

Ghana's Energy Policy and The Growing Interdependence of China-Africa Trade

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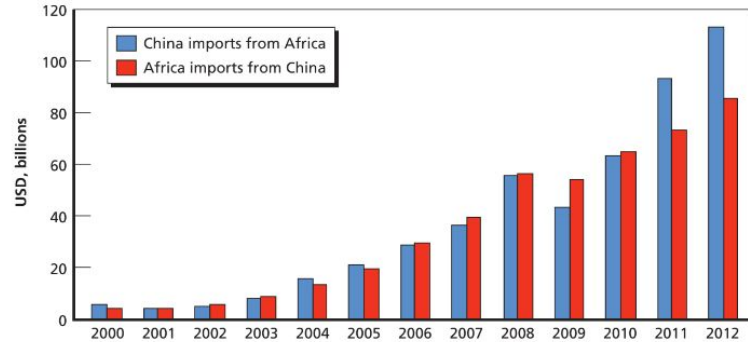


Problem Statement



The increasing trade between China and Africa has its consequences: 35% of the gold extracted in Ghana is done so illegally..

China-Africa Imports and Exports, 2000–2012



SOURCE: International Monetary Fund Direction of Trade Statistics; China-Africa Economic and Trade Cooperation (2013).

RAND RR521-3.7

- The exploitation of Africa's rich natural resources, particularly gold and other minerals.
- China is altering the country's landscape through the illegal mining of gold.
- This has resulted in increased water pollution that endangers the livelihoods of Ghanaians.

Policy Context



Ghana

- **Located in West Africa**
- **92,098 square miles in size**
- **Rich in natural resources, some of which include lumber, oil, gold, and other minerals to name a few.**



Policy Formation

“African governments look to China to provide political recognition and legitimacy and to contribute to their economic development through aid, investment, infrastructure development, and trade,”

(https://www.rand.org/pubs/research_reports/RR521.html)

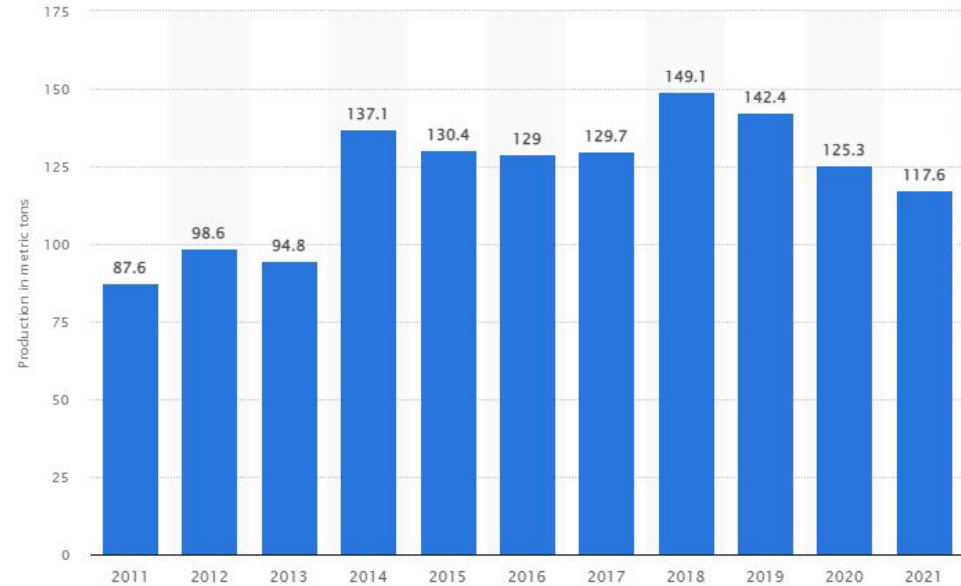
- **African leaders and governments generally portray Chinese engagement as positive.**
- **Stricter policies could be implemented to set regulations and enforced rules on interactions between China and Ghana pertaining to illegal mining in Ghana.**



Policy Analysis



Mine production of gold in Ghana from 2011 to 2021
(in metric tons)



<https://www.statista.com/statistics/415935/top-gold-mines-in-ghana-by-production-volume/>

Policy Analysis

50% (0.9 million out of 1.8 million people) in Northern Region, Ghana currently use an unimproved source

Percentage Use of Improved and Unimproved Drinking Water Sources



- **Improved Sources**

- Household tap connection
- Public standpipe
- Boreholes
- Rainwater harvesting
- Protected springs and dug wells

- **Unimproved Sources**

- All surface water sources
- Unprotected springs and dug wells
- Tanker trucks
- Vendor water

Figure 2: Northern Ghana Drinking Water Sources (Credit: VanCalcar, 2006)

Policy Implications



Chinese mining is negatively impacting Ghana's freshwater supply.

- **Illegal gold mining deteriorates the water quality for up to 60% of the rivers.**
- **Rivers are the major freshwater source for Ghanaians.**
- **Access to safe drinking water and sanitation is fundamental for sustainable communities, agriculture, and livestock.**
- **Fresh water is essential for growing plants like cocoa beans, which is Ghana's major export.**
- **Ghana's government has sent in military forces along rivers, lakes, and any other bodies of freshwater in an attempt to put an end to illegal mining.**

Policy Implications

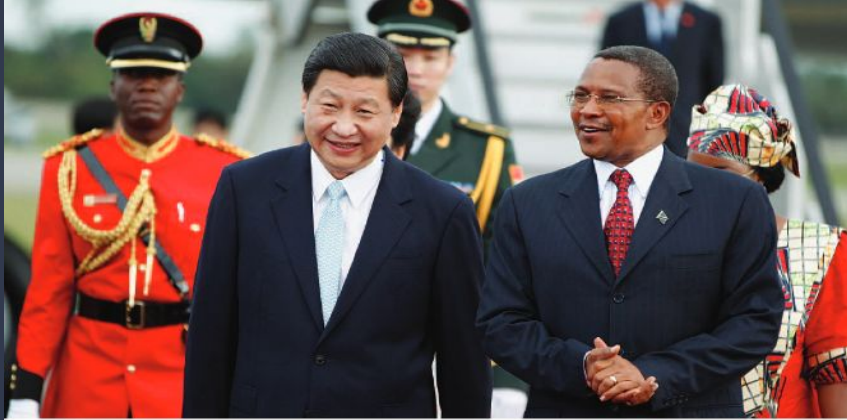


In April 2017, Ghana's government took a stance:

- Eradication of illegal gold mining.
- Small-scale gold mining traditionally performed by locals.
- Recent influx of foreign – predominantly Chinese – miners has accelerated this development
- Use of heavy machinery has increased both gold extraction rates and environmental damage.
- Hundreds of thousands are engaged in illegal mining.
- Illegal mining has contributed to surges in crime and violence.
- Those involved in illegal mining often purchase guns to protect themselves.

<https://globalinitiative.net/analysis/gold-guns-and-china-ghanas-fight-to-end-galamsey/>

Recommendations



Chinese Engagement in Africa

There are many solutions that could help Ghana through its endeavors.

- More United States intervention
- Intense crackdown of illegal gold mining
- Increase trade opportunities with other countries

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Image on slide 5

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Image on slide 6

http://web.mit.edu/watsan/Docs/Student%20Reports/Ghana/2013/GHF_Final_Group_Report_5-24-13.pdf

Image on slide 4

[The illegal gold mines killing rivers and livelihoods in Ghana – BBC News](#)

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