www.effective-states.org

ESID Working Paper No. 78

Competitive clientelism and the political economy of mining in Ghana

Abdul-Gafaru Abdulai [1]

May 2017

[1] University of Ghana Business School

Email correspondence: ghaaff2000@yahoo.co.uk

ISBN: 978-1-908749-86-4

email: esid@manchester.ac.uk
Effective States and Inclusive Development Research Centre (ESID)
Global Development Institute, School of Environment, Education and Development,
The University of Manchester, Oxford Road, Manchester M13 9PL, UK
www.effective-states.org

Abstract

This paper offers a political economy explanation to the question of why over 100 years of mineral resource extraction in Ghana has failed to translate into broad-based development. It does so through the lens of political settlements, which draws attention to how relations of power and ideas shape elite commitment to allocating mineral resources towards long-term development goals. The analysis draws attention to how clientelist political pressures engendered by Ghana's highly competitive electoral system have historically underpinned the diversion of mineral revenues towards shorter-term goals of maintaining the stability of ruling coalitions. In particular, all ruling coalitions have allocated significant shares of mineral rents to chiefs not necessarily for the socio-economic development of their communities, but mainly because political elites want to avoid provoking resistance from a group in society that brokers land and votes in rural areas. These findings challenge recent suggestions concerning the centrality of inclusive political settlements for the effective management of mineral rents. As the analyses reveal, broad-based elite inclusion can also carry the danger of undermining the effective management of rents for long-term development if mineral rents are deployed with the aim of 'buying-off' elites who can potentially undermine the stability of ruling coalitions. Under such circumstances, inclusive political settlements may at best result in unproductive peace, as substantial mineral resources are shared for consumption rather than development.

Keywords: political settlement, competitive clientelism, mining, inclusive development, Ghana

Acknowledgements: I acknowledge valuable comments on earlier drafts of this paper from Anthony Bebbington, Sam Hickey, Scott Odell and three anonymous referees.

Abdulai, A.-G. (2017) Competitive clientelism and the political economy of mining in Ghana. ESID Working Paper No. 78. Manchester, UK: The University of Manchester. Available at www.effective-states.org

The background research for this paper was funded by the Effective States and Inclusive Development Research Centre (ESID), based at The University of Manchester, UK. This document is an output from a project funded by UK Aid from the UK government for the benefit of developing countries. However, the views expressed and information contained in it are not necessarily those of, or endorsed by the UK government, which can accept no responsibility for such views or information or for any reliance placed on them.

1. Introduction

Ghana has a long history of mineral resource extraction, with mechanised large-scale mining often traced as far back as the 19th century. The country is endowed with substantial mineral resources in commercial quantities, including oil, gold, diamonds, manganese, bauxite, limestone and salt. Gold has been the predominant mineral produced, reflecting the country's colonial name, the Gold Coast. Once a leading producer of gold in the world and accounting for about 35.5 percent of total world gold output between 1493 and 1600 (Republic of Ghana, 2014: 4), Ghana currently ranks around tenth in the global league of major gold producers, but is still Africa's second largest producer after South Africa (Kapstein and Kim, 2011).

However, the actual contribution of mining to the country's development prospects has long been called into question. For some (e.g. Aryee, 2001), mining has played a crucial role in Ghana's development efforts, especially when viewed in terms of its contribution to government revenues. Between 1999 and 2014, the mining industry was consistently the highest gross foreign exchange earner (Republic of Ghana, 2014: 12).[1] Presently, mining contributes about 27 percent of government revenue in terms of domestic tax collections (ibid), and accounted for 43 percent of total merchandise exports in 2012 (Ghana Chamber of Mines, 2013). Export revenues from the mineral sector amounted to US$5.1 billion in 2013 (Aryee, 2014). Yet there is a strong sense in both the academic literature and national policy debates that Ghana is far from obtaining sufficient developmental benefits from its mining sector. One close industry observer concludes that 'mining has … not fulfilled its poverty reduction role' (Akabzaa, 2009: 49). A recent World Bank-commissioned study concurs, describing the sector's contribution to overall national development efforts as 'disappointing' (Ayee et al., 2011). Why has Ghana been unable to effectively translate its massive mineral wealth into more inclusive forms of development?

This is an important question in view of Ghana's recognition as one of the best governed countries in Africa, with multiparty democracy increasingly entrenched. In 2013, Ghana was the highest ranked African country (and 15th out of 58 countries globally) in the Resource Governance Index, which measures the quality of countries' natural resource governance performance in terms of transparency and accountability. Ghana is also held up as 'a model of best practice' (Standing, 2014), based on its policy of distributing a proportion of mining rents to sub-national authorities in mining communities. Therefore, and judged from the perspective of the resource curse literature, which emphasises the quality of governance and institutions as the best route to translating natural resource wealth into broad-based development, Ghana's experience with natural resource governance is puzzling.

One potential way of unravelling this puzzle is through the concept of political settlements, which focuses on how the balance of power among groups within a society shapes the types of institutions that emerge, and how institutions function in practice. At the heart of this approach is the insistence that 'societal institutions exist in a relationship of co-constitution

[1] During this period, the only notable exception was in 2004, when mining was overtaken by the cocoa sector.

with power relations in society' (Bebbington, 2015: 88), and that because institutions are the products of elite bargains, their role in shaping development outcomes can best be understood within the context of embedded power relations. This approach not only helps us understand why very similar sets of formal institutions often produce divergent outcomes, but also allows an analysis of the contending interests that exist within any state, which constrain and facilitate institutional and developmental change. It provides a framework for analysing 'how the state is linked to society and what lies behind the formal representation of politics in a state'(di John and Putzel, 2009: 18).

Poteete (2009) uses similar ideas to argue that in Botswana, variation in the governance of extractives is a product of elite commitment and capacity to overcome clientelist pressures and channel mineral rents into long-term development goals. She argues that:

> Politicians with narrow and unstable coalitions see rentier politics as an attractive coalition building strategy; their responses to this political problem hinder state building … [Conversely,] [p]oliticians with broader and more stable coalitions are less likely to turn to rentier politics to bolster political support, in part because they are more apt to believe that they will reap the benefits from investments in state building (Poteete, 2009: 545).

Poteete insists, however, that a fuller account of the Botswanan experience also requires taking external factors into account. She highlights Botswana's vulnerability to South Africa, and its membership of the Southern African Customs Union, as having also played important roles in shaping its politics of natural resource governance in.

I apply these insights to explore the politics of mining-sector governance in Ghana, with a particular aim of deepening our understanding of why the utilisation of natural resource wealth for broad-based development has historically proven 'to be difficult' (Boakye et al., 2012: 1). Our main research question is: what roles do power relations, ideas and transnational actors/factors play in shaping mining sector governance in Ghana (including issues around the distribution of rents), and how have these in turn shaped prospects for mining-led development in Ghana? The paper proceeds as follows. In the following two sections, I discuss the overall interaction of mining governance and political settlements over the long sweep of Ghana's history, from the pre-colonial period to the present. Section 4 then focuses on the period since the early 1990s, drawing particular attention to the ways in which a competitive clientelist settlement has affected mining governance and helps explain the generally disappointing impacts of mining on poverty reduction. The final two sections then address two particular features of the Ghanaian mining context: the roles of the chieftaincy and central-local relationships; and the significant small-scale, extra-legal mining sector. In each instance, I argue that the nature of national-subnational relationships within the political settlement affects patterns and means of inclusion in the mining economy and the quality of its effects on local development.

2. Political settlements and settlements over mining: a periodisation

Until the return to multiparty democracy in 1992, the political history of Ghana was essentially a story of political instability. With the notable exception of the First Republic under Nkrumah (1960-66), the interludes of civilian governments under the Second (1969-72) and Third (1979-81) Republics were short-lived, unable to survive for longer than three years without being overthrown in a coup d'état. With each military takeover, state power shifted from one ethnic group to the other (Chazan, 1982). This section attempts to periodise Ghana's political settlements dynamics, starting with how processes of decolonisation laid a foundation for the emergence of competitive clientelism. During the first three decades after independence, Ghana's political settlements oscillated between competitive clientelism, vulnerable authoritarianism, and a dominant leader type of settlement, before reverting to competitive clientelism from 1993 to the present (for a summary, see Appendix 1).

2.1 Decolonisation and the emergence of competitive clientelism in post-colonial Ghana, 1874-1965

Prior to the formal declaration of the Gold Coast as a British Colony in 1874, pre-colonial Ghanaian societies were organised largely into centralised and hierarchical kingdoms, the most powerful of which was the Asante kingdom. In 1844, the British signed a political agreement with several Fanti chiefs.[2] Dubbed the Bond of 1844, this agreement extended British protection to the signatory Fanti states and gave Britain a degree of authority over the coastal part of Ghana. From here, the British extended their jurisdiction inwards over the rest of the southern part of contemporary Ghana. British expansion provoked a war with the Asante kingdom in the middle of the country, with several battles leading ultimately to Asante defeat in 1901. British rule was subsequently extended over the Asante kingdom and its hinterland to the north, which became the Northern Territories. Thus, the Gold Coast was an amalgamation of: the Colony (the coastal part), where societies had a long history of interaction with European traders; the Ashanti territory in the middle belt; Togoland, which had been part of the German empire but came under the British mandate after World War I; and the Northern Territories (NTs) (i.e. the present-day Northern, Upper East, and Upper West regions). These territories had different experiences of social and economic change, as a result of their varying interaction with the colonial government (see Whitfield et al., 2015; Abdulai, 2012).

Because mining and agricultural production were concentrated in the Ashanti territory and Gold Coast Colony, these regions received the bulk of colonial capital investments. In contrast, the NTs were integrated into the colonial capitalist economy as a pool of reserve labour (Plange, 1979). These differential terms of incorporation led to a fragmented elite front during the decolonisation process (Abdulai, 2012). Moreover, the concentration of educational and economic opportunities in the Colony and Ashanti during the colonial period resulted in multiple distinct but overlapping social groups with varying economic interests, which often conflicted with each other. These conflicts of interest led to a high degree of political mobilisation and dispersion of power in society, leading to a fractured nationalist movement towards decolonisation (Whitfield et al., 2015).

[2] Fantis are primarily located in the coastal part of Southern Ghana, specifically the Central Region.

As a result, the decolonisation struggle in Ghana was not so much a conflict between Africans and British colonial authorities as one among societal groups in the colonial territories (Whitfield, 2017). When the decolonisation process started with elections in the major towns in 1950 for African members to form a power-sharing government with the British, it played out in a context of extremely dispersed power among groups of elites, as well as significant political mobilisation and organisation across sections of society. Several political parties emerged, and their alliances and composition changed over time, as three elections were held before independence. The educated elites, led by J. B. Danquah, formed the United Gold Convention Party (UGCC) in 1947, which was essentially an African business lobby seeking to capture the trade of European merchant-importers. Kwame Nkrumah, who was the General Secretary of the UGCC, split off to form the Convention People's Party (CPP) in 1949, under pressure from a group of educated 'commoners' to be their leader (Whitfield et al., 2015; Whitfield, 2017).

The Nkrumah-led CPP won national elections organised by the colonial administration in 1951 and 1954, and Nkrumah became Leader of Government Business in a power-sharing arrangement between the CPP and the colonial administration. At this point, opposition to the CPP came mainly from the UGCC and the state council of chiefs, who either stood as candidates themselves or used their machinery of sub-chiefs to support other local elites. The majority of representatives of the chiefs were not sympathetic to the CPP government. After joining the power-sharing government, Nkrumah and CPP politicians sought to undermine their political opposition by reducing the political authority and economic base of chiefs.

Shortly after the 1954 elections, a new political coalition – the National Liberation Movement (NLM) – was formed in the Ashanti territory. Composed mainly of Ashanti chiefs, cocoa farmers, commoners' associations and UGCC elites, the NLM rejected the CPP's call for a unitary constitution in favour of a federal one. Their purpose was to enable 'Ashantis to use their region's wealth to benefit themselves rather than to subsidize development in the less affluent parts of the country' (Smock and Smock, 1975: 68). Though the 1954 election was supposed to determine to whom the British would transfer political authority at independence, the NLM's agitations prompted the colonial administration to insist on national elections in 1956 to determine popular wishes regarding the character of the independence constitution. Although the CPP again managed an overall victory in this election and formed the first fully independent government, the various ethnic and regional-based parties demonstrated their strength in their respective ethno-regional strongholds, with the largely Asante-based NLM winning 'nearly two-thirds of the vote in the "true Ashanti' states' (Austin, 1964: 353).

Having successfully survived the 1954-56 political struggle, and now at the helm of a fully independent state, the CPP ruling elites adopted several measures to manage their growing vulnerability in power. One such measure was the co-optation of opposition politicians into the ruling coalition, a strategy facilitated by the distribution of public resources along patronage lines (Ladouceur, 1979:174-5; Whitfield et al., 2015; Songsore et al., 2001). The second measure was the suppression of opposition elements through the passage of various laws. Moreover, by 1960, Nkrumah had pushed through a new Republican

Constitution, which concentrated extraordinary powers in the hands of the president, and in 1964, Ghana became a *de jure* one-party state under Nkrumah's CPP.

2.2 Vulnerable authoritarianism, 1966-81

In February 1966, the CPP government was violently overthrown through a military coup, marking the beginning of vulnerable authoritarianism in Ghana. Following this coup, the Ghanaian economy floundered under a succession of short-lived military and civilian regimes, 'each apparently too caught up in internal rivalries and personal ambition to give serious attention to the economy' (Berry, 2008: 39). Between 1966 and 1981 there were seven regime changes, signifying a period of constant power struggles and high levels of conflict between factions of political elites, both military and civilian, for control over the state (Whitfield, 2017). Coups d'état prompted by macroeconomic crises deposed two democratic regimes (the Second and Third Republics), but the subsequent ruling coalitions of both military and civilian regimes could not maintain power for long in the face of mounting pressures from excluded political elites (Whitfield et al., 2015). Consequently, no political coalition was able to hold power for more than seven years, and the country oscillated between periods of democratic rule and military governments until the return to multiparty democracy in 1992 (ibid).

2.3 Dominant settlement under the PNDC, 1982-92

By 1981, Ghana was in the midst of a severe economic contraction that led to a crisis of legitimacy for the political, military and bureaucratic elites that had been ruling Ghana since independence. The crisis reached so far unheard of proportions, to the extent that 'the average Ghanaian family consumed at least 30% less food in 1982 than the same family did in 1970' (Donkor, 1997, quoted in Armstrong, 2008: 14). Jerry (JJ) Rawlings, who had led a coup in 1979 before yielding to democratic authority in the Third Republic, now reversed course. He mobilised junior ranks in the military to overthrow the elected government and called for a 'people's revolution', resulting in a temporary mobilisation of the lower sections of society. The severity of the twin economic and political crises thus created a window of opportunity for changing the political settlement, and the emergence of a new group of ruling elites led by Rawlings under the Provisional National Defense Council (PNDC) (Whitfield, 2017). The PNDC government got the country out of the economic impasse and restarted economic growth by implementing an Economic Recovery Programme (ERP) in 1983, followed by a structural adjustment programme (SAP) from 1986 to 1991 with support from the IMF and World Bank (Aryeetey and McKay, 2007:147). The impact of these reforms have been hailed as 'salutary' (Oelbalum, 2007:15), especially with regards to restoring economic growth and macroeconomic stability.

Unlike previous military regimes, the PNDC was characterised by a large degree of cohesion among the higher-level factions of the ruling coalition, which enabled it to implement difficult economic reforms that previous regimes were too vulnerable to undertake (Whitfield et al., 2015). These high-level factions included: technocrats who were in charge of economic policy, and who came from the universities or had served in previous governments; a conservative wing, composed of traditional authorities and established elites, who were largely in charge of the political strategy after 1984; leaders of the 'revolutionary organs', who after 1984 had little political or policy influence; and so-called 'securocrats',who were responsible for security of the ruling coalition. Power became centralised around Rawlings, as the small group of PNDC elites owed their positions to him and had no independent power bases of their own (Whitfield, 2017). Meanwhile, the established political elites were seen as the major cause of the country's economic decline, and thus had little legitimacy with which to challenge the PNDC.

The PNDC government also had unprecedented financial support from the Bretton Woods institutions for undertaking its economic measures. Large aid inflows from the World Bank and IMF helped to buffer the impact of the reforms, and softened the blow to the population of massive cuts in government expenditure and public sector employment, price increases and currency devaluation. Foreign aid also allowed the PNDC government to increase 'development' spending that helped shore up its legitimacy among the population (Whitfield et al., 2015; Whitfield 2017).

