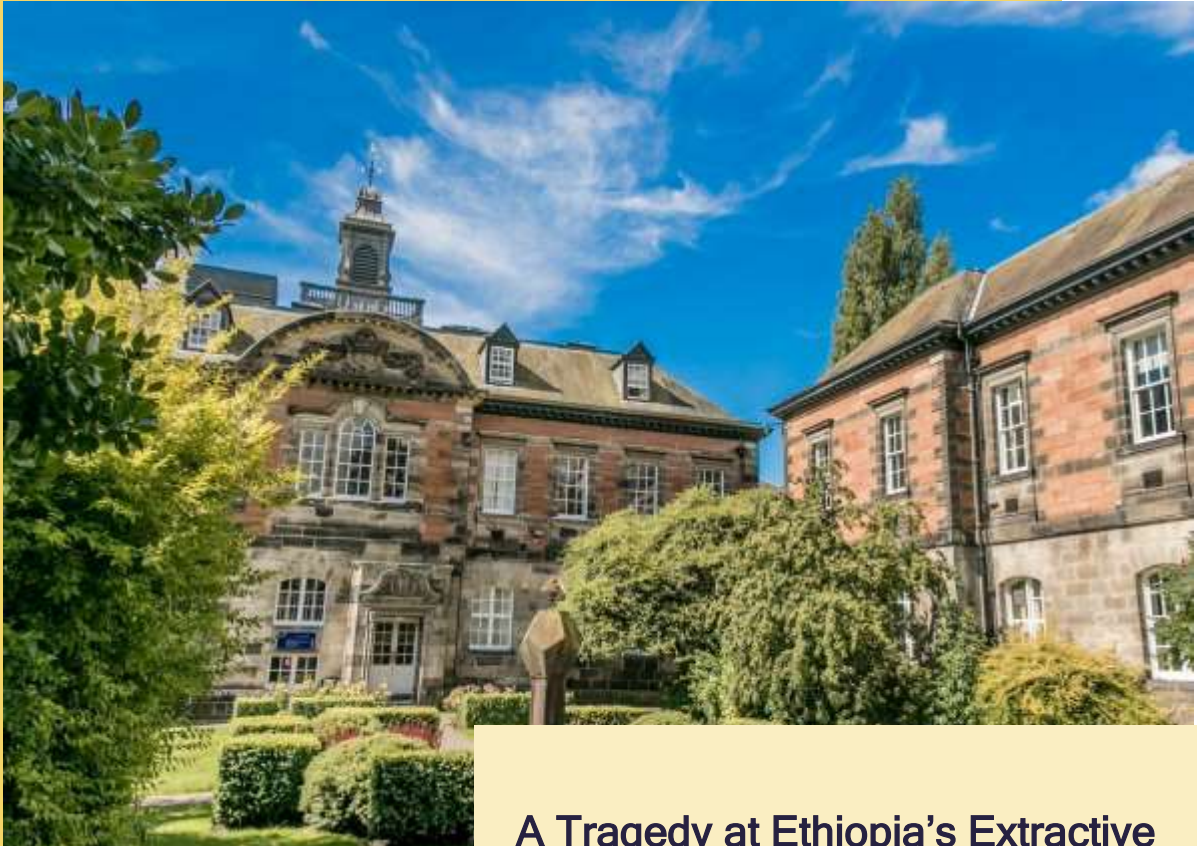




Extractives Hub



A Tragedy at Ethiopia's Extractive Frontier: Valuing Money over Public and Environmental Health

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1. INTRODUCTION

In January 2018, pictures of Guji Oromo children with severe physical deformities and paralysis from the Guji zone in southern Ethiopia went viral on social media. Soon, local media reported after interviewing parents and members of local communities that there have been horrendous health problems due to toxic chemicals from a nearby gold mine - MIDROC Laga-Dambi gold mine. MIDROC gold mine is the single largest private gold mining company in Ethiopia operating in different parts of the country. The company was in 1997 granted a 20-year lease over 485km² of land in Guji zone, Oromia National Regional state. Due to the company's adverse environmental and public health impacts, popular protests erupted at different times but were suppressed through military force.¹

In May 2018, only a month after Abiy Ahmed became the Prime Minister of Ethiopia through popular protest, unrest broke out in Guji zone against the federal government's renewal of the MIDROC Laga-Dambi gold mine's license for another ten years, amidst widespread reporting of the company's health, socio-economic and environmental impacts in the surrounding areas.² The protest and anger were informed by the tragic health impacts perpetrated as a result of toxic chemicals and heavy metals apparently dumped by the mine operator into nearby rivers and streams used by humans and livestock. The toxic chemicals decimated the health and life of local communities leading to physical deformity, paralysis, stillbirth, miscarriage and death.³

