



Ghana Bauxite Company aflame

# Casualisation of minework breeds discontent and violent protests in Ghana

Contract work which has replaced full employment by mining companies has brought in its wake poor wages and working conditions over the years in Ghana. Refusal by the companies to address these longstanding issues came to a head couple of months ago with a violent strike by workers of Ghana Bauxite Company, writes **\*Isaac Winful Dadzie**.

A violent protest in June by contract workers of the Ghana Bauxite Company (GBC) sharply highlighted the problems attendant on the growing use of contract labour by Ghana's large mining firms. For two days, 17th and 18th June 2019, the management of the firm fled the premises as protesting contract workers torched

company vehicles, equipment, office and residential buildings. The immediate spark for the protests was the disdainful and dismissive attitude of the company's general manager, on returning from annual leave in China, towards proposals the workers had laid before management for addressing their long running complaints about their poor salary levels.

The Awaso Divisional Police Commander, Chief Supt Osei Bonsu, according to a report in Daily Graphic, Ghana's major daily, described the destruction of properties as "colossal" adding that the workers "blocked the entrance to the mines and facilities with haulage trucks and took the keys away and the drivers were nowhere to be found".

The Minister of Lands and Natural Resources Minister, Mr. Kweku Asomah Cheremeh visited the mine soon after the incident and took a hardline against the workers, declared the protests unlawful and called for prosecution of the workers. "The demonstration is unlawful and so the demonstrators are criminals who must be dealt with by the law. I can assure you that we will go all out to get all of them to face the law," he added. Mr. Richard Asamoah-Mensah, the Industrial Relations Officer for the Construction and Building Materials Workers Union (CBMU), which represents the bauxite workers, confirmed that four local union leaders including the Local Chairman were arrested in connection with the incident and were granted bail at the District Court in Bibiani.

So how did things get to a head so violently at GBC? According to Pius Quainoo, the General Secretary of CBMU, the problem arose because of salary discrimination and lack of unionisation - both due to contract mining. The Ghana Bauxite Company had outsourced part of its operations and recruitment of labour force to contractors and kept only a small group of permanent workers. The demonstrating sub-contract workers have been complaining about salary discrimination and lack of right to negotiate terms and conditions of employment. For instance, a permanent driver with the Ghana Bauxite Company is paid nearly GH¢ 3000 (\$600 approximately) a month whilst a driver recruited by any of the sub-contracting firm is paid GH¢ 480 (\$90 approximately) a month, Mr. Quainoo explained. Labourers who serve as helpers in the extraction process take not more than GH¢ 250 (\$50 approximately) monthly from the contracting firms.

Last year, the Union managed to obtain a Collective Bargaining Certificate (CBC) under which they submitted proposals to the company's management including demanding the right to negotiate terms and conditions of service of the workers. Negotiations had, therefore, been on-going until this sudden incident. Since the union was not privy to the terms under which the contracting firms were recruiting, efforts were also

made by the union leaders to meet these contracting firms and to negotiate for the workers.

Following the incident, a committee made up of the Regional Labour Officer, the Regional Industrial Relations Officer of the Workers Union, the traditional chief of Awaso, police representatives, Ghana Bauxite Company and representatives of the two of the recruitment firms - Capital Group and Baner Agency have had continuous deliberations to determine the legal status of the outsourced recruitment firms, set out safeguards to ensure maximum security at the company and establish a roadmap towards resuscitating the industry. During the process of the work of the committee, the Regional Labour Officer, Mad Elizabeth Acquah confirmed that one of the recruiting firms, Krim Facilities, which is the second largest supplier of contract labour to the Ghana Bauxite Company, did not have the appropriate license and office to operate. This situation raises serious questions about the regulatory regime for monitoring the large-scale mining sector and ensuring adequate protection of workers' right.