However, towards the end of the 1980s and in the early 1990s, the excluded political factions formed an alliance and increased pressure on the PNDC government to return to multiparty rule. Following the introduction of democratic local elections in 1988, in which newly created district assemblies were to be the highest authorities responsible for developmental decision-making at the local level, Rawlings returned the country to multiparty democracy in 1992.[3] This marked a return to competitive clientelism in Ghana.

2.4 Return to competitive clientelism: 1992 to the present

Following the return to multiparty democracy in 1992, a *de facto* two-party system emerged, in which the National Democratic Congress (NDC) and the New Patriotic Party (NPP) have dominated all elections. The NDC is the civilian metamorphosis of the PNDC, while the NPP has its roots in the Danquah-Busia political tradition, which evolved from the UGCC, the NLM, the United Party and the Progress Party led by K. A. Busia during the Second Republic. In ideological terms, the NDC professes to be a social democratic and statist party that seeks to 'ensure optimum production and distributive justice' (NDC, 2004: 12), while the NPP regards itself as a pro-market party, and touts the private sector as the main engine of growth (NPP, 2012). The period from 1992 marked a return to competitive clientelism, in which these two dominant parties compete for electoral power against similar coalitions of clientelist networks organised as factional alliances. With each electoral cycle, the NDC and NPP have become increasingly competitive, and the margin of votes by which candidates win the presidency has been declining.

During the last decade-and-a-half, power has alternated thrice between these two parties (in 2000, 2008 and 2016), with presidential elections sometimes won by a margin of less than 0.5 percent of total votes. Despite this equal strength, the party that wins elections monopolises power and state resources, irrespective of the margin of its electoral victory. Consequently, each ruling coalition is characterised by a high degree of vulnerability, providing strong incentives for ruling elites across both parties to focus on short-term

[3] This was also in part due to Rawlings' perceived weakening control over the military and pressure from foreign aid donors for democratisation

objectives of political survival. In this context, ruling elites often prioritise initiatives that can deliver immediate visible benefits in order to win the next election, while avoiding initiatives that have political costs, as with reforms concerning land ownership and the role of chiefs in land transactions.

The implications of competitive clientelism have been well discussed in the literature (e.g. see Oduro et al*.,* 2014; Whitfield et al., 2015). Here, I focus on two issues that have had specific implications for natural resource governance. First, the increasingly competitive character of elections effectively undermines prospects for building a broad and enduring political consensus on a national development agenda. As a result, 'the national interest has become fragmented along party lines, with the result that each new administration has followed its own short-to-medium-term development agenda and spending priorities based on its party's election platform' (Gyimah-Boadi and Prempeh, 2012: 102). Second, securing and remaining in power has become an increasingly expensive endeavour. The increasingly competitive nature of elections has created large political financing needs, and the money 'invested' by party financiers and individual politicians need to be 'recouped'. Recouping investments and refilling party coffers is typically done through kickbacks on state contracts awarded to party members, who in turn expect to be rewarded with political appointments or business contracts (Bob-Milliar, 2012). In the following section, I explore the ways in which these two dynamics have shaped the relationships between political leaders and mining companies, and the implications of this for the governance of the mining sector.

3. Political settlements and mining governance over the *longue durée*

In this section, I discuss how mining governance has shifted in relation to the changing political settlements outlined in the preceding section. I will show that while there are clearly causal relations to be drawn here, they are not direct. Thus, while mining governance has changed as a consequence of shifts from pre-colonial, to colonial, to early independence and neo-liberally-oriented settlements, the changes are not perfectly aligned in time. Furthermore, while competitive and clientelist-oriented logics have dominated much of the post-colonial period, they have been associated with quite distinct forms of mining governance. While changes in governance may represent responses to the pressures and incentives created by clientelism, their diversity shows also that ideas and international influences are as important as the nature of the settlement.

3.1 Pre-colonial period: chiefly dominance over mineralised lands

While it remains uncertain when gold mining commenced in Ghana, there is consensus that the local inhabitants were accustomed to gold mining long before the Portuguese arrived in 1471 (Arhin, 1967; Anin, 1994; Dumett, 1998; Hilson, 2002). At the centre of resource extraction and control during this period were chiefs and kings, who acted as trustees for the care of the land owned by all the people (Dumett, 1998:16). During this period, any individual or group could mine gold almost everywhere they chose, so long as this was within the limits of their own lineage or stool lands (ibid., p.68). Stool land is collectively owned land held in trust by a collective authority, usually a chief, on behalf of an extended family, a clan, or a community of ancestrally related people.[4] Over the centuries, revenues from gold mining provided one of the most important building blocks for state formation and consolidation in all the important kingdoms in precolonial Ghana (ibid., p. 41). Among the Ashantis, in particular, gold became ‘the mirror of kingship and imperial splendour and the nexus that undergirded the state, the social order, and the entire culture’ (ibid., p. 3).

Dumett (1998) identified three main ways by which chiefs used their powers to exact surplus from gold mining. The first, and most prevalent, approach was the *abusa* share system, by which miners retained one-third of their proceeds, and turned over one-third to the local chief or stool, leaving the remaining third for the king or paramount ruler. The second was the direct power of political authorities to tax, which derived from both the traditional territorial controls of the ruler as well as from the kinship obligations of the people to him. At the peak of Asante power in the 19th century, major revenue sources included a poll tax, levied at the rate of one-tenth of an ounce of gold per man. The third was through compulsory community labour, when ‘special days were set aside for all the citizens to mine solely on behalf of the paramount ruler’ (Dumett, 1998: 71).

The overall evidence suggests that whereas the political settlement on mining could be characterised as inclusive at the level of elites, it remained generally exclusionary for the greater majority of the population in terms of the distribution of material benefits. Much of the available literature suggests that artisanal gold extraction in precolonial Ghana was not worth the effort expended. Analysing the returns from gold extraction vis-à-vis the efforts required, G. A. Robertson concluded that ‘Working for gold was not a profitable form of employment’ (Robertson, 1819, quoted in Dumett, 1998: 177). Although Dumett (1998) emphasises the need to understand traditional mining as an income supplement for farmers outside of the farming season, he also draws attention to the generally exclusionary character of gold revenues in terms of its socio-economic relevance for the masses. In particular, he draws attention to instances when ‘chiefs … might enter a mining district any time they chose and, in total defiance of the a*busa* share and legitimate taxation systems, forcibly confiscate all gold dust and gold jewellery possessed by miners and their families’ (Dumett, 1998: 75-76).

Writing specifically on the Asante Kingdom, Arhin (1978: 97) similarly concludes that ‘…gold mining and trading did not have as much developmental effect on Ashanti society and economy as could have been expected from the amount of wealth’ accumulated via gold extraction, in part because much of gold revenues were ‘used in the building of state power, a means of further wealth-acquisition by the Ashanti state’. Moreover, a large portion of the gold acquired from taxation was used for the refinement of chiefs’ regalia which, in the cultural milieu of the historic period, was a means of social and political control. As we will see below, this problem has persisted right through to the present, with some chiefs continuing to use their share of mineral royalties on themselves and their palaces.

[4] Interview, Office of the Administrator of Stool Lands, Ministry of Justice and Attorney-General, 20 January 2017. See also Carson et al., 2005.

3.2 Colonial capitalism and the subtle decline in chiefly powers, 1874-1956

The advent of colonialism and expatriate-led capitalism catalysed significant changes in the relationship between the political settlements and mining governance, in part because it marked the beginning of the commercialisation of mineralised lands and the subtle decline in chiefly control over such lands. Following an extensive period of stagnant gold production – a direct result of the 200-year slave trade – European interest in Gold Coast gold was suddenly renewed in the 1870s. Following the mass gold rushes in the early 1880s, significant European capital was invested in the Gold Coast Colony and Ashanti, as hundreds of buyers applied for land concessions.[5] The period from 1892 to 1901 has been characterised as Ghana's first 'Jungle Boom', when some 400 newly established companies invested £40 million to develop gold mining properties. Between 1901 and 1902, gold production in the Gold Coast increased 400 percent, as gold investors began withdrawing interests from South Africa during the Boer War of 1899-1902 (Hilson, 2002: 22).

One serious consequence of the gold rush associated with colonial capitalism was 'the commercialization of stool lands, which resulted in inter-village boundary disputes that threatened the stability of the state' (Ofosu-Mensah, 2016: 32). For Dumett (1998: 272), this movement towards the commercialisation of land was 'the most disruptive dimension to the encroachment of Western capitalism on the traditional economy and society of southwestern Ghana', not least as paramount rulers, subchiefs and village headmen soon learned to attach money values to lands believed to contain gold-bearing soil.[6] Partly because of the absence of landmarks to clearly distinguish land boundaries, access to mining leases triggered waves of litigation between competing traditional landlords.

A related issue was the slow deterioration in the authority of chiefs. Dumett (1998: 175) identified three converging forces that contributed to the erosion of traditional authority structures during the colonial period: (1) slowly diminishing respect for coastal chiefs as a long-term aspect of colonial rule and westernisation; 2) further fragmentation of chiefly power in the interior amid the lure of pay-offs by European prospectors and African middlemen as a consequence of concession leasing; and, finally 3) arbitrary actions by the colonial government, such as the occasional destoolment of 'recalcitrant' chiefs. The commercialisation of mineralised lands complicated these patterns. While some chiefs gained in wealth and power through the very considerable leverage placed at their disposal by the lease of mineral properties to Europeans (Dummett, 1998: 75), others suffered from a loss of authority and control. Under Akan law, the leasing of mineral lands fell mainly under the powers of chiefs (the *ahenfo)*, enabling them to increase their powers and wealth from expatriate mining leaseholders. In contrast, the paramount rulers (or *amanhene*) saw far too few of the returns from concessions leasing, and they increasingly complained that their traditional political powers and roles in decision making had been 'eroded or bypassed' (ibid.: 273).

[5] The first official European gold mining company established in the Gold Coast Colony was the African Gold Coast Company in 1878 (Hilson, 2002).
[6] At that time, the proliferation of capitalist concessionaire activity derived not only from the impetus of gold mining, but also from the burgeoning commercial timber industry (Dumett, 1998: 274).

Overall, however, it was the capitalist expatriate companies 'who had become the real dispensers of wealth and fonts of authority' from the gold trade, along with some African coastal concessions middlemen – like Joseph Dawson – who sometimes doubled as advisers to the kings and chiefs (Dumett, 1998: 275). That European mining companies were the main beneficiaries of gold mining during this period is supported by the significant pressure they exerted on the colonial government to create a conducive environment for their operations, through both the provision of infrastructure and a regulatory framework.[7] As Tsikata (1997: 9) notes, the interests of British mining companies had a significant influence on the formulation and implementation of mineral policy in colonial Ghana. For example, the passage of the *Mercury Ordinance* Law of 1933 – which banned the use of mercury in mining activities – was facilitated by British mining companies at home, who pressured both the colonial office in London and the Gold Coast governor to create opportunities for their entry into the colony. With the use of mercury banned, mining activities by local populations were impaired. This in turn weakened the control of chiefs because they lost leverage in terms of labour demands (Tsuma, 2010: 12). That this new law effectively criminalised small-scale mining also meant that it contributed to the exclusion of significant segments of rural populations in terms of the distribution of mineral wealth.

Yet, until the mid-1890s, the colonial administration stoutly resisted programmes for revenue-supported education and public health measures on behalf of the local populations, on the grounds that such expenditures would saddle the colonial treasury with huge debts (Dummet, 1998: 278). Where public investments were undertaken, as in the areas of infrastructure provision, these were often done to help facilitate further resource extraction, with the results that areas without substantial mineral and other resources of interest to the colonial state were excluded. This is the origin of the contemporary north-south inequalities in Ghana in which the north has remained much poorer (Abdulai, 2012; 2017).

3.3 Post-independence reforms and the nationalisation of mines: 1957-85

After colonial rule, most independent African governments engaged in a process of assuming total sovereignty and control over their natural resources and economies more broadly. In addition, all four countries in this case study experienced a nationalisation of mining operations in this general time period (Hinfelaar and Achberger, 2017; Humphreys Bebbington and Huber, 2017; Sanborn et al. 2017). These processes did not bypass Ghana, and the period during 1957-86 was characterised by active state involvement in the mining industry and other sectors of the economy. Following a series of laws in the early 1960s, nearly all mining companies were fully nationalised, and the State Gold Mining Corporation (SGMC) was established in 1961 to take over existing mines. Various post-independent ruling coalitions justified this 'nationalisation project' on the grounds of generating mass employment and providing maximum access to the foreign exchange obtained through the sale of minerals (Tsikata, 1997).

[7] For details on the nature and extent of these demands and pressures from expatriate companies, see Dumett (1998), particularly Chapter 6, entitled 'The colonial government and the expanding miners' frontier: Pressures for mining district administration, health services, and transport improvements' (pp.163-204).

One challenge faced, however, was the question of how to deal with the enduring control of chiefs over mineral-rich lands. As already noted, despite a series of direct and indirect factors that contributed to the erosion of chiefs' authority during the colonial period, rural areas remained largely under their dominion at the end of colonial rule. Yet within the overall framework of centralising decision making and gaining total sovereignty over valuable natural resources, the first post-independent government under Nkrumah embraced the colonial mining legislation that vested all mineral-rich lands in the hands of the colonial governor.

In 1962, the CPP-led Nkrumah government passed the Minerals Act (Act 126), which vested the ownership of minerals in '…the President on behalf of the Republic and in trust for the People of Ghana' (Tsikata, 1997: 10). This provision has found itself in various Ghanaian constitutions since 1969, and has also been repeated in statues such as the Minerals and Mining Law of 1986 and subsequent amendments in 1993 and 2006. The Minerals Act, and Administration of Lands Act (Act 123), both passed in 1962, also gave the executive substantial powers to decide upon the use and management of all lands, including those owned by a community presided over by a chief, known as 'stool land'. These laws further provide that payments in respect of stool lands be made, not directly to the representatives of the owning community, but to the sector minister, who would allocate portions for 'the maintenance of the traditional authority, projects for the benefit of the people of the area, and the local government bodies of the area' (Tsikata, 1997). This arrangement has remained essentially the same today, with only very marginal changes.

This era of state-owned mining witnessed a significant deterioration in Ghana's economic situation, as the protectionist policies of various governments strangled investments in the country's export sector more generally. Lack of public and private investments left the state-run mines uncompetitive. As a result, the SGMC was operating at a loss and had to close down most of its operations. By 1982, gold output had declined to 232,000 oz. – approximately one-quarter of the 1960 output (900,000 oz). The importance of the mineral sector to the wider economy declined accordingly; in 1982, the sector's share of GDP was 0.3 percent, down from 2.5 percent in 1968 (Addy, 1998: 234).

3.4 Structural adjustment and the rise of multinational corporations, 1986-2008

While the 1982 PNDC government clearly marked a new political settlement, it was only the pressures of deteriorating economic conditions and 'the political imperatives of regime survival'[8] that led the quasi-military ruling elites to shift clearly to a neoliberal agenda and adopt a structural adjustment programme (SAP) in 1986. As part of the SAP reforms, the country took IMF and World Bank loans with conditionalities that included the privatisation of the extractive industry. Of the several policy initiatives adopted to revive the mining sector during this period, the most significant was the promulgation of the Minerals and Mining Law (PNDCL 153 of 1986), which, among other things, established a Minerals Commission to regulate the sector, liberalised the mining regime, and extended significant new benefits to private investors. The content of this law was driven significantly by the World Bank's

[8] Interview, former PNDC member, and an activist in the Ghanaian mining sector, 16 September 2014.

continent-wide strategy on mining (Akabzaa and Darimani, 2001; Akabzaa, 2009), which described the facilitation of private investment as 'the main objective of donor intervention in African mining' (World Bank, 1992: xii).

