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## PRECIOUS METAL, CHEAP LABOR

Child Labor and Corporate Responsibility in Ghana's Artisanal Gold Mines



# **Precious Metal, Cheap Labor**

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# **SUMMARY AND RECOMMENDATIONS**



Women and children carry pans of ore at Dompim  
mining site, Tarkwa-Nsuaem district, Western Region.

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# PRECIOUS METAL, CHEAP LABOR

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*I go [to the gold processing site] at 6 a.m. and come back at 5 p.m. I have a break at lunchtime. I am very tired from it. Sometimes I buy painkillers to soothe the pain in my back and chest....I sell the gold to a buyer, his name is [name withheld].... [I sell to him] at his house. He does not ask about my age. The trader also gives me mercury.*

—“KWAME,” 12, HOMASE, AMANSIE CENTRAL DISTRICT, APRIL 2014

*All I need to know is the gold is coming and that it is real gold.*

—TRADER, DUNKWA-ON-OFFIN, APRIL 2014

Ghana is one of the world’s top 10 gold producers. Many traders and refiners prefer to source gold from Ghana—a stable democracy—rather than from controversial conflict-affected regions. However, companies that do buy gold from Ghana risk benefiting from hazardous child labor.

Around one-third of Ghana’s gold is mined in artisanal and small-scale mines, locally called *galamsey*, and exported at a trade value well above US\$1 billion per year. Artisanal and small-scale mines operate with simple machinery, limited investment, and a large workforce. Most of these mines operate illegally without a license and belong to the informal sector. They offer important income opportunities for Ghana’s rural populations, but also encourage hazardous child labor and cause serious environmental damage.







Two boys, 9 and 12 years old, demonstrate their daily work of washing and sluicing gold ore in Homase, Amansie Central district, Ashanti Region.

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**Children play at Dompim mining site in Tarkwa-Nsuaem district, Western Region.**

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This report documents the use of child labor in artisanal and small-scale mines in Ghana's Western, Central, and Ashanti Regions, focusing on unlicensed sites, which constitute the vast majority of mines. It also analyzes the measures that some gold traders and refiners take to avoid supporting child labor by buying gold mined with child labor.

Thousands of children work in Ghana's artisanal and small-scale gold mines in hazardous conditions, despite both

Ghanaian and international law prohibiting hazardous child labor. Most children are aged 15 to 17, but younger children work in mining too. The youngest child interviewed by Human Rights Watch was 9 years old.

Children work alongside family members, are sent to work by their families, or work on their own. They work anything from a few hours to 14 hours a day, pulling the gold ore out of shafts, carrying heavy loads of ore, and crushing it. Children wash the ore on a sluice (a board) and pan it. Finally, they work with mercury, a highly toxic metal, by amalgamating it with gold and then burning the amalgam to separate out the gold.

Children suffer numerous health consequences from mining work. The heavy lifting causes pain in the back, head, neck,





**A girl at an artisanal gold mine near Aboe, Amansie West district, Ashanti Region. She started working in mining at the age of 9 and is now 17 years old.**

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**This 14-year-old boy works at an artisanal gold mining site near Takorasi, Amansie West district, Ashanti Region, to raise money for school fees and other living expenses.**

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joints, and arms, and can lead to long-term spinal damage. Some children suffer from respiratory disease as a result of the dust produced from crushing ore. Children have been injured in mine collapses, when working with sharp tools, and during other accidents. In April 2013, a 17-year-old boy was killed by a mudslide at a mine near Dunkwa-on-Offin, Central Region.

Children working with gold are often exposed to high levels of mercury. Mercury attacks the central nervous system and can cause lifelong disability, including brain damage, and even death. Mercury is particularly harmful to children, but is readily available in some gold trading shops and provided by gold traders to child laborers. Children—and adults—have limited and sometimes false information about mercury, and usually do not know its risks or how to protect themselves properly from this toxic metal.

While the majority of children working in mining are boys, girls mine gold too or do other jobs on mining sites, such as selling food or other items. They face the additional risk of sexual harassment, sexual exploitation, and rape.

Most children that work in mining attend school, and some children work specifically to earn money for school-related costs. However, many children attend school irregularly, skipping classes or entire school days. Other children drop out of school altogether. Mining managers and machine owners usually consider work by young children during school hours as unacceptable and have occasionally sent children away. At the same time, many mine managers often do not object to work by school-going adolescents and by younger children outside school hours, and sometimes employ them on their sites.

Child labor in Ghana's gold mines violates Ghana's Children's Act, which prohibits work in mining for anyone under the age of 18. Child labor in mining also violates Ghana's international legal obligations. The International Labour Organization (ILO) defines child labor as work that deprives children of their childhood, their potential and their dignity, that is harmful to their physical and mental development, and that interferes with their schooling. ILO Convention No. 182 prohibits the "worst forms of child



A 13-year-old boy carries loads of ore up a hill at Dompim mining site in Tarkwa-Nsuaem district, Western Region. He earns 7 cedis a day (\$2.20) for carrying 27 pans of ore.

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A 17-year-old girl works at Dompim mining site in Tarkwa-Nsuaem district, Western Region, carrying ore to be processed. She carries about 60 pans each day. She says, “I feel pain all over my body.”

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labor” for anyone under the age of 18—that is, work that is likely to harm the health, safety, or morals of children, by its nature or the circumstances in which it is carried out. The worst forms of child labor include hazardous work, specifically mining activities such as work underground, work with dangerous machinery and tools, transport of heavy loads, and work that exposes children to hazardous substances.

Traders buy gold at or near Ghana’s artisanal and small-scale mines, and then sell it to other parties. The global trade in gold from artisanal and small-scale mining can be compared to a funnel: Gold from many different locations, bought by many traders, gets traded to fewer and fewer companies, until it reaches the refinery. The refiners hold a key position: 90 percent of the world’s gold gets refined by fewer than 10 companies. Most of Ghana’s artisanal mined gold is eventually exported to international gold trading or refining companies based in Switzerland, the United Arab Emirates (UAE), and other locations. After refining, the gold

gets traded to banks, jewelry businesses, the electronics industry, and other enterprises.

Human Rights Watch interviewed traders in Ghana as well as global refineries about the steps they took to prevent gold mined by children entering into the supply chain. In addition, Human Rights Watch sent letters to Ghanaian exporters and international refiners to inform them about our research findings on child labor and to ask them about their human rights due diligence policies and procedures.

Human Rights Watch found that local traders at mines or in mining towns had little or no procedures in place to ensure that they did not benefit from child labor. Several traders stated that they were buying or sourcing from unlicensed mining sites. Some were also buying gold directly from children. In contrast, Ghana’s largest four gold exporting companies told Human Rights Watch that they had processes in place to ensure that the gold they were buying was legally produced: The companies were buying gold mostly—but not exclusively—at licensed mines. However, Human Rights Watch found that these processes were not





**A 12-year-old boy shows the mercury he carries in his trousers' pockets for gold processing in Homase, Amansie Central district, Ashanti Region.**  
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**A 12-year-old boy crushes stones at Homase processing site, Amansie Central district, Ashanti Region.**  
© 2014 Juliane Kippenberg/Human Rights Watch

sufficient to eliminate the risk of child labor in the supply chain, though some companies managed to significantly reduce the risk.

Furthermore, the government-owned gold trading company, the Precious Metals Marketing Company (PMMC), has poor due diligence procedures. The PMMC also provides trading licenses to about 700 individual buying agents and trading companies without requiring traders to use any human rights criteria when purchasing gold. PMMC officials stated they were aware that traders buy from sites without a mining license. The government Minerals Commission provides export licenses and also does not require human rights due diligence.

Human Rights Watch also analyzed the due diligence policies and procedures of six international refiners that source from Ghana: Metalor (Switzerland), Produits Artistiques Métaux Précieux (Switzerland), Kaloti Jewellery International (UAE), Emirates Gold (UAE), Kundan (India), and Rand Refinery (South Africa). Human Rights Watch found that several of these companies had varying

weaknesses in their due diligence procedures, such as a lack of systematic child labor monitoring or a lack of transparency. Human Rights Watch focused on these refiners because its research found that they were sourcing from Ghana. However, there may be other refiners sourcing from Ghana who are not mentioned in this report.

Under the United Nations Guiding Principles for Business and Human Rights, companies should put in place robust human rights due diligence—that is, a process to identify, prevent, mitigate, and account for the company's impacts on human rights, including child labor. With regard to gold from conflict-affected areas, the Organization for Economic Cooperation and Development (OECD) has developed a detailed due diligence guidance. While the OECD guidance is largely focused on preventing mass atrocities during armed conflict, it provides important guidance on how to establish human rights due diligence more broadly.

While the government of Ghana has made some efforts to address child labor in mining, its systems to monitor and eliminate child labor function poorly. Inspections for child





A young woman cries for her brother and mother who died in the mining accident on April 15, 2013 in Kyekyewere, Central Region. She is holding a T-shirt that was printed in their memory, a common practice in Ghana.

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labor are not systematic, and government institutions dealing with child labor or child protection are weak and underfunded. School enrollment rates in Ghana have risen over the last two decades and are above the regional average. Still, government funds for free public education are inadequate and sometimes do not reach the schools in a timely manner. As a result, schools levy various fees in violation of Ghanaian and international law, which undermine the right to free education. Children who cannot afford the fees often work in gold mines as an alternative, or work in the mines specifically to earn money to continue their education.

The government of Ghana—with the support of international donors and UN agencies—should improve existing systems for child labor monitoring and child protection and enforce child labor laws. The underlying causes of child labor need to be addressed, for example, through social protection programs, appropriate youth employment options, and efforts to make primary education truly free of charge.



The aunt of Abroso Kwabena Donkor holds up a photo of him. (He is pictured on the right). Abroso, 17 years old, was an orphan who lived with his aunt after his mother's death. He dropped out of school after sixth grade and worked in artisanal gold mining full-time from the age of 15. He died on April 15, 2013, when a wall collapsed at the gold mine where he was working in Kyekyewere, Central Region.

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Child labor also occurs in artisanal and small-scale mining and trade because the sector is poorly regulated. Most mines operate illegally without a license, which can be costly and often nearly impossible to obtain because large-scale mining companies or other entities already have a claim on available land that may be suitable for mining. Child labor is rare in licensed, formalized mines, according to nongovernmental organizations (NGOs) working in the mining sector.

The government has not undertaken the fundamental reform that is needed to regulate, professionalize, and formalize the artisanal and small-scale mining sector. It allows the trade and use of mercury for gold mining, a powerful pollutant and health threat. Existing labor, environment, and other regulations are not enforced, resulting in a regulatory collapse. Local chiefs and



A miner shows gold particles in ore after concentrating it at Dompim mining site, Tarkwa-Nsuaem district, Western Region.

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At a gold trading shop in the mining town of Tarkwa, a local trader shows what he wants to sell.

© 2014 Juliane Kippenberg/Human Rights Watch



A trader places raw gold over a fire to burn off remaining mercury at a gold trading shop in Tarkwa.

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A local gold trader shows the hand-held scale that he uses to buy gold from miners at local mine sites.

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A local gold trading shop.

© 2014 Human Rights Watch



This Chinese sugar bag conceals a mercury canister at a gold trading shop in a mining town. Mercury is illegally imported from China to Ghana.

© 2014 Juliane Kippenberg/Human Rights Watch





**Gold nuggets being weighed by a gold trader.**

© 2014 Jo Becker/Human Rights Watch

authorities in particular have allowed mines to operate without license, and have been accused of accepting bribes. In parallel to this laissez-faire approach, the government has started to shut down unlicensed mines without seeking a dialogue with illegal mining operations about obtaining licenses and abiding by the law. In some instances, illegal miners have obtained arms and attacked security forces.

Together with donors, companies, and NGOs, the government should develop a comprehensive strategy for a clean, professional, and child labor-free artisanal and small-scale mining sector. This should include steps to formalize unlicensed sites; better enforce regulations on child labor and other issues; and establish a robust due diligence process for the gold trade, including the government-owned Precious Minerals Marketing Company (PMMC). With regard to the use of mercury, the government should promptly ratify the Minamata Convention on Mercury and implement its key elements, including introducing mercury-free gold processing techniques.

Human Rights Watch does not recommend a boycott on gold from Ghana. However, Ghanaian companies and gold

refiners—who hold important leverage due to their central position in the global gold supply chain—should take action to end the use of child labor in the mines. They should immediately establish effective due diligence procedures for the whole supply chain to prevent the use of child labor, conduct awareness-raising, and training with their suppliers, and make sure they are in full control of their supply chain.

# KEY RECOMMENDATIONS

## TO THE GOVERNMENT OF GHANA

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- Enforce the ban on child labor in mining by ensuring that labor inspectors and district and community child protection committees have an adequate mandate and resources to conduct on-site inspections and otherwise monitor child labor.
- Improve access to education by ensuring free access to primary and junior high schools, and making sure that Ghana's Livelihood Empowerment against Poverty (LEAP) cash transfer program reaches vulnerable children in mining areas.
- Formalize artisanal and small-scale gold mining by developing a comprehensive strategy to permit a simpler and quicker procedure to obtain a mining license, and provide technical support to such miners to help increase household income.
- Prevent, test, and treat mercury exposure by ratifying and implementing the Minamata Convention on Mercury, introducing mercury-free gold processing methods to mining communities, and boosting health system capacity to address mercury exposure.
- Establish a due diligence procedure at the government's Precious Minerals Marketing Company (PMMC) to identify child labor and other human rights risks in the supply chain, and require human rights due diligence from companies applying for a trading or export license at the Minerals Commission.

## TO COMPANIES, INCLUDING INTERNATIONAL REFINERS

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- Strengthen due diligence procedures to identify child labor and other human rights risks in gold supply chains, including by having a strong company policy on human rights; full chain-of-custody documentation; regular monitoring and inspections; contracts with suppliers prohibiting the use of child labor; and qualified third-party monitoring for child labor in supply chains in all countries.

## Methodology

Human Rights Watch conducted field research for this report in June 2013, March-April 2014, and June 2014 in southwestern Ghana. We went to Tarkwa-Nsuaem Municipal district (Western Region), Upper Denkyira East Municipal district (Central Region), Amansie Central district, Amansie West district, and Obuasi Municipal district (all Ashanti Region).

Human Rights Watch visited 10 artisanal and small-scale gold mining and processing sites and interviewed over 160 people, including 44 child miners between the ages of 9 and 17.<sup>1</sup> Of these child laborers, 40 were boys and 4 were girls. In addition, we interviewed three girls that performed other jobs on mines, such as selling items or providing childcare for younger siblings. We also spoke to five young adults between the ages of 18 and 21 who had worked as children in gold mining and processing.

To investigate the role of traders, Human Rights Watch conducted interviews with 20 gold traders at mining sites, in mining towns such as Tarkwa, Obuasi, and Dunkwa-on-Offin, and in the capital, Accra. In addition, Human Rights Watch interviewed the director and a branch office staff member of the government-owned gold trading company, the PMMC, and met with gold trading and refining companies from Switzerland and Dubai.

Human Rights Watch interviewed a wide range of government officials, including the minister of gender, children and social protection and representatives of the Ministry of Employment and Labour Relations, the Ministry of Lands and Natural Resources, the Minerals Commission, the Environmental Protection Agency, the Education Service and the Department of Social Welfare, as well as district chief executive officers and other district authorities. We also spoke to parents and guardians of child laborers, adult miners, representatives of miners' associations, teachers and principals, health workers and health experts, NGO activists, mining experts, and representatives of UN agencies and donor governments. Outside Ghana, Human Rights Watch interviewed several international experts on artisanal and small-scale gold mining and the gold trade.

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<sup>1</sup> In this report "child" and "children" are used to refer to anyone under the age of 18, consistent with usage under international law.

Where possible, Human Rights Watch carried out interviews with children in a private setting, without others present. Because of the difficulty of maintaining privacy on mining sites, some interviews were conducted in the presence of a few adult miners and other children. Interviews were conducted in Twi and Wasa through the help of an interpreter. Interviewees were not compensated for speaking to us.

One challenge during this research was assessing children's ages, which some did not know exactly. In such cases, researchers sometimes sought advice from parents or other members of the community to estimate the child's age.

The names of all children have been replaced with pseudonyms to protect their privacy.