Although the protest was halted after the government military killed four protestors and injured twelve others, the popular discontent prompted the government to suspend the renewal of the license and closed the mining site, promising the public that it would not be re-opened until further investigation into the alleged impacts conducted through transparent and scientific methods.⁴

However, in February 2021, the Ministry of Mines and Petroleum of the Federal Democratic Republic of Ethiopia (the federal government) announced the reopening of the mine stating that the country plans to boost its economic growth and foreign currency earnings.⁵ This

¹ <https://oromialandinfo.wordpress.com/2013/04/04/oromia-ethiopia-wikileaks-govts-crackdown-on-oromo-on-behalf-of-midroc-gold-during-shakisoguji-protests-of-2009/>

² <https://www.ethiopiaobserver.com/2018/05/09/five-people-killed-in-legadambi-gold-mine-protest/>

³ <https://www.thenewhumanitarian.org/investigation/2020/05/27/Ethiopia-Oromia-Shakiso-gold-mine-health-problems>

⁴ <https://www.extractiveshub.org/servefile/getFile/id/7533>

⁵ DUBAF and CIHR (2021) "Submission to the CEDAW Committee on the right of indigenous women and girls to effective participation, consultation and consent in the context of extractive industries"

economic growth approach in the federal government's decision of reopening the mine can be conceptualized within the broader development narratives in the country.

The purpose of this Research Insight is to review and analyze the evidence relating to this MIDROC gold mine and then to make a series of focused and insightful policy recommendations for Ethiopian federal and state (Oromian) policymakers. This Research Insight is drawn from data collected since 2016 at different time intervals. The recommendations made are clearly evidenced in this Research Insight, are pursuant to its analysis and conclusions, and are categorized for both immediate action and for longer-term implementation.

2. ANALYSIS

2.1 Guji mineral zone

Under successive regimes in Ethiopia, pastoralist and agropastoral areas are imagined and portrayed as spaces of bounty to be legitimately expropriated by the state.⁶ Such discursive representation of spaces as empty of people but full of resources underpins justifications for modernist development interventions that are built on narratives of improvement, transformation and modernization. Modernist development discourses, policies and practices are based on “extractivist” models, models of development which entail extracting resources (human and natural resources) and that accord positive developmental outcomes to such extractive activities undertaken in developing countries (“extractives for development”). Accordingly, pastoral and agricultural lands as well as mining areas are expropriated all under the broader discourses of transforming the people and territories into modern modes of production.

The Guji zone in southern Ethiopia is one of the country’s principal mineral hubs and has attracted mining interest from, variously, artisanal miners, private companies and the state over the last fifty years.⁷ Of the above, artisanal miners have most consistently undertaken extraction.

Since the period of Emperor Haile Selassie (1930-1974), Shakiso district in Guji zone continued to display the features of what would later be referred to globally as the ‘resource curse’, namely misgovernance linked to an economic over-reliance on subsoil resource extraction.⁸ In particular, the zone endured violence, dispossession and negative environmental and health impacts resulting from local gold extraction.⁹

For illustration, the following excerpt from a speech by Deputy Minister at the Ministry of Mines and Petroleum further elucidates the argument that Abiy Ahmed’s federal government shares much in common with its predecessors. The excerpt below was taken from a speech

⁶ Regassa and Korf (2018) “Post-imperial statecraft: high modernism and the politics of land dispossession in Ethiopia’s pastoral frontier” *Journal of Eastern African Studies* 12 (4): 613-631; <https://doi.org/10.1080/17531055.2018.1517854>

⁷ Shah, Tahir (2012) *In Search of King Solomon’s Mines: A Modern Adventurer’s Quest for Gold and History in the Land of Queen Sheba*. New York: Arcade Publishing

⁸ Mikessel, Raymond (1997) “Explaining the resource curse, with special reference to mineral-exporting countries”, *Resources Policy* 23 (4): 191-199

⁹ Dambe Turche (2018) *Extractive Industries and Local People’s Claim: The Case of MIDROC Laga-Dambi Gold Mine*, MA Thesis, Dilla University

by the government official during a ‘consultative’ meeting organized by the federal government in August 2018 aimed at lobbying Guji Oromo elders, politicians and intellectuals to support the government’s plan to reopen the mine:

“At this critical juncture, we need hard currency in order to save our economy from crisis. Everywhere in the world, mining has health and environmental impacts but its economic contribution outweighs” (Deputy Minister of Mining and Petroleum, August 21, 2018).