The new mining law provided a number of extensive tax incentives to foreign mining investors, including generous capital and investment allowances that permitted 80 percent of total investment to be written off in the first year. Mining companies could also maintain negotiated levels of their gross minerals sales in offshore accounts. These measures, coupled with a rise in gold prices, sparked substantial new interest in the Ghanaian mining sector: more than 55 gold prospecting licences were issued between 1986 and 1989 (Cambell, 1998, cited in Hutchful, 2002: 83). These reforms resulted in significant increases in mineral outputs (see Figure 1), enabling gold exports to regain prominence in the overall national economy. Between 1984 and 1995, gold exports as a percentage of total exports increased from 22 percent to 45 percent (Tsuma, 2010: 23). However, this period did not witness greater inclusivity in Ghanaian society, with regional, gender and rural-urban inequalities actually increasing throughout the 1990s (Ghana Statistical Service, 2007). Nor did mining seem to have made any significant impact on poverty reduction in mining-affected communities. One World Bank internal evaluation report reads:

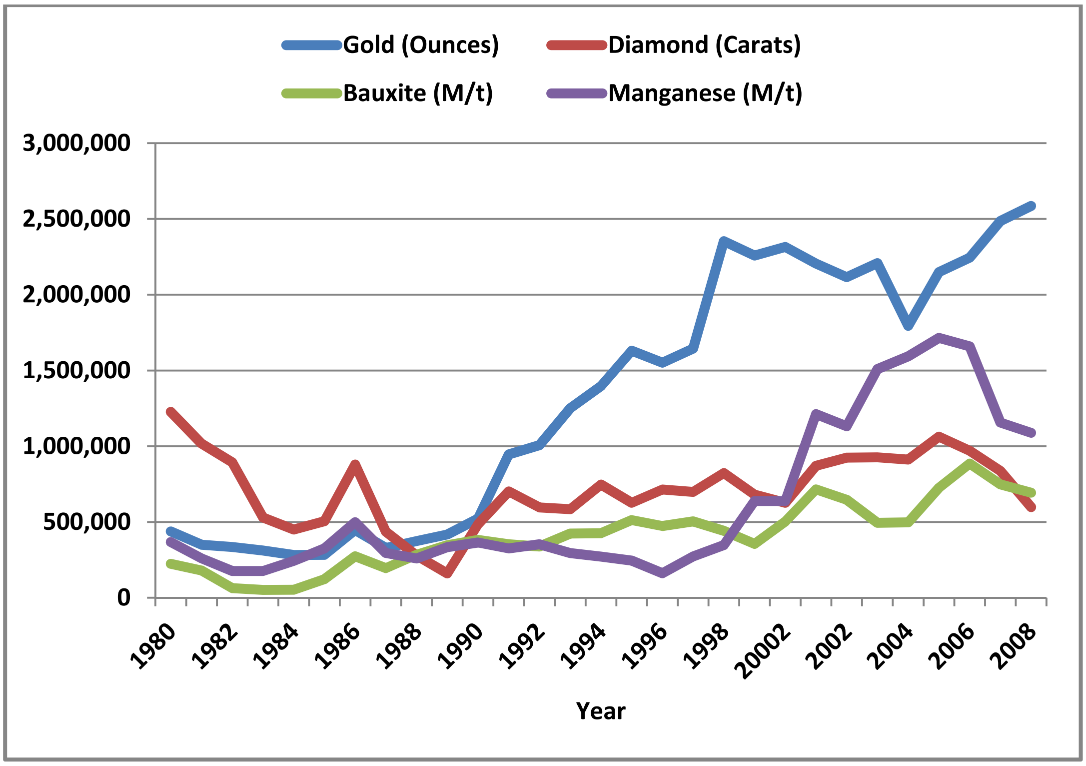
> A field visit to Wassa District, which contains the largest share of Ghana's mines, confirmed the competition between mining and agriculture for arable land, the poor state of local infrastructure, inadequate public services, and high unemployment. The local economy in Wassa does not appear to have benefited from large-scale mining through sustained economic growth and improved public services … Local people feel no perceptible benefit from the resources extracted from 'their' land… (World Bank, 2003: 20).

The surge in multinational investment in the mining sector was accompanied by a significant shift from underground to surface mining. Because surface mining requires the acquisition of large tracts of land, this led to heightened competition over land between companies and local residents. The late 1980s and early 1990s therefore marked the beginning of increased agitations from dissatisfied residents in mining communities.[9] At the same time, the capital-intensive nature of large-scale mining meant that very few local people could gain employment in the new mining economy.

By the late 1980s, the problem of land-use conflicts arising from local community resistance had resulted in the promulgation of three laws aimed at bringing artisanal and small-scale (ASM) gold mining into the official economy. In 1989, and as part of the SAP reforms, the Small-Scale Gold Mining Law (PNDCL 218), the Mercury Law (PNDCL 217), and the Precious Minerals Marketing Corporation Law (PNDC Law 219) were passed, all in an

[9] These observations are based on interview with a mining activist, March 2015.

Figure 1: Key mineral production trends, 1980-2008



Source: Author, based on raw data obtained from Minerals Commission, Accra.

attempt to legalise and regularise the previously illegal ASM sector.[10] Under PNDC Law 218, artisanal miners could apply for a concession of a maximum of 25 acres in designated areas, and then obtain a licence to mine through the Minerals Commission. The Mercury Law legalised the purchase of mercury from authorised sellers for purposes of gold production, while PNDC Law 219 established the Precious Minerals Marketing Company (PMMC) to provide a market for small-scale mined gold (Tsikata, 1997). Prior to this, most gold produced by ASM operators was smuggled to neighbouring countries (Addy, 1998; Teschner, 2012).

The 1986 law remained the substantive legislation for the mining sector until its replacement in 2006. Here again, the influence of transnational ideas and actors was very significant. After more than a decade of its implementation, multinational mining companies and international financial institutions (particularly the World Bank) began to express dissatisfaction with the 1986 mining code, arguing that it could not compete with those of other mineral-endowed African countries, and that Ghana was losing investment to countries such as Tanzania, Guinea and Mali, which had far more liberal codes. Thus, in 2001, Ghana contracted consultants to review its mining code with the objective of staying internationally competitive (Akabzaa, 2009). The World Bank (2008: 32) described the resulting 2006 Mining Act as 'more investment friendly…in line with international best practices in the industry'. For example, the corporate income tax rate was reduced from 35 percent to 25

[10] Note that until this period, small-scale mining in Ghana was considered entirely illegal by the state.

percent, while an additional profit tax[11] of 35 percent was scrapped altogether. One consequence was that when mining companies began to make supernormal profits following rising commodity prices from the mid-2000s onwards, there was no legal basis for imposing additional taxes on them, and the government's attempt to introduce a new windfall tax backfired.

The passage of this more liberal 2006 mining code was relatively straightforward during the administrations of the NPP government under President Kufuor (2001-08), given the closeness of its 'property-owning democracy' ideology to the World Bank's pro-business ideological perspective, coupled with the relative absence of a sustained and systematic challenge from Ghanaian civil society. Akabzaa (2009) notes that although the consultative processes leading up to the new act involved several actors within the mining industry – including the Chamber of Mines, traditional rulers, a representative of small-scale miners, and the Third World Network, which represented the National Coalition of NGOs in Mining (NCOM) – the uneven power relations among these actors resulted in domination by the of mining companies. Thus, whereas the draft Act included several proposals that were submitted to parliament by various civic actors, subsequent 'behind the scenes consultations changed the fortunes of the concerned community and civil society groups' (Akabzaa, 2009: 39).

While the privatisations of this period involved direct negotiation between multinationals as investors, and the state as the owner of the subsoil, parallel developments involved direct negotiations between chiefs and ASM operators. Indeed, the continuing influence of chiefs over land has given rise to parallel systems of mineral licensing in Ghana – one formal (granted by the state to large-scale mining companies) and the other informal (granted mainly by chiefs to *galamsey* operators). Under the present arrangements, though all minerals are vested in the president, much of the gold-bearing lands remain firmly under the control of traditional councils. This dichotomy between land rights and mineral rights has posed significant challenges for controlling illegal mining activities in Ghana, as *galamsey* operators continue to obtain lands from chiefs and other customary owners for their operations, a point to which I return later.[12]

3.5 A return to resource nationalism? 2009-16

The period from 2009 to 2016 may be characterised as a return to the resource nationalism of the early post-independence reforms. This time, however, the government resorted to various fiscal reforms that encouraged private mine ownership to earn more revenue from natural resource extraction. In 2009, the NDC government introduced a National Fiscal Stabilisation Levy, which imposed an additional 5 percent levy on the profits (before tax) of companies in certain industries, including mining. This was soon followed by an amendment to the Mining Act in 2010, The Minerals and Mining (Amendment) Act (Act 794), which provided for a fixed 5 percent royalty rate across the board and abolished the sliding 3-6 percent scale provided in the 2006 Mining Code. However, the most radical reforms were

[11] Essentially a windfall tax.
[12] Interview, senior bureaucrat at the Ministry of Lands and Natural Resources, and a member of the Mining Review Committee, 20 January 2017; Interview, Office of the Administrator of Stool Lands, Ministry of Justice and Attorney-General, 20 January, 2017.

announced in the 2012 national budget statement, which proposed to increase the corporate tax rate by 10 percent (i.e. to 35 percent) and install a new windfall tax of 10 percent. A seven-member Mining Review Committee was also established to review all mining agreements that were deemed detrimental to the national interest.

The boom in commodity prices was the most significant driver of these fiscal reforms.[13] With rising commodity prices (see Figure 2), concerns over the national interest were widely held up as a key political justification for many of the newly proposed policy reforms. In presenting the 2010 budget statement, the finance minister expressed concern that foreign multinational companies had responded to the price hikes in gold by increasing production, but without a corresponding contribution to government revenue (Republic of Ghana, 2009: 19).

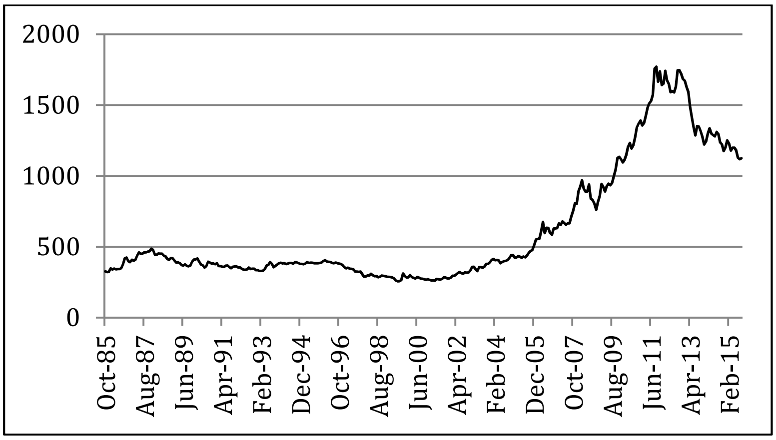
> The issue with mining is about fair and transparent sharing of the benefits and windfall gains from the exploitation of the country's precious and irreplaceable natural resources … [D]uring the recent global financial crisis, prices of gold, cocoa and oil reached their peak levels ever. Yet, the country did not benefit at all from the price hikes … The Government has, therefore, taken a bold step to critically review the fiscal regimes and mining agreements, with the view to ensuring that the country benefits adequately and fairly from the gains in the mining sector. (Republic of Ghana, 2011: 54).

A second important explanation relates to changes in transnational support and ideas, with both the World Bank and IMF openly supportive of the government's initiatives. As the Chief Director of the Energy Ministry told us, '…this time, the IMF and the World Bank were rather actually on the side of government'.[14] The soaring gold prices triggered calls on the government from even the traditional architects of the liberalised mining regimes (i.e. the World Bank and the IMF) to raise certain taxes in order to maximise the benefits of resource extraction (National Coalition on Mining, 2011). In 2011, the head of the IMF mission in Ghana, Christina Daseking, specifically recommended that Ghanaian authorities explore ways of improving tax revenues from the mining sector, stating that the Fund 'supported adoption of additional tax policy measures, particularly in the area of natural resources'.[15]

There is also evidence to suggest that the new tax reforms were reflective of, and partly driven by, the social democratic philosophy of the NDC ruling coalition and the party's recognition of 'distributive justice' as an important guiding principle for its approach to governance (NDC, 2004). As far back as 2008, when the party was in opposition, it emphasised the need to redefine the role of mining in the national development agenda.

[13] Interview, senior bureaucrat at the Ministry of Lands and Natural Resources, and a member of the Mining Review Committee, 20 January 2017.
[14] Interview, Ministry of Energy and Petroleum, 29 August 2014.
[15] See Ghana Business News, 17 November 2011, 'Ghana bows to IMF by hiking mining taxes to 35% from 25%'. https://www.ghanabusinessnews.com/2011/11/17/ghana-bows-to-imf-by-hiking-mining-taxes-to-35-from-25/ (accessed 25 May 2017). Reuters, 25 October 2011, 'Ghana should seek more revenues from mining sector: IMF'. http://www.theafricareport.com/Reuters-Feed/Ghana-should-seek-more-revenues-from-mining-sector-IMF.html (accessed 25 May 2017).

Figure 2: World gold price (US$ per ounce), 1985-2015



Source: World Bank, cited in Whitfield (2017).

Specifically, it focused on the need to 'optimise national benefits or retained earnings from mining investment in the country' by '[s]trengthen[ing] the mining fiscal regime to capture more rent for the state and mining communities through greater State carried interest, higher royalties and more realistic resource rent-based taxation…' (NDC, 2008: 58).[16] That these pledges were made by a party in opposition makes it difficult to interpret such pronouncements as purely instrumental attempts to secure greater mining revenues to address fiscal constraints and gain re-election. Importantly, these pledges differed substantially from those of the more pro-business NPP ruling coalition at the time, whose 2008 election manifesto pledged to further cut corporate taxes in order 'to encourage and support businesses' (NPP, 2008: 6). This analysis suggests that responses to resource booms are driven not only by the degree of stability/vulnerability of ruling coalitions (Poteete, 2009), but also by the ideological orientation of dominant elites within such coalitions.

That said, most interviewees suggested that material interests played a more significant role in motivating the new tax reforms than the ideological orientation of the NDC ruling coalition. According to one interviewee in the Ministry of Lands and Natural Resources, at the peak of the mining boom, 'the government was in a tight corner and needed money; they needed to come up with a way of dealing with the fiscal gaps'.[17] With mining increasingly replacing cocoa as the 'cash cow' of successive ruling elites, '…the government didn't have any other option than to look at the natural resources sector'.[18] The respondent further noted that it was this overriding need for cash that explained why the reforms were initiated and championed by the finance ministry rather than the Ministry of Lands and Natural Resources, which has a direct mandate over mining activities.

Implementation of the government's proposed reforms was patchy, however, with the windfall tax not implemented at all, due partly to intense pressure from mining companies.[19]

[16] These pledges were again repeated in the party's 2012 election manifesto: 'The long-held position of the NDC is that the mining sector has to be re-organized to allow the nation and mining communities specifically to benefit more from their resources' (NDC, 2012: 40).
[17] Interview, Ministry of Lands and Natural Resources, 20 January 2017.
[18] Ibid.
[19] Interview, Alhassan Atta-Quayson, mining activist and university lecturer, 20 January 2017.

At the 2014 World Economic Forum in Davos, the Ghanaian president at the time, John Dramani Mahama, noted that his government's suspension of the windfall tax was based on companies' threats to cut off jobs and shift their production investments to other countries: 'They threatened to lay off workers if we implemented the windfall tax and because we needed the jobs and you don't want workers laid off you are coerced to go along'.[20] Some key industry actors also attribute the suspension of the windfall tax mainly to 'bad timing (Aryee, 2014), in that just when the government began to introduce it, gold prices began to dip, undermining the government's argument for the tax (ibid). The fact that other African countries (e.g. Mali) were reducing tax rates at the same time 'put additional restraining pressures on the government's reform directions'.[21]

This said, it is important to note that the 10 percent increase in the corporate tax rate and the 5 percent royalty rate have been effectively implemented since 2012, contributing to improved government revenues from mining (Table 1). However, as gold prices started to decline from 2013 onwards, government revenues from corporate income taxes, as well as the mining sector's overall contributions to revenues collected by the Ghana Revenue

Table 1: Gold production and government revenue from mining (GH₵, 2005-15)

Year	Gold production (ounces)	Royalty	Corporate tax	PAYE	Total mining contribution to GRA	%Mining to total GRA
2005	2,149,372	23,595	26,988.96	19,405,894	72,285,749	11.21%
2006	2,244,680	31,625	40,436.18	21,652,578	74,822,760	10.20%
2007	2,486,821	40,882	47,415,690	34,587,597	123,021,866	14.42%
2008	2,585,993	59,005	73,554,697	47,139,242	179,978,383	15.32%
2009	2,930,328	90,416	124,600,880	103,061,985	319,022,676	18.21%
2010	2,970,080	144,697	241,578,780	132,469,710	519,682,174	21.29%
2011	2,924,385	222,024	649,902,536	161,822,107	1,034,221,712	27.61%
2012	3,166,483	359,392,853	893,773,828	207,495,934	1,461,202,977	27.04%
2013	3,192,648	364,673,038	518,545,259	220,131,571	1,104,047,315	18.71%
2014	3,167,755	470,356,949	441,235,059	259,459,815	1,172,117,330	15.38%
2015	2,848, 574	485,632,657	463,128,598	404,743,477	1,354,379,971	14.90%

Source: Raw data provided by the Minerals Commission, Accra; see also Ghana Chamber of Mines (2016).