# I. Background: Gold Mining in Ghana

Ghana has been shaped by gold throughout its history.<sup>2</sup> Named “Gold Coast” during the European colonial period, today it is Africa’s second biggest producer, after South Africa, and the world’s seventh largest gold producer globally.<sup>3</sup>

In 2013, Ghana produced about 119 tons of gold, the production of which contributes about 11 percent to Ghana’s Gross Domestic Product (GDP).<sup>4</sup> About one-third (34 percent) of Ghana’s gold comes from artisanal and small-scale gold mining, and nearly all of it is exported.<sup>5</sup> In 2013, 40.7 tons of gold from the artisanal and small-scale gold mining sector were exported, at a trade value of US\$1.7 billion.<sup>6</sup>

Most of Ghana’s gold is produced by a few large foreign mining companies, including the South African companies, Anglo Gold Ashanti and Gold Fields, the US company, Newmont, and Canadian companies, Golden Star Resources and Adamus.<sup>7</sup> These large-scale industrial-style mining operations use open pit and underground mining, and are highly mechanized. While an important sector of employment, the presence of large-scale mining companies has also led to protest against the social and environmental impact of industrial mining, and has caused conflicts with artisanal miners.<sup>8</sup>

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<sup>2</sup> Ivor Wilks, *Forests of Gold: Essays on the Akan and the Kingdom of the Asante* (Ohio: Ohio University Press, 1993); African Studies Centre Leiden, “Asante Kingdom,” undated, <http://www.ascleiden.nl/content/webdossiers/asante-kingdom> (accessed September 11, 2014).

<sup>3</sup> “The top 10 gold producing countries,” *Mining-technology.com*, October 7, 2013, <http://www.mining-technology.com/features/feature-ten-largest-gold-producing-countries-china/> (accessed September 11, 2014).

<sup>4</sup> “The top 10 gold producing countries,” *Mining-Technology.Com*, October 7, 2013, <http://www.mining-technology.com/features/feature-ten-largest-gold-producing-countries-china/> (accessed September 11, 2014); “Goldfacts: Ghana,” *Goldfacts*, undated, [http://www.goldfacts.org/en/economic\\_impact/countries/ghana/](http://www.goldfacts.org/en/economic_impact/countries/ghana/) (accessed November 5, 2014); “Gold Production [1990-2013],” statistics provided by the Ghana Minerals Commission, on file at Human Rights Watch.

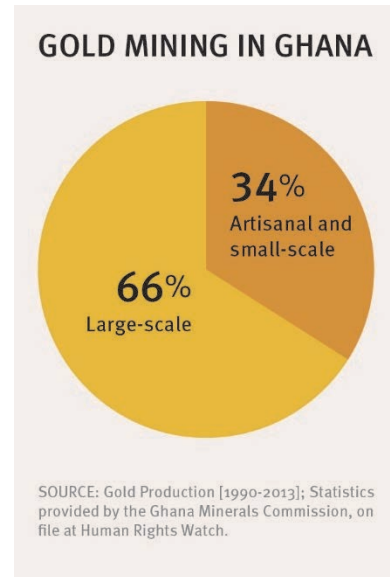
<sup>5</sup> “Gold Production [1990-2013],” statistics provided by the Ghana Minerals Commission, on file at Human Rights Watch.

<sup>6</sup> Minerals Commission, “Small-Scale Exporters,” 2014, on file at Human Rights Watch. This calculation is based on the gold price of December 31, 2013.

<sup>7</sup> The Ghana Chamber of Mines, “Our Members,” undated, <http://ghanachamberofmines.org/en/our-members/represented-members-level-a.php> (accessed September 11, 2014).

<sup>8</sup> War on Want, “Anglo American: The Alternative Report,” August 2007, <http://www.waronwant.org/attachments/Anglo%20American%20-%20The%20Alternative%20Report.pdf> (accessed September 11, 2014); Vivian Schueler et al., “Impacts of Surface Gold Mining on land use systems in Western Ghana,” *Ambio*, vol. 40 (5) (2011), pp. 528-539.

Artisanal and small-scale mining is defined as mining with limited investment, simple machinery, and a large workforce. Estimates put the number of artisanal and small-scale miners in Ghana between 500,000 and 1 million.<sup>9</sup> While some mines work without machinery at all, many others use simple machines for pumping water out of pits and for grinding ore. The mines are not owned by one individual or company, but are frequently controlled by an individual or a small group that provides machines to the mine. Machine owners employ people and get a share of the gold mined; sometimes they also trade in gold. The owner of the land also sometimes receives a share of the gold produced.<sup>10</sup>



The Ghanaian government requires small-scale miners to obtain a license.<sup>11</sup> In November 2014, Ghana had about 1,300 active licenses for small-scale mining under the mining law, of which at least 90 percent were for gold mining.<sup>12</sup> However, the majority of miners work without a valid license, effectively mining illegally. This has not fundamentally changed despite the government's crackdown on illegal mining in 2013.<sup>13</sup>

In Ghana, artisanal mining and miners are commonly called “*galamsey*” (stemming from the words “gather and sell”). Sometimes, the term describes more narrowly illegal mining,

<sup>9</sup> United Nations Environment Program, “Second Global Forum on Artisanal and Small-Scale Gold Mining,” 3-5 September 2013, Lima, Peru, [http://www.unep.org/chemicalsandwaste/Portals/9/Mercury/GF2/NewFolder/Global%20Forum\\_IL\\_meeting%20report.pdf](http://www.unep.org/chemicalsandwaste/Portals/9/Mercury/GF2/NewFolder/Global%20Forum_IL_meeting%20report.pdf) (accessed October 27, 2014); Government of Ghana and International Labour Organization (ILO), “Analytical Studies on Child Labour in Mining and Quarrying in Ghana,” August 2013, p. xi; Kwaku Dwumor Kessey and Benedict Arko, “Small Scale Gold Mining and Environmental Degradation in Ghana: Issues of Mining Policy Implementation and Challenges,” *Journal of Studies in Social Sciences*, Vol. 5 (2013), p. 15.

<sup>10</sup> Frank Nyame and Joseph Blocher, “Influence of land tenure practices on artisanal mining activity in Ghana,” *Resources Policy*, vol. 35 (2010), accessed March 9, 2015, [http://communitymining.org/attachments/259\\_landtenureASMghana2009.pdf](http://communitymining.org/attachments/259_landtenureASMghana2009.pdf); Human Rights Watch interview with the assistant chairman and other members of Kedadwen Mine Committee, Kedadwen mine, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>11</sup> Minerals and Mining Act, No. 703 of 2006, art. 82.

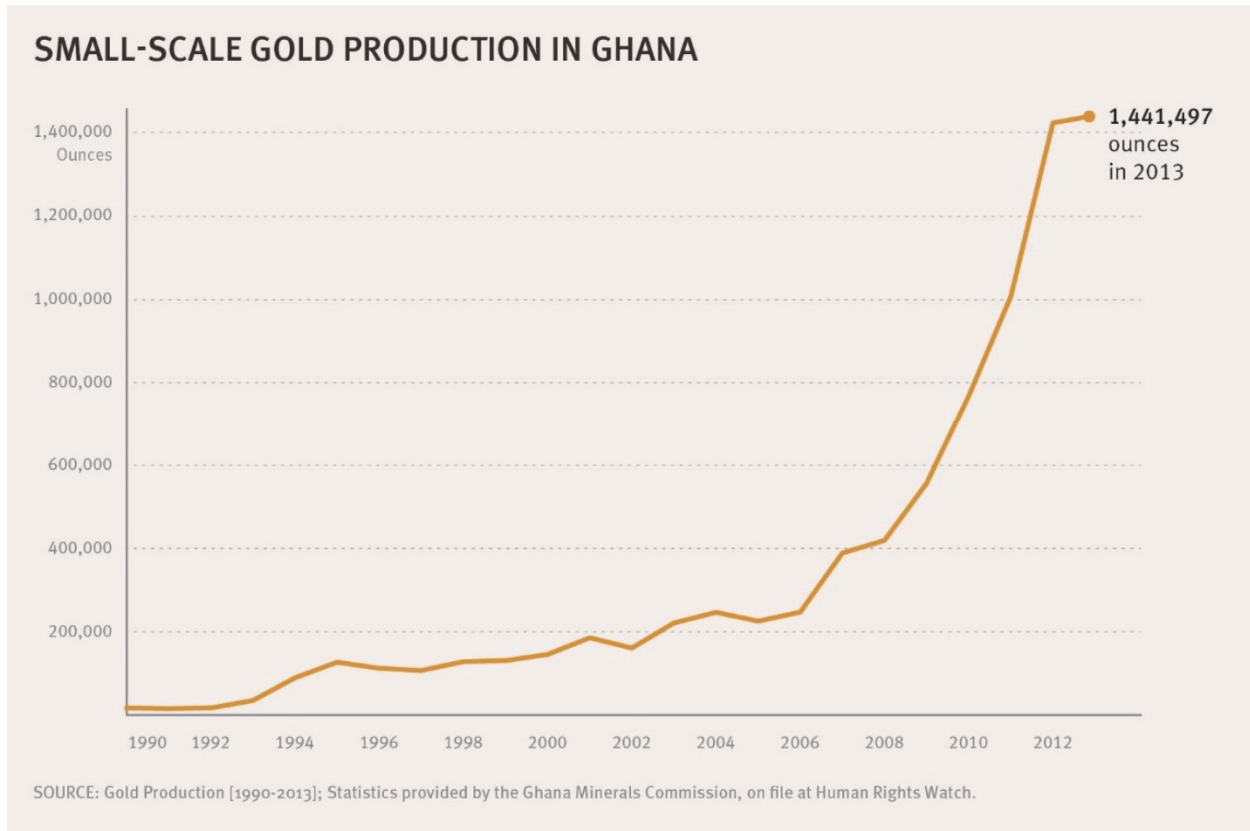
<sup>12</sup> Human Rights Watch telephone interview with officer of the Ghana Minerals Commission, November 3, 2014.

<sup>13</sup> “President Mahama charges Inter-Ministerial Task Force To Tackle Illegal Mining In Ghana,” *Ghana Broadcasting Corporation*, May 15, 2013, <http://www.gbcghana.com/1.1389360> (accessed December 15, 2014).



whereas the term “small-scale mining” is used to describe legal operations, based on the language of the mining law.

This report uses the terms “artisanal” and “small-scale” mining broadly, without differentiating between legal and illegal gold mining operations.



## II. Child Labor in Artisanal and Small-Scale Gold Mining

A 2014 Ghanaian government survey reported that about 22 percent of children in Ghana are involved in child labor and 14 percent are involved in hazardous work.<sup>14</sup> Most children work in agriculture, including the country's significant cocoa production. Children also work in fishing, domestic service, mining, quarries, portage of heavy loads, and other occupations. Some children, in particular those working in fishing, are at risk of being trafficked and enslaved.<sup>15</sup>

It is estimated that several thousand children work in Ghana's artisanal and small-scale gold mining sector, though data is scarce.<sup>16</sup> There are many more boys than girls working in mining.<sup>17</sup> While the majority of child laborers are between the ages of 15 and 17, younger children work in gold mining too. Of 44 child miners interviewed by Human Rights Watch, 20 had started working at the age of 12 or younger. The youngest child miner Human Rights Watch interviewed was 9 years old. A survey by the International Labour Organization (ILO) of 400 child miners found that most child miners—61 percent—were adolescents between the ages of 15 and 17. One-third of miners were between the ages of 10 and 14, and nearly 6 percent of children were between 5 and 9 years old.<sup>18</sup> Artisanal and small-scale gold mining takes place in many parts of Ghana—including in Western, Central, Ashanti, Eastern, Brong Ahafo, Northern, and Upper East Regions. Child labor in mining occurs in all these areas.<sup>19</sup>

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<sup>14</sup> Ghana Statistical Service, "Ghana Living Standards Survey Round 6 (GLSS 6). Child Labor Report," August 2014, [http://www.statsghana.gov.gh/docfiles/glss6/GLSS6\\_Child%20Labour%20Report.pdf](http://www.statsghana.gov.gh/docfiles/glss6/GLSS6_Child%20Labour%20Report.pdf) (accessed March 9, 2015). The number of working children is estimated at 29 percent; this figure includes permissible work such as light work or non-hazardous work for children between the ages of 15 and 17. Ghana is slightly above the regional average for child labor, which is 21 percent for sub-Saharan Africa. International Labour Organization (ILO), "Marking Progress Against Child Labour: Global estimates and trends 2000-2012," 2013, [http://www.ilo.org/wcmsp5/groups/public/@ed\\_norm/@ipec/documents/publication/wcms\\_221513.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@ipec/documents/publication/wcms_221513.pdf) (accessed March 9, 2015), p.4.

<sup>15</sup> Ministry of Employment and Social Welfare, "National Plan of Action (NPA) for the Elimination of the Worst Forms of Child Labour in Ghana (2009-2015)," November 2009; Ministry of Employment and Social Welfare, "Hazardous Child Labor Activity Framework for Ghana (HAF)," undated; United States Department of Labor's Bureau of International Labor Affairs, "2013 Findings on the Worst Forms of Child Labor: Ghana," 2013, <http://www.dol.gov/ilab/reports/child-labor/findings/2013TDA/ghana.pdf> (accessed October 28, 2014).

<sup>16</sup> Government of Ghana and ILO, "Analytical Studies on Child Labour in Mining," August 2013, p.20, p.26; Ghana Statistical Service, "GLSS 6. Child Labor Report," p.28. The GLSS 6 puts the percentage of children working in mining and quarrying at 0.3 percent of all working children, which would translate into 7,428 children working in mining and quarrying. However, the figures are estimates that may not be accurate; for example, the GLSS 6 claims that there are no children working in mining in quarrying in Central Region, where Human Rights Watch has documented child labor in artisanal gold mining.

<sup>17</sup> Ibid.

<sup>18</sup> Government of Ghana and ILO, "Analytical Studies on Child Labour in Mining," p.26.

<sup>19</sup> Government of Ghana and ILO, "Analytical Studies on Child Labour in Mining," p xi; Gavin Hilson, "Child Labour in African Artisanal Mining Communities: Experiences from Northern Ghana," *Development and Change*, vol. 41(3) (2010), pp.445-473.

## Causes of Child Labor in Mining

Family poverty is one of the main causes for child labor. Some children are sent to work by their family or work alongside family members, while others work on their own. Children in families of artisanal miners are more likely than others to work in mining.<sup>20</sup>

Human Rights Watch found that children work in mining to increase family income, to earn some money on their own, and to earn money for school fees or school-related costs. Children living with a single parent, with a relative or guardian, or alone, were more likely to be engaged in child labor.<sup>21</sup> Adama, 14, told Human Rights Watch:

I started working at the age of 10.... My father died and my mother was not able to take care of all of us. I realized other children were going to the mines to help their families, so I decided to join them.<sup>22</sup>

The ILO study on children working in mining found that children living with relatives or guardians were less well taken care of than those living with a parent, and hence more likely to work.<sup>23</sup> Human Rights Watch also found child neglect to be a cause for child labor. Ellen, 15, who was carrying heavy loads at a gold mining site, told Human Rights Watch:

My mother and father are divorced. My mother remarried a man with four children and can't take care of me. My father also remarried and doesn't take care of me. I came here alone.<sup>24</sup>

Some children worked specifically to raise money for schooling.<sup>25</sup> For example, 17-year-old Susanna carried heavy loads of mud ore to earn the cost of secondary school admission, 800 cedis (US\$250).<sup>26</sup>

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<sup>20</sup> Government of Ghana and ILO, "Analytical Studies on Child Labour in Mining," pp.27-28.

<sup>21</sup> Several child laborers interviewed by Human Rights Watch lived with a single mother, a guardian, or alone. Human Rights Watch interview with Felix, 16, Obuasi, April 4, 2014. He lived with his grandmother, his mother had died. Human Rights Watch interview with Martin, 17, Homase, Amansie Central district, April 5, 2014. He lived with a guardian as his mother had a mental illness.

<sup>22</sup> Human Rights Watch interview with Adama, 14, Obuasi, April 4, 2014. Adama said he had stopped working in mining due to the government crackdown on illegal mining, but intended to go back.

<sup>23</sup> Government of Ghana and ILO, "Analytical Studies on Child Labour in Mining," p.xiii.

<sup>24</sup> Human Rights Watch interview with Ellen, 15, Dompim, Tarkwa-Nsuaem Municipal district, April 1, 2014.

<sup>25</sup> For more, see Impact on Education below.

<sup>26</sup> Human Rights Watch interview with Susanna, 17, Dompim, Tarkwa-Nsuaem Municipal district, April 1, 2014.

Although primary and junior public high schools are officially free of charge in Ghana, they charge smaller informal fees for books, printing, parent-teacher association dues, and other items. Children told Human Rights Watch that they were working in order to raise the money for these costs, as well as for their lunch during the school day. Other studies have also found that children worked in mining to pay for education-related costs.<sup>27</sup>

Anna, 16, has been working in artisanal and small-scale gold mining since she was 14. She told Human Rights Watch:

I work because my mother does not have money. I have to pay PTA [parent-teacher association] dues and other school material. Sometimes I earn 50-60 cedis (US\$15-18) in three weeks, together with my mum. I also use some [money] as chop money.<sup>28</sup>

Even younger children spoke of the need to raise money for school-related costs. For example, 12-year-old Paul told Human Rights Watch that he worked to earn money for a school uniform.<sup>29</sup>

Child labor also takes place because there is little awareness of the harms associated with child labor and of the relevant laws in Ghana. Human Rights Watch found that child laborers were often unaware of the hazards of mining work, including mercury exposure. They only fully realized the dangers when lives were lost, such as during a mining accident in April 2013.<sup>30</sup> A baseline survey conducted among artisanal and small-scale mining communities in Ashanti Region found that less than 5 percent of people interviewed about child labor were able to identify suitable and hazardous (non-suitable) work for children.<sup>31</sup>

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<sup>27</sup> Gavin Hilson, "Child Labour in African Artisanal Mining Communities," pp.458-461; Government of Ghana and ILO, "Analytical Studies on Child Labour in Mining," p.30.

