



Fria 5 to 8 September 2017

Mining towns in West Africa in the wake of site closures:
infrastructures, environment and political participation.

Opening presentation

Fria - 5 September 2017

**Closures: sobering indicators and a reflection
of the limits of the mining model in Africa**

Pr Bonnie Campbell

CIRDIS - UQAM

Organised by the Centre d'Étude et de Recherche en Environnement (CERE) at the University Gamal Abdel Nasser in Conakry (UGANC), l'Association des Ressortissants et Sympathisants de Fria (ARSYF), the Programme Concerté de Renforcement des Capacités des Organisations de la Société Civile et de la Jeunesse Guinéenne (PROJEG), the PRODIG joint research unit and the Groupement pour l'Étude de la Mondialisation et du Développement (GEMDEV), a research federation under the aegis of the University Paris 8 Saint-Denis.

Ladies and gentlemen,

Dear friends,

I would like to thank the organisers of the seminar for offering me the opportunity to participate in this event and to share our work. It is an honour and a privilege for me to be able to attend this most important seminar.

Let me begin with a quote:

“When the mine closed, everything began to fall apart,” said Joseph Rammusa.

Having been made redundant, the former employees were awarded no compensation due to a dispute between the two final operators of the mine...

The town’s 6,000 inhabitants no longer had access to water and electricity which had, until then, been paid for by the mine.

Worse still, the operator left behind an open industrial landfill site: at the slightest breeze, a thick cloud of toxic dust would blow across (the town).

In the streets, armed gangs fought to control the recycling of the mining installations.

Four years later, almost nothing has changed. Unable to find work, the former miners and their families survive through a mixture of odd jobs and resourcefulness.

In environmental terms, the situation has barely improved either. Waste water is poured into the streets while the supply of drinking water is intermittent.

The authorities remain committed to a strict interpretation of bankruptcy laws. “The government says that it can do nothing to help us,” laments residents’ spokesperson, Pule Molefe, 38, in a bitter tone. “It hurts because it is as if nobody cares.”¹

We are in South Africa – in May 2017. The mine in question is the Blyvooruitzicht gold mine which closed in 2013.

In South Africa, mines – one of the country’s main source of wealth – are closing one after another due to strikes and variations in the price of raw materials. Gold mines stretching further and further underground require a large labour force and are becoming less and less profitable.

As we know, the situation in South Africa is far from being the only place where mines are closing.

1. The issue of mine closures is of **absolutely paramount importance and will become increasingly critical** – not only in Africa but throughout the entire world.

¹ http://www.lepoint.fr/economie/en-afrique-du-sud-quand-la-mine-ferme-28-05-2017-2130903_28.php

Le Point: En Afrique du Sud, quand la mine ferme...

AFP modified on 28/05/2017 at 10:48 – Published on 28/05/2017 at 09:38 | AFP

Closures often result in **very difficult situations** for affected communities and it is essential to identify the reasons behind this. This answer to this query raises a second point.

2. The manner in which these processes take place is a reflection of what I would call the **“mining model”**. In Africa and Latin America, this model took the form of *“Mining First”* strategies, which means that the focus was almost entirely on mining activities and every effort was made to encourage private investment in the mining sector, including very generous incentives, tax exemptions, dispensations, privatisation, etc. The promise was that the mining sector would drive the country’s economic growth while furthering development and poverty reduction. With the exception of some very, very rare cases, this promise never came to fruition, as the conditions surrounding the extraction of the mineral did not allow it.