[20] Ghanaian Chronicle (24 January, 2014), 'Presidency succumbs to mining blackmail?' Available at: http://www.modernghana.com/news/517845/1/presidency-succumbs-to-mining-blackmail.html
[21] Ibid.

Authority (GRA), also began to dwindle, even as gold output remained fairly high and continued to increase until 2015 (Table 1). This underscores how global commodity price fluctuations can place major strains on the public finances of resource-dependent countries like Ghana, with potential implications for the development imaginaries of ruling elites. As one of our respondents aptly put it: ‘Ghana depends so much on the mining sector that as soon as prices of minerals fluctuate, our budget has to’.[22]

The period of the boom coincided with increased government revenue from mining and significant declines in the incidence of poverty and extreme poverty in Ghana. Indeed, by the early 2010s, the mining sector contributed 37 percent of export revenues and 19 percent of all direct tax payments, making it the largest tax paying sector in the Ghanaian economy (Ghana Chamber of Mines and ICMM, 2015). Meanwhile, between 2006 and 2013, the estimated national poverty rate fell from 31.9 percent to 24.2 percent, while extreme poverty declined from 16.5 percent to 8.4 percent during the same period. These reductions enabled Ghana to emerge as the first country in sub-Saharan Africa to meet the first target of the Millennium Development Goals, of halving extreme poverty by 2015. The three poorer northern regions in particular made substantial progress in poverty reduction, which translated into a reduction of regional income inequalities during this period (Table 2). However, there remain significant disparities in poverty levels between different socio-economic groups, rural and urban areas, and the three historically poorer northern regions and the rest of the country.

Table 2: Poverty trends in Ghana's poorer northern regions, 2005-13

	Poverty incidence		Extreme poverty incidence	
	2005/06	**2012/13**	**2005/06**	**2012/13**
Northern	55.7	50.4	36.1	22.8
Upper East	72.9	44.4	56.9	21.3
Upper West	89.1	70.7	76.0	45.1
Ghana	**31.9**	**24.2**	**16.5**	**8.4**

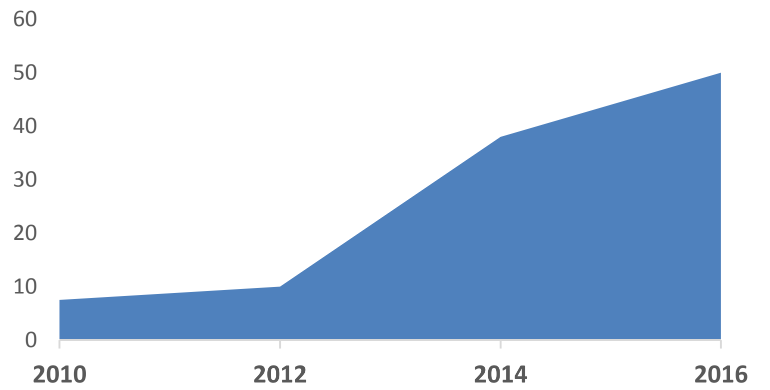
Source: Ghana Statistical Service (2014).

Whether the growth in mining revenues contributed to this trend is, however, an entirely different question. Direct causality between mining and inclusive development is difficult to establish, because mining revenues in Ghana are not set aside for specific development investments, but are instead channelled directly into the consolidated fund for general budgetary support. However, the available evidence suggests that the increased revenues from mining, along with the commencement of commercial oil production in 2010, did influence the developmental imaginaries of ruling elites. This is evidenced in the introduction of several special social intervention programmes aimed at increasing public expenditure on initiatives targeted at the poorest and the most vulnerable. Much of the recent poverty reduction in Ghana has been attributed largely to high GDP growth rates supported by increased government development expenditure. In particular, specific interventions, such as the launch of the Savannah Accelerated Development Authority (SADA) in 2010 and the

[22] Interview, Ministry of Lands and Natural Resources, 20 January 2017.

Livelihood Empowerment Against Poverty (LEAP), have helped to reduce poverty in the poorer northern regions.[23] With a goal of doubling incomes of northern Ghanaians and reducing the incidence of poverty to 20 percent within 20 years (Government of Ghana, 2010), SADA has been widely recognised as the most comprehensive effort towards the reduction of the north-south developmental disparities in Ghana's history. The LEAP is Ghana's flagship cash transfer programme that provides bi-monthly cash benefits for extremely poor families which also have at least one member that is elderly (those above 65 years), disabled and unable to work, as well as orphans and vulnerable children. Figure 3 shows the budgetary allocations to LEAP between 2010 and 2016.

Figure 3: Budgetary allocations (GH₵ millions) to LEAP, 2010-2016

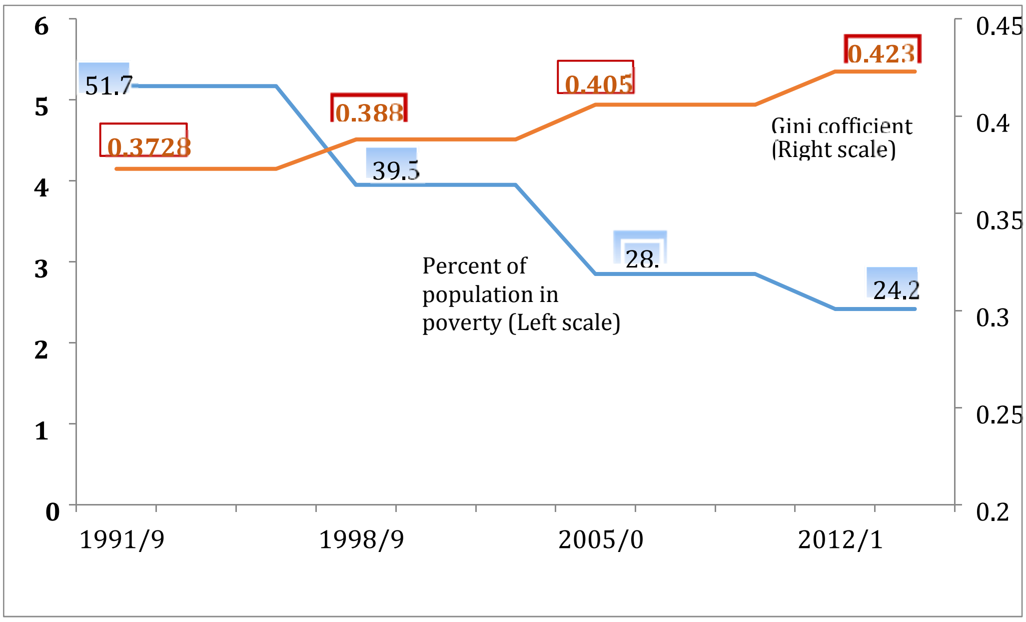


Source: Author, based on the Government of Ghana's annual budget statements, various years. See budget statements at: http://www.mofep.gov.gh/ and http://www.ndpc.gov.gh/.

I am not suggesting here that mining revenues have always been expended in ways that help reduce poverty and inequalities in Ghana. On the contrary, the distribution of power in Ghanaian society and the competitive clientelism that it produces have significantly undermined the effective utilisation of mining revenues for fostering greater inclusion and for the pursuit of the national interest more broadly (see also next section). For example, while greater access to mineral revenues might have enabled the government to launch a number of social intervention programmes, most of these, including the LEAP, suffer from politically motivated poor targeting, benefiting the better-off far more than the poorest (Jones et al., 2009; Wodon, 2012; Debrah, 2013; Abdulai and Hulme, 2015; Abdulai and Hickey, 2016). Whereas overall poverty levels fell by 31.3 percentage points during the past 25 years, Ghana's Gini coefficient has consistently been increasing since the early 1990s (Figure 4). The government of Ghana acknowledges these rising levels of inequality as a major problem, describing it as 'a dangerous sign that the poverty reduction effort is not being properly targeted at those who need it most' (Government of Ghana, 2012: 22).

[23] UNDP (n.d.). 'UNDP in Ghana. Eradicate extreme hunger and poverty. MDG 1'. Available at: http://www.gh.undp.org/content/ghana/en/home/post-2015/mdgoverview/overview/mdg1.html (accessed 25 May 2017).

Figure 4: Poverty and inequality trends, 1991-2013



Source: Government of Ghana, 2014: 18.

4. Competitive clientelism and mining sector governance

Most Ghanaian scholars attribute the limited impact of mining on broad-based development to the absence of a long-term plan for guiding the efficient utilisation of mineral rents. It is argued that policy reforms have focused almost exclusively on revenue generation from mining, but 'without a policy for long-term investment' (Ayee et al., 2011: 36). Mineral rents have often been expended in a way that 'does not recognize the need to convert mineral revenues into long-term physical and human capital' (Ghana Chamber of Mines and ICMM, 2015: 51). In addition, the government often '[collects] mineral royalty in cash and … [spends] it in the next budget',[24] leaving the mining sector as an 'economic enclave' (Akabzaa, 2009: 51; Bloch and Owusu, 2012). These dynamics are indicative of a competitive clientelist settlement, a designation which helps to explain Ghana's natural resource governance over time.

Elite commitment to investing mineral wealth in long-term development is shaped by the degree of stability/vulnerability of ruling coalitions (Poteete, 2009). In competitive clientelist settlements, where ruling political elites feel that they are unlikely to stay in power long enough to reap the benefits of accumulated investments, incentives are geared towards the use of mineral rents in securing short-term political gains. As Levy (2014: 35) reminds us, a competitive clientelist political settlement is based on a credible prospect of power alternation such that 'whichever faction is in power is likely to have a short time horizon'. Ghanaian politics has developed into a highly competitive and antagonistic game, in which each round of elections has seen one of the two dominant parties 'horizontally excluded' from power. Ruling coalitions therefore tend to be confronted by high levels of horizontal

[24] Interview, mining sector activist and co-chair for the Ghana Extractive Industry Transparency Initiative, 25 June 2014.

opposition of the powerful elite bloc left out of power. This political context incentivises political elites to focus on initiatives that enhance prospects for their short-term political survival.

Lindsay Whitfield (see Whitfield, 2011a; 2011b; Whitfield et al., 2015; Whitfield, 2017) has shown how this form of politics has rendered Ghana's quest for structural transformation elusive during the past several decades. She shows that political survival strategies have included distributive, consumption-driven expenditures designed to deliver resources and economic opportunities to higher and lower levels of the ruling coalition, as well as visible goods and services to as much of the population as possible, in an effort to 'swing' voters their way. Whitfield notes that these expenditures depleted the wealth of the country without reproducing it, much less expanding it. She further argues that one consequence of these actions has been the absence of sustained political commitment to developing the productive sectors of the economy, which are critical for structural transformation and broad-based development.

These dynamics are particularly evident in the absence of a long-term development plan, in both the mining sector and the economy as a whole. One key industry observer noted:

> Do we even have a long-term vision for the whole country? We don't … The winner-takes-all factor in our politics makes it necessary for everybody to think about the short-term political interest – that is, his political survival, party, and his interest – and as a result, does not look beyond an electioneering period.[25]

Another key informant explained the challenge of a mining-led development in Ghana in terms of discrepancies relating to 'governments' short-terms views versus the long-term view of mining'. He elaborated the point as follows:

> You have a mine which will probably operate for 20-50 years … You have the potential to ensure that it interfaces with the rest of the economy and creates an economic activity which is much bigger than the mine itself … Yet you elect a government which is going to be in place for four to eight years, maximum. If you are in charge of that government, what will you do? You are looking for benefits now to help you run your government; you are not looking for creating a base for your opponents to come and take the benefits.[26]

Thus, while a national mining policy was fully drafted in 1994, this policy was not actually launched until 2016. According to one interviewee, this apparent lack of elite commitment towards a long-term development vision for mining has meant that regulatory frameworks within the industry have rarely been accompanied by a policy to guide day-to-day implementation:

[25] Interview, civil society activist, 25 June 2014.
[26] Interview, Ministry of Lands and Natural Resources, 20 January 2017.

> When you have natural resources, your long-term vision is important. Once you have your long-term vision, you now look at the policy that will take you to your long-term vision. Your policy will have specific objectives. These objectives will be pursued by the laws you put in place. And then you have regulations which will detail out how the various provisions in the law are to be interpreted and applied. But here is the case: in the mining sector, we have [had] a Minerals and Mining Act passed in 2006. We are in 2014, and what we have is a draft mining policy. So we put the Act in place before thinking about policy. So all this while, what policy objectives has the law been pursuing?[27]

Circumstances are similar in the hydrocarbons sector. Indeed, the Petroleum Revenue Management Act (PRMA) requires that spending of oil revenues be guided by a medium-term framework aligned with a long-term national development plan. Yet, after seven years of commercial oil production, such a development plan remains absent, allowing the continuous discretionary utilisation of petroleum revenues by ruling political elites. Recent and ongoing attempts by the National Development Planning Commission (NDPC) to launch a legally-binding 40-year development plan were initially met with stiff opposition from the two main political parties, on the grounds that such a plan would constrain their ability to implement their party manifestos. Kwesi Botchwey, then Chairman of the NDPC, recalled how a government white paper 'had attempted to sideline the call for long-term development planning', [28] and President Mahama subsequently insisted that any such 'long-term development plan … must have a flexibility to accommodate political and ideological orientations'.[29]

The preference for a high level of discretion for politicians in Ghana is also evident in the negotiation of mining agreements and in the allocation of mining licences. Under Ghana's mining laws, the minister has the power to 'negotiate, grant, revoke, suspend or renew mineral rightsí.[30] Mineral licences are to be issued to companies 'in the form and conditions determined by the minister',[31] who also has the powers to enter into stability agreements with mining companies. Holders of such stability agreements are to be insulated from subsequent changes relating to the payment of customs or other duties, royalty rates, taxes, fees, and other fiscal imports, as well as laws relating to exchange control, transfer of capital, and dividend remittance for a period of up to 15 years.[32]

Such powers have enabled the minister to enter into what some deem highly questionable agreements with mining companies, as with fiscal stability agreements with Newmont and Anglogold Ashanti during the 2000s, which give the two companies (which together account for two-fifths of total gold output: Boakye et al., 2012: 12) protected tax benefits. Thus, although the Mining Law pegs royalty payments on a sliding scale of 3-6 percent, Newmont

[27] Ibid.
[28] See Myjoyonline news, August 10, 2015, '40-year dev't plan will be legally binding but flexible – Kwesi Botchwey'. Available at: http://www.myjoyonline.com/news/2015/August-10th/40-year-devt-plan-will-be-legally-binding-but-flexible-kwesi-botchwey.php (accessed 25 May 2017).
[29] Ibid.
[30] See Mineral and Mining Act, 2006 (Act 703), Section 5(1).
[31] Ibid, Section 6(3).
[32] Ibid, Section 48.

Ghana's stability agreement fixes its gross royalties on gold production at the lowest allowable rate of 3.0 percent.[33] Companies without stability agreements now have a corporate tax rate of 35 percent, compared to a ceiling of 32.5 percent set in Newmont's agreement with the government. The company is also exempted from the payment of value added tax (VAT) on all items it imports, and for all foreign and locally purchased services and supplies, to the extent that they are used in connection with operations. Moreover, contrary to the provisions of the Mining Code, which mandates a minimum 10 percent equity stake for the state, the Ghanaian government has no stake in Newmont's operations.

Available evidence also suggests that the signing of such confidential stability agreements tends to occur during or just prior to election years. A further example from the oil sector is the 'scandalously generous' (Phillips et al., 2016: 30) deal with Kosmos Energy in 2004, which many believe was meant to generate kickbacks for allies in the Kufuor-led NPP ruling coalition. Industry analysts estimated that the Kosmos contract would lose the government US$3.8 billion in tax revenues over the lifespan of the West Cape Three Points oil block, in comparison to Tullow Oil's terms for the adjacent Deepwater Tano block (Wood Mackenzie 2012, cited in Phillips et al., 2015). Ayee et al. (2011) also argue that overgenerous concessions granted to some mining companies may have been granted 'as a reward for political support and financial kickbacks' (p.21). These observations need to be understood within the context of the highly competitive form of patron-client electoral politics in Ghana, where 'big business interests seem to be particularly strong, with their influence deriving from personal relationships and the funding of political campaigns' (World Bank, 2009: 28).