<sup>28</sup> Human Rights Watch interview with Anna, 16, Kedadwen, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>29</sup> Human Rights Watch interview with Paul, 12, Mosikrom, Amansie West district, June 25, 2014.

<sup>30</sup> See Hazardous Nature of Mining Work below.

<sup>31</sup> Free the Slaves, "Child Rights in Mining: Pilot Project Results & Lessons Learned," March 2014, <https://www.freetheslaves.net/wp-content/uploads/2015/03/ChildRightsinMiningPilotProjectOverview.pdf> (accessed May 20, 2015), p.15.

Another cause of child labor in gold mines is that it attracts children; they sometimes organize themselves in groups and are proud of their skills and the money they earn.<sup>32</sup> While some children told us that they handed over the money earned to their families, others used it to obtain items they would otherwise not be able to get, such as clothes, soccer shoes, or even a mobile phone.<sup>33</sup> While many parents readily accepted their child's work in mining, others opposed it or threatened punishment.<sup>34</sup> But as children start to earn their own money, parents lose influence and control over them.<sup>35</sup>

## Pay

While some children worked independently and processed gold by themselves, selling it directly to traders, others were employed and paid by adults for specific tasks. The amount of money earned in gold mining varied greatly. Half of the children interviewed indicated that they earned between 5 and 20 cedis (\$1.50 and \$6.25) for a day's work. Some children earned more, while others earned less or nothing.

Child laborers who were employed to carry, shovel, wash, pan, or amalgamate the ore were typically paid a daily wage. Those carrying loads of ore in pans or sacks were usually paid for the number of loads carried per day.<sup>36</sup> The payment varied dramatically even in the same location, and seemed arbitrarily set. For example, three children carrying pans of mud on their heads up a hill at the same mine were paid 7 cedis (\$2.20) for 27, 25, and 50 loads respectively.<sup>37</sup>

Some children were paid irregularly. Ellen, 15, who was among those carrying loads of gold ore up a steep hill, told Human Rights Watch:

I carry loads.... If you carry 50 per day you get 7 cedis, if you carry 100 you get 14 cedis, so I try to carry 100 a day.... I typically work four or five days a

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<sup>32</sup> Human Rights Watch interview with five boys, aged 12 to 15, Datano, Amansie West district, June 28, 2014.

<sup>33</sup> Human Rights Watch interview with Dustin, 12, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013; Human Rights Watch interview with Mohamed, 15, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013.

<sup>34</sup> Human Rights Watch interview with Wilson, 14, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013; Human Rights Watch interview with Mohamed, 15, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013; Human Rights Watch interview with Joseph, 13, Takorasi, Amansi West district, June 27, 2014.

<sup>35</sup> Human Rights Watch interview with head of community development, district assembly office, Manso Nkwanta, June 26, 2014.

<sup>36</sup> The ILO found that 55 percent of children were paid a daily wage between 3 and 10 cedis (US\$0.90 and \$3.10). Government of Ghana and ILO, "Analytical Studies on Child Labour in Mining," p.xiii, pp.37-38.

<sup>37</sup> Human Rights Watch interviews with child laborers, Dompim, Tarkwa-Nsuaem Municipal district, April 1, 2014.

week.... I always feel pain in my head and my chest. I don't buy drugs because I don't have enough money.... Sometimes I don't have money, so I carry the load with an empty stomach. If I have money, I buy food in the morning and in the evening, but if no money, depend on friends. If they don't give me food, I sleep with an empty stomach. [The last time] I was paid [was] two weeks ago.<sup>38</sup>

Some children worked in a group and sold the processed raw gold directly to traders.<sup>39</sup> Human Rights Watch also interviewed one boy who described himself as the “ghetto owner”—that is, a person managing a pit and employing others to work there for him.<sup>40</sup>

## Working Hours

Many children do not work in mining full-time, but try to combine school and mining work. Common periods when children mine are after school, during the weekend, and vacations. Others, however, work in mining six or seven days a week.<sup>41</sup>

Several children told Human Rights Watch that they worked between 7 and 14 hours per day. Twelve-year-old Kwame was carrying, crushing, and washing loads of gold ore. He explained his work at a processing site in Amansie Central district:

I go at 6 a.m. and come back at 5 p.m. I have a break at lunchtime. I am very tired from it. Sometimes I buy painkillers to soothe the pain in my back and chest.<sup>42</sup>

Several older boys working in the same location also worked very long hours. One of them, Faruk, 14, explained that he carried loads of ore up to 14 hours a day:

It was a difficult job, there was no time to rest. [We] worked from 6 a.m. to 8 p.m. ... If we finished the job early, we would have time to eat, but if we

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<sup>38</sup> Human Rights Watch interview with Ellen, 15, Dompim, Tarkwa-Nsuaem Municipal district, April 1, 2014.

<sup>39</sup> See section on poor due diligence by gold traders below.

<sup>40</sup> Human Rights Watch interview with Michael, 17, Kedadwen, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>41</sup> Human Rights Watch interview with Michael, Kedadwen, Tarkwa-Nsuaem Municipal district, April 2, 2014; Human Rights Watch interview with Adama, 14, Obuasi, April 4, 2014; Human Rights Watch interview with John, 16, Homase, Amansie Central district, April 5, 2014.

<sup>42</sup> Human Rights Watch interview with Kwame, 12, Homase, Amansie Central district, April 5, 2014.

didn't finish, kept working. Sometimes we worked from 6 a.m. to 8 p.m. with no break.<sup>43</sup>

A boy in Obuasi went to the processing site after school and spent many hours a day “washing” (processing) gold ore. He said:

You hold a pipe up with one hand and wash with the other for hours at a time. You don't rest until the load is finished. If there is another load waiting, you have to start it right away. But if there is no load waiting, you can rest...[I wash] up to five loads per day. The load owner pays us.<sup>44</sup>

## The Hazardous Nature of Mining Work

I don't like it anymore because of the way people are dying.

— Dustin, 12, Kyekyewere, Upper Denkyira East Municipal district, June 2013

Work in mining is considered one of the most hazardous forms of work by the ILO, due to the risks connected to accidents, pit collapses, the use of dangerous chemicals, the inhalation of dust, and other factors.<sup>45</sup> Human Rights Watch's research found that the main tasks performed by children in gold mining in Ghana are:

- Pulling up and carrying loads of ore<sup>46</sup>
- Shoveling ore
- Crushing ore
- Washing ore (on a sluice or wooden board)
- Panning or “shanking”
- Amalgamating ore
- Burning the amalgam

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<sup>43</sup> Human Rights Watch interview with Faruk, 14, Homase, Amansie Central district, April 5, 2014.

<sup>44</sup> Human Rights Watch interview with Daniel, 14, Obuasi, April 4, 2014.

<sup>45</sup> Government of Ghana and ILO, “Analytical Studies on Child Labour in Mining.”

<sup>46</sup> Those pulling ore up and carrying it are called “loco boys” in Ghana.

## *Pain*

Many of the tasks that child miners perform cause them physical pain. In particular, carrying or lifting heavy loads can be harmful if the load exceeds the body's physical ability and can cause immediate pain as well as long-term damage to muscles and bones.<sup>47</sup> The district director of health services in Obuasi explained that his medical staff see neck and body pain in adolescent boys who work in artisanal and small-scale mining.<sup>48</sup> About half of the child laborers Human Rights Watch interviewed said they experienced pain in the neck, shoulders, arms, fingers, chest, back, waist, or in the whole body.

Nine-year-old Zachary has been shoveling loads of ore onto a washing board. He said, "When I went there [to the processing site], I started by 7 a.m. and ended by 5 p.m.... I felt pain at the sides and waist."<sup>49</sup>

Paul, 12, suffered an injury from carrying loads at a mine, where he worked with his father. He said he took nine days to recover.<sup>50</sup>

Older children also complained about daily pains. Thomas, 15, carried loads from grinding machines to a washing place, and then washed the ore on a board. He said, "It is hard work. After carrying the load to the washing place, I feel pain in my back and my neck, and the whole body."<sup>51</sup>

## *Lung Conditions*

Artisanal and small-scale gold mines are nearly always dusty, which can cause long-term health problems, such as coughs, tuberculosis, silicosis, or other lung conditions.<sup>52</sup> Miners interviewed for a study in northern Ghana reported higher incidences of lung disease and

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<sup>47</sup> ILO, "Children in hazardous work: What we know, what we need to do" (2011), [http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms\\_155428.pdf](http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_155428.pdf) (accessed October 31, 2014), p.21.

<sup>48</sup> Human Rights Watch interview with district director of health services, Obuasi, April 4, 2014.

<sup>49</sup> Human Rights Watch interview with Zachary, 9, Homase, Amansie Central district, April 5, 2014.

<sup>50</sup> Human Rights Watch interview with Paul, 12, Mosikrom, Amansie West district, June 25, 2014.

<sup>51</sup> Human Rights Watch interview with Thomas, 15, Homase, Amansie Central district, April 5, 2014.

<sup>52</sup> Ronald Eisler, "Health Risks of Gold Miners: A Synoptic Review," *Environmental Geochemistry and Health*, vol. 25 (2003) (accessed November 25, 2014), [http://www.colby.edu/academics\\_cs/courses/GE127/upload/Eisler2003.pdf](http://www.colby.edu/academics_cs/courses/GE127/upload/Eisler2003.pdf).



coughing.<sup>53</sup> A health official in Ashanti Region listed coughs as one of the conditions he treats in child and adult miners.<sup>54</sup>

Samuel, who is 16 years old and small for his age, has been working in artisanal and small-scale gold mining since he was 11 to support himself. He stopped after the government crackdown on mining because activity was slow. He told Human Rights Watch about the daily work in which he had been involved:

It [the work] is difficult, because I work at the crushing site, and there is smoke from machines, the machines are hot, and I inhale the dust.... After inhaling the dust and fumes, and I go home to sleep, in the morning I see blood in my spit. It can last for a week after working. I also get a cough that can last for a week. Once I missed a whole week of school. I went to the doctor twice.<sup>55</sup>

Martin, 17, said:

Before, I had a cough and my phlegm had red blood stains in it. This can last for three weeks. The cough could last three days in a row.... I didn't go to a doctor, but I went to the pharmacist. He gave me some medication, and he also advised me not to work at the *galamsey*. He said it was dangerous. But I didn't stop because I needed the money.<sup>56</sup>

Martin stopped working in 2013 due to the slowdown of mining activity. After that, the cough stopped.<sup>57</sup>

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<sup>53</sup> Mabel A. Hoedoafia et al., "The Effects of Small-Scale Gold Mining on Living Conditions: A Case Study of the West Gonja District of Ghana," *International Journal of Social Science Research*, vol. 2, no. 1 (2014), (accessed January 30, 2015), <http://www.macrothink.org/journal/index.php/ijssr/article/view/4701/4239>.

<sup>54</sup> Human Rights Watch interview with district health director, Obuasi, April 4, 2014.

<sup>55</sup> Human Rights Watch interview with Samuel, 16, Homase, Amansie Central district, April 5, 2014.

<sup>56</sup> Human Rights Watch interview with Martin, 17, Homase, Amansie Central district, April 5, 2014.

<sup>57</sup> Ibid.

## Accidents

Accidents such as cave-ins and pit collapses occur regularly in Ghana's artisanal and small-scale mines and are estimated to have killed over 300 people in 2011 and 2012 alone, according to a government estimate.<sup>58</sup>

A study of 72 small-scale miners seeking emergency department hospital care found that mine collapses accounted for nearly 13 percent of injuries, and explosive blasts for 10 percent of injuries. Three percent of the injuries were fatal. Miners sought care for various conditions including fractures, spinal cord injuries, and lacerations.<sup>59</sup>

In March 2014, a radio station in Ghana reported that a one-year-old child—who had been taken by her parents to the mine—was killed with four adults at a mine in Amansie Central district, Ashanti Region.<sup>60</sup>

Almost a year earlier, on April 15, 2013, a major accident occurred at a gold mine near Kyekyewere, Upper Denkyira East Municipal district, Central Ghana. At about 6:45 a.m., a mud wall collapsed in an open pit gold mine where over 20 people were working. A few miners were pulled from the mud with injuries but 16 died.<sup>61</sup> Among the victims was Abroso Kwabena Donkor, a 17-year-old orphan who had dropped out of school at the age of 15 to work in the mines. He had been living with his maternal aunt after his mother's death. His aunt, who also worked at the site and survived, said:

When I was stacking the mud, I realized the ground was soft. I suggested to a colleague to surround the mud with some stones. As I called my colleague to help with this, I heard the sound of the pit collapsing.<sup>62</sup>

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<sup>58</sup> "Ghana gold mine collapse kills six illegal miners," *Modern Ghana*, May 27, 2014, <http://www.modernghana.com/news/468950/1/ghana-gold-mine-collapse-kills-six-illegal-miners.html> (accessed October 23, 2014); "Illegal Ghana gold mine owner arrested after collapse," *BBC News Africa*, June 30, 2010, <http://www.bbc.com/news/10457434> (accessed October 23, 2014).

<sup>59</sup> ASGM Research Group, "A review of reported injuries from small-scale mining in Ghana," undated, <http://asgmresearch.weebly.com/a-review-of-reported-injuries-from-small-scale-mining-in-ghana.html> (accessed December 18, 2014).

<sup>60</sup> "Five buried alive in Ghana gold mine accident," *Punch Online*, March 12, 2014, <http://www.punchng.com/news/five-buried-alive-in-ghana-gold-mining-accident/> (accessed October 23, 2014).

<sup>61</sup> "Ghana: Mine Accident Highlights Risk to Children," Human Rights Watch news release, June 13, 2013, <http://www.hrw.org/news/2013/06/13/ghana-mine-accident-highlights-risk-children>.

<sup>62</sup> Human Rights Watch interview with aunt of Abroso Kwabena Donkor, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013.

Abroso's aunt fell and was injured in the leg. Abroso, who stood nearby, was buried in the mud. One survivor commented that boys regularly worked at the Kyekyewere mining site, though the other victims of this incident were adults.<sup>63</sup>

After the accident, many children realized the real risks of the work and some stopped working in mining for a while. A 12-year-old boy who had worked at the mine said, "I don't like it anymore because of the way people are dying."<sup>64</sup>

In addition to mud slides and pit collapses, child and adult laborers are at risk of injury from tools, machines, and rocks. Thomas, 15, told Human Rights Watch how he had repeatedly hurt his hands: "I use a hammer for crushing. Sometimes I have had accidents with the hammer.... I went to hospital once [and] was treated for an injury."<sup>65</sup>

Albert, 14, said that when he was 10 he was injured when a rock fell on his knee.<sup>66</sup>

### *Mercury*

Most artisanal and small-scale miners in Ghana, including child laborers, use mercury to process the gold because it can separate the gold from the other minerals easily and cheaply. Child and adult miners mix the liquid mercury into the ore, where it attracts the gold particles and forms an amalgam. Then, they place the amalgam on a fire and burn off the mercury, leaving raw gold.

Mercury attacks the central nervous system and can cause lifelong disability, including brain damage. Higher levels of mercury exposure may result in kidney failure, respiratory failure, and death. Mercury is particularly harmful to children, as their systems are still developing, and its damage is irreversible. The younger the child, the more serious the risk. In utero exposure can occur when pregnant women are exposed to mercury and can present immediate and life-long negative health consequences.<sup>67</sup> Studies indicate that

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<sup>63</sup> Human Rights Watch interview with adult miner, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013.

<sup>64</sup> Human Rights Watch interview with Dustin, 12, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013.

<sup>65</sup> Human Rights Watch interview with Thomas, 15, Homase, Amansie Central district, April 5, 2014.

<sup>66</sup> Human Rights Watch interview with Albert, 14, Takorasi, Amansie West district, June 27, 2014.