This model was introduced and institutionalised through successive reforms of the mining regulations over the course of the past 30 years, giving rise to different generations of increasingly liberalised codes. Among the characteristics of these reforms, the following five are particularly important:

- a) The reforms and mining policies were developed **from the perspective of the needs of the mining companies** in line with their international profitability strategies and not at all from a perspective of strategies, which might have sought to promote national or local development.
 - b) The approach was moreover strictly **mono-sectoral – encouraging the development of the industrial mining sector with production intended for export**.
 - c) The expected benefits were justified in terms of export revenue and foreign exchange earnings rather than the creation of links among national economic sectors and encouraging local employment.
 - d) The environmental and social impacts of the mining activities were deemed marginal compared to the positive consequences that the mining operations were supposed to generate.
 - e) This resulted in a lowering of the standards in domains critical to economic and social development as well as environmental protection.
3. But this is not all. This mining model included **major political implications**, the consequences of which can be seen today.

As an essential element of this model, i) the states were encouraged – or even ordered – by the funders to withdraw from the management of the sector; ii) private investment in the mining sector was presented as the driving force of growth and development with the private sector invited to become an “owner” and “operator”; and iii) the public sector was to limit itself to playing a marginal role of “facilitator” in order to encourage investment. Accompanying measures, notably in the social sector, were neglected. The financial capacities and human resources of the states’ essential to implement their policies were systematically reduced.

The withdrawal of the state has had significant consequences as it has transformed the relationships among the stakeholders involved, with political dimensions continuing to date. For example, these transformations have involved the transfer of what were previously considered public functions to private stakeholders (not only for the delivery of services and responsibility

for security but also for rule-making and the setting of certain standards and regulations). This has resulted in what certain researchers have described as **the “selective absence” of the states** with the states opting out of their responsibilities. In situations of strong financial constraints, they may in fact be quite pleased to see the companies assume the burden. However, the process of state withdrawal has often highlighted an ambiguity concerning the demarcation of responsibilities between public and private stakeholders with an increased tendency towards a very high level of dependence of communities on private mining companies accompanied by severe vulnerability. It is this model that has been established systematically throughout Africa in recent decades.

With regard to the consequences of the “selective absence” of states, let us return to the example of the closure in South Africa: “It is as if the population is living in a void,” states the lawyer working with the communities, Michael Clements. “On the one hand, the local authorities are incapable of playing their role (...) and on the other, the company leaves simply slamming the door.”²

His NGO, Lawyers for Human Rights (LHR), published a scathing report on Blyvooruitzicht, criticising the “abdication” of politicians and companies. I will return to this later.

In terms of the political implications of the mining model implemented throughout Africa, the withdrawal of the state from the governance of the mining sector has been accompanied by a reduction in its sovereignty and authority. States have surrendered their rights over their resources to private operators and have often abandoned the objective of incorporating the development of these resources into broader, more long-term integrated development strategies of the region and country.

Cuts in public funding have led to a drastic reduction in the institutional capacity necessary to enforce and monitor regulations and, if necessary, to introduce corrective measures.

In certain cases, structural power relations have emerged or been perpetuated linking African policy-makers to powerful foreign operators, be they corporate, financial or diplomatic stakeholders. In other words, there has been an institutionalisation of a specific manner of reproducing power relations within the country which has led to the emergence of “*politics of mining*” accompanied, in certain places, by a closed inner circle of power relations in the sector often characterised by a marked absence of transparency and accountabilityechoing the “*politics of oil*” observed in certain very oil-rich countries.

Over time, this mining model has been called into question, as illustrated by the wave of disputed **contracts** so generously granted, the **desire to review mining codes** that are so incentivising and also the **tensions which have developed between the companies and the neighbouring communities** focusing on social and environmental issues as well as the respect for human rights.

With a loss of their legitimacy and the criticisms levelled at them, the companies have become somewhat defensive and have reacted by implementing increasing elaborate strategies of so-

² Ibid.

called **corporate social responsibility (CSR)** in an attempt to restore social peace and legitimacy to their activities – the subject of our last book³

This type of approach on the part of the companies nevertheless neglects the fact that these legitimacy issues and social tensions are manifestations of structural problems that run much deeper –notably of the mining model itself –and which risk being temporarily camouflaged by such strategies implemented in response to the symptoms of the problems and not the root causes.