Moreover, in March 2021, the Head of Oromia Bureau of Mines echoed this narrative by stating:

Dear participants, you know that our country is at a critical juncture struggling against many enemies. One of the enemies is poverty. We can’t win this enemy only through traditional ways of economy. Our industries should be developed, our service sector should be modernized and our economy should be technologically supported. However, we need foreign currency for all these economic sectors to properly function. Here is where our mineral wealth can be used. We are rich in minerals but we couldn’t use it properly. Our government recognizes the demands of local communities. However, big companies should operate in the mining sector in order to efficiently utilize the resources. You, the people in Guji zone, should support the reopening of the MIDROC Laga-Dambi gold mine because you will be the beneficiaries (Head, Oromia bureau of Mines, February 21, 2021, Shakiso).

The two statements from, variously, officials in both the federal government and Oromia state government, together speak to normalizing the environmental and human costs of mining on the one hand, and emphasizing the economic benefits, particularly the need for foreign currency to boost the national economy, of such extraction, on the other. It is from such economic justifications that the government decided to reopen the mine without substantively addressing the local people’s demands.

2.2 MIDROC impacts

Evidences show that during its 20-years operation, MIDROC Laga-Dambi gold mine caused horrendous human and environmental damages to the local communities.¹⁰ The author’s

¹⁰ Regassa (forthcoming) ““Frontiers of Extraction and Contestation: Dispossession, Exclusion and Local Resistance against MIDROC Laga-Dambi Gold Mine, Southern Ethiopia” *Journal of Extractive Industries and Societies*; <https://www.thenewhumanitarian.org/investigation/2020/05/27/Ethiopia-Oromia-Shakiso-gold-mine-health-problems>

direct observation of the Guji Oromo victims, inadequate tailing dams, heavily polluted downstream rivers and heavily stressed social infrastructures in the vicinities of MIDROC Laga-Dambi gold mine show the precarious condition of local communities in the face of this mine's operation.

This author visited the Guji Oromo villages surrounding MIDROC's gold mining site few weeks after the 2018 media report, and also a couple of times in 2019 and 2020. A visit to four villages of the Guji Oromo communities adjoining the mining site offers two shocking conditions about the people:

- 1) a visible poverty, marginalization and deprivation of the people from social services; and
- 2) physical deformities, paralysis and disability of children and youth that knocked the doors of almost every household during the 20 years of the mine's operation.

The people use water from rivers downstream of the tailings dam (see picture below). Neither the federal government nor the mining company provided safe drinking water to the local communities. Livestock also drink from the same streams or ponds that may have underground linkage to the tailing dams.



A girl and boy fetching water from downstream of the tailing dams (left, pic. 1); cattle drinking from a pond downstream tailing dam (right, pic. 2) (Photo by author, April 2019)

Through a house-to-house visit in March 2019, the author identified 19 children between age three and -12 in a critical condition of physical deformity, paralysis and different kinds of disability. Since the author's visit was not a complete survey, the actual number will be much higher, as would be revealed by a comprehensive survey. Indeed, an undisclosed

survey research conducted by the Ethiopian Public Health Institute (EPHI) in 2019 also reveals 384 cases of physical disabilities, out of which 66 were acute.

Moreover, the same study by the Ethiopian Public Health Institute shows about 150 cases of miscarriage among pregnant women over the period of five years between 2013-2018. This figure was obtained only from nearby health centers, and does not include those who did not report to health institutions. Stories from each family having one or more family members affected by the toxic chemical are painful. Some visited all health centers in their area but were referred to big hospitals in Addis Ababa or abroad, but due to their poor economic conditions, they could not visit those hospitals and can only wait for news, probably bad.

2.3 Dynamics

Despite its coming to power through popular movement against the previous government's human rights violations, the Federal Government led by Abiy Ahmed continued its predecessors' practice in prioritizing economic interests over human rights in the gold mine. As the excerpts from the Deputy Minister of Mines and Petroleum and from the Head of Oromia Bureau of Mining quoted above shows, both the state and federal governments alike continue to normalize environmental and human health impacts of mining companies in its effort to legitimize the re-opening of the mine. These narratives of "improvement" or "extractives for development" echo broader debates on development interventions whereby state and non-state actors try to legitimate development interventions from the socio-economic advantages.¹¹

From the above, the author identifies the following underlying questions regarding MIDROC Laga-Dambi gold mine can be articulated as follows:

- 1) How did the company's socio-economic, environmental and health impacts remained unaccounted for 20 years?; and
- 2) Why Abiy Ahmed's administration reopened the mine without addressing the fundamental demands of local communities?