<sup>67</sup> Herman Gibbs and Keri Grace O'Leary, "Mercury Exposure and Health Impacts among Individuals in the Artisanal and Small-Scale Gold Mining Community: A Comprehensive Review," *Environmental Health Perspectives*, vol. 122 (7), July 2014, accessed May 20, 2015, doi:10.1289/ehp.1307864; Stephan Böse-O'Reilly et al., "Mercury as Serious Health Hazard for

artisanal and small-scale gold miners in Ghana have a significantly higher burden of mercury than residents who live or work in mining areas.<sup>68</sup>

A little over half of the children interviewed by Human Rights Watch said that they worked with mercury. The ILO found in its study that 27 percent of child laborers surveyed worked with chemicals, and that mercury was the most common chemical used.<sup>69</sup> An adult miner told Human Rights Watch about a common division of labor:

The children wash the mineral.... They do the processing with mercury. They know the work better than the older ones. When they finish the burning, they sell the gold to the traders.<sup>70</sup>

Zachary, 9, was the youngest child laborer interviewed by Human Rights Watch. He explained how he worked with mercury: “I spread the mercury with the hand. Then I tie it [the amalgam] up with a rag.... Then I come out with gold and mercury. You put it in the fire and smoke it.”<sup>71</sup>

One 12-year-old boy, Kwame, showed a small flask of mercury that he was carrying in his trousers’ pocket. He worked to earn money for his mother and five younger siblings. He described how he sometimes burned the mercury at home, a particularly harmful practice that puts children and others at risk: “I use [my] hand to spread the mercury. Then I create the amalgam.... I burn it on my own, where I get fire, at my mother’s house or any place.”<sup>72</sup>

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Children in Gold Mining Areas,” *Environmental Research*, vol. 107 (2008), pp.89-97; Stephan Böse-O’Reilly et al., “Mercury Exposure and Children’s Health,” *Current Problems in Pediatric and Adolescent Health Care*, vol. 40, (2010), pp.186-215.

<sup>68</sup> E. E. Kwaansa-Ansah et al., “Environmental and occupational exposures to mercury among indigenous people in Dunkwa-On-Offin, a small scale gold mining area in the South-West of Ghana,” *Bulletin of Environmental Contamination and Toxicology*, vol. 85(5) (2010), accessed November 6, 2014, doi: 10.1007/s00128-010-0141-7; Petra Tschakert and Kamini Singha, “Contaminated identities: Mercury and marginalization in Ghana’s artisanal mining sector,” *Geoforum*, vol. 38 (6) (2007), accessed January 30, 2015, [http://www.communitymining.org/attachments/241\\_Mercury%20and%20marginalization%20Ghana.pdf](http://www.communitymining.org/attachments/241_Mercury%20and%20marginalization%20Ghana.pdf).

<sup>69</sup> Government of Ghana and ILO, “Analytical Studies on Child Labour in Mining,” p.34.

<sup>70</sup> Human Rights Watch interview with adult miner, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013.

<sup>71</sup> Human Rights Watch interview with Zachary, 9, Homase, Amansie Central district, April 5, 2014.

<sup>72</sup> Human Rights Watch interview with Kwame, 12, Homase, Amansie Central district, April 5, 2014.

Children obtained mercury from local gold traders who bought the raw gold from them.<sup>73</sup> None of the child laborers interviewed knew how to protect themselves properly from mercury. Some had never heard that mercury is harmful.<sup>74</sup> Others had false or incomplete information. Some traders who provided children with mercury had told them only that mercury is dangerous when swallowed.<sup>75</sup> Samuel, 12, said, “I know mercury is dangerous... I should not let it touch my mouth.”<sup>76</sup> While swallowing mercury can indeed be harmful, the most serious health risk stems from the invisible mercury vapor that develops when the amalgam is burned.<sup>77</sup>

Sometimes, local trading shops buy the gold-mercury amalgam and burn it at their workshop. They often have one person, called a “kitchen boy,” doing this work. While many kitchen boys were actually adult men, Human Rights Watch spoke to one kitchen boy who had started working in this job at the age of 16.<sup>78</sup>

A common symptom of mercury poisoning is the development of tremors (twitching).<sup>79</sup> Human Rights Watch interviewed a 19-year-old miner who may have been suffering from the effects of mercury exposure. Ibrahim started working with mercury at age 17 and had a tremor in his hands. He found it hard to write as a result.<sup>80</sup> He said:

I was told [by the group leader] if you work with mercury for a long period and especially baking gold and use your bare hands, your fingers will start shaking.... It happens often.... It affects my writing.<sup>81</sup>

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<sup>73</sup> Human Rights Watch interview with Paul, 12, Mosikrom, Amansie West district, June 25, 2014; Human Rights Watch interview with Dustin, 12, Kyekyewere, Upper Denkyira East district, June 1, 2013; Human Rights Watch interview with Samuel, 12, Datano, Amansie West district, June 28, 2014; Human Rights Watch interview with George, 15, Homase, Amansie Central district, April 5, 2014.

<sup>74</sup> Human Rights Watch interview with Frederic, 15, Badoa, Upper Denkyira East Municipal district, June 2, 2013; Human Rights Watch interview with Thomas, 15, Homase, Amansie Central district, April 5, 2014; Human Rights Watch interview with Oscar, 15, Homase, Amansie Central district, April 5, 2014.

<sup>75</sup> Human Rights Watch interview with Jacqueline, 17, Aboe, Amansie West district, June 26, 2014; Human Rights Watch interview with George, 15, Homase, Amansie Central district, April 5, 2014; Human Rights Watch interview with Wilson, 14, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013.

<sup>76</sup> Human Rights Watch interview with Samuel, 12, Datano, Amansie West district, June 28, 2014.

<sup>77</sup> Stephan Böse-O'Reilly et al., “Mercury Exposure and Children’s Health.”

<sup>78</sup> Human Rights Watch interview with David, Tarkwa, April 3, 2014.

<sup>79</sup> Herman Gibb and Keri Grace O’Leary, “Mercury Exposure and Health Impacts.”

<sup>80</sup> Human Rights Watch interview with Ibrahim, 19, Obuasi, April 4, 2014.

<sup>81</sup> Ibid.

## *Sexual Exploitation*

Girls who are present on or near artisanal and small-scale mining sites are vulnerable to sexual harassment, sexual exploitation, and rape. Adult miners frequently form relationships with girls, and mining areas are centers of commercial sexual exploitation.<sup>82</sup> According to the Domestic Violence and Victim Support Unit (DOVVSU) in Obuasi, rape and defilement—that is, sexual relations with anyone under the age of 16—are frequent in mining areas.<sup>83</sup>

Ellen, who is 15 years old and carries loads of ore, told Human Rights Watch that she is sometimes approached for sex, but that she refused each time:

Some guys want to be with me.... Sometimes [men] touch me. I complain, but they still do it. They touch me on my breasts and buttocks. I feel very bad, I don't like that.<sup>84</sup>

Jacqueline, 17, told Human Rights Watch that men approached her for sex at the mine where she worked. When she refused, they told her not to come and work at the site anymore; she continued to work anyway.<sup>85</sup> Human Rights Watch also interviewed a 14-year-old girl who was pregnant from a mine worker. She had dropped out of school and was instead working for the aunt of the man, selling food at a mining site.<sup>86</sup>

## **Impact on Education**

Most child laborers go to school and work in mining at the same time. However, they often attend school irregularly, skipping classes or entire school days. Some drop out of school altogether. Other children work specifically to earn money that allows them to pay school-related costs and continue their education.

Combining work and school is hard for many children as they have no time left for study at home, or suffer from mining-related sickness or exhaustion. The ILO survey found that of

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<sup>82</sup> Free the Slaves, “Child Rights in Mining.”

<sup>83</sup> Human Rights Watch interview with district officials, Obuasi, April 4, 2014. For the laws on rape and defilement, see section IV.

<sup>84</sup> Human Rights Watch interview with Ellen, 15, Dompim, Tarkwa-Nsuaem Municipal district, April 1, 2014.

<sup>85</sup> Human Rights Watch interview with Jacqueline, 17, Abore, Amansie West district, June 26, 2014.

<sup>86</sup> Human Rights Watch interview with Paulina, 15, Kedadwen, Tarkwa-Nsuaem Municipal district, April 2, 2014.

400 child miners, 65 percent were attending school and 35 percent were not in school. Almost half of the child laborers going to school said that they did not attend regularly.<sup>87</sup> Denying children their right to an education ultimately decreases their future employment opportunities and earning potential as an adult.<sup>88</sup>

Human Rights Watch spoke with Anna, who—despite being 16—was only in fifth grade of primary school. She went to the mining site with her mother before school or skipped school entirely. She said:

Sometimes I do not go to school and work at the site. Later when I come to school after that, the teacher advises me to stop working. It affects my performance....It distracts my schooling. After going to the site at dawn, and then going to school, I sometimes sleep in class.<sup>89</sup>

Eric, 17, who was attending the last year of junior high school, said, “I did well at school but when I started [mining], my performance went down because I did not have the time to study after coming back from the site, I was tired then.”<sup>90</sup>

Some children dropped out of school once they started mining. About a third of the 44 children interviewed by Human Rights Watch had dropped out of school altogether. Nine-year-old Zachary said, “When I did not return to school, the teacher called my mother for a meeting but she did not go.”<sup>91</sup> A community worker observed that Zachary’s mother was not taking good care of him.<sup>92</sup>

Head teachers, teachers, and government officials told Human Rights Watch that school attendance is affected by child labor in mining, and complained about absenteeism and

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<sup>87</sup> Government of Ghana and ILO, “Analytical Studies on Child Labour in Mining,” pp.28-29.

<sup>88</sup> United Nations Children’s Fund (UNICEF), “Child Labour and UNICEF in Action: Children at the Centre,” May 2014, [http://www.unicef.org/protection/files/Child\\_Labour\\_and\\_UNICEF\\_in\\_Action.pdf](http://www.unicef.org/protection/files/Child_Labour_and_UNICEF_in_Action.pdf) (accessed December 12, 2014).

<sup>89</sup> Human Rights Watch interview with Anna, 16, Kedadwen, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>90</sup> Human Rights Watch interview with Eric, 17, Kedadwen, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>91</sup> Human Rights Watch interview with Zachary, 9, Homase, Amansie Central district, April 5, 2014.

<sup>92</sup> Human Rights Watch interview with community worker, Homase, Amansie Central district, April 5, 2014.

pupils dropping out of school altogether.<sup>93</sup> One head teacher said that, “When they [the children] earn money, they think there is a shortcut, school is not necessary.”<sup>94</sup>

A district assembly member in Amansie West district, Ashanti Region, estimated that 40 percent of children in his area were working in artisanal and small-scale mining, and that these children either attended school irregularly or not at all. He said, “The main reason for low school attendance is *galamsey*. Children prefer *galamsey* to school.”<sup>95</sup> Teachers in the district observed that more children were present in school on Tuesdays, when the mines were closed for work.<sup>96</sup>

The head teacher of a junior high school in Obuasi said that many children in the first year of junior high school (form 1) worked in mining. On the day of the Human Rights Watch visit, 26 of 44 pupils in form 1 were present. The head teacher said, “The rest is engaged in *galamsey*.”<sup>97</sup>

Children attend school more regularly in the last year of junior high school (form 3) because they are close to the graduate exam. According to one head teacher, child labor in mining was more common previously and is less of a problem now. This was confirmed by the interviews with several children who said they had recently stopped going mining, following the 2013 government crackdown on unlicensed mines.<sup>98</sup>

At the same time, child labor in mining sometimes enables otherwise impoverished families to pay school-related costs. Parents and other guardians often consider it the child’s duty to provide for their own school-related costs and their own food at school.

Felix, who attends form 1 and lives with his grandmother, explained that he needed to work “to come to school” and that he used the money to feed himself, buy books, and pay for

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<sup>93</sup> Human Rights Watch interview with head teacher, Dompim Methodist Basic School, Dompim, Tarkwa-Nsuaem Municipal district, April 2, 2014; Human Rights Watch interview with head teacher, Kedadwen MA Basic School, Kedadwen, April 2, 2014.

<sup>94</sup> Human Rights Watch interview with head teacher, Dompim Methodist Basic School, Dompim, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>95</sup> Human Rights Watch interview with Hon. Kwame Antwi Boasiako, Takorasi, June 27, 2014.

<sup>96</sup> Human Rights Watch interview with two primary school teachers, Mosikrom, Amansie West district, June 25, 2014. Mines are closed to ensure a day of trading and because of magic beliefs that the mines must be left in peace once a week. The day is also called “taboo day” and is a different day of the week in different regions.

<sup>97</sup> Human Rights Watch interview with head teacher, Owusu Sampa Junior High School, Obuasi. April 4, 2014.

<sup>98</sup> Ibid.



printing fees.<sup>99</sup> Albert, 14, who lived with his aunt and uncle, said he worked to pay for school fees, books, and for his food.<sup>100</sup> This was the case even for children in public primary and junior high school, where no official fees are officially required, but there are informal costs. Secondary school and private schools charge tuition fees, for which children also sometimes work. Human Rights Watch interviewed one girl who was seeking to earn 800 cedis (\$250) for secondary school admission, and learned of one younger boy raising his fees for a private Christian school.<sup>101</sup>

## Attitude of Mine Managers, Sponsors, and Traders to Child Labor

Many mine owners, mine managers, machine owners, and traders said that work by younger children during the school day is unacceptable. At the same time, they had no objection to mine work by adolescents and by children outside school hours. For example, a trader and machine owner in Obuasi told Human Rights Watch:

We don't allow children to work during school.... In my own sites, we say it is okay for children to work there on the weekend and during vacation, but not on a school day. We create jobs they can do. Some people have a vision and want to go to school and parents don't support them, so then we agree for them to work.<sup>102</sup>

Similarly, another machine owner and trader said that he allows children to work during vacation.<sup>103</sup> A businessman with several mining sites explained that he does not allow children of school age to work at his sites, but also acknowledged that “the lines are blurred” for teenagers aged 16 and 17.<sup>104</sup>

Some businessmen have taken action to ensure children do not work in mining. Representatives of the National Association of Miners stated that they had taken action against child labor in licensed sites, and felt that “80 to 90 percent of the work on child labor

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<sup>99</sup> Human Rights Watch interview with Felix, 16, Obuasi, April 4, 2014.

<sup>100</sup> Human Rights Watch interview with Albert, 14, Takorasi, Amansie West district, June 27, 2014.

<sup>101</sup> Human Rights Watch interview with Susanna, 17, Dompim, Tarkwa-Nsuaem Municipal district, April 1, 2014; Human Rights Watch interview with director and teacher at private school, Takorasi, Amansie West district, June 27, 2014.

<sup>102</sup> Human Rights Watch interview with trader, Obuasi, April 6, 2014.

<sup>103</sup> Human Rights Watch interview with trader, Tarkwa, April 3, 2014.

<sup>104</sup> Human Rights Watch interview with mining operator, Accra, June 25, 2014. The man was also a trader.

has been done” in licensed sites.<sup>105</sup> Human Rights Watch did not visit licensed small-scale mines, where child labor is rare, according to NGOs working on artisanal mining issues.

Human Rights Watch also spoke to several children who related incidents in which children were sent away from mining sites. Paul, 12, said that he was initially allowed to work but the mine manager refused to have him back after he got injured while working.<sup>106</sup> Felix, 16, described how he and his friends were barred by adult miners from entering a mining site after the government crackdown on mining.<sup>107</sup> And a trader and owner of several mining sites reported that some processing sites had been closed by the head of a stone millers’ association because they employed children.<sup>108</sup>

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<sup>105</sup> Human Rights Watch interview with representatives of National Association of Miners, Tarkwa, April 2, 2014. Human Rights Watch was unable to verify this claim.

<sup>106</sup> Human Rights Watch interview with Paul, 12, Mosikrom, Amansie West district, June 25, 2014.

<sup>107</sup> Human Rights Watch interview with Felix, 16, Obuasi, April 4, 2014.

<sup>108</sup> Human Rights Watch interview with trader, Obuasi, April 6, 2014.

### **III. Child Labor and the Gold Supply Chain: The Responsibility of Companies**

#### **Responsibility of Companies in the Gold Supply Chain**

While governments are obligated under international law to promote and ensure respect for human rights, companies also have important human rights responsibilities. These responsibilities have been spelled out in the United Nations Guiding Principles on Business and Human Rights (the UN Guiding Principles), an international standard adopted by the UN Human Rights Council in 2011.

Under the UN Guiding Principles, companies should put in place human rights due diligence—that is, a process to identify, prevent, mitigate, and account for companies’ impacts on human rights.<sup>109</sup> Companies should also monitor their impact on an ongoing basis and have processes in place to remediate adverse human rights impacts they cause or to which they contribute.<sup>110</sup> The guidelines recognize that small and medium-sized enterprises may have less capacity than larger companies, and that their respective policies and processes will take on different forms. Still, the responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership, and structure.

In addition to the UN Guiding Principles, several standards have been developed for the precious metals industry. These efforts have focused on the trade in “conflict minerals” that has often fuelled atrocities in armed conflict situations. Less effort has been made to spell out the due diligence measures that companies should take when sourcing precious metals from non-conflict areas.