A final indication of the clientelist nature of relations between state institutions and mining companies stems from a Mining Review Committee chaired by Professor Akilapka Sawyer. The government established the seven-member committee following resistance by some mining companies (specifically those with stability agreements) to the government's decision to raise taxes in the mining sector. The tasks of the committee were to review and re-negotiate any part of the stability agreements between the country and mining companies and redesign existing or draft agreements to ensure that they yielded better social and economic returns for the state.

In 2013, Sawyer hinted that the committee was facing significant difficulties because of the nature of the relationships between the state and mining companies involved. He noted that 'the Committee has realised that the Government at times raises resources from some mining companies' and that such relationships have 'affected their negotiation'.[34] These observations give some credence to suspicions that competitive clientelism has meant that the tendency of political leaders to bypass bureaucrats in mineral resource contractual processes in order to reach politically desirable decisions, and of ruling party members of parliament (MPs) to rush through major mineral resource agreements, has 'become the norm' in both the mining and oil sectors (TWN-Africa, 2016: 2; see also Hickey et al., 2015;

[33] These terms have been recently renegotiated, but the terms of the new agreements are still not in the public domain.
[34] See Daily Express (21 March 2013), 'Review of mining stability agreements on course'. Available at: http://dailyexpressonline.com/review-of-mining-stability-agreements-on-course-2013-03-21/ (accessed 2 January 2015).

Mohan and Asante, 2015). Thus, whereas the generally 'disappointing' impact of Ghana's mining sector has sometimes been blamed on the weak capacity of regulatory institutions such as parliament (see Atta-Quayson, 2012; Ayee et al., 2011), I argue that such weaknesses are the direct result of the mutual interests between ruling party MPs and the executive. The weak supervisory role of the Ghanaian parliament is much more political than technical, suggesting that such weaknesses are unlikely to be effectively addressed through 'technical' capacity building alone.

5. The politics of central–local relations in Ghana's mining governance

One of the great challenges in Ghana's mining governance has consistently been that of aligning national aspirations with what is politically feasible at the local scale. This dilemma manifests itself in several ways, one of which is the phenomenon of ASM, discussed in the next section. This section addresses the particularly complex central–local politics that surround (i) the relationships between national authorities and chieftaincies in determining control of access to the subsoil, and (ii) the distribution and use of revenues generated by mining. As we will see, the first of these issues affects the second.

5.1 Chiefs, politicians and the land question, from the late 19th century to the present

The extreme dispersion of power in Ghanaian society and the competition that it generates has involved traditional authorities throughout Ghana's post-colonial history. To this extent, a historicised understanding of the relationship between chiefs and politicians is central to comprehending the politics of natural resource governance in Ghana from a *longue durée* perspective, and in particular to assessing central–local relations in governing the mining economy. Indeed, Amanor (2008, 2009) traces the political influence of chiefs in present-day Ghana to the failed attempts of the British colonial administration to control land and vest it in the colonial state, and to the ultimate creation of a system of indirect rule based on Native Authorities and chiefly rule.

One of the early concerns of British colonial rule was how best to vest all unoccupied land in the British Crown. This concern arose mainly from the colonial government's fear that foreign companies would acquire the land through speculation and by purchasing concessions from local chiefs during the mining boom. In 1894, the colonial government attempted to enact a Crown Lands Ordinance, which would place 'waste land, forest land and minerals' under the British Crown and enabled the colonial government to gain control over the granting of concessions. However, this was met with considerable resistance and opposition, manifested in the formation of the Aborigines Rights Protection Society (ARPS) in 1897. The ARPS was an alliance of chiefs and business and intellectual elites on the Gold Coast that was formed to defend African rights over the land.

After decades of similarly unsuccessful attempts to take control over the administration and allocation of land rights, colonial administration was ultimately established through an alliance with traditional rulers organised into Native Authorities.[35] This system of indirect rule

[35] The Native Authority/Indirectly rule system in the Gold Coast is often traced back to 1847 – the official year of the commencement of British colonialism.

brought chiefly families into the ruling coalition, effectively as lower-level factions that could maintain political support for British ruling elites. The creation of the Native Administration system resulted in the creation of ‘a neo-traditional elite’ in the Gold Coast (Whitfield, 2017) whereby ‘Chiefs became responsible for appropriating land for public works, forest reserves, mining and timber concessions, and allocating land to farmers for export crop production’ (Amanor, 2009: 102; see also Amanor, 2008: 60).

However, the indirect rule policy through which the colonial powers governed in collaboration with chiefs was to become a major source of rivalry between some traditional leaders and the educated elite during the decolonisation processes. The CPP, the dominant nationalist party that led Ghana to independence, led a campaign against the chiefs – with some even pushing to abolish chieftaincy altogether – by drawing support from local youth groups and opportunistically exploiting local conflicts (Crook, 2005). After independence in 1957, however, Nkrumah followed a more complicated strategy, courting chiefs who supported him, while punishing his opponents (Berry, 2008). As Berry states, this punishment included ‘stripping them of administrative and judicial authority, confiscating their stool lands, and putting some of their most outspoken opponents in prison’ (ibid.: 41).

The military regime that overthrew Nkrumah in 1966 released his jailed opponents and restored their confiscated lands, and their successors varied in their reactions – from tacit acceptance to open support of chieftaincy as a time-honoured institution (Berry, 2008). With chiefs becoming an important source of political support and legitimacy for each new set of ruling elites, the NRC, which came to power in 1972, ‘constructed a centre of political gravity based on a military-bureaucratic-chief alliance’ (Chazan, 1982: 464). In effect, post-independence governments retained the customary land ownership and tenure system constructed during the colonial period, which gave chiefs and their traditional councils control over access to land and enhanced their authority. It is important to make clear, therefore, that the institution of chieftaincy not only survived in this period, but gained strength after the 1966 coup. Chiefly authority over land was reaffirmed in the 1969 constitution, which restored chiefs’ authority to allocate land rights and receive land tribute. The 1979 went further to emphasise that the central government had no right to recognise or refuse to recognise chiefs, as this was the sole right of the community (Whitfield et al., 2015).

With the general vulnerability that characterised all subsequent political regimes after Nkrumah’s overthrow, elections provided important moments for politicians to strike new deals with chiefs, in order to expand their electoral coalitions ahead of imminent elections. One good example was a deal struck by the I. K. Acheampong military government (1972-78) with chiefs from the country’s Northern and Upper regions in the run-up to a national referendum in the late 1970s (Chazan, 1982). Another example is Jerry Rawlings’ deal with chiefs as the country was preparing to a return to multiparty democracy in 1992. During the 1980s, the Rawlings-led PNDC government initially challenged the authority of chiefs over land, especially in the important cocoa-growing areas. But by the early 1990s, when the return to multiparty rule was imminent, chiefs in the affected cocoa areas and the PNDC struck a bargain: chiefs helped mobilise support for the party, and the government allowed chiefs unfettered control over the land (Whitfield et al., 2015: 130). The continuing political influence of chiefs is also clear in the dynamics surrounding the distribution of mining royalties from which they benefit directly for their personal accumulation as part of an elite bargain.

5.2 The subnational politics of revenue distribution

The success of any mineral-led development strategy depends mainly on the share of revenues captured by national governments and the modalities that governments adopt in managing and distributing those revenues (Akabzaa, 2009). Mining sector revenues in Ghana are obtained mainly from royalties, corporate and personal income taxes, and the withholding tax on dividends and foreign outsourcing. Mining taxes (both corporate and personal) and dividends accrue directly and solely to the central government, while mineral royalties are distributed between the centre and sub-national authorities.

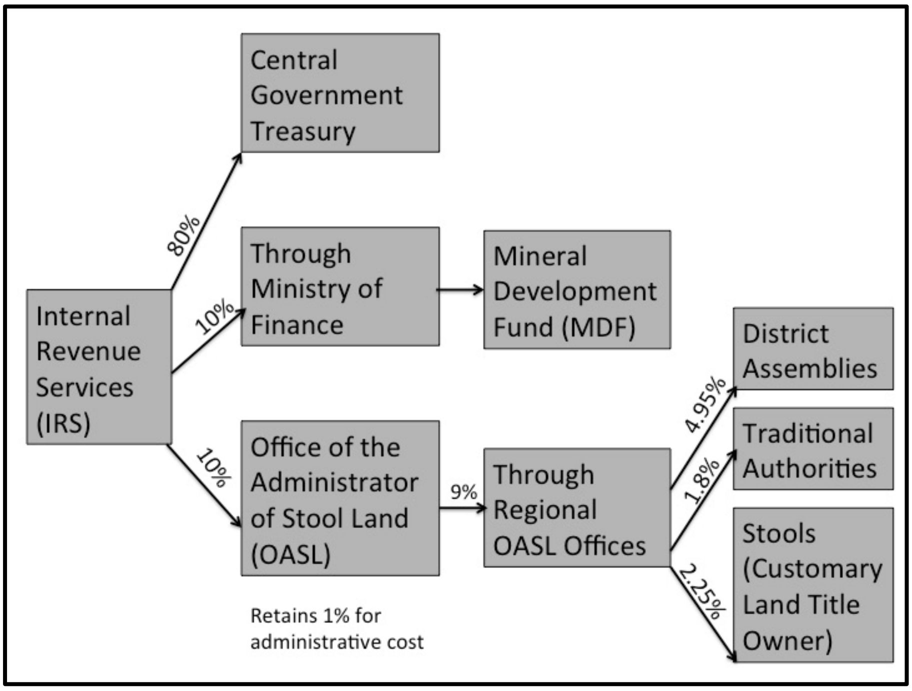
Figure 5 summarises how mining revenues are distributed in Ghana. Revenues from mining royalties are collected by the large tax unit of the Internal Revenue Service, which then dispenses the money into the consolidated fund. Of this sum, 80 percent is retained by the government and used for general budget support, while the remaining 20 percent is paid into a mineral development fund (MDF), which was established in late 1992 through an 'executive fiat' (Republic of Ghana, 2013: 21).[36] The 20 percent allocated to the MDF is divided further in two: half (representing 10 percent of total royalties) goes to the Minerals Commission and the Department of Mines, while the Office of Administration of Stool Lands (OASL) receives the remaining half. The OASL is charged with overseeing stool land. The OASL dispenses its allocated sum directly to beneficiary institutions at the sub-national level, according to a formula outlined in the 1992 constitution and reinforced by the Minerals and Mining Act of 2006. This stipulates that the office retains 10 percent of the monies (or 1 percent of total royalties) to cover administrative expenses, while the remaining 90 percent (9 percent of total royalties) is distributed as follows:

- 25 percent to the stools through the traditional authority structure for 'the maintenance of the stool in keeping with its status';
- 20 percent to the chiefs or other traditional authorities; and
- 55 percent to the district assemblies located within the area of authority of the stool lands (Republic of Ghana, 1992).

Thus, with all taxes and 90 percent of mineral royalties being retained at the national level, current procedures are inherently biased towards the central government and away from mining communities. This is particularly evident in comparison to Peru (Sanborn et al., 2017), where the central government distributes half of its mining income tax revenues to the sub-national areas that host mining operations.

[36] The MDF was established to: (1) promote development in local mining communities through the redistribution of mining royalties to mining-affected communities; (2) compensate the same communities for the costs associated with mining; and (3) support the operating budget of mining sector institutions (Republic of Ghana, 2013).

Figure 5: Distribution of mining revenues in Ghana



Source: Adapted from Boampong (2012).

The disparity between the state's share of royalties and that of mining communities has long formed the basis of public grievances in the mining sector. Chiefs and mining companies have repeatedly demanded an increase in the share of mineral royalties going to local communities. In August 2016, one chief went so far as to advocate that all stools' share nationwide be paid to them directly by companies (as was the case in pre-colonial Ghana) rather than being channelled through the central state (Ghana News Agency, 2015; Swanzy, 2016). Yet such demands have remained unsuccessful in the face of an overall settlement among national political elites agreeing that mining revenues be centralised, as well as evidence of the misapplication of mineral royalties by sub-national authorities.

5.2.1 Ideas, interests and the centralisation of mining rents

Political elite consensus regarding the centralisation of mining revenues has a long history in Ghana,[37] motivated by a combination of central elite incentives for access to a greater share of mineral rents, and ideas about sovereignty and national unity. Throughout the history of post-independence Ghana, the dominant idea articulated by both political elites and citizens is the notion of Ghana as a unitary state. In terms of natural resources, this idea is manifested in a belief that the state is best placed to exploit minerals and hydrocarbons and to share the benefits with its citizens and regions. One mining governance expert in Ghana, Dr Yao Graham, traced this idea to the nationalist movements of the late 1940s and early 1950s, a period during which 'the control of natural resources was seen as a great gain of the anti-colonial movement'. He continued:

> In many of our countries, colonial companies controlled the resources. So [after independence], being able to now say that the nation owned the resources was an

[37] It dates back to the first post-colonial government in the 1950s and 1960s (see Aryee, 2001).

> important political statement, and also that these resources would be applied to national development. Now if there is national ownership and the idea is that the resources are held in trust for the people by the state, how do you establish a basis for special treatment of a particular region?[38]

Within this overall discourse of 'national ownership', allocating disproportionate shares of mineral rents to regions of extraction is generally seen as having the potential to foster divisive tendencies and, as a consequence, undermine national political stability. Thus, although mining activities in Ghana have long been spatially concentrated in the Ashanti and Western regions, revenues generated from mining have historically been channelled for direct budgetary support, and utilised without any recourse to the areas of their derivation. At the local level, such ideas also help explain why revenues from the MDF – which are meant to help mitigate the environmental costs of mining in affected communities – are sometimes extended to benefit non-mining communities (Quarshie, 2015). More broadly, it was also partly on the basis of such ideas about national unity that recent demands from chiefs from the oil-rich Western region, that 10 percent of oil revenues be earmarked for developmental projects in their region, were generally rejected by elites across the political divide. As the Minister of Lands and Natural Resources explained:

> Could you imagine what would have happened if government had even entertained the idea? Obuasi will rise up, the Akyem people (referring to Newmont Mines in New Aberim) will rise up and ask what about us? Government will be fighting fires everywhere … I believe strongly that we need to collect the revenues to the center and distribute. This is the only way we can ensure we stay together as a state. We can hold the country together.[39]

Such ideas have endured throughout post-colonial Ghana in large part because it is also in the material *interests* of ruling elites to keep revenues centralised, so that they can control their distribution and uses. Within the context of competitive clientelism, the suppression of subnational challenges to how mining rents are distributed also enhances the prospects for the maintenance of ruling coalitions through patronage spending.

5.2.2 Misapplication of royalties by sub-national authorities

There is ample evidence that mineral royalties tend to be 'misused' by both chiefs and district assemblies (DAs), providing opportunities for the centre to justify its continuous centralisation of revenues. Official government sources suggest that a large portion of the royalties received by the DAs is often applied to expenses not intended by the distribution scheme (Republic of Ghana, 2013: 42).[40] Indeed, of some GH 6.74 million of mineral royalties received by the three highest beneficiary DAs during 2004-09, only GH 0.69 million (14.2 percent) was spent on health, water and sanitation and waste management, land degradation, and alternative sources of livelihoods – all areas directly affected by mining activities. Most beneficiary assemblies were found to have 'utilised MDF either in whole or

[38] Interview, Yao Graham, 14 March 2015.
[39] Interview, Minister for Lands and Natural Resources, 16 March 2015.
[40] Interview, Official of the Ghana Extractive Industry Transparency Initiative (EITI), 20 January 2017.

partly for varied projects which do not mitigate the harmful effects of mining' (Republic of Ghana, 2013: iv).