According to different sources, local communities' resistance against MIDROC was not because the people were against development interventions *per se*, but due to the violations

¹¹ Li, T.M. 2007. *The Will to Improve: Governmentality, Development, and the Practice of Politics*. Duke University Press

of their right to accessing resources and its impacts on their health and environment.¹² Soon after it got the concession site in 1997, MIDROC followed exclusionary employment mechanisms that discriminates against local communities. A survey conducted in 2019 shows that out of a total of 31 local employees, 22 were guards, five were janitors and two were drivers.¹³

It also employs violence in restricting local communities from accessing resources (farm lands, water and rocks). More horrendously, toxic chemicals released from the mine polluted rivers that local communities use for human as well as livestock consumption. According to local sources, security guards shoot people to death if they found the locals trespassing into concession sites.

Despite grave human and environmental impacts caused by the mine, the Federal Government's Ministry of Mines and Petroleum in collaboration with Oromia national regional government disclosed the reopening of MIDROC Laga-Dambi Gold Mine in February 2021 without addressing any of the fundamental demands of local communities. Local communities are not compensated for the damages the mine caused to their health, emotions, economy and environment. Neither the Federal Government nor MIDROC put in place future environmental safety and human security programs.

¹² Regassa (2019) "The Political Economy of Gold Mining in Ethiopia: Exclusion, Discrimination and Local Resistance Against MIDROC Laga-Dambi Gold-Mine, Southern Ethiopia" a Paper presented at Oromo Studies Association, Addis Ababa/Finfinne (July 26-29, 2019); Netsanet Tilahun (2019) "Community Engagement and Conflict Management: The case of Midroc Gold Mines, in Shakisso District" MA thesis submitted to Addis Ababa University Center for Environment and Development, Addis Ababa, Ethiopia

¹³ The research was on socio-economic impacts of MIDROC Laga-Dambi Gold Mine by researchers from Dilla and Bule Hora universities. The project was partly commissioned by Ministry of Mines and Petroleum but the final result was not presented due to the Ministry's refusal to make the results public

3. CONCLUSIONS

The dispossession of local communities from their resources, exclusion from job opportunities and the company's unaccounted negative human and environmental impacts are parts and reflections of the macro-level political and economic situations in the country. On the one hand, MIDROC's strong affiliation to the political party (Ethiopian Peoples' Revolutionary Democratic Front - EPRDF - that ruled the country from 1991 to 2018) provided it an impunity not to be accountable for miseries against local communities. On the other hand, development policies under successive regimes in Ethiopia, particularly the EPRDF, grossly undermine the rights of resource holders including the right to live on their ancestral lands. MIDROC also used this macro-level political economy of extraction, exploitation and dispossession as a strategy of escaping accountability. The author also argues that the current government's determination to re-open the mine without any meaningful remedy to the damages the local community and their environment faced over the 20-years of MIDROC's operation shows continuities across the regimes in prioritizing economic interests over human life.

In the author's view, there is no material difference between Abiy Ahmed's Prosperity Party and its predecessor EPRDF in terms of mining policy and practice. Both followed violent extractivism, and top-down and authoritarian 'development' intervention approaches. The reopening of the mine amidst public outcry echoes a continuation of authoritarian decision-making that excludes local people from matters that affect their lives. It also substantiates the argument that despite changes in governments, patterns of exploitation, dispossession and marginalization of resource owners (farmers and pastoralists) continued unabated.

It should also be underlined that given the grave human and environmental health impacts of the mine, government and the company's attempts in side-lining local demands will exacerbate conflicts and become counterproductive in future.

