45	M	19	110,000	Hydro fill Worker	-	Yes
FI13	48	M	22	150,000	Tailing Dam	Bar operator	No
FI14	57	M	13	184,000	Water Treatment	Chemical seller (OTC)	Yes
FI15	52	M	23	140,000	Support Department	Bar operator	Yes
FI16	56	M	27	120,000	Mason	Farmer	Yes
FI17	55	M	30	130,000	Blastman	None	No
FI18	59	M	39	10,000	Wander Driver	Commercial Farmer	Yes
FI19	53	M	29	500,000	Underground Supervisor	Shop keeping, farmer	Yes
FI20	56	M	25	25,000	Store Clerk	Preacher	yes

Source: Researcher's field work (2017).