The Organization for Economic Co-operation and Development (OECD) has adopted a “Due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas” for the gold supply chain and other minerals, which explicitly seeks to

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<sup>109</sup> UN Human Rights Council, “Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework,” 2011, [http://www.ohchr.org/documents/publications/GuidingprinciplesBusinessshr\\_en.pdf](http://www.ohchr.org/documents/publications/GuidingprinciplesBusinessshr_en.pdf) (accessed October 31, 2014).

<sup>110</sup> UN Human Rights Council, “Guiding Principles,” arts. 15-24.

avoid contributing to the worst forms of child labor.<sup>111</sup> The OECD's due diligence guidance lays out five steps for risk-based due diligence: 1) strong management systems; 2) identification and assessment of risks in the supply chain; 3) a strategy to respond to identified risks; 4) third-party audit of supply chain due diligence; and 5) public reporting on supply chain due diligence.<sup>112</sup> But while the OECD guidance is focused on due diligence for gold from conflict areas, it provides important guidance on how to establish human rights due diligence more broadly.

Several industry associations have also created gold-specific voluntary standards on responsible sourcing.<sup>113</sup> One of them is the "Responsible Gold Guidance" for refiners by the London Bullion Market Association (LBMA).<sup>114</sup> The standard is particularly important for gold refiners, who are only placed on the LBMA's reputed "good delivery list" if they comply with it. The LBMA's standard adopts the five-step approach of the OECD but is not limited to conflict-affected and high-risk countries.

In practice, the UN Guiding Principles and the industry-specific standards are not yet fully implemented. In its research, Human Rights Watch identified a number of risks in the supply chain from Ghana's artisanal gold mines, which mean that companies sourcing from Ghana risk benefiting from child labor.

## From Ghana's Mines to the Global Gold Market

Artisanal and small-scale mines are an important economic sector and contribute significantly to Ghana's gold exports. According to government data, 40.7 tons of gold from artisanal and small-scale mines were exported in 2013, at a trade value of more than US\$1.7 billion.<sup>115</sup> The main export destinations for gold from artisanal and small-scale

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<sup>111</sup> Organisation for Economic Co-operation and Development (OECD), "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Second Edition," 2012, <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf> (accessed October 31, 2014), p. 21.

<sup>112</sup> OECD, "Due Diligence Guidance," pp. 17-19.

<sup>113</sup> World Gold Council, "Conflict Free Gold Standard," 2012, [http://www.gold.org/download/cfgs/Conflict\\_Free\\_Gold\\_Standard\\_English.pdf](http://www.gold.org/download/cfgs/Conflict_Free_Gold_Standard_English.pdf) (accessed April 18, 2015); Responsible Jewellery Council (RJC), "Code of Practices," 2013, <http://www.responsiblejewellery.com/code-of-practices-2013-english/> (accessed April 17, 2015).

<sup>114</sup> London Bullion Market Association, "LBMA Responsible Gold Guidance," 2013, [http://www.lbma.org.uk/assets/market/gdl/RGG20130118\\_v5.pdf](http://www.lbma.org.uk/assets/market/gdl/RGG20130118_v5.pdf) (accessed March 11, 2015).

<sup>115</sup> Minerals Commission, "Small-Scale Exporters," 2014, on file at Human Rights Watch. The trade value was calculated on the basis of the gold price on December 31, 2013. Total gold production in 2013 was 119 tons. "Gold Production [1990-2013]," statistics provided by the Ghana Minerals Commission, on file at Human Rights Watch.

mining are Switzerland and the UAE; other export destinations are South Africa, India, China, Turkey, Lebanon, and the United States.<sup>116</sup> Traders buy gold at or near Ghana's artisanal and small-scale mines, and then sell it to other parties. Most of the gold is eventually exported to international gold trading or refining companies.

The global trade in gold from artisanal and small-scale mining can be compared to a funnel: Gold from many different locations, bought by many traders, gets traded to fewer and fewer companies, until it reaches the refinery. The refiners hold a key position. One analysis even found that most of the world's gold is refined by just six companies.<sup>117</sup> While the number of important refiners is higher, it is widely recognized that the refiners occupy a "choke point" of the gold supply chain.<sup>118</sup> After refining, the gold gets traded to numerous destinations.

The supply chain for gold for artisanal and small-scale mining operations tends to be long: The gold goes through several traders before it reaches a refinery.<sup>119</sup> Once the gold from these different origins has reached the refinery, it gets mixed, refined, and sold on to banks, jewelry businesses, the electronics industry or other businesses.<sup>120</sup>

An example of a supply chain for gold from an artisanal or small-scale mine in Ghana may look like the model below:

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<sup>116</sup> Human Rights Watch interviews with traders, April and June, 2014. UN Comtrade shows South Africa, Switzerland and the United Arab Emirates as the top three export destinations for all gold from Ghana. Search for Ghana's export of gold in unwrought, semi-manufactured and powder form on <http://comtrade.un.org/data/> (accessed October 29, 2014).

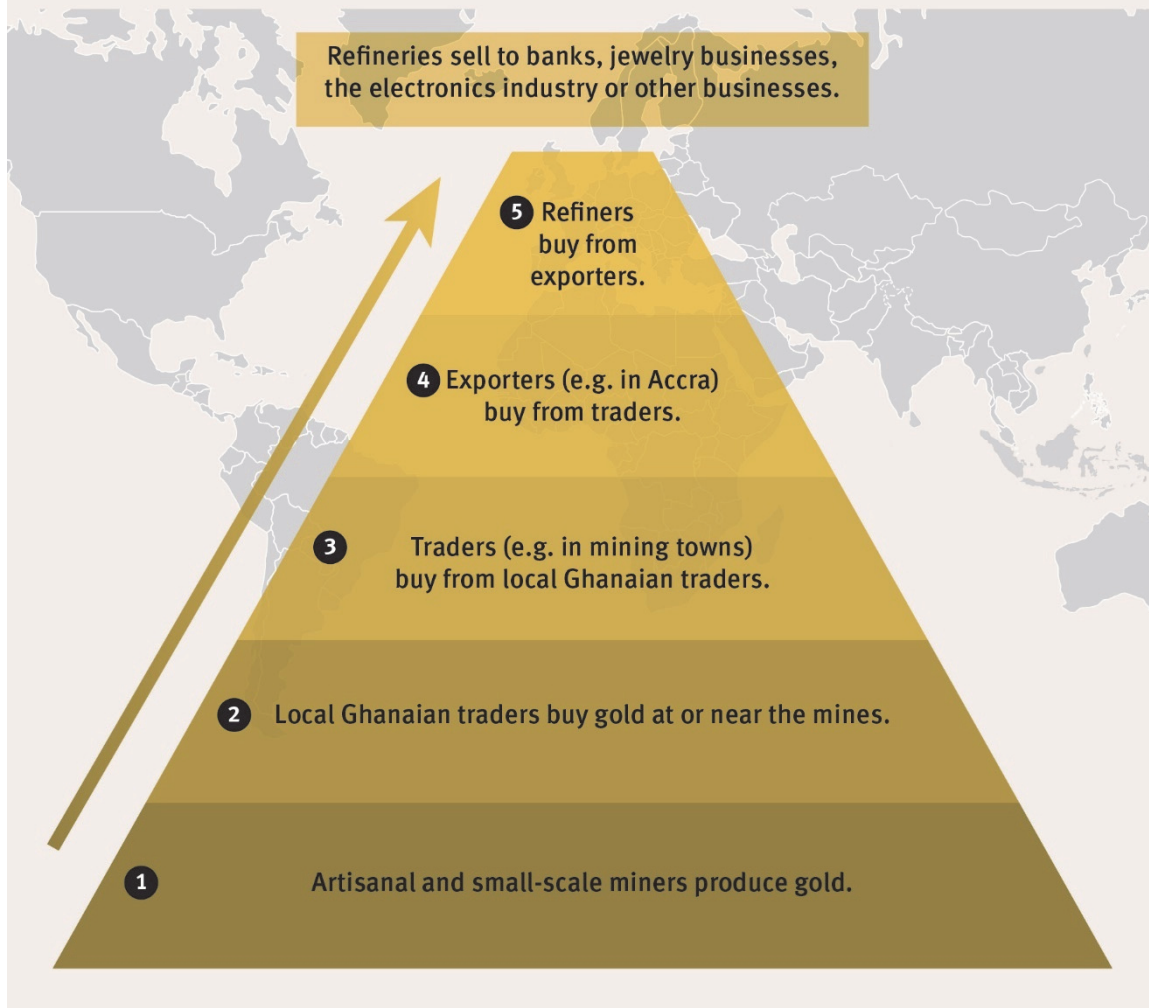
<sup>117</sup> Dan Popescu, "Switzerland's Role in the Gold Market," *GoldBroker.com*, April 28, 2014, <https://www.goldbroker.com/news/switzerland-role-gold-market-483> (accessed November 25, 2014).

<sup>118</sup> OECD, "First meeting of the OECD-hosted working group on gold: summary report", May 4, 2011, <http://www.oecd.org/investment/investmentfordevelopment/48582867.pdf> (accessed May 8, 2015).

<sup>119</sup> OECD, "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Second Edition," 2012, <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf> (accessed October 31, 2014), p. 71. The supply chain for gold from large-scale mines is much shorter. Often, large-scale mines transport the gold directly from the mine to a refiner abroad.

<sup>120</sup> World Gold Council, "Gold Demand Trends - First Quarter 2014," [http://www.gold.org/sites/default/files/GDT\\_Q1\\_2014\\_v3.pdf](http://www.gold.org/sites/default/files/GDT_Q1_2014_v3.pdf) (accessed December 22, 2014).

## EXAMPLE OF A SUPPLY CHAIN FROM GHANA'S ARTISANAL AND SMALL-SCALE MINES



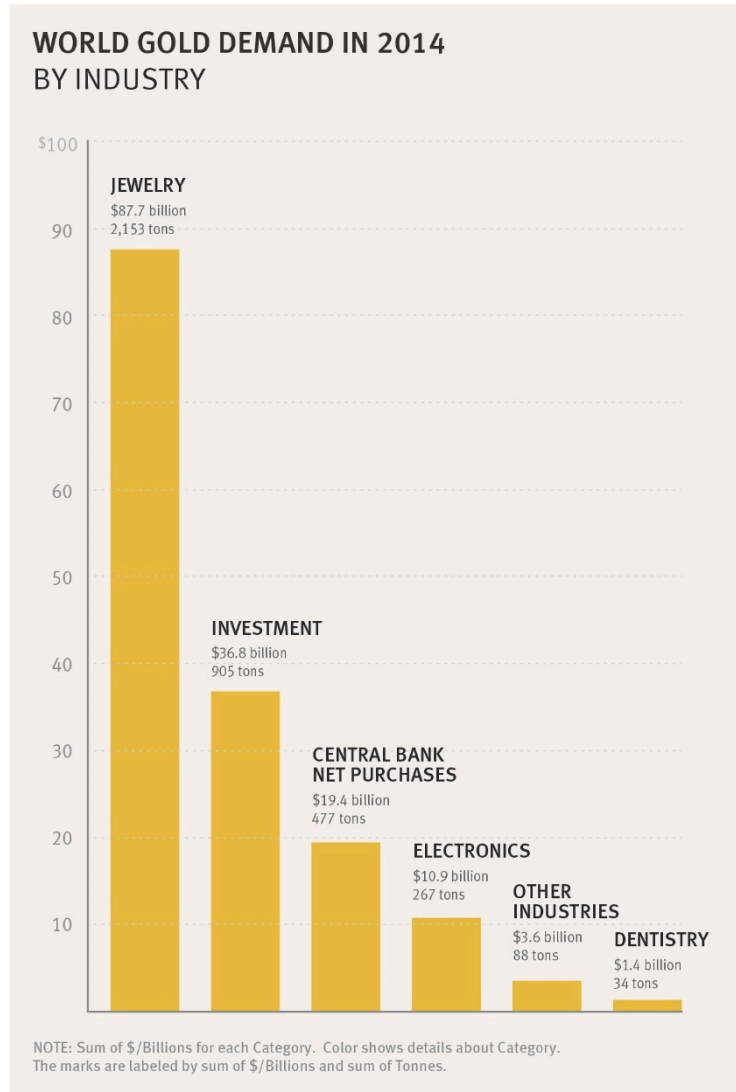
Traders at the bottom of the supply chain are often highly dependent on their clients—those whom they sell the gold to—because they rely on pre-financing.<sup>121</sup> For example, the traders who buy gold directly at the mining site usually work for larger traders in the nearest town and have been advanced cash by them. Gold traders sometimes also provide machines or other operational costs to mining operators—they “sponsor” them. That way, they oblige the

<sup>121</sup> Niels Fold, Jesper Bosse Jønsson and Paul Yankson, “Buying into Formalization? State institutions and interlocked markets in African small-scale gold mining,” *Futures*, vol. 62 (2014), pp. 128-139; Human Rights Watch interviews with traders in Tarkwa, Obuasi, and Accra, April and June 2014.

miners to sell them the mined gold. These relationships are built on trust and are of a long-term nature. Since many mining operators have difficulty in getting bank loans, financial support from traders or machine owners is vital, but also creates dependency.<sup>122</sup>

Traders buy at the mines below the gold world market price in order to make a profit. A study on the gold trade in the Tarkwa area found that traders paid between 3.3 and 5.2 percent under the world market price.<sup>123</sup> A trader in Obuasi told Human Rights Watch that he paid between 2 and 5 percent below the world market price.<sup>124</sup>

Traders in Ghana are required to obtain a trading license from the Precious Metals Marketing Company (PMMC), the government-owned trading company and licensing authority.<sup>125</sup> They can obtain a license as an individual agent or as a trading company. Export licenses have to be obtained separately from the Minerals Commission.<sup>126</sup> Ghana has about 700 licensed agents and



<sup>122</sup> Niels Fold et al., Buying into Formalization; Human Rights Watch interview with trader, Obuasi, April 6, 2014; Human Rights Watch interview with mining operator, Accra, June 25, 2014.

<sup>123</sup> Niels Ford et al., Buying into Formalization.

<sup>124</sup> Human Rights Watch interview with trader, Obuasi, April 6, 2014.

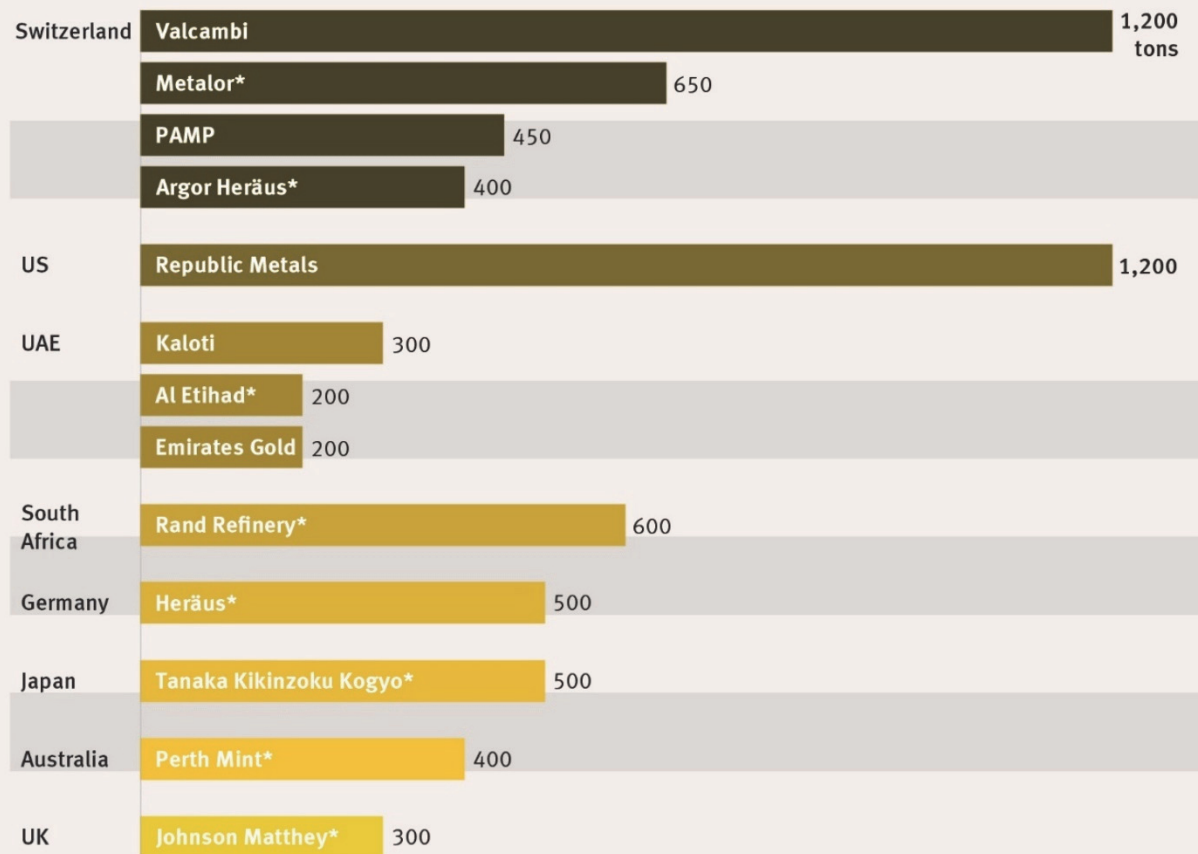
<sup>125</sup> PMMC, "About Us," undated, <http://pmmcghana.com/aboutus> (accessed December 15, 2014).