What I am suggesting is that if we consider the existing mining model, mine closures can be seen as sobering indicators and a reflection of the limits of the model, which has been introduced and perpetuated. If we want to analyse closures, **it is important to draw attention to the institutional, regulatory and political context surrounding them** – as the *mining models* introduced are both the expression of and contribute to the reproduction of power relations among the stakeholders – companies, the public sector and communities.

As we know, **these relations in the mining sector are more often than not extremely asymmetric. The mining companies are very often in a position to influence the policy-making processes resulting in the standards and regulations applicable to the sector or quite simply to ignore them. This is also the case in Canada. In the past, it was certainly the case while at present, even if certain moves have been made towards change, a great deal remains to be done.**

In Canada, the number of abandoned mining sites in the country was estimated in 2011 at about 10,000, although this accounted for only five of the ten Canadian provinces which conducted an inventory of former mines sites which often continue to discharge large volumes of contaminants into the environment. In principle, mining companies increasingly pay for the restoration costs of their mines, but in the event of bankruptcy, responsibility falls to the governments... and there are numerous “bankruptcies”.

As a result, in one province alone, Quebec, the budget assigned to the restoration of abandoned mining sites in 2012 reached \$1.25 = billion⁴ (approx. GNF 9,000 billion – 8,972.83 billion) according to the government. This is the amount necessary to make the land viable for new activities on mining sites which operated before the introduction of the laws which now impose guarantees.

The issue of mine closures in Canada is still addressed as a technical restoration issue. Before obtaining its deed and the different authorisations, the mine must propose a site restoration plan and place the amounts linked to this restoration in trust. Compensation must be paid, for example, if wetland areas are damaged (the mining company must offer to restore an area

³ Campbell Bonnie and Myriam Laforce (dir.) (2016). *La responsabilité sociale des entreprises dans le secteur minier: Réponse ou obstacle aux enjeux de légitimité et de développement en Afrique ?* Québec: Presses de l'Université du Québec (PUQ).

⁴ *La Presse*. “Mines: Québec réserve 1,25 milliard pour les sites abandonnés”, 16 February 2012 <http://www.lapresse.ca/actualites/politique/politique-quebecoise/201202/16/01-4496549-mines-quebec-reserve-125-milliard-pour-les-sites-abandonnes.php>

elsewhere that is equivalent to that affected). However, in light of the strong bias in favour of mining activities, there are to date still no provisions for the communities in new Mining Law of Quebec (2017).

The responses (or lack of them) to the serious difficulties facing the communities affected by closures therefore underline the need to call into question the perpetuation of the “Mining First” model of the past and to adopt strategies designed to reduce the dependence and vulnerability of the communities vis-à-vis the mine. Above all,, these questions raise the issue of the accountability of public stakeholders in this field and the need for them to be actively involved in the governance of the sector rather an adopting a stance of “selective absence”.

While the mine closures may be seen as a reflection of the limits of the existing mining model, they also raise the issue of the choice of the development model more generally and of which the mining model is part..

4. Addressing this last issue, will allow us to turn our attention to a more positive aspect. Our seminar is held at a time when major changes in the mining models of Africa have been in progress for a number of years and our debates could represent a contribution and a milestone in this process. To illustrate this, we should note the adoption of the *African Mining Vision* by the African Union in 2009, which is a call for a major transformation of the role and place of the mining sector in African development. This policy statement led to the very detailed recommendations published in the 2011 report on which I was had the good fortune to work, produced by the African Economic Commission on the means of implementing the *African Mining Vision*.⁵

One of the key ideas is that mining activities should contribute to a sustained process of structural transformation of societies by creating upstream and downstream inter-sectoral links in order to reduce dependence of the communities on a single sector. If mining does not generate this type of result, it is recommended that the mineral be left in the ground until a time when suitable conditions exist. In other words, mining activities must be incorporated into development strategies and activities more generally. In short, what is at issue is the abandoning the previous, single-sector export-oriented and colonial mining model in favour of a new model in which the sector serves as a catalyst to ensure economic and social development which is capable of ensuring structural transformations in the long term which are both inter-generational and environmentally-friendly..