Moreover, '[t]here is strong evidence that the payments to traditional councils and stools tend to finance expenditures other than those that benefit the local communities involved' (ICMM, 2007: 77). In some cases, chiefs 'have spent some of their mining royalties on erecting new palaces' (Boampong, 2012: 2) and on ceremonial clothing for the chief (Commission for Human Rights and Administrative, 2008). Part of the problem here relates to provisions of the 1992 constitution, which states that revenues accruing from stool lands 'be used to maintain the stool in keeping with its status'. In one stakeholder workshop on mining, traditional authorities took advantage of this constitutional provision to argue that their share of mineral revenues is 'not meant for development projects'.[41] Moreover, as part of the Ghana Extractive Industries Transparency Initiative (GHEITI), the Minerals Commission drafted a template that sought to help chiefs report on their mineral royalty expenses, but the chiefs responded so harshly that the Commission 'had to backtrack'.[42]

The important questions, therefore, are: why have political elites in Ghana continued to allocate mining revenues to local chiefs, despite clear evidence that such resources do not contribute to the well-being of local populations? One explanation is that there is a 'genuine uncertainty as to the "appropriate purpose" of distributing mining revenues to chiefs in Ghana (International Council on Mining and Metals, 2007: 77). I contend, however, that two related factors lie behind this, both underpinned by Ghana's competitive clientelist political settlements: the logic of maintaining social order due to the significant leverage of traditional authorities over mineral-rich lands, and the desire of ruling elites to win and maintain political power through the support of chiefs.

As a result of the historical power struggles between politicians and chiefs over mineralised land since the colonial period, landownership remains complex in Ghana. There are two main categories of land ownership today – namely, state lands, compulsorily acquired by the government through the invocation of appropriate legislation, and vested lands, belonging to customary authorities (stools, skins, clans and families). Vested ownership entails allodial and user rights that are vested in paramount chiefs, who control access over the land on behalf of a community. In all, more than 80 percent of land in Ghana is under the control of chiefs (Ministry of Lands and Natural Resources, 2011: 1; World Bank, 2013: 1), implying that most mineral operations, both by large-scale companies and ASM operators, occur on stool land (Tsikata, 1997; Nyame and Blocher, 2010).

Consequently, although mineral resources in Ghana are entrusted in the hands of the president on behalf of the people, the state depends substantially on chiefs for access to

[41] See Aterkyi II, O. K. (2007). 'Statement on behalf of the Traditional Authorities in Ghana through the National House of Chiefs for Successful Implementation of the EITI', p.4. Accra, Ghana, 15 January. Available: http://www.gheiti.gov.gh/site/index.php?option=com_phocadownload&view=category&download=16:statement-of-behalf-of-traditional-authories-in-ghana-through-national-house-of-chiefs&id=11:speeches&Itemid=54&start=40 (accessed 25 May 2017).

[42] Interview, Official of the Ghana EITI, 20 January 2017.

land, and governments often plead with chiefs to release lands for development projects. Chiefs have turned their control over land into widespread *de facto* power at the local and national levels, effectively utilising it to exact tribute both from mining companies and the government. Thus, the allocation of mining revenues to traditional leaders by the central government needs to be understood as a *co-optation* strategy aimed at enhancing the cooperation of traditional authorities with ruling political elites so as to maintain the stability of ruling coalitions. In other words, it is primarily the capacity of chiefs 'to cause trouble' that has historically entitled them to a share of mining revenues. As one mining sector activist stated:

> If you look at the history of how what has been given to local communities through the chiefs has been spent, it has nothing to do with community interest; the chiefs take it as their entitlement, and the state allows that as part of a compromise. So in a way, this is a continuation of the intra-elite struggles over the distribution of public resources.[43]

One respondent described the allocation of mining royalties to traditional authorities as 'a pay-out to chiefs to keep them quiet', elaborating further that 'the idea is to silence them because chiefs can be very significant trouble makers …. In the gold producing areas, the chiefs continue to wield some power, and if they are not sorted out, they can be a problem'.[44] These observations echo suggestions that in countries characterised by 'limited access orders', the stability of ruling coalitions requires the distribution of rents to members of a ídominant coalition' in ways that create incentives for elites to cooperate among themselves rather than fight (North et al*.*, 2009).

In the Ghanaian context, such distributional strategies are also influenced by historical memories of the pre-colonial era, when mining royalties served as a key source of power and local control for chiefs. As Dumett (1998: 45) reminds us of the pre-colonial Ghanaian context, the powers of chiefs over mineralised land was such that 'whenever a local chief granted the right to a stranger to mine for gold on stool lands, the *omanhene*, as paramount ruler, was entitled to a one-third, or *abusa*, share of the proceeds'.One respondent echoed this point:

> Historically, the chiefs gave the concessions to gold companies and collected royalties … So in the memory of the traditional elites, there is this thing about how once upon a time, they were the ones collecting the royalties.[45]

In this context, the Ghanaian experience also illustrates the importance of historical memories around natural resource governance, whereby 'the ways in which history is recounted and remembered can … constitute an important variant of how ideas matter in struggles over the governance of extraction' (Bebbington, 2015: 107).

[43] Interview, mining sector activist, 14 March 2015.
[44] Interview, mining sector activist and university lecturer, 20 January 2017.
[45] Ibid.

The second reason the central government maintains payments to sub-national leaders is the importance of chiefs for winning elections and the politicians' desire to court the political support of traditional authorities. While chiefs are constitutionally barred from taking partisan positions, many have continued to flout this with impunity, mainly because of their capacity to mobilise voters in support of ruling political elites (Fox et al., 2011). Indeed, Crook (2005) states that: 'Their power and authority are such that they are often more likely to be listened to than any politician' (p. 4). As one government employee stated:

> If you are a government and you don't give that recognition to chiefs, you are on your way out of office very quickly… You know the politicians go and solicit support from chiefs because, whether you like it or not, the chiefs still have influence over the people. And if you are a politician and you don't recognise and respect chiefs, that will be a big, big trouble for you.[46]

Together, this means that politicians across the political divide 'are ready to "purchase" the allegiance or interest of local traditional leaders through the patronage available to them … in return for the influence over local voting that they can deliver' (Coffey International Development, 2011: 30). The distribution of mining revenues is one typical example of such clientelist alliances between political leaders and traditional authorities.[47] Moreover, competitive clientelism has meant that neither of the two dominant parties is prepared to take a politically costly reform that would deny chiefs from benefiting directly from mining royalties. For example, asked why GHEITI is not pushing for transparency and accountability from chiefs with regards to their utilisation of mining rents, one bureaucrat from the finance ministry responded: 'You know the nature of our politics; they [politicians] will say the previous government has not done this, so why will this government … push it? They will look at it from the political angle'.[48, 49]

In the specific Ghanaian context, clientelist exchanges exist not only between traditional leaders and political leaders, but also between the former and mining companies. Apart from their shares in mining royalties, traditional authorities have also been the direct recipients of various forms of transfers from mining companies, in return for which they are expected to play a role in moderating community dissent against companies. In a study of three mining communities in Ghana's Western Region, Bush (2010) notes how 'Chiefs were often used in the development of patron–client relations by companies as corporate largesse was distributed to them to encourage traditional authorities to control their youth, and to fulfil

[46] Interview, Office of the Administrator of Stool Lands (OASL), 20 January 2017.
[47] Unsurprisingly, barely two weeks to the 2012 presidential elections, President Mahama donated 12 Toyota Landcruisers to chiefs across the country, in what was widely interpreted as a vote-buying strategy.
[48] Interview, Official of the Ghana Extractive Industry Transparency Initiative, 20 January 2017.
[49] The relevance of these observations goes well beyond the Ghanaian context, as suggested by evidence from a recent study on the relationship between politicians and traditional leaders in some 19 African countries (Baldwin, 2014). The study draws attention to the growing tendency of politicians in Africa to cede power over the control of land to chiefs, and explains this phenomenon as part of an elite 'bargain' through which the former mobilise electoral support in increasingly competitive electoral environments. It is the 'prospect of competitive elections' that 'triggers decisions to cede power to chiefs', often as a way of overcoming 'the challenge of building winning electoral coalitions' (Baldwin, 2014: 256).

some tasks of labour hire for routine but mostly occasional mine maintenance' (p. 108). Such forms of collusion between chiefs and mining companies have often led to feelings of exclusion among unemployed youth, who have occasionally attacked local chiefs and looted or destroyed their palaces in revenge (World Bank, 2003; Standing, 2014).

In sum, all post-independence political elites have allocated a share of mineral royalties to chiefs, partly in exchange for political support, or non-opposition to their rule, enabling them to maintain social and political order. In the context of the high degree of vulnerability that has characterised all ruling political elites, political accommodation with traditional authorities has been important in ensuring that chiefs, who continue to wield substantial control over rural populations, do not support excluded political factions against those in power. In this context, policy fixes such as those advocated under the Extractive Industries Transparency Initiative (EITI) are unlikely to be able to address the misuse of natural resource rents by national and local elite actors. Here, as Maconachie et al. (2015: 16) have noted, captured rents by local chiefs tend to 'serve an important function in securing political contracts, where revenues are used to strengthen relations with clients under systems of patronage'.

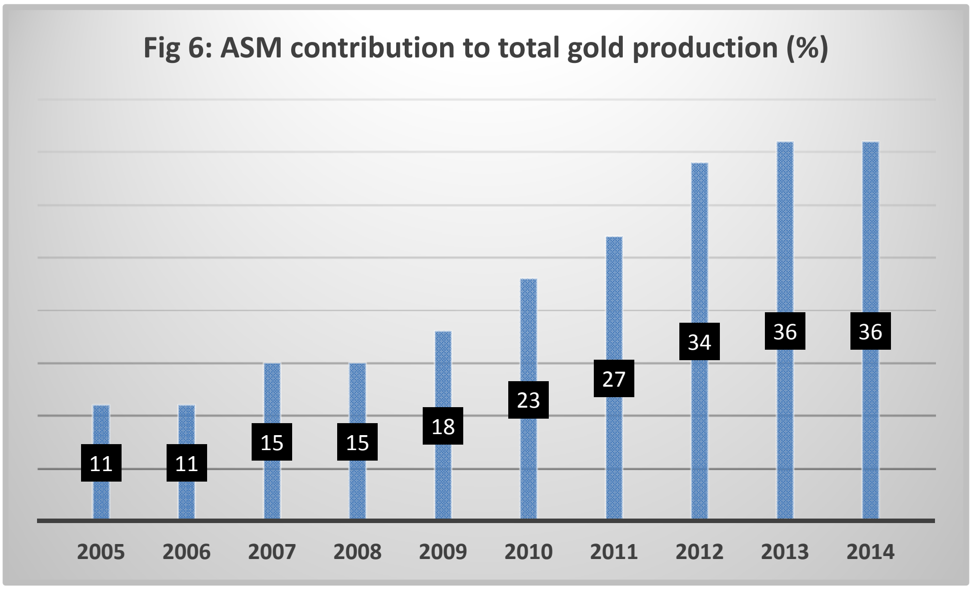
6. The political settlement and illegal mining in Ghana

This section explores the impact of Ghana's political settlement dynamics on the governance of the country's artisanal and small-scale mining (ASM) sector. Although various governments have placed heavy emphasis on large-scale gold mining by transnational corporations (Hilson et al*.*, 2014: 294), the small-scale sector has expanded dramatically in recent years (Figure 6), and has the greatest potential for rural poverty reduction. ASM accounts for well over 60 percent of Ghana's total mining labour force (Carson et al., 2005; Hilson and Potter, 2003), providing direct and indirect employment to over one million people (Afriyie et al., 2016). In 2013, gold exports from ASM operators accounted for 34 percent of Ghana's total gold export, which equalled the total contribution of the three largest multinational companies in the country (Acheampong, 2015).[50]

Although Ghana has had a formalised process for mining gold on a small-scale, legal basis since the passage of the small-scale mining law in 1989, there remain two distinct types of small-scale mines in Ghana. The first group consists of registered ASM operators who have been awarded licences by the state to mine in designated areas. The second group comprises unregistered (and therefore illegal) small-scale operators commonly referred to as *galamsey*.[51] An estimated 85 percent of Ghana's ASM operators are *galamsey* (Hilson and Potter, 2003; Ofosu-Mensah, 2016), and there is official government acknowledgement that 'illegal mining activities are on the increase' (Ministry of Lands and Natural Resources, 2013: 3)

[50] These companies are Anglogold Obuasi, Goldfields Tarkwa and Newmont Ghana Limited. Anglogold contributed 6 percent of gold exports in 2013, Newmont had 13 percent, and Goldfields Tarkwa accounted for 15 percent, equalling 34 percent – the same as the contribution of small-scale miners.

[51] *Galamsey* is an adulterated English phrase for 'gather them and sell' (Aubynn, 2009).



Source: Author, based on raw data obtained from Minerals Commission, Accra.

Most *galamsey* operators have opted to remain unregistered, often with significant adverse implications. Some commentators have raised concerns over this dynamic, arguing that *galamsey* operators do not pay any tax to the state, while their activities continue to 'pose serious threats to other land users and the environment' (Bansah et al., 2016). In March 2017, the Ghana Water Company warned that the spate of water pollution by illegal ASM operators is approaching alarming levels, and that the country risks importing water for consumption unless illegal mining activities are curbed.[52] Moreover, reports of deaths resulting from the collapse of *galamsey* pits, as well as of violent confrontations between illegal ASM operators and formalised large-scale mining companies are common. Why has illegal mining continued to grow, despite the state's efforts to regularise the sector through various policies and programmes? Why have most ASM operators chosen to remain illegal, despite some opportunities for state support associated with the regularisation of their activities? In addition to ambiguities around land and mineral ownership, I suggest two explanations, each related to the ideas and incentives generated by competitive clientelism in Ghana: law enforcement corruption, and elections and partisan polarisation.

6.1 Law enforcement corruption

Scholars who study Ghana's small-scale mining sector often blame a lack of effective law enforcement capacity on the part of the state for the increase in *galamsey* operators (Hilson and Potter, 2003; Kuma and Yendaw, 2010), arguing that the Ghanaian state is unable to effectively broadcast its power in rural areas where illegal mining activities take place. Others suggest that it is 'lack of political will' (Aubynn, 2009) or the 'intentional ambivalence' (Teschner, 2012) of politicians and law enforcement institutions that account for the persistence of illegal mining activities in Ghana.

[52] See Joy Online news, 22 March 2017, 'World Water Day: Ghana risks importing water – experts'. Available at: http://www.myjoyonline.com/news/2017/March-22nd/world-water-day-ghana-risks-importing-water-experts.php (accessed 25 May 2017).

Drawing evidence from Tawkwa, a major mining town in the Western region, Teschner (2012) contrasts the pervasive and open nature of illegal mining activities to the 'active' role of police officers in frequently enforcing laws in other aspects of public life. In this context, attributing the increase in *galamsey* to the state's insufficient law enforcement capacity is not convincing. Instead, illegal mining activities have persisted because of 'political leniency and law enforcement corruption' (ibid.). One key informant attributes the *galamsey* phenomenon to 'a complete lack of political will', arguing that the people who have the responsibility to curb illegal mining activities tend to benefit from them: 'the chiefs are culpable, the Assemblies are culpable, some MPs are culpable, some ministers are culpable. That is how bad it is'.[53] In this respect, illegal mining has continued to flourish because it serves the interests of a wide range of actors, including chiefs who gain through the royalties they receive in exchange for land; the government middlemen whose incomes depend on the unfinished products of *galamsey* work; and the political, business and local elite who own the concessions that operate outside the legal mining framework (see also Tsuma, 2010). In this respect, calls for empowering security agencies as a way of addressing the problem of illegal mining (e.g. Kuma and Yendaw, 2010: 120) are misplaced. Nor does the answer lie in technocratic approaches, such as the demarcation of land plots suitable for ASM activities (e.g. Hilson and Porter, 2003). In a recent study of the influx of foreigners into the ASM sector, Crawford and Botchwey (2017: 2) made a similar observation, stating that although various state institutions have often failed in performing their regulatory responsibilities, 'this was not due to weakness or lack of capacity. Rather public officials "turned a blind eye" to illicit gold mining'.

They conclude that 'collaboration and collusion in illegality occurred from local to national levels, within both official circles and society at large' (p. 7). They note that this dynamic became especially prevalent at the time of the 2012 general elections, as politicians at various levels offered protection for illegal migrants 'in return for financial support to sponsor their campaigns' (p. 14).

6.2 Competitive elections and partisan polarisation

Khan (2010: 68) reminds us that because of the vulnerability of ruling elites, countries characterised by competitive clientelism generally suffer from 'weak implementation and enforcement capabilities', especially around reforms that require the cooperation of several 'principals' within the ruling coalition. Our evidence suggests that the increasingly vulnerable nature of ruling elites resulting from the strength of excluded elites and lower-level factions of ruling coalitions has played a central role in undermining the effective enforcement of ASM laws. In a country where over one million people earn their livelihoods from small-scale gold mining, and where presidential elections are sometimes won by less than 50,000 votes, it is easy to understand the political relevance of *galamsey* operators to ruling political elites and in shaping the political settlement around mining sector governance more broadly.

