
Ghana: IMF, mining and logging

Beginning in 1983, Ghana has been implementing IMF structural adjustment programs focused on export-led growth, which has included measures to devalue the currency and remove various barriers to trade. While this has resulted in significant economic gains, it has also meant severe detrimental consequences for the rainforests and forest-dwelling people of this western African nation. Ghana's most recent three-year, \$239 million loan from the IMF was initiated in 1999, and modified in 2000.

Upon the advice of the IMF, Ghana relaxed mining regulations and nurtured investment by the mining industry through generous incentives and tariff reductions during the 1980s and 1990s. As a result, more than 250 mining companies have been granted concessions, totalling 58,167 square kilometres. Most of these companies operate surface mines, but a few are underground mining operators. Diamonds, bauxite, manganese, and especially gold are the predominant minerals sought in Ghana, and most are being extracted by Canadian, Australian, South African, United States, and other foreign-owned interests.

Export earnings from mining have overtaken earnings from cocoa. From 1992 to 1995, mining exports climbed from \$107.9 million to \$682.2 million. Output for Ghana's gold industry alone grew by 500 percent between 1983 and 1995, and by 750 percent between 1983 and 1998.

Mining in Ghana has had a tremendously detrimental effect on the country's tropical forests, which blanket one-third of the nation. Sixty percent of rainforests in Ghana's Wassa West District have already been destroyed by mining operations, which have also polluted surface and groundwater with cyanide and other chemicals.

The mines have also devastated local communities. Nearby villages suffer from contaminated water supplies and cracked buildings from the mines' blasting. In many cases, the land used for mining operations in Ghana has been forcibly acquired from peasant farmers under ambiguous regulations. Sometimes this acquisition occurred with no compensation. In some instances, the mines have been responsible for the dislocation and forced resettlement of communities numbering in the hundreds and even thousands. Numerous violations of human rights, including shootings and beatings, have also been committed in relation to the mines.

Since 1981, Ghana has experienced forest loss at a rate of 750 hectares/year, or two percent. Forest cover has dropped to 25 percent of its original size, owing to a rate of deforestation that has increased by 50 percent in ten years.

A combination of logging by multinational companies and rural residents seeking income for their basic needs has fuelled what is now Ghana's third largest export sector. Between 1983 and 1988, forestry grew six-fold in terms of revenues. At the current rate, the Ghanaian trees mahogany, odum and afromosia are expected to be depleted by 2007.