4. POLICY RECOMMENDATIONS

For the mine to responsibly operate for the benefit of the company, local people and the federal government, the following conditions need to be fulfilled, and constitute the policy recommendations of this Research Insight:

(A) Immediate action:

1. ***Consultative meeting(s):*** There has never been genuine and transparent consultative meeting with local communities both by the government and the company. The people were denied of expressing their grievances, problems, agonies, trauma and demands. For future healthy relationship with local communities, the federal government should make participatory discussions with all community members. So far, both the government and MIDROC have been selectively lobbying and co-opting local elites, businessmen, traditional leaders and influential individuals in order to silence local resistance;
2. ***Putting safety/protection:*** Tailing dams are exposed to human and livestock invasive and destructive activity, potentially resulting in loss of dam integrity and hence increased risk of downstream effluent pollution. To mitigate that risk, there should be appropriate safety measures put in place. First of all, the tailing dams should be fenced. Secondly, in order to protect surface or underground leakage of toxic chemicals to downstream rivers and ponds, scientifically proven techniques of detoxification plants should be put in place;
3. ***Rehabilitation of affected people:*** Many residents in the vicinity of the company have been facing serious economic, health and social problems. For example, lack of water services has exposed them to use polluted water with serious public health implications. Health problems also create social and economic crises. Therefore, they deserve immediate intervention in social infrastructure provisions. More specifically, families whose family members faced health problems including loss of life or physical deformities due to factors related to toxic chemicals should be economically rehabilitated for losses they incurred over the last several years. The federal government should also design a mechanism by which part of income and royalty collected over the last two decades will be paid back to the local communities as part of rehabilitation project; and
4. ***Compensation:*** Whoever owns and utilizes the mining site in the future, the local communities need to get appropriate compensation for the health problems, environmental destructions, lack of social services, denial/restriction of economic

opportunities and eventually for the deterioration of their social wellbeing as a result of the establishment of MIDROC Laga-Dambi and Sakaro operations in the area.

(B) **Longer-term implementation:**

1. ***Legal frameworks and corporate social responsibility.***

1.1 *Transparency:* In Ethiopia, there is no national, official, mining policy on the transparent management of the mining sector as a whole, e.g. covering production, trade and revenue collection. With regards to revenue sharing/income distribution, although a directive issued by House of Federation (Ethiopia's upper house of its federal parliament) on 8 August 1995 E.C dictated that the Ministry of Mines and Petroleum must split equally the profit tax between the federal and the (respective subsoil extraction) state government, there is no federal law that stipulates how much of this 50% of revenues should go to the local communities within that state, where the mining is located. This is a particularly acute issue for Oromia since it is Ethiopia's largest regional state, covering 286,612 square km of territory. Indeed, data from Oromia Bureau of Revenues shows that the Guji zone did not get any profit tax related to MIDROC gold over the last 20 years.

1.2 *Accountability.* Moreover, in the view of this author, there should also be legal framework that makes companies accountable for the impacts of their companies. There should also be clear guideline on employment, revenue re-distribution, transparency, local community participation and workers "right and safety and companies" compliance to national and international laws and conventions. Moreover, the current omission of legally binding corporate social responsibility requirements within mineral license agreement should be rectified, again in the view of this author.

2. ***Designing new mining administration.*** For the successful utilization of the mineral resource for the benefit of the investors, government and local communities, the administration of the company should be radically changed. Accordingly, the following structure is recommended:

2.1. *Boards of administration:* Redesigning the structure of administration to include participation of directly related bureaus and offices in overseeing the activities of the mining operation will be imperative. This avoids the existing gap between the region, Federal Government and the company. Whoever owns the mining site, it is very important to ensure transparency in production, sale and revenue distribution, as well as in addressing public demands if two boards of administration are designed. These can be: 1) one board of administration can be established by the company to deal with its

administrative issues related the company; and 2) establishing a Joint Board of Administration constituting Scholars, Representatives of local community, government authorities from Oromia (including woreda and regional authorities), federal government representative(s) and representatives from the company; and

2.2. *Ownership*: While encouraging investment is vital for the economic development of the country, it is also important to work for the benefit of the local communities. Thus, a new strategy should be designed to enable local communities get some percentage of shares from the company. The details of this strategy can be studied further. Moreover, given the history of MIDROC Laga-Dambi gold mine, whose benefit for the national economy is not well known apart from the company's self-report, it is also recommended that the government should be involved in the operation through a joint venture. Alternatively, the government's share in the company can be taken by the Oromia regional state government.

3. *Ensuring environmental and public health of the area*: this includes cleaning the rivers and underground water, fencing the tailing dams and danger zones and regular provision of public health education for local communities; and

4. *Conducting comprehensive environmental risk assessment and deciding on the fate of local communities*: Many heavy metals may stay in rivers, soils and sediments for generations and affect the life of local communities in the long run. Therefore, the federal government should facilitate grand environmental risk assessment. In case the downstream areas are proved to be risky for human habitation, the government may make a decision to resettle local people in a safe environment and restore their living conditions.