Unemployment is extremely high in rural mining areas, and ASM operations 'offer far more benefits to local residents than does the Government of Ghana's disbursement of mining royalties or employment opportunities offered by the large-scale mines' (Bush, 2009: 57).

[53] Interview, Ministry of Lands and Natural Resources, 20 January 2017.

Young men are disproportionately involved in small-scale mining and are exceptionally influential because they are prone to violent demonstrations which attract the attention of large-scale companies, government officials and traditional leaders. Supporting small-scale mining is thus one simple way for politicians to appear sympathetic to the rural, unemployed youth and the families they financially support (Teschner, 2012).

Aubynn (2009: 66) notes that ‘The lack of political will to control illicit mining in the country has become even more evident since the inception of constitutional rule in 1993’. Having worked as chief executive officer (CEO) at the Ghana Chamber of Mines, and in his present position as CEO of the Ghana Minerals Commission, Aubynn draws attention to the relative success in curbing *galamsey* operations under the dominant leader political settlement in the 1980s, during which time it became ‘common to witness police raids on *galamsey* operations… which occasionally culminated in arrests and prosecutions’ (ibid.).

However, under the new democratic dispensation, the fight against *galamsey* has taken a more ‘politically sensitive dimension’, as both the NPP and NDC fear that ‘any attempt to stop *galamsey* operations … risked putting more people out of a job, with suicidal political consequences’ (ibid.). For Aubynn, this explains why most demonstrations by ASM operators, and the serious conflicts between mining companies and *galamsey* operators, have, since 1996, often occured in the few months leading up to elections (ibid). Although these observations were made with direct reference to the 1996, 2000 and 2004 elections, the escalation in *galamsey* activities in the few months prior to the December 2016 presidential elections suggest a similar situation. For example, following a quit order by the Minerals Commission requiring ASM operators to stop mining in the Obuasi concession of Anglogold Ashanti, *galamsey* miners set off to vandalise the offices of political parties amidst chants of ‘no *galamsey*, no votes’ (see Daily Graphic, 2016; Silver News Online, 2016).

Any possibility of curbing illegal mining will flow directly from the nature of the ruling coalition, the degree to which ruling elites are sufficiently insulated from ‘pressures from below’, and an agreement among elites from different parties that it is needed. Such conditions have not been in place. Part of the reason for the failure of the anti-*galamsey* task force of the 2012-16 government was the lack of an inter-party agreement regarding its operations. At the outset, opposition party elements accused the taskforce of selectively targeting mining concessions belonging to NPP supporters, while *galamsey* operators who were known NDC members, were being left off the hook (Daily Guide, 2013). Like the NDC in 2008, the NPP’s campaign strategy for the 2016 elections was couched in a language that pointed to its support for small-scale mining youth, with its presidential candidate repeatedly drawing attention to how the Mahama-led NDC government ‘directed Soldiers to come and drive out all persons involved in *galamsey– (*Starr FM News, 2016). Competitive clientelism has thus played a central role in undermining prospects for an inter-party consensus in enforcing laws within the ASM sector – a point made by Dickens (2010) following his recent visit to Obuasi:

> Looking at … the overall costs of *galamsey*, it is quite incredible to see politicians adding it to their catalogue of electioneering promises on campaign platforms … Politics is all about winning power at all costs; just promise anything that will bring power … if a politician goes to a community which has gained notoriety for anything

> criminal, all that he has to do is to promise to legalise it to win the votes of that community…. Obviously due to the immoral talks engendered by election fever, 'legalised' *galamsey* was being practised in the full glare of Ghanaians. *Galamsey* … which used to be a covert operation was being practised in broad daylight! (Dickens, 2010).

Indeed, even at the local level, *galamsey* operators tend to be 'divided along party-political lines' (Aubynn, 2009: 66), exacerbating the partisan character of the *galamsey* discourse in the country.

7. Conclusions

This paper has shown that the interplay between politics and mining in Ghana can be better understood through a political settlements lens, which draws attention to how relations of power and ideas shape the levels of elite commitment to allocating mineral resources towards inclusive development. My analysis suggests that although there is an overall elite consensus among politicians that mining rents be centralised, the lack of a long-term development vision for the mining industry has enabled ruling elites to skew public spending towards short-term objectives of political survival, rather than long-term investments that are required to structurally transform the economy and promote more inclusive forms of development. This lack of a longer-term vision for the mining sector has itself been a product of the prevailing competitive clientelist political settlement in Ghana, which 'makes it necessary for everybody to think about the short-term political interest – that is, his political survival, party, and his interest, and as a result does not look beyond an electioneering period'.[54]

It is this form of political calculus that shapes the manner in which mining resources are distributed, and the way in which this in turn shapes the impact of mining on national and local development. Notably, allocation of rents to traditional authorities and chiefs does not seem to be driven by socio-economic development concerns, but is more of a co-optation strategy driven by: (1) the logic of maintaining social orders, due to the significant leverage of traditional authorities over mineral-rich lands; and (2) the desire of ruling elites to win and maintain political power through the support of chiefs, who wield substantial leverage over rural voters. Traditional authorities receive a significant share of mineral rents, mainly because ruling political elites want to avoid provoking resistance from a group in society that brokers land and votes in the rural areas.

These findings have important implications for both theory and policy, especially with regards to the current debates on inclusive political settlements. Although scholars have increasingly highlighted the importance of inclusive political settlements for sustained peace and development, there is often little reflection on the 'how' and 'why' of inclusion (Abdulai, 2017). For example, with specific reference to natural resource governance, di John and Putzel (2009: 20) highlight the importance of inclusive political settlements, stating that 'Broad-based elite inclusion within a political settlement is central for managing mineral rents effectively'. The Ghanaian case suggests that, whereas elite inclusion in the distribution of

[54] Interview, civil society activist, 25 June 2014.

mining rents can be helpful in facilitating the stability of ruling political coalitions, it can also carry the danger of undermining the effective management of rents for long-term development if mineral rents are deployed with the objective of 'buying-off' elites who can potentially undermine the stability of ruling coalitions. Under such circumstances, broad-based elite inclusion may at best result in 'unproductive peace' (Lindemann, 2011), as substantial mineral resources are shared for consumption rather than development.

References

Abdulai, A.-G. (2012). *State Elites and the Politics of Regional Inequality in Ghana.* Unpublished PhD thesis, The University of Manchester, Manchester.

Abdulai, A.-G. (2017). 'The political economy of regional inequality in Ghana: Do political settlements matter?' *European Journal of Development Research* 29(1): 213–229.

Abdulai, A.-G. and Hickey, S. (2016). 'The politics of development under competitive clientelism: Insights from Ghana's education sector'." *African Affairs* 115(458): 44–72.

Abdulai, A.-G. and Hulme, D. (2015). 'The politics of regional inequality in Ghana; State elites, donors and PRSPs', *Development Policy Review* 33(5): 529-553.

Acheampong, J. (2015). 'Small-scale gold exports on the rise'. Graphic online, 14 April. Available at: http://www.graphic.com.gh/business/business-news/small-scale-gold-exports-on-the-rise.html (accessed 26 May 2017).

Addy, S. N. (1998). 'Ghana: revival of the mineral sector'. *Resources Policy*, 24(4): 229-239.

Afryie, K., Ganle, J. K. and Adomako, A. A. (2016). 'The good in evil: A discourse analysis of the galamsey industry in Ghana'. *Oxford Development Studies* 44(4): 493-508.

Akabzaa, T. (2009). 'Mining in Ghana: Implications for national economic development and poverty reduction'. In B. Campbell (ed.)., *Mining and Development in Africa.* Montreal: Pluto Publishers, pp. 25-65.

Akabzaa, T. and Darimani, A. (2001). 'A study of impacts of mining sector investment in Ghana on mining communities'. Report prepared for the Technical Committee on Structural Adjustment Participatory Review Initiative (SAPRI) on Ghana.

Amanor, K. (2008). 'The changing face of customary land tenure'. In J. M. Ubink and K. S. Amanor (eds.), *Contesting Land and Custom in Ghana: State, Chief and the Citizen*. Amsterdam: Leiden University Press, pp. 55-81.

Amanor, K. S. (2009). 'Securing land rights in Ghana'. In J. M. Ubink, A. J. Hoekema and W. J. Assies (eds.), *Legalising Land Rights Local Practices, State Responses and Tenure Security in Africa, Asia and Latin America.* Leiden: Leiden University Press, pp. 97-131.

Amanor, K. K. S. (2006). 'Customary land, mobile labor and alienation in the Eastern region of Ghana'. In R. Cuba and C. Lentz (eds.), *Land and the Politics of Belonging in West Africa*. Leiden and Boston: Bril, pp.137-159.

Anin, T. E. (1994). *Gold in Ghana*, Fourth Edition. Accra: Selwyn Publshers.

Arhin, K. (1965), 'Market settlements in the Ashanti Northwest – Kintampo'. Supplement No. 1, *Research Review,* IAS, Legon, Ghana.

Arhin, K. (1967), 'The financing of the Ashanti expansion (1700-1820)'. *Africa* 37:, 283-91.

Arhin, K. (1978). 'Gold-mining and trading among the Ashanti of Ghana'. *Journal desafricanistes*, 48(1): 89-100.

Armstrong, A. T. (2008). 'Gold strike in the bread basket: Indigenous livelihoods, the World Bank, and territorial restructuring in Western Ghana'. *Development Report No.18*, Institute for Food and Development Policy, Oakland, CA.

Aryee, B. (2014). 'Recent trends and developments in Ghana's mining fiscal regime'. Powerpoint presentation at the workshop for ECOWAS public officials on the implementation of the African Mining Vision (AMV) and the ECOWAS Minerals Development Policy (EMDP), 3-4 November, Accra.

Aryee, B. N. A. (2001). 'Ghana's mining sector: its contribution to the national economy', *Resources Policy* 27:61-75.

Aryeetey, E., and McKay, A. (2007). 'Ghana: The challenge of translating sustained growth into poverty reduction', in T. Basely and L. J. Cord (eds.), *Delivering on the Promise of Pro-poor Growth: Insights and Lessons from Country Experiences.* Palgrave Macmillan and the World Bank, pp.147-168.

Atta-Quayson, A. (2012). 'Analysis: Can government of Ghana implement proposed mining taxes?' Available at: https://www.ghanabusinessnews.com/2012/01/31/can-government-of-ghana-implement-proposed-mining-taxes/ (accessed 26 May 2017).

Aubynn, A. (2009). 'Sustainable solution or a marriage of inconvenience? The coexistence of large-scale mining and artisanal and small-scale mining on the Abosso Goldfields concession in Western Ghana'. *Resources Policy*, 34, 64-70.

Austin, D. (1964). *Politics in Ghana, 1946-1960.* London: Oxford University Press.

Ayee, J., Søreide, T., Shukla, G. P. and Le, T. M. (2011). 'Political economy of the mining sector in Ghana', Policy Research Working Paper 5730. Washington DC: The World Bank.

Baldwin, K. (2014). 'When politicians cede control of resources: Land, chiefs and coalition-building in Africa'. *Comparative Politics* 46(3): 253-271.

Bansah, K. J., Yalley, A. B. and Dumakor-Dupey, N. (2016). 'The hazardous nature of small-scale underground mining in Ghana'. *Journal of Sustainable Mining*, 15(1): 8-25.

Bebbington, A. (2015). 'Governing natural resources for inclusive development'. In S. Hickey, K. Sen and B. Bukenya (eds.), *The Politics of Inclusive Development: Interrogating the Evidence.* Oxford: Oxford University Press.

Berry, S. (2008). 'Ancestral property: Land, politics and "the deeds of the ancestors" in Ghana and Côte d'Ivoire'. In J. M. Ubink and K. S. Amanor (eds.), *Contesting Land and Custom in Ghana: State, Chief and the Citizen.* Leiden: Leiden University Press, pp. 27-53.

Bloch, R., and Owusu, G. (2012). 'Linkages in Ghana's gold mining industry: Challenging the enclave thesis', *Resources Policy*, 37 (4): 434-442.

Boakye, D., Dessus, S., Foday, Y. and Oppong, F. (2012). 'Investing the mineral wealth in development assets: Ghana, Liberia and Sierra Leone'. Policy Research Working Paper. Washington, DC: The World Bank.

Bob-Milliar G. M. (2012). 'Political party activism in Ghana: Factors influencing the decision of the politically active to join a political party'. *Democratization*, 19(4): 668-68.

Boampong, O. (2012). 'Ghana's golden opportunity: A district struggles with striking it rich'. Revenue Watch Institute, New York.

Bush, R. (2009). '"Soon there will be no-one left to take the corpses the morgue": Accumulation and abjection in Ghana's mining communities'. *Resources Policy*, 34: 57-63.

Bush, R. (2010). 'Mining and improvement: Beyond foreign direct investment?' In G. Hilson (ed.), *Enclaves of Wealth and Hinterlands of Discontent: Foreign Mining Companies in Africa's Development.* Accra: TWN-Africa, pp.102-116.

Carson, M., Cottrell, S., Dickman, J., Gummerson, E., Yanliang, T. L., Noriko, M., Catarina, T. and Uregian, T. C. (2005). 'Managing mineral resources through public-private partnerships: Mitigating conflict in Ghanaian gold mining'. Woodrow Wilson School of Public and International Affairs, Princeton University, Princeton, NJ.

Chazan, N. (1982), 'Ethnicity and politics in Ghana'. *Political Science Quarterly* 97(3): 461-485.

Coffey International Development (2011). 'Political economy of Ghana and thematic strategy development for STAR-Ghana', Inception Report for DFID STAR-Ghana, DfID-Ghana, Accra.

Commission on Human Rights and Administrative Justice (2008). *The State of Human Rights in Mining Communities.* CHRAJ: Accra.

Crawford, G. and Botchwey, G. (2017). 'Conflict, collusion and corruption in small-scale gold mining: Chinese miners and the state in Ghana'. *Commonwealth and Comparative Politics*, doi: 10.1080/14662043.2017.1283479.

Crook, R. (2005), 'The role of traditional institutions in political change and development', CDD/ODI Policy Brief No. 4, November.

Daily Graphic (2016). "Obuasi: Galamsey operators on rampage', 19 October. Available at: http://www.graphic.com.gh/news/general-news/obuasi-galamsey-operators-on-rampage.html (accessed 11 May 2017).

Daily Guide (2013). 'NPP scribe blasts Mahama over galamsey', 7 June. Available at: https://www.modernghana.com/news/467577/2122/npp-scribe-blasts-mahama-over-galamsey.html (accessed 11 May 2017).

Debrah, E. (2013). 'Alleviating poverty in Ghana: The case of Livelihood Empowerment against Poverty (LEAP)'. *Africa Today* 59(4): 41-67.

Di John, J. and Putzel, J. (2009). 'Political settlements: Issues paper'. Governance and Social Development Resource Centre: University of Birmingham, UK.

Dickens, T. (2010). 'Legalising 'galamsey' in Ghana'. Feature Article. Available at:ttp://www.ghanaweb.com/GhanaHomePage/NewsArchive/Legalising-Galamsey-in-Ghana-180922

Donkor, K. B. (2016). '"Galamseyers" on rampage in Obuasi'. Available at: http://www.graphic.com.gh/news/general-news/galamseyers-on-rampage-in-obuasi.html (accessed 11 May 2017).

Dummet, R. E. (1998). *El Dorado in West Africa: The Gold-Mining Frontier, African Labor, and Colonial Capitalism on the Gold Coast, 1875-1900.* Athens OH: Heinemann.

Fox, L., Hoffman, B., Anyimadu, A. and Keshishian, M. (2011). 'Ghana democracy and governance assessment', report submitted to USAID/Ghana. Final report, August. Ghana Chamber of Mines (2016). *The Ghana Chamber of Mines Factoid 2015.* Accra: Ghana Chamber of Mines.

Ghana Chamber of Mines (2013). 'Performance of the mining industry in 2012'. Accra: Ghana Chamber of Mines.

Ghana Chamber of Mines and ICCM (2015). 'Mining in Ghana – What future can we expect?' Accra: Ghana Chamber of Mines.

Ghana News Agency (2015). 'Current mining royalties not enough – Chamber of Mines', 21 September. Available at: https://www.ghanabusinessnews.com/2015/09/21/current-mining-royalties-not-enough-chamber-of-mines/ (accessed 11 May 2017).