<sup>126</sup> Minerals and Mining Act, art. 6.

trading companies.<sup>127</sup> Seventeen companies are listed by the government as small-scale exporters.<sup>128</sup> The PMMC trades and exports gold too. It also exports gold for smaller traders against a fee of 0.5 percent of the world gold price.<sup>129</sup>

## ANNUAL GOLD REFINING CAPACITY OF INTERNATIONAL REFINERS BY COUNTRY, REFINERY

Refiners are included whether they source from Ghana or not.



SOURCES: Annual refining capacity according to publicly available data by the companies themselves (without asterix), and <http://www.goldbarsworldwide.com> (with asterix). Refiners are included whether they source from Ghana or not.

<sup>127</sup> Human Rights Watch interview with George Abradu Otoo, managing director, PMMC, June 26, 2014.

<sup>128</sup> Minerals Commission, “Small-Scale Exporters,” 2014, on file at Human Rights Watch.

<sup>129</sup> Human Rights Watch interview with George Abradu Otoo, managing director, PMMC, June 26, 2014.



## Due Diligence by Traders in Ghana

Human Rights Watch found that traders were sourcing from unlicensed mines, where child labor is common. Traders at or near the mine generally appeared to have little information on the concept of human rights due diligence; those interviewed said that they did not attempt to find out about labor conditions, the legality of the mine, or other aspects of the mining process.

Ghanaian export companies were aware of the need to conduct due diligence and described varying strategies to avoid benefiting from child labor, including sourcing predominantly from licensed mines. While these strategies helped reduce the risk of benefiting from child labor, they may not have been sufficient to guarantee a child-labor free supply chain.

### *Gold Traders at the Start of the Supply Chain*

Human Rights Watch interviewed 16 traders at mining sites and in mining towns. All traders interviewed said that they did not attempt to find out about labor conditions, the legality of the mine, or other aspects of the mining process. As one trader put it, “All I need to know is the gold is coming and that it is real gold.”<sup>130</sup>

Several traders said that they were buying from unlicensed, illegal sites. Two traders stated explicitly that they were buying from licensed and unlicensed sites.<sup>131</sup> One other trader said that “you don’t ask the question” whether the gold is from a legal or illegal mine.<sup>132</sup> Managers of one unlicensed site confirmed that traders were coming regularly to the site buy gold.<sup>133</sup>

Asked about due diligence for child labor, a local trader who visits mining sites said that the use of child labor would make “no difference” in his decision to buy the gold.<sup>134</sup> A

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<sup>130</sup> Human Rights Watch interview with trader, Dunkwa-on-Offin, April 3, 2014.

<sup>131</sup> Human Rights Watch interview with trader, Tarkwa, April 2, 2014; Human Rights Watch interview with trader, Dunkwa-on-Offin, April 3, 2014.

<sup>132</sup> Human Rights Watch interview with trader, Tarkwa, April 1, 2014; Human Rights Watch (separate) interviews with three traders in Adubia, Amansie West district, June 26, 2014.

<sup>133</sup> Human Rights Watch interview with members of mine committee, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>134</sup> Human Rights Watch interview with trader, Kedadwen, April 2, 2014.

trader who has a trading company in Tarkwa said, “The only thing you ask from a person is that the gold is truly gold.... You don’t ask about labor conditions.”<sup>135</sup>

A trader in Dunkwa-on-Offin expressed doubt that due diligence for child labor is possible because “if I ask people where they got their gold, they will not sell to me.”<sup>136</sup> He felt that this was particularly true after the government crackdown on illegal mining.

Several child laborers described even how they sold gold directly to traders.<sup>137</sup> Kwame, 12, explained: “I sell the gold to a buyer, his name is [name withheld], and he lives in Homase. [I sell to him] at his house. He does not ask about my age.”<sup>138</sup>

Another boy from Homase also said that he sold to the same trader, though the trader denied this in front of Human Rights Watch.<sup>139</sup> A notable exception was one trader who told Human Rights Watch that he had refused to buy gold from children because “it is not their time to work.” However, he also acknowledged that when adults sell gold, he does not ask where it is from.<sup>140</sup>

### *Ghanaian Gold Exporters*

Human Rights Watch interviewed managers of the four largest Ghanaian companies that export gold originating from artisanal and small-scale mines: AA Minerals, Asanska, Asap Vasa, and Guldrest.<sup>141</sup> Human Rights Watch also contacted the companies in writing, and received responses from AA Minerals and Asanska.

Overall, representatives of these companies expressed in the meetings and in their letters that they were fully aware of the need to conduct due diligence, unlike the smaller traders in the mining areas. They stated in meetings and in letters to Human Rights Watch that

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<sup>135</sup> Human Rights Watch interview with trader, Tarkwa, April 1, 2014.

<sup>136</sup> Human Rights Watch interview with trader, Dunkwa-on-Offin, April 3, 2014.

<sup>137</sup> Human Rights Watch interviews with child laborers, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013; Human Rights Watch interview with adult miner, Kyekyewere, Upper Denkyira East Municipal district, June 1, 2013.

<sup>138</sup> Human Rights Watch interview with Kwame, 12, Homase, Amansie Central district, April 5.

<sup>139</sup> Human Rights Watch interview with Thomas, 15, Homase, Amansie Central district, April 5, 2014; Human Rights Watch interview with trader, Homase, Amansie Central, April 5, 2014.

<sup>140</sup> Human Rights Watch interview with trader, Takorasi, Amansie West district, June 27, 2014.

<sup>141</sup> The production of the companies was about 32 tons in 2013. Minerals Commission, “Small-Scale Exporters,” 2009-2013, on file at Human Rights Watch.

they had varying strategies in place to ensure that they did not benefit from child labor. In Human Rights Watch’s assessment, these strategies may have helped to reduce the risk of benefiting from child labor to varying degrees, but may not have been sufficient to guarantee a child-labor-free supply chain.

All four companies stated that they were buying gold from licensed mines, which are not allowed to rely on child labor. In order to check that the licensed mines respected the legal prohibition on child labor, the companies said that they visited mines to check on child labor and other issues of concern. The companies also explained that they had staff present in mining towns, thus making it easier to visit and control mining sites.<sup>142</sup> One of the exporters, Asap Vasa, specified that they conducted unannounced site visits, and that they had never found a case of child labor.<sup>143</sup> Visits by the exporters involved various issues beyond inspecting child labor and did not always occur regularly.<sup>144</sup>

Another strategy cited by companies as a way of keeping control over the supply chain was to provide mines with machines, for example, for pumping water out of pits and for grinding ore.<sup>145</sup> According to AA Minerals, this strategy makes it “easier to monitor them and make sure they adhere to human rights especially child labor and labor rights.”<sup>146</sup>

Companies had somewhat different approaches to intermediary traders. The representative of Asap Vasa stated it is the company’s strategy to buy only directly from registered (licensed) mines, and not from licensed traders, “because we are not able to track the source of the gold.”<sup>147</sup> The representative of Asanska explicitly stated “we don’t have intermediaries.”<sup>148</sup> However, he also acknowledged that his company sometimes buys small amounts of gold from people who come to their buying centers and who are not

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<sup>142</sup> Human Rights Watch interview with director of Asap Vasa, Accra, April 8, 2014; Human Rights Watch interview with director of Asanska, Accra, June 25, 2014; Human Rights Watch interview with director of Guldrest, Accra, June 25, 2014; Human Rights Watch interview with director of AA Minerals, Accra, January 15, 2015; Email from Kwabena Asante Asare, chief executive officer, Asanska, to Human Rights Watch, January 8, 2015; Letter from Kwaku Effuah Asuahene, chief executive officer, AA Minerals, to Human Rights Watch, February 3, 2015.

<sup>143</sup> Human Rights Watch interview with director of Asap Vasa, Accra, April 8, 2014.

<sup>144</sup> Human Rights Watch interview with director of Guldrest, Accra, June 25, 2014.

<sup>145</sup> Human Rights Watch interview with director of AA Minerals, Accra, January 15, 2015; Human Rights Watch interview with director of Asanska, Accra, June 25, 2014.

<sup>146</sup> Letter from Kwaku Effuah Asuahene, AA Minerals, February 3, 2015.

<sup>147</sup> Human Rights Watch interview with director of Asap Vasa, Accra, April 8, 2014.

<sup>148</sup> Human Rights Watch interview with director of Asanska, Accra, June 25, 2014.

part of their regular network.<sup>149</sup> Similarly, AA Minerals stated that “our company is able to trace 90 percent back to the mines,” implying that the remaining 10 percent may be purchased from intermediary traders and cannot be traced back.<sup>150</sup> Guldrest stated that their strategy includes buying from licensed traders. Its director said: “You don't buy gold from anybody.... I only buy from miners with a license and buyers with buyer's license.”<sup>151</sup> However, he also acknowledged that licensed traders buy from unlicensed and unregulated sites. “You are in the bush where you can do what you want,” he said.<sup>152</sup> As illustrated above, licensed traders often buy without distinction from licensed and unlicensed sites. Thus, buying from licensed traders introduces a risk of child labor in the supply chain, unless a company makes the effort to control the trader's supply chain. With regards to environmental concerns and specifically the use of mercury, exporters explained that they had informed miners about environmental concerns and recommended specific mercury-free gold processing methods to them.<sup>153</sup> One company said that it was providing a machine for mercury-free processing (gravitation method) to miners.<sup>154</sup> Still, gold processing with mercury remains the most common method used in Ghana, and is also being used by some of the mines where larger exporters buy their gold.

### *Child Labor Due Diligence by the PMMC and Minerals Commission*

The PMMC exports gold primarily to Switzerland, where one of its important (at least former) clients is the refiner Metalor.<sup>155</sup> It also exports to the UAE and to India. The PMMC exported a little over one ton in 2012 and 2013 each, a small amount compared to total exports in the sector. Since 2009, its exports have decreased by about 50 percent, and larger individual companies have taken over the market.<sup>156</sup>

The PMMC does not appear to have a human rights due diligence procedure for gold. In order to obtain a license as an individual buying agent, a trader has to be over the age of 18 and

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<sup>149</sup> Ibid.

<sup>150</sup> Letter from Kwaku Effuah Asuahene, AA Minerals, February 3, 2015.

<sup>151</sup> Human Rights Watch interview with director of Guldrest, Accra, June 25, 2014.

<sup>152</sup> Human Rights Watch interview with director of Guldrest, Accra, June 25, 2014.

<sup>153</sup> Human Rights Watch interview with director of Guldrest, Accra, June 25, 2014; Human Rights Watch interview with director of Asap Vasa, Accra, April 8, 2014.

<sup>154</sup> Letter from Kwaku Effuah Asuahene, AA Minerals, February 3, 2015.

<sup>155</sup> See section on Metalor below in this regard.

<sup>156</sup> Minerals Commission, “Small-Scale Exporters,” 2009-2013, on file at Human Rights Watch; Human Rights Watch interview with George Abradu Otoo, managing director, PMMC, June 26, 2014. For an analysis of the PMMC, see Niels Fold et al., “Buying into Formalization.”

show proof of identity. In order to get a license as a company, a trader also has to provide a letter from the company.<sup>157</sup> No further checks are undertaken to verify the origin of the gold the trader sells or the working conditions at the sites. There is also no requirement to only buy at legal (licensed) sites. According to the director of the PMMC, “We know that some of our agents buy from unlicensed sites.”<sup>158</sup> As a result, the PMMC effectively legalizes the gold from illegal mining sites. An official of the Minerals Commission confirmed this approach: “When you come to PMMC, nobody questions you where you got the gold from.”<sup>159</sup>

For diamonds, the PMMC requires a due diligence report from buying companies before licensing them.<sup>160</sup> The director of the PMMC pointed out the difference between supply chains in the diamond and gold sector: “[With gold], we have no way of knowing.... You cannot know whether the gold is from child labor.”<sup>161</sup>

Companies obtaining an export license from the Minerals Commission are also not required to have human rights due diligence procedures in place, though they have to document their gold purchases with receipts.<sup>162</sup>

## Due Diligence by Global Gold Refiners

Gold refiners are at a crucial point of the gold supply chain and have a key role to play in developing and implementing due diligence policies and procedures. Human Rights Watch analyzed due diligence policies procedures of the six international refiners sourcing gold from Ghana’s artisanal mines: Metalor (Switzerland), Produits Artistiques Métaux Précieux (PAMP) (Switzerland), Kaloti (UAE), Emirates Gold (UAE), Kundan (India), and Randgold Refinery (South Africa). Human Rights Watch focused on these refiners because its research found that they were sourcing from Ghana. However, there may be other refiners sourcing from Ghana who are not mentioned in this report.

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<sup>157</sup> Human Rights Watch interview with George Abradu Otoo, managing director, PMMC, June 26, 2014.

<sup>158</sup> Ibid.

<sup>159</sup> Human Rights Watch interview with Minerals Commission staff member, April 3, 2014. Human Rights Watch sent a letter with its findings and questions to the PMMC, but did not get a response.

<sup>160</sup> PMMC, “Diamond Production & Marketing,” undated, <http://pmmcghana.com/diamond/10> (accessed March 9, 2015).

<sup>161</sup> Human Rights Watch interview with George Abradu Otoo, managing director, PMMC, June 26, 2014.

<sup>162</sup> Letter from the Minerals Commission to Human Rights Watch, April 27, 2015. The Minerals Commission stated that it is currently considering introducing human rights due diligence requirements for export companies.

In addition to interviewing the companies and traders in Ghana, Human Rights Watch sent letters to the nine international refiners to inform them about its research findings on child labor, and to ask them about the measures they had in place to ensure they were not benefiting from child labor.

Four—PAMP (Switzerland), Metalor (Switzerland), Kaloti Jewellery International (UAE), and Rand Refinery (South Africa)—responded and acknowledged sourcing gold from Ghana. Another two refiners—Kundan Gold and Emirates Gold—did not respond formally, even though Human Rights Watch has information about them sourcing from Ghana. Finally, another three refiners—Valcambi (Switzerland), Argor-Heraeus (Switzerland), and Heräus (Germany)—responded saying that they did not source from Ghana. Their due diligence measures are not analyzed in detail in this report.<sup>163</sup>

Human Rights Watch found that five of the six refiners sourcing from Ghana had policies on human rights due diligence or responsible sourcing in place and available online, and were conducting significant due diligence steps.<sup>164</sup> However, lack of detail in the refiner's responses, and the refiners' unwillingness to make public information on how they have identified and addressed risks found in their supply chains, make it difficult to assess the effectiveness of their actions.<sup>165</sup> Based on the available documentation, Human Rights Watch found that several of these companies had weaknesses in their due diligence procedures, such as a lack of systematic child labor monitoring or a lack of transparency.

### *Due Diligence by Gold Refiners in Switzerland*

Switzerland has historically been the world's center for the gold trade and refining, and remains a very important player today. According to analysts, six companies refine 90 percent of the world's gold, and four of these are located in Switzerland.<sup>166</sup>

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<sup>163</sup> Letter from Michael Mesaric, chief executive officer, and Simone Knobloch, chief operating officer, Valcambi, to Human Rights Watch, January 26, 2015; Letter from Wilfried Hörner, co-chief executive officer, Argor-Heraeus, to Human Rights Watch, January 9, 2015; Letter by Jan Rinnert, chairman, Board of Management, Heraeus, to Human Rights Watch, February 12, 2015.

<sup>164</sup> Kundan does not have a policy on its website and has not responded to Human Rights Watch's letter.

<sup>165</sup> Letters from Human Rights Watch and responses from Kaloti, Metalor, Randgold Refinery, Valcambi, Argor Heräus, and Heräus are available on [www.hrw.org](http://www.hrw.org).

<sup>166</sup> Daniele Mariani, "Switzerland: the world's gold hub," *Swiss info*, October 12, 2012, <http://www.swissinfo.ch/eng/switzerland--the-world-s-gold-hub/33706126> (accessed November 4, 2014); Dan Popescu, "Switzerland's Role in the Gold Market," *GoldBroker.com*, April 28, 2014, <https://www.goldbroker.com/news/switzerland-role-gold-market-483> (accessed November 25, 2014).