The Ghana Bauxite protest is the latest in a series of protests over the past few years as the large scale mining sector has seen a rapid and worrying shift away from permanent employment towards a preference for labour sub-contracting. Three of the biggest gold mining firms are at the heart of this trend. In June last year there were protests at Newmont Ghana Gold's Ahafo mine by sub-contract workers. Late in 2017 the decision of Gold Fields Ghana to lay off almost all permanent workforce at its Tarkwa mine and resort to sub-contracting provoked protests and intervention by armed police. The re-opening of Obuasi gold mine of AngloGoldAshanti Ghana (AGAG) late last year was also the completion of a radical restructuring of the company's labour regime. In 2014 when the mine closed the company spent over \$200m paying off several thousand permanent workers employed on terms which were the product of many years of negotiations between the Mineworkers Union and employers. A substantial part of the labour force in the re-opened mine are

contract workers.

In June 2018 a police officer and two other persons suffered injuries and security vehicles were damaged when contract workers at Newmont's Ahafo mine at Kenyasi No.1 in the Asutifi North District clashed with the police in a demonstration. The workers were demanding improvements in working conditions from a sub-contracting firm. The workers, together with some residents, formed a coalition of United Mining Affected Communities (UMAC) to embark on the said demonstration in the mining town. The demonstrators alleged that their conditions of service were different from those of the non-locals who had been employed by the same subcontractors to do the same work, explaining that the action of the subcontractors was making employment unattractive to people who hailed from the mining area. They also complained that the local employees were given inadequate rent and risk allowances among others, in spite of the risky nature of their work.

In the course of their protest, the workers blocked the main link road from Ntrotroso to the then regional capital, Sunyani, causing disruption to commuters and commercial drivers among others. Prior to the protest, several meetings organised by the District Security Committee (DISEC) to resolve the deadlock were inconclusive as the employees were not satisfied with the recommendations of the committee.

On March 2, 2018, an Accra High Court dismissed an injunction application filed by the Ghana Mine Workers Union against Goldfields Ghana Ltd in respect of a redundancy programme instituted by the company at its Tarkwa gold mine as part of the process of shifting to a sub-contracting employment model. Late in 2017 the company, with the endorsement of the Ghana government, announced plans to lay off nearly 2,000 workers with the promise that most of them would be employed by the new sub-contractors.

Despite the ruling of the court, Goldfields workers embarked on a protest in Tarkwa to express their displeasure



**The army to the rescue**

against the redundancies. Armed police and soldiers, numbering about 200 were called in. Local news reported that some of the workers claimed the management of Goldfields had been coercing them with the military to sign the severance agreement. The workers blocked all access routes to the Tarkwa mine thereby preventing other staff from going to work. The police and military team fired tear gas at the protesters, several workers were arrested and some sustained injuries. The protests spread beyond the workers as some Tarkwa residents organised protests against the shift to contract mining.

The Gold Field's redundancies and shift to sub-contracting represent a case of corporate cynicism and a government failing to defend the public interest. In 2016 the Ghana government reduced the taxes and royalties to be paid by Gold Fields, with an estimated annual benefit of around \$30m a year for the compa-

ny. In the face of public outcry about the deal both the Ghana Government the Gold Field's management cited the need to prevent lay-offs in the face of a drop in the price of gold as one of the main justifications. However when conflict erupted over the lay-offs the government made no reference to its earlier stance and Gold Field's promise. Instead it backed the redundancies and offered to ensure that the laid off workers would be employed by Gold Field's sub-contractors.

Speaking at the January 2019 reopening of the AGAG Obuasi Ghana's president Akufo-Addo made the surprising claim that the new agreements between AGAG and the government Ghana in respect of the mine heralded a new way of doing business with win-win outcomes for all parties. The fiscal terms of the agreement have been criticized as giving hundreds of millions of dollars away to AGAG for little in return. In addition the labour regime is one area where the new mine

compares unfavourably with the previous regime. At the time the mine closed in 2014 it had around 5,000 workers. The new mine will create 2,500 direct jobs, only 600 will be at AGAG with most of the rest sub contracted workers.

The Ghana government's inattention to labour issues in the reopened Obuasi mine and its complicity in the Gold Fields shift to contract labour and the narrow law and order view of the protests at the Ghana Bauxite Company signal that mining sector trade unions are unlikely to have the government as an ally in the fight for decent work in Ghana's large scale mining firms. In these circumstances the violent protests at the Ghana Bauxite Company is unlikely to be the last we shall see against the negative consequences of the strategy of the mining firms to lower labour costs.

*\* Isaac Winful Dadzie is a freelance writer based in Accra, Ghana.*