Ghana Statistical Service (2007). *Pattern and Trends of Poverty in Ghana 1991-2006.* Accra: Ghana Statistical Service.

Ghana Statistical Service (2014). *Poverty Profile in Ghana: 2005-2013.* Accra: Ghana Statistical Service.

Government of Ghana (2010). ‘The Savannah Accelerated Development Authority (SADA): Synopsis of development strategy (2010-2030)’. Accra: Policy Unit, Office of the Vice-President.

Government of Ghana (2012). ‘Ghana National Social Protection Strategy’. Accra: Ministry of Gender, Children and Social Protection.

Government of Ghana (2014). ‘Ghana Shared Growth and Development Agenda (GSGDA) II’. Accra: National Development Planning Commission

Gyimah-Boadi, E. and Prempeh, H. K. (2012). ‘Oil, politics, and Ghana’s democracy’. *Journal of Democracy* 23(3): 94-107.

Hickey, S. (2013). ‘Thinking about the politics of inclusive development: Towards a relational approach’. ESID Working Paper No. 1. Manchester: Effective States and Inclusive Development Research Centre, The University of Manchester.

Hickey, S., Abdulai, A.-G., Izama, A. and Mohan, G. (2015). ‘The politics of governing oil effectively: A comparative study of two new oil-rich states in Africa’. ESID Working Paper No. 54. Manchester: Effective States and Inclusive Development Research Centre, The University of Manchester.

Hilson G., Hilson A. and Adu-Darko, E. (2014). Chinese participation in Ghana informal gold mining economy: Drivers, implications and clarifications’. *Journal of Rural Studies* 34: 292-303.

Hilson, G. (2002). Harvesting mineral riches: 1000 years of gold mining in Ghana’. Resources Policy 28, 13-26.

Hilson, G. and Potter, C. (2003). ‘Why is illegal gold mining activity so ubiquitous in rural Ghana?’ African Development Bank, Blackwell Publishing.

Hinfelaar, M. and Achberger, J. (2017). ‘The politics of natural resource extraction in Zambia’. ESID Working Paper No. 80. Manchester: Effective States and Inclusive Development Research Centre, The University of Manchester.

Humphreys Bebbington, D. and Huber, C. G. (2017, forthcoming). ‘Political settlements, natural resource extraction and inclusion in Bolivia’. ESID Working Paper No. 77. Manchester: Effective States and Inclusive Development Research Centre, The University of Manchester.

Hutchful, E. (2002). *Ghana's Adjustment Experience: The Paradox of Reform* (Geneva and Oxford: UNRISD and James Currey).

International Council on Mining and Metals (2007). ‘Ghana country case study – The challenge of mineral wealth: using resource endowments to foster sustainable development’, July . London: ICMM.

Jones, N., Ahadzie, W. and Doh, D. (2009). *Social Protection and Children: Opportunities and Challenges in Ghana*. Accra: UNICEF.

Kapsten, E. B. and Kim, R. (2011). *The Socio-Economic Impact of Newmont Ghana Gold Limited .* Haarlem: Stratcomm Africa.

Khan, M. (2010). ‘Political settlements and the governance of growth-enhancing institutions’. Mimeo.

Kuma, J. S. and Yendaw J. A. (2010). ‘The need to regularise activities of illegal small-scale mining in Ghana: A focus on the Tarkwa-Dunkwa Highway’. *International Journal of Geosciences*, 1:113-120.

Ladouceur, P. A. (1979). *Chiefs and Politicians: The Politics of Regionalism in Northern Ghana.* London and New York: Longman Group.

Levy, B. (2014). *Working with the Grain: Integrating Governance and Growth in Development Strategies.* Oxford: Oxford University Press.

Lindemann, S. (2011) 'Inclusive elite bargains and the dilemma of unproductive peace: A Zambian case study'. *Third World Quarterl*y 32(10): 1843-1869.

Maconachie, R., Srinivasan, R. and Menzies, N. (2015). 'Responding to the challenge of fragility and security in West Africa: Natural resources, extractive industry investment, and social conflict'. Washington, DC: The World Bank.

Ministry of Finance (2015). *GHEITI Report on the Mining Sector 2014*. Accra: Ministry of Finance.

Ministry of Lands and Natural Resources (2011). 'Land Administration Project Phase Two: Project implementation manual'. Accra: Ministry of Lands and Natural Resources.

Ministry of Lands and Natural Resources (2013). 'Statement by the Hon. Minister of Lands and Natural Resources Relating to Gov'ts Position on Small Scale Mining (SSM)'. Accra: Ministry of Lands and Natural Resources.

Mohan, G. and Asante, K. P. (2015). 'Transnational capital and the political settlement of Ghana's oil economy'. ESID Working Paper No. 49. Manchester: Effective States and Inclusive Development Research Centre, The University of Manchester.

National Coalition on Mining (2011). 'Statement by National Coalition on Mining on 2012 Budget: Proceed with further reforms in the mining sector', 21 November. Accra.

NDC (2004). 'National Democratic Congress Manifesto 2004: A better Ghana'. Accra.

NDC (2008). 'Manifesto for a better Ghana 2008'. Accra: National Democratic Congress.

NDC (2012). '2012 manifesto: Advancing the Better Ghana agenda'. Accra: National Democratic Congress.

North, D. C., Wallis, J. J. and Weingast, B. R. (2009). *Violence and Social Order: A Conceptual Framework for Interpreting Recorded Human History.* New York: Cambridge University Press.

NPP (2008). 'New Patriotic Party manifesto 2008'. Accra.

NPP (2012). 'Transforming lives, transforming Ghana: Building a free, fair and prosperous society', Manifesto for election 2012. Accra.

Nyame, F. K. and Blocher, J. (2010). 'Influence of land tenure practices on artisanal mining activity in Ghana'. *Resources Policy*, 35: 47-53.

Oduro, F., Awal, M. and Ashon, M. A. (2014).'A dynamic mapping of the political settlement in Ghana'. ESID Working Paper 28. Manchester: Effective States and Inclusive Development Research Centre, The University of Manchester.

Oelbaum, J. (2007). 'Liberalisation or liberation? Economic reform, spatial poverty, and the irony of conflict in Ghana's Northern Region'. A paper prepared for the international workshop 'Understanding and addressing spatial poverty traps: an international workshop', 29 March, Stellenbosch, South Africa. Chronic Poverty Research Centre and the Overseas Development Institute.

Ofosu-Mensah, E. A. (2016). 'Mining in colonial Ghana: Extractive capitalism and its social benefits in Akyem Abuakwa under Nana Ofori Atta I'. *Africa Today*, 63(1): 23-55.

Parks, T. and Cole, W. (2010). 'Political settlements: Implications for international development policy and practice'. Occasional Paper No. 2, The Asia Foundation.

Phillips, J., Hailwood, E. and Brooks, A. (2016). 'Sovereignty, the "resource curse" and the limits of good governance: Apolitical economy of oil in Ghana'. *Review of African Political Economy* 43(47):26-42.

Plange, Nii-K. (1979). 'Underdevelopment in Northern Ghana: Natural causes or colonial capitalism?' *Review of African Political Economy*, 15/16, The Roots of Famine (May-December): 4-14.

Poteete, A. (2009). 'Is development path dependent or political? A reinterpretation of mineral-dependent development in Botswana', *Journal of Development Studies* 45(4): 544-571.

Quarshie, A. N. K. (2015). 'Mining and development in Ghana: A case study of the Mineral Development Fund in the Obuasi municipal assembly'. Unpublished Masters dissertation, University of Ghana.

Republic of Ghana (1992), *Constitution of the Republic of Ghana, 1992.* Tema: Ghana Publishing Corporation.

Republic of Ghana (2009). 'Budget statement and economic policy of the Government of Ghana for the 2010 financial year's budget speech', presented to parliament, 18 November. 2009 financial year budget speech.

Republic of Ghana (2011). 'Budget statement and economic policy of the Government of Ghana for the 2012 financial year's budget speech', presented to parliament, 18 November. 2011 financial year budget speech.

Republic of Ghana (2013). 'Performance audit report of the Auditor General Utilisation of Mining Development Fund by metropolitan, municipal and district assemblies'. Accra.

Republic of Ghana (2014). *Minerals and Mining Policy of Ghana: Ensuring Mining Contributes to Sustainable Development.* Accra: Ministry of Lands and Natural Resources.

Sanborn, C., Ramírez, T. and Hurtado, V. (2017). 'Mining, political settlements and inclusive development in Peru'. ESID Working Paper No. 79. Manchester: Effective States and Inclusive Development Research Centre, The University of Manchester.

Silver News Online (2016). 'Obuasi galamsey: Irrate illegal miners destroy MCE, NDC offices, billboards', 19 March.

Smock, D. R. and Smock, A. C. (1975). *The Politics of Pluralism: A Comparative Study of Lebanon and Ghana.* New York and Amsterdam: Elsevier.

Songsore, J., Denkabe, A., Jebuni, C. D. and Ayidiya, S. (2001). 'Challenges of education in Northern Ghana: A case for Northern Ghana Education Trust Fund (NETFUND)', in Y. Saaka (ed.), *Regionalism and Public Policy in Northern Ghana*. New York: Peter Lang Publishing, pp.222-239.

Standing, A. (2014). 'Ghana's extractive industries and community benefit sharing: The case for cash transfers'. *Resources Policy*, 40: 74–82.

Starr Fm Online (2016). 'NPP will regularize "galamsey" - Akufo-Addo', 15 July. Available at: http://www.ghanaweb.com/GhanaHomePage/NewsArchive/NPP-will-regularize-galamsey-Akufo-Addo-455652 (accessed 11 May 2017).

Swanzy, S. A (2016). '"Pay us all our royalties" – Chiefs cry out to finance ministry', 16 August. Available at: http://pulse.com.gh/business/mining-pay-us-all-our-royalties-chiefs-cry-out-to-finance-ministry-id5384719.html (accessed 11 May 2017).

Teschner, B. A. (2012). 'Small-scale mining in Ghana: The government and the galamsey'. *Resources Policy*, 37: 308-314.

Tsikata, F. S. (1997). 'The vicissitudes of mineral policy in Ghana', *Resource Policy*, 23: 9-14.

Tsuma, W. (2010). G*old Mining in Ghana: Actors, Alliances and Power.* ZEF Development Studies, University of Bonn.

TWN-Africa (2016). 'Ghana government's development agreements with goldfields illegal – TWN-Africa'. Available at: http://twnafrica.org/Goldfields%20development%20agreement%20with%20Ghana%20illegal-pr-2016.pdf (accessed 11 May 2017).

Whitfield, L. (2011a). 'Growth without economic transformation: Economic impacts of Ghana's political settlement', DIIS Working Paper 28. Copenhagen: Danish Institute for International Studies.

Whitfield, L. (2011b). 'Competitive clientelism, easy financing and weak capitalists: The contemporary political settlement in Ghana', DIIS Working Paper 27. Copenhagen: Danish Institute for International Studies.

Whitfield, L. (2017). *Ghana's Struggle for Economic Transformation: The Politics of Industrial Policy.* Draft book manuscript (under review by Cambridge University Press).

Whitfield, L., Therkildsen, O., Buur, L. and Kjær, A. M. (2015). *The Politics of African Industrial Policy: A Comparative Perspective.* Cambridge: Cambridge University Press.

Wodon, Q. (2012), *Improving the Targeting of Social Programs in Ghana*. Washington DC: The World Bank.

Word Bank (1992). 'Strategy for African mining', World Bank Technical Paper No. 181. Washington, DC: World Bank.

World Bank (2003). 'Project performance assessment report, Ghana: Mining Sector Rehabilitation Project (Credit 1921-GH) and Mining Sector Development and Environment Project (Credit 2743-GH)'. Washington, DC: World Bank.

World Bank (2008). 'International Development Association Programme Document for a Proposed Credit in the Amount of SDR8.2 Million (SS$13 Million Equivalent) to the Republic of Ghana for a Natural Resources and Environmental Governance First Development Policy Operation.‖ Report No. 42787-GH'. Washington, DC: World Bank.

World Bank (2009). 'Economy-wide impact of oil discovery in Ghana'. 30 November, Report No. 47321-GH.

World Bank (2013). 'Project performance assessment report: Ghana Land Administration Project', Report No. 75084. Washington, DC: The World Bank.

Appendix I: Periodisation of Ghana's national political settlements dynamics, colonial period to date

Time period	Characterisation of ruling coalition based on Khan's typology	Name of ruling coalition	Name of ruling coalition	Type of political regime	Broader development ideology
1874-1956	Dominant settlement	1874-1950: British Crown 1951-Feb. 1957: power-sharing government between Nkrumah's CPP and colonial officials	British Crown	British colonial rule	
1957-66	Competitive clientelism	1957-64: Convention People's Party (CPP) led by Nkrumah 1964-66: CPP, led by Nkrumah	Convention People's Party (CPP), led by Nkrumah CPP, led by Nkrumah	Multiparty democratic (First Republic) Legal One-Party	Nationalist/Socialist
1966-81	Vulnerable authoritarianism	1966-69: National Liberation Council	National Liberation Council	Military-bureaucratic	
		1969-72: Progress Party, led by Busia	Progress Party, led by Busia	Multiparty democratic (Second Republic)	Liberal
		1972-74: National Redemption Council 1975-78: Supreme Military Council (SMC I) 1978-79: SMC II	National Redemption Council Supreme Military Council (SMC I) SMC II	Military-bureaucratic-chiefly Military (only) Internal military coup	

		4 June 1979: Armed Forces Revolutionary Council	Armed Forces Revolutionary Council	Military	
		Sept 1979: People's National Party, President Limann	People's National Party, President Limann	Multiparty democratic (Third Republic)	
1982-92	Dominant leader settlement	31 Dec 1981 to Jan 1993: Provisional National Defense Council, led by Rawlings	Provisional National Defense Council, led by Rawlings	Military-bureaucratic	Militant-populist and neoliberal
1993-2017	Competitive clientelism	1993-2000: National Democratic Congress (NDC), President Rawlings 2001-08: New Patriotic Party (NPP), Pres. Kufuor 2009-12: NDC, Pres. Mills* 2012-16: NDC, Pres. Mahama Jan 2017- date: NPP, Pres. AKuffo-Addo	National Democratic Congress (NDC), President Rawlings New Patriotic Party (NPP), Pres. Kufuor NDC, Pres. Mills*	Multiparty democratic (Fourth Republic)	Social democratic/resource nationalist Property-owning democracy and private sector-led growth Social democratic/resource nationalist Property-owning democracy and private sector-led growth

Note: * President Mills died while in office in July 2012, and Vice President Mahama became president. The next national elections were held in December 2012, at which Mahama stood for president as the NDC party candidate and won, and the NDC took a majority in pParliament, giving the NDC a second term in government.

Appendix II: Periodisation of political settlements in mining

Time period	Dominant actors in shaping the settlement	Modes of inclusion in extractive industry
Pre-colonial period	Chiefs, clans and families	
1874-1956: Colonial capitalism	British mining companies, chiefs	
1957-85: State-dominance and the nationalisation of mines	State-owned enterprises	Employment in mines
1986-2008: liberalisation of mines	Multinational corporations, Bretton Woods Institutions, chiefs,	Employment in mines
2009-16: return to resource nationalism	Multinational corporations, Bretton Woods Institutions, chiefs	Employment in mines; increased taxation and redistribution through social transfers; artisanal and small-scale mining (both legally and illegally); allocation to communities through Minerals Development Fund

The Effective States and Inclusive Development Research Centre

The Effective States and Inclusive Development Research Centre (ESID) aims to improve the use of governance research evidence in decision-making. Our key focus is on the role of state effectiveness and elite commitment in achieving inclusive development and social justice.

ESID is a partnership of highly reputed research and policy institutes based in Africa, Asia, Europe and North America. The lead institution is the University of Manchester.

The other institutional partners are:

- BRAC Institute of Governance and Development, BRAC University, Dhaka
- Center for Democratic Development, Accra
- Center for International Development, Harvard University, Boston
- Department of Political and Administrative Studies, University of Malawi, Zomba
- Graduate School of Development, Policy & Practice, Cape Town University
- Institute for Economic Growth, Delhi

In addition to its institutional partners, ESID has established a network of leading research collaborators and policy/uptake experts.

email: esid@manchester.ac.uk
Effective States and Inclusive Development Research Centre (ESID)
Global Development Institute, School of Environment, Education and Development,
The University of Manchester, Oxford Road,
Manchester M13 9PL, UK
www.effective-states.org