The lack of transparency of the gold trade—closely connected to the banking sector—has been a topic of public debate in Switzerland, and NGOs have called for the creation of a Swiss commodity market supervisory authority that requires human rights due diligence.<sup>167</sup> Swiss refiners are already obliged by law to conduct due diligence in relation to terrorism and money-laundering, but there are no specific requirements regarding human rights violations, including child labor.<sup>168</sup>

## **Metalor**

Metalor is one of the world's leading refiners—its refining capacity is estimated at 650 tons per year—which supplies jewelry, watch, and electronics companies, as well as banks.<sup>169</sup> Four Ghanaian exporters—Asap Vasa, Asanska, Guldrest, and AA Minerals—as well as the government-owned PMMC told Human Rights Watch that they exported to Metalor.<sup>170</sup> This would make Metalor one of the most important single business partners for Ghana's trade in artisanal mined gold. It is to be noted that Metalor contests having such a position, as most of the abovementioned exporters are currently not supplying Metalor.<sup>171</sup> However, it is not possible to verify this assertion since Metalor does not reveal from which of those exporters it is not or no longer buying gold.

Metalor's Supply Chain Due Diligence Policy states explicitly that the company will not tolerate or profit from human rights abuse, including the worst forms of child labor.<sup>172</sup> In a

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<sup>167</sup> Berne Declaration, "Commodities Campaign 2014," undated, <https://www.bernedclaration.ch/campaigns/commodities-campaign-2014/> (accessed December 22, 2014); Gesellschaft für bedrohte Völker, "Gold: Die Rolle der Schweiz in einem schmutzigen Geschäft," December 2012, [http://assets.gfbv.ch/downloads/goldbericht\\_1.pdf](http://assets.gfbv.ch/downloads/goldbericht_1.pdf) (accessed November 4, 2014).

<sup>168</sup> Federal Act on Combating Money Laundering and Terrorist Financing in the Financial Sector (Anti-Money Laundering Act, AMLA) of 10 October 1997, The Federal Assembly of the Swiss Confederation, SR 955.0, 1997, <http://www.admin.ch/ch/e/rs/9/955.0.en.pdf> (accessed December 11, 2014). The Swiss company Argor-Heraeus has been investigated by Swiss prosecutors for allegedly laundering significant volumes of illegally extracted gold from the Democratic Republic of Congo, "Swiss refiner Argor accused of laundering DRC gold," *BBC News Online*, November 4, 2013, <http://www.bbc.com/news/world-europe-24811420> (accessed December 11, 2014). However, according to Argor-Heraeus, the Swiss Attorney General has now ceased this proceeding on March 10, 2015, as the allegations of money laundering and intentional assistance with war crimes were without foundation, Argor-Heraeus, "Argor-Heraeus - Official Stance", April 14, 2015, [www.argor.com/index.php/eng/NEWS/2015](http://www.argor.com/index.php/eng/NEWS/2015) (accessed April 22, 2015).

<sup>169</sup> Gold Bars Worldwide, "Metalor Refining Group", undated, [http://www.goldbarsworldwide.com/PDF/RB\\_5\\_MetalorGoldBars.pdf](http://www.goldbarsworldwide.com/PDF/RB_5_MetalorGoldBars.pdf) (accessed May 21, 2015).

<sup>170</sup> Human Rights Watch interview with George Abradu Otoo, managing director, PMMC, June 26, 2014; Human Rights Watch (separate) interviews with two directors of gold trading companies, Accra, June 25, 2014; Human Rights Watch interview with director of gold trading company, Accra, April 8, 2014.

<sup>171</sup> Letter from José Camino, group general counsel, Metalor, to Human Rights Watch, April 20, 2015.

<sup>172</sup> Metalor, "Supply Chain Due Diligence Policy," undated, [http://www.metalor.com/en/node\\_59/about-metalor/Supply-chain-due-diligence](http://www.metalor.com/en/node_59/about-metalor/Supply-chain-due-diligence) (accessed February 18, 2015).

letter to Human Rights Watch, Metalor explained its due diligence procedures further. The company undertakes “regular analysis and verification of the bona fide of each customer,” a “detailed due diligence review, including of the supply chain,” and onsite inspections. The company also said that they conduct investigations in case there are doubts over the supply chain.<sup>173</sup>

While these are important due diligence measures, Metalor’s response to Human Rights Watch reveals potential risks in its supply chain from Ghana. Metalor stated that its business partners are licensed by the government to buy and export gold, and that “those buying from other producers can only buy from duly licensed small-scale mining operation[s].”<sup>174</sup> Metalor emphasized that the government itself vouches for exporters, saying they do not source gold from illegal mines or mines that use child labor.<sup>175</sup>

However, as shown above, licensed traders have bought gold from unlicensed sites, where child labor occurs and is sometimes common. The government is aware of the sale of gold from unlicensed mines to licensed traders and does not prevent it. Furthermore, licensed sites may not be inspected regularly for child labor by government officials.

In its letter, Metalor indirectly acknowledged these risks when saying that it “believes and is continuously striving to ensure that the mines Metalor is sourcing from in Ghana do not use child labor,” implying that there may be child labor. The company also stated that it did not take on new suppliers in Ghana over the last year because of its demanding criteria. With regards to mercury, Metalor says it requires that suppliers provide “mercury-free” gold.<sup>176</sup> In addition, Metalor asserts that it scans the gold with an X-ray system and that it sends back gold to its suppliers if mercury has been detected.<sup>177</sup>

Despite these supply chain risks, Metalor has been audited against several responsible mining standards, and found to be in compliance. For example, Metalor has received a Responsible Gold Certificate from the London Bullion Market Association (LBMA), the

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<sup>173</sup> Letter from Philippe Royer, chief executive officer, and José Camino, group general counsel, Metalor, to Human Rights Watch, February 5, 2015.

<sup>174</sup> Ibid.

<sup>175</sup> Ibid.

<sup>176</sup> Ibid.

<sup>177</sup> Letter by José Camino, group general counsel, Metalor, to Human Rights Watch, April 20, 2015.



London-based global gold trading association, confirming that it is in compliance with the LBMA Responsible Gold Guidance.<sup>178</sup> Metalor has also been certified by the Responsible Jewelry Council (RJC), a body that brings together over 500 companies, for its compliance with the RJC Chain-of-Custody Standard.<sup>179</sup> The certification means that the gold has been “responsibly produced at each step of the supply chain” and is conflict-free.<sup>180</sup> The decision-making processes by LBMA and RJC remain somewhat unclear, as only the LBMA certificate (and not the report) is publicly accessible and the RJC has only published a summary report, respectively.

### **Produits Artistiques Métaux Précieux (PAMP)**

PAMP, another Swiss refiner, has an estimated refining capacity of 450 tons per year.<sup>181</sup> It is a member of the MKS Group, which trades in precious metals. The company informed Human Rights Watch in a letter that it buys gold from one supplier in Ghana.<sup>182</sup>

MKS has a Responsible Precious Metals Group Policy for PAMP and other subsidiaries. The policy states that the MKS group will not tolerate or profit from “illegal and/or unacceptable forms of child labor.”<sup>183</sup> In its letter to Human Rights Watch, the company stated that it assesses various risks, including the risk of child labor and other human rights abuses, for each new supply chain. PAMP’s due diligence process includes verification of the customer and his licenses, identification of the ultimate beneficial owner, determining the origin of precious metals, understanding the mining process and social responsibility measures taken—including measures to prevent child labor—and onsite visits.<sup>184</sup>

In Ghana, the company sources from one licensed exporter, who in turn sources from 12 licensed mines.<sup>185</sup> PAMP has provided detailed information on the mines where its gold is

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<sup>178</sup> Metalor, “ISO, RJC, LPPM and LBMA certifications,” undated, [http://www.metalor.com/en/node\\_59/ISO-RJC-LPPM-and-LBMA-certifications](http://www.metalor.com/en/node_59/ISO-RJC-LPPM-and-LBMA-certifications) (accessed March 11, 2015).

<sup>179</sup> Metalor, “ISO, RJC, LPPM and LBMA certifications,” undated, [http://www.metalor.com/en/node\\_59/ISO-RJC-LPPM-and-LBMA-certifications](http://www.metalor.com/en/node_59/ISO-RJC-LPPM-and-LBMA-certifications) (accessed March 11, 2015).

<sup>180</sup> Responsible Jewellery Council, “Chain-of-Custody Certification,” undated, <http://www.responsiblejewellery.com/chain-of-custody-certification/> (accessed March 11, 2015).

<sup>181</sup> PAMP, “Refinery,” undated, <http://www.pamp.ch/refinery> (accessed March 11, 2015).

<sup>182</sup> Letter from Marwan Shakarchi, chairman, PAMP, to Human Rights Watch, January 9, 2015.

<sup>183</sup> PAMP/MKS, “MKS Holding BV Responsible Precious Metals Group Policy,” undated, [http://193.104.238.24/sites/default/files/MKS\\_Responsible\\_Precious\\_Metals\\_Group\\_Policy.pdf](http://193.104.238.24/sites/default/files/MKS_Responsible_Precious_Metals_Group_Policy.pdf) (accessed March 11, 2015).

<sup>184</sup> Letter from Marwan Shakarchi, chairman, PAMP, to Human Rights Watch, January 9, 2015.

<sup>185</sup> PAMP emphasized in its letter that an insignificant amount of its gold stems from Ghana.

being produced to Human Rights Watch, including location, number of workers, and gold processing methods.<sup>186</sup> In March 2015, PAMP visited the mines that its supplier sources from, and said it observed no child labor on any site.<sup>187</sup> In PAMP's own assessment, there is no evidence of the use of child labor at these mine sites. This detailed information makes the company's procedure more robust.

In order to seek additional assurances over its supply chain, PAMP has sought an attestation from the government Minerals Commission that its gold was sourced from these 12 sites, and not from illegal sources or operations involving child labor.<sup>188</sup> During its March 2015 visit, PAMP was assured by the Minerals Commission that they perform regular unannounced visits and know each mine site well.<sup>189</sup> While regular unannounced visits are a crucial element of monitoring, Human Rights Watch cannot judge the validity of these government attestations.

PAMP has been certified to be in compliance with the LBMA's Responsible Gold Guidance. The compliance report and auditor's summary report are available on their website.<sup>190</sup> The company should make more information on its robust due diligence procedures public: such transparency is part of good due diligence activity and could serve as illustration of what is possible, as well as allow for independent scrutiny.

### *Due Diligence by Gold Traders and Refiners in the UAE (Dubai)*

Over the past few years, the UAE, and Dubai in particular, has emerged as a global hub for the gold trade. In 2013, about 2,200 tons of gold or nearly 40 percent of the global gold trade flowed through Dubai, according to the government regulator, the Dubai Multi

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<sup>186</sup> Letter from Marwan Shakarchi, chairman, PAMP, to Human Rights Watch, January 9, 2015.

<sup>187</sup> Letter from Marwan Shakarchi, chairman, PAMP, to Human Rights Watch, May 13, 2015.

<sup>188</sup> Letter from Marwan Shakarchi, chairman, PAMP, to Human Rights Watch, January 9, 2015.

<sup>189</sup> Letter from Marwan Shakarchi, chairman, PAMP, to Human Rights Watch, May 13, 2015.

<sup>190</sup> PAMP, "Gold Sourcing and Responsible Supply Chain," undated, <http://www.pamp.ch/aboutus> (accessed March 11, 2015).

Commodities Centre (DMCC).<sup>191</sup> The rise of Dubai as the “City of Gold” has been closely connected to the expansion of the Asian gold market.<sup>192</sup>

Dubai is known as a business-friendly location; it has tax-free zones and regulatory controls on gold imports. Dubai companies have been found to be involved in the illicit gold trade from war-torn Democratic Republic of Congo, and in practices that increase the risk of money-laundering, such as cash transactions.<sup>193</sup> In 2012 the DMCC introduced guidance for a responsible supply chain that is mandatory for Dubai’s main refiners in the free trade zone.<sup>194</sup> The guidance seeks to eliminate the risk of supporting armed conflict through trade; it does not mention child labor but obliges refiners to put in place due diligence procedures that could also be used to assess child labor risks in the supply chain. Other companies in the UAE, such as gold traders based in Dubai’s souk (gold market), are not covered by the DMCC rules. As a result, there is a risk that jewelers in the souk buy gold whose origin is unclear and could be problematic, and then sell it on to the large refiners.<sup>195</sup>

Several Ghanaian traders and the PMMC told Human Rights Watch that they were exporting gold to Dubai. Local traders who were not exporting themselves also mentioned Dubai as one of the main export destinations.<sup>196</sup>

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<sup>191</sup> Summary of Dubai Precious Metal Conference, April 6-7, 2014, [http://www.dpmc.ae/dpmc2014/Summary\\_of\\_DPMC\\_2014.pdf](http://www.dpmc.ae/dpmc2014/Summary_of_DPMC_2014.pdf) (accessed May 20, 2015); “2,250 tonnes or 40 percent of the world’s physical gold trade passed through Dubai last year,” *Arabianmoney*, April 6, 2014, <http://www.arabianmoney.net/gold-silver/2014/04/06/2250-tonnes-or-40-of-the-worlds-physical-gold-trade-passed-through-dubai-last-year/> (accessed November 25, 2014). The estimates for the Swiss and Dubai gold trade volume are probably too high, as they add up to a little over 100 percent.

<sup>192</sup> “Gold industry shifts east as Dubai plans huge refinery, spot contract,” Reuters, May 5, 2014; “Dubai aims to grab 39 percent of world’s gold business by 2020,” video report, CCTV, September 5, 2014.

<sup>193</sup> Partnership Africa Canada, “All that Glitters is Not Gold: Dubai, Congo and the Illicit Trade of Conflict Minerals,” May 2014, <http://www.pacweb.org/images/PUBLICATIONS/All%20That%20Glitters.pdf> (accessed November 6, 2014); Global Witness, “City of Gold: Why Dubai’s first conflict gold audit never saw the light of day,” February 2014, [http://www.globalwitness.org/sites/default/files/library/dubai\\_gold\\_layout\\_lr2.pdf](http://www.globalwitness.org/sites/default/files/library/dubai_gold_layout_lr2.pdf) (accessed November 6, 2014).

<sup>194</sup> Dubai Multi Commodities Centre, “Practical Guidance for Market Participants in the Gold and Precious Metals Industry,” April 2012, and “Responsible Sourcing of Precious Metals Review Protocol,” August 2014 (third version), <http://www.dmcc.ae/gold-responsible-sourcing-precious-metals> (accessed February 16, 2015). The guidelines are mandatory for companies on DMCC’s Good Delivery list.

<sup>195</sup> Partnership Africa Canada, “All that Glitters is Not Gold,” pp. 3-4, 14-15.

<sup>196</sup> Human Rights Watch interview with George Abradu Otoo, managing director, PMMC, June 26, 2014; Human Rights Watch (separate) interviews with two directors of gold trading companies, Accra, June 25, 2014; Human Rights Watch interview with trader, Obuasi, April 6, 2014; Human Rights Watch interview with trader, Dunkwa-on-Offin, April 3, 2014; Human Rights Watch (separate) interviews with two traders, Tarkwa, April 1, 2014; Human Rights Watch interview with director of AA Minerals, Accra, January 15, 2015.

## Kaloti

Kaloti is one of the largest Dubai-based refiners. According to the company website, Kaloti currently refines around 300 tons of gold per year and is building a new refinery in Dubai that is designed to refine 1,400 tons per year, exceeding the refining capacity of its Swiss and South African competitors.<sup>197</sup> Two exporters in Ghana, Guldrest and AA Minerals, specifically stated that they exported gold to Kaloti, and Kaloti confirmed in its letter to Human Rights Watch that it is sourcing from Ghana.

According to Kaloti's policy and procedures, the company has agreements in place with its suppliers to follow policies on responsible sourcing from conflict-affected and high-risk areas, to avoid contributing to conflict. However, the policy is weak on other human rights issues, including child labor. It stipulates that Kaloti "will comply with all relevant UN resolutions combating any and all forms of inhuman treatment, forced child labor & sexual violence."<sup>198</sup> It lacks any mention of measures to address these abuses in the supply chain—indeed, existing UN resolutions contain no firm obligations with regards to a company's supply chain.<sup>199</sup> The policy is also limited to forced labor and does not mention child labor generally, or its worst forms. Despite these weaknesses in Kaloti's policy documents, the company requires suppliers to confirm in writing that the traded gold is "free from child labor," conflict-free, and legally produced to their best of their knowledge.<sup>200</sup>

In a letter to Human Rights Watch, Kaloti stated that the company only buys from licensed suppliers in Ghana.<sup>201</sup> However, as illustrated above, licensed traders sometimes buy gold from unlicensed mines where child labor is common—and therefore, buying from licensed suppliers carries a significant risk of buying gold mined with child labor. Hence, Kaloti's supply chain may still have some risks with regards to child labor.

