

**A SPEECH DELIVERED BY BROTHER KOFI ASAMOAH,
SECRETARY GENERAL OF THE GHANA TRADE UNION
CONGRESS (TUC) AT THE 10TH QUADRENNIAL DELEGATE
CONFERENCE OF GHANA MINES WORKERS UNION ON THE
THEME: “BLENDING THE INTERESTS OF STAKEHOLDERS IN
THE MINING INDUSTRY TOWARDS OPERATIONAL
EXCELLENCE” AUGUST 22, 2011**

Brother Chairman,
General Secretary,
Deputy General Secretary,
Members of the National Executive,
Executive Board Members present,
Brothers and Sisters,
Ladies and Gentlemen,

On behalf of the Executive Committee and on my own behalf, I bring to you warm greetings from the membership of the Ghana TUC and the working people of Ghana. Let me congratulate you for your hard work in the last quadrennial which has enabled your union to meet its constitutional obligation of organizing this impressive and well attended conference. Bringing together such large numbers of delegates including international guests in a conference of this nature is not an easy task. The financial and human resources, the logistics and the organisational skills required in putting together this conference is unquantifiable. But in keeping with our tradition of demonstrable commitment to internal democracy, you have always gone the extra mile in mobilising the resources in pursuit of your constitutional mandates. And as always, I must say I'm impressed.

Brother Chairman, let me hasten to remind all present of the enormous sacrifices the leaders of this great union and their support staff have made in making this conference a reality. To them I say Ayeeko!

Brothers and sisters, your conference is coming off at a momentous yet exciting time in the history of mining. Gold prices and indeed prices of metals are at their highest level in many decades. Gold price is now hovering around US\$1,900. With the turmoil in financial markets and the Euro crisis, gold prices are projected to hit about US\$3,000 per ounce by the close of the year. A decade ago in the year 2000 gold was around US\$400 per ounce. This is truly an exciting moment for mining!

Brother Chairman, ladies and gentlemen, despite these favourable statistics, there also appear to be an emerging national consensus that mining has not contributed much to, national development. It is about time that that view is confronted either with the right facts or a radical overhaul of mining rules as they relate to national and community interests. It is for this reason, brother chair that I find the theme of your conference: “Blending the Interests of Stakeholders in the Mining Industry towards Operational Excellence” very appropriate and timely. The theme is forward looking and shows that the union has its ears on the ground.

Comrades, no one can deny the importance of mining in the economy of Ghana and that of mining communities. Currently, the sector is the single largest contributor of royalty, accounting for an average of about 98 percent of the total royalties paid to government over the past 10 years. With an average growth rates of 7 percent in the last decade mining accounts for about 7 percent of Gross Domestic Product (GDP). The contribution of the sector to foreign exchange is the highest among all other sectors. In addition, because mining companies frequently operate in remote and deprive communities they are often compelled to construct roads which help to open up these communities. Through corporate social responsibility activities, they provide schools, clinics and other important amenities that go a long way in improving the lives of people in mining communities.

Brother Chair, all that much is acknowledged! However the popular perception remains that mining is not paying its fair contribution to the national development efforts. It is ironical that a sector that contributes about 7 percent to GDP provides employment to less one percent of the total workforce.

Brothers and sisters, it is not enough for anybody to explain that mining is capital intensive activity. The switch from labour-intensive and environmentally friendly underground mining to surface mining explains the decline in the contribution of mining to total employment. We know that the switch involves the use of modern technology which boosts production and profitability. But it appears the change process in particular for mining communities was not well managed. The consequence is the ever growing army of illegal miners whose activities impact negatively on the operations of mining companies. What could the mining communities have done to provide communities with alternative livelihoods that would ensure that young people in the communities would not have embarked on these dangerous and environmentally destructive activities?

Ladies and gentlemen, in spite of all the hype about mining, average earnings in the industry comes seventh and is below average earnings in the

fishing and education sub-sectors. That is very surprising but it is the 2006 data from the Ghana Statistical Service. Even more surprising is the level of pay inequities in the mining industry particularly between so-called expatriate staff and locals. It is unacceptable that within the same mining industry, someone will be earning almost US\$40,000 per month while others are earning below US\$500. Such huge inequity is obscene irrespective of the qualification and experience of the various recipients. It is for this reason that I laud the initiative of the leadership of the union in their “Agenda 500” which aims at ensuring that no miner in Ghana earns below US\$500. I urge management to support the initiative as part of measures to reduce inequities and clean up the image of mining.

Brother Chair, after more than a century of mining I find it objectionable that we continue to rely on expatriates. It is important that stakeholders in the industry work together to ensure that going forward we do not need to rely on such huge numbers of expatriate staff. Conscious efforts need to be made to transfer technology and build local capacity. That will be a more lasting corporate good.

Ladies and gentlemen, these and many more issues should guide you as you go through the important exercise of electing your leaders for the next quadrennial. I encourage you to choose the men and women with demonstrable ability to inspire and unite members around the common good: to improve the standard of living of mine workers and also ensure that mining contributes positively to national development.

On this note, I wish you very fruitful conference.

Long Live Solidarity

Long Live GMWU

Long Live TUC

Thank you!