This new mining model cannot be promoted by industry alone by means of what have been described as investment-led strategies – the explicit hypothesis of previous reforms and strategies – but instead requires the appropriation of political debates and processes at the national, regional and local levels.

The new model depends on strategic interventions by the public authorities, in particular in the fields of planning, coordination, implementation and monitoring of transformative strategies. This also presupposes the involvement and key responsibility of the public authorities with regard to service delivery in order to ensure that the populations are not deprived of essential services (water, education, electricity, health, infrastructure, etc.) in the event of closure.

⁵ United Nations Economic Commission for Africa and African Union, *Minerals and Africa's Development*. Report of the International Study Group on Africa's Mineral Regimes. 2011. 210p.

Among the conclusions of our last volume on development and corporate social responsibility in the African mining sector, the case studies highlighted:

* The importance of local appropriation of the solutions and strategies put forward and, to this end, the need to take account of the perspectives and initiatives proposed locally.

* The need to recognise the fact that the strategies promoted from outside (CSR or others) give rise to real risks concerning the sustainability of the projects, the equitable allocation of benefits and the consequences on local political and democratic processes.

Finally, the promises accompanying the strategies promoted from outside by private stakeholders (CSR or others) can divert attention away from the legitimate right and responsibility of public sector stakeholders to provide their citizens with social services, which is a condition for being able to hold governments accountable.

What follows from the above is a pressing call for **greater responsibility** of public stakeholders and their accountability not only in implementing existing regulations but also in developing development strategies which reflect the wishes of their population – strategies which allow the economy to be diversified and which are both inter-generational and environmentally-friendly while respecting human rights.

How could this seminar contribute to the process?

- 1. By compiling and analysing comparative perspectives.** What can we learn from other closures? How does this seminar intend to disseminate what we learn from the improved practices implemented here and elsewhere? It should be noted that, thanks to a report filed by Lawyers for Human Rights in South Africa and the International Federation for Human Rights (FIDH), with the Working Group on Extractive Industries, Environment and Human Rights Violations of the African Commission for Human and Peoples' Rights, the latter took an official stance on the 13th of June 2017 denouncing the situation of the populations affected by the closure of Blyvooruitzich and calling on the South African government to take action.
- 2. By analysing** the roles and responsibilities of the stakeholders involved in the Fria situation. What role could these stakeholders play in diversifying the population's activities in order to reduce its dependence on the mine?
- 3. By taking heed of and valuing during our discussions and analyses, the perspectives, knowledge, , aspirations and practices of the populations affected by the closure of Fria.**How can it be guaranteed that these people will be included and heard during the discussions?
- 4. By recognising, despite their importance and because they concern other issues, certain limitations of international initiatives** implemented by stakeholders within civil society in finding solutions to issues such as closures. These include the Extractive Industries Transparency Initiative (EITI) or Publish What You Pay (PWYP). –). By stressing the importance of local appropriation of such issues, this recognition involves nationwide mobilisation to convince the legislator to take mine closures into greater account. As this seminar could show, it is necessary to draw policy-makers' attention to the fact that closures are inevitable. In view of the fact that corporate strategies stretch beyond the national boundaries, it is necessary to adopt a broader transnational

- approach in order to respond to the strategies of multinational companies and, to this end, strengthen links with the sub-regional or regional integration institutions.
5. **By highlighting the importance of research** in the analysis and the contribution to national and regional considerations in synergy with the actions taken by citizens and communities.
 6. **Finally, by increasing awareness of the situation in Fria in our respective spheres by learning, sharing and disseminating the lessons of the Fria closure.**

In conclusion, I would like to offer the organisers of this seminar my warmest congratulations and thank you for giving me the honour of participating in this event.