Kaloti implied that it addresses this risk by "tracing the origin of the gold back to the mine in all cases." The company also conducts site visits. According to Kaloti's letter,

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<sup>197</sup> Kaloti Precious Metals, "Kaloti Precious Metals: About us," undated, <http://www.kalotipm.com/About-Us> (accessed November 6, 2014); see also "Gold industry shifts east as Dubai plans huge refinery, spot contract," Reuters, May 5, 2014.

<sup>198</sup> Kaloti, "Our Policy," undated, <http://www.kalotipm.com/Sustainability> (accessed May 19, 2015). The same language is used in the company's procedures document. Kaloti, "Our Procedures," April 2014, on file at Human Rights Watch.

<sup>199</sup> Kaloti, "Our Policy." However, Kaloti's compliance report indicates that the company considers supply chain due diligence for child labor and other human rights abuses as part of their policy.

<sup>200</sup> Sample declaration form on file at Human Rights Watch.

<sup>201</sup> Letter from Dina Kaloti, director of compliance, Kaloti, to Human Rights Watch, February 4, 2015.

during such visits, the company identifies all actors in the supply chain and “signs of child labor in the workforce,” and checks compliance with environmental and mining regulations.<sup>202</sup> However, Kaloti did not respond to Human Rights Watch’s questions on the origin of the gold and its chain of custody and did not provide details on how it conducts child labor monitoring.

The last visit by Kaloti occurred in June 2014 and included meetings with government officials who assured the company “of their procedures and monitoring activities to eliminate child labor in the Ghanaian mines.” It remains unclear what specific procedures and activities the government was referring to; Human Rights Watch has found the child labor monitoring regime to be flawed.<sup>203</sup> Yet, Kaloti took the government’s statement as assurance that it has “eliminated any risk pertaining to child labor.”<sup>204</sup>

### **Emirates Gold**

Emirates Gold is another leading refiner from Dubai, with a refinery volume of about 200 tons per year.<sup>205</sup> One exporter from Ghana, Guldrest, informed Human Rights Watch his company is selling gold to Emirates Gold.<sup>206</sup> Emirates Gold declined to respond formally on the record to Human Rights Watch’s letter, but Human Rights Watch has had unofficial exchanges with Emirates Gold.

Emirates Gold’s Compliance, Anti-Money Laundering and Supply Chain Management policy is modeled on the OECD’s guidance, but does not limit itself to conflict-affected or high-risk areas. It specifically states that the company will not tolerate or profit from human rights abuse, including the worst forms of child labor.<sup>207</sup>

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<sup>202</sup> Ibid.

<sup>203</sup> See chapter IV.

<sup>204</sup> Letter from Dina Kaloti, Kaloti, February 4, 2015.

<sup>205</sup> Emirates Gold, “Company Profile,” undated, <http://www.emiratesgold.ae/company-profile.html> (accessed November 6, 2014).

<sup>206</sup> Human Rights Watch interview with director of Guldrest, Accra, June 25, 2014.

<sup>207</sup> Emirates Gold, “Compliance, Anti-Money Laundering and Supply Chain Management Policy,” undated, [http://www.emiratesgold.ae/images/pdf/Emirates%20Gold%20Compliance%20AML%20and%20Supply%20Chain%20Management%20Policy\\_v1.2.pdf](http://www.emiratesgold.ae/images/pdf/Emirates%20Gold%20Compliance%20AML%20and%20Supply%20Chain%20Management%20Policy_v1.2.pdf) (accessed March 11, 2015).

Emirates Gold has been audited against the DMCC guidance on responsible sourcing, and found to be compliant. Its compliance report and the auditor's assurance report are available on the company website.<sup>208</sup> The company has also been certified to be compliant with the LBMA Responsible Gold Guidance. The compliance report and auditor's summary report are available on their website.<sup>209</sup> The company's policy and these reports indicate that Emirates Gold follows the due diligence model of the OECD, but they contain little specific information on the due diligence procedures used by Emirates Gold. For example, it is not clear from the available documentation whether the refiner is able to trace back the gold it receives to its mine of origin and what is specifically being done to avoid purchasing gold that has been mined with child labor.

### *Other Gold Refiners*

Exporters also informed Human Rights Watch that they were exporting gold from artisanal mines to Rand Refinery in South Africa,<sup>210</sup> Kundan Group in India,<sup>211</sup> and Turkish refiners.<sup>212</sup>

### **Kundan**

Kundan is an Indian refinery with a refining capacity of 200 kilograms per day.<sup>213</sup> There is no policy on responsible sourcing or compliance policy available on its website, and it is not clear whether the company has such a policy. There are also no summary audit reports or other reports about the company's due diligence measures available online. Kundan did not respond to Human Rights Watch's letter.<sup>214</sup> It is therefore impossible to assess the company's due diligence procedures. Regardless of the quality of Kundan's due diligence measures, the lack of public reporting is of concern.

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<sup>208</sup> Emirates Gold, "Responsible Gold," undated, <http://www.emiratesgold.ae/responsible-gold.html> (accessed March 11, 2015).

<sup>209</sup> Ibid.

<sup>210</sup> Human Rights Watch interview with director of Asap Vasa, Accra, April 8, 2014.

<sup>211</sup> Human Rights Watch interview with director of Asanska, Accra, June 25, 2014.

<sup>212</sup> Human Rights Watch interview with director of Guldrest, Accra, June 25, 2014. Guldrest also mentioned exporting to an Indian company.

<sup>213</sup> Kundan, "Technology," undated, <http://kundanrefinery.com/technology.html> (accessed March 11, 2015). The refinery is significantly smaller than refiners from Switzerland and Dubai. At 240 working days a year, it would produce 48 tons per year.

<sup>214</sup> Human Rights Watch letter to Deepak Gupta, chief executive officer, Kundan Group, December 19, 2014.

## Rand Refinery

Rand Refinery, a South African refiner, describes itself as one of the world's largest gold refineries.<sup>215</sup> According to analysts, the refinery has a capacity of about 600 tons per year.<sup>216</sup>

The company's responsible gold policy mirrors the OECD due diligence guidance, including its focus on conflict-affected and high-risk areas. With regards to these areas, it explicitly mentions that it will not tolerate or assist any use of child labor.<sup>217</sup> Rand Refinery has been certified by the LBMA and has made a summary compliance report public on its website.<sup>218</sup>

The report states that Rand Refinery has a chain of custody process that ensures full traceability, a monitoring system, and a whistleblowing mechanism to report concerns.

Rand Refinery sourced periodically from a Ghanaian export company until August 2014, but does not do so anymore.<sup>219</sup>

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<sup>215</sup> Rand Refinery, "Refining Services," undated, [http://www.randrefinery.com/services\\_refining.htm](http://www.randrefinery.com/services_refining.htm) (accessed March 11, 2015).

<sup>216</sup> Gold Bars Worldwide, "Rand Refinery," 2014, [http://www.goldbarsworldwide.com/PDF/RB\\_7\\_RandRefineryGoldBars.pdf](http://www.goldbarsworldwide.com/PDF/RB_7_RandRefineryGoldBars.pdf) (accessed March 11, 2015).

<sup>217</sup> Rand Refinery, "Responsible Gold Policy," undated, [http://www.randrefinery.com/products\\_responsible\\_policy.htm](http://www.randrefinery.com/products_responsible_policy.htm) (accessed March 11, 2015).

<sup>218</sup> Rand Refinery, "Rand Refinery and Responsible Gold," undated, <http://www.randrefinery.com/news/Responsible%20Gold%20Report.pdf> (accessed March 11, 2015).

<sup>219</sup> Email from Chris Horsley, Rand Refinery, to Human Rights Watch, May 11, 2015; Human Rights Watch interview with director of Asap Vasa, Accra, April 8, 2014; Letter by Mark Lynam, interim chief executive, Rand Refinery, to Human Rights Watch, April 28, 2015.

## IV. Ghanaian Government Response

Child labor in Ghana's artisanal and small-scale gold mining and trade occurs despite strong protections against child labor in Ghanaian and international law. The Ghanaian government has an obligation under both to ensure that children are protected from the worst forms of child labor, including exposure to harmful chemicals, and that they can get an education. It also has to ensure that businesses operating in Ghana or abroad are regulated and do not contribute to child rights violations.

### Failure to Protect Children from Abuse

The Ghanaian government has a strong legal and policy framework on child labor, yet enforcement of the law is weak, and existing systems to protect children from child labor have largely failed to reduce child labor in mining.

Ghana is a party to International Labour Organization (ILO) Convention No. 182, which prohibits the worst forms of child labor for all children under age 18.<sup>220</sup> The convention defines the worst forms of child labor as including “work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.”<sup>221</sup> This type of work is also defined as hazardous work and includes mining activities such as work underground, work with dangerous machinery and tools, transport of heavy loads, and work that exposes children to hazardous substances.<sup>222</sup> Ghana is also a party to the ILO's Minimum Age Convention, which sets the minimum age for all other work at 15 years old, and to the Convention on the Rights of the Child, which protects children against economic exploitation and sexual exploitation and abuse.<sup>223</sup>

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<sup>220</sup> International Labour Organization (ILO) Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Worst Forms of Child Labour Convention), adopted June 17, 1999, 38 I.L.M. 1207 (entered into force November 19, 2000).

<sup>221</sup> Worst Forms of Child Labor Convention, art. 3.

<sup>222</sup> ILO Recommendation 190, Worst Forms of Child Labor Recommendation, 1999, <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R190> (accessed October 28, 2014), para. 3.

<sup>223</sup> ILO Convention No. 138 concerning the Minimum Age for Admission to Employment (Minimum Age Convention), adopted June 26, 1973, 1015 U.N.T.S. 297, entered into force June 19, 1976, art. 2; Convention on the Rights of the Child (CRC), adopted November 20, 1989, G.A. Res. 44/25, annex, 44 U.N. GAOR Supp. (No. 49) at 167, U.N. Doc. A/44/49 (1989), entered into force September 2, 1990, arts. 19, 34. See also, African Charter on the Rights and Welfare of the Child, adopted July 1990, OAU Doc. CAB/LEG/24.9/49 (1990), entered into force November 29, 1999, arts. 16, 27. Ghana has signed but not ratified this treaty.



Under Ghanaian law, children below the age of 15 are not allowed to work, and children under the age of 18 are not allowed to do hazardous work.<sup>224</sup> Child labor in mining is specifically prohibited as hazardous.<sup>225</sup> Those violating the law can be sentenced to a fine or imprisonment.<sup>226</sup> The labor law also prohibits hazardous work for “young persons” between the ages of 18 and 21,<sup>227</sup> and protects children from violence and abuse.<sup>228</sup> In addition, Ghana’s Criminal Code prohibits sexual relations with anyone under the age of 16, defined as defilement, and non-consensual sexual relations with anyone over the age of 16, defined as rape.<sup>229</sup>

At the policy level, the government has adopted a Hazardous Activity Framework (HAF) that defines in detail which activities are hazardous and lists 11 tasks in gold ore mining as hazardous. It effectively prohibits nearly all gold mining activities for children.<sup>230</sup> The government’s action plan to eliminate child labor includes child labor in mining as one of nine areas, and, in 2013, the government hosted an Economic Community of West African States (ECOWAS) regional initiative on the worst forms of child labor.<sup>231</sup>

The Child Labour Unit in the Ministry of Employment and Labour Relations leads Ghana’s efforts to address child labor, and coordinates with other ministries and actors through a National Steering Committee on Child Labor. While the labor law tasks district labor inspectors with monitoring and enforcing child labor laws, the Child Act limits their role to enforcement in the formal sector and mandates district social welfare and community development departments to enforce the law in the informal sector.<sup>232</sup>

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<sup>224</sup> Children’s Act, No. 560 of 1998, art. 89.

<sup>225</sup> Children’s Act, art. 91. Article 91(3) states: “Hazardous work includes (a) going to sea; (b) mining and quarrying; (c) portage of heavy loads; (d) manufacturing industries where chemicals are produced or used; (e) work in places where machines are used; and (f) work in places such as bars, hotels and places of entertainment where a person may be exposed to immoral behaviour.”

<sup>226</sup> Labour Act, No. 651 of 2003, arts. 95-96.

<sup>227</sup> Labour Act, art. 58.

<sup>228</sup> Children’s Act, arts. 5-6, 17-19.

<sup>229</sup> Criminal Code (Amendment) Act, No. 646 of 2003, arts. 97-98, 101.

<sup>230</sup> Ministry of Employment and Social Welfare, “Hazardous Child Labor Activity Framework.” The 11 activities are underground work, underwater mining, exploring or prospecting for gold, clearing vegetation, excavating earth, blasting rocks with explosives, removing gold bearing gravels, carrying heavy loads above 30 kilograms, crushing rocks, milling rocks, and operating mining machines.

<sup>231</sup> Letter from the Ministry of Employment and Labour Relations to Human Rights Watch, May 14, 2015; Ministry of Employment and Social Welfare, “National Plan of Action (NPA) for the Elimination of the Worst Forms of Child Labour in Ghana (2009-2015),” Accra, November 2009; “Declaration of the Economic Community of West African States (ECOWAS) and ILO Symposium on the West Africa Regional Action Plan to Eliminate Child Labour, Especially the Worst Forms,” Accra, May 27-29, 2013.

<sup>232</sup> Children’s Act, arts. 95, 96; Labour Act, arts. 122, 124.

The government is also in the process of building up the country's child protection system, with the support of the United Nations International Children's Emergency Fund (UNICEF). Under the leadership of the Ministry of Gender, Children and Social Protection, it has established child protection committees at the community and district levels, and their mandate includes child labor issues.<sup>233</sup> A Child and Family Welfare Policy was adopted by the government in early 2015 and addresses child protection and child labor issues.<sup>234</sup> Other activities by the ministry have included information-gathering and awareness-raising on child labor and exploitation, including in the context of mining.<sup>235</sup>

However, child labor monitoring and child protection systems are weak and have largely failed to reduce child labor in mining. District labor officers and social welfare officers do not systematically inspect for child labor, in part because the number of labor and social welfare officers is far too small for the task at hand.<sup>236</sup> They also have very limited funds for transportation and therefore sometimes rely on other government offices or NGOs to get transportation; this severely limits their ability to function.<sup>237</sup>

According to the Ministry of Employment and Labour Relations, no specific child labor inspection has been conducted in artisanal and small-scale mines.<sup>238</sup> One labor officer told Human Rights Watch that he does spot checks on illegal mining sites, but his office lacks the funds to reach more distant communities.<sup>239</sup> Another labor officer explained that his office lacks a car and does not inspect for child labor. Instead, it works with the

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<sup>233</sup> United Nations International Children's Emergency Fund (UNICEF), "Report of the Mapping and Analysis of Ghana's Child Protection System," 2012, [http://www.unicef.org/wcaro/english/Ghana\\_Mapping\\_Analysis\\_Child\\_Protection.pdf](http://www.unicef.org/wcaro/english/Ghana_Mapping_Analysis_Child_Protection.pdf) (accessed May 20, 2015); Human Rights Watch interview with UNICEF staff members, Accra, April 7, 2014; Human Rights Watch interview with director and assistant director of child protection and welfare, Department of Social Welfare, Accra, March 31, 2014.

<sup>234</sup> Letter from the Department of Children, Ministry of Gender, Children and Social Protection, to Human Rights Watch, April 30, 2015.

<sup>235</sup> Ibid.

<sup>236</sup> The number of social welfare officers is a little over 1,000. Human Rights Watch interview with director and assistant director of child protection and welfare, Department of Social Welfare, Accra, March 31, 2014. The number of labor officers is 94. United States Department of Labor, "2013 Findings on the Worst Forms of Child Labor, Ghana" 2013, <http://www.dol.gov/ilab/reports/child-labor/findings/2013TDA/ghana.pdf> (accessed May 20, 2015).

<sup>237</sup> Human Rights Watch interview with district officials, Obuasi, April 4, 2014; Human Rights Watch interview with assistant director of social welfare, Tarkwa, April 1, 2014; Human Rights Watch interview with head of community development, district assembly office, Manso Nkwanta, June 26, 2014.

<sup>238</sup> Letter from the Ministry of Employment and Labour Relations to Human Rights Watch, May 14, 2015.

<sup>239</sup> Human Rights Watch interview with municipal labor officer, Obuasi municipality, Obuasi, June 27, 2014.

association of small-scale miners to inspect child labor in artisanal and small-scale gold mining—effectively relying on employers to identify child labor.<sup>240</sup>

Furthermore, the mandate of labor and social welfare officers is broad; child labor is one of many issues they work on. Because labor and child laws assign responsibility for labor inspections in the informal sector to different government agencies, there is also confusion as to who is tasked with inspecting child labor in the informal sector, where most child labor in mining occurs. An official of the Department for Social Welfare told Human Rights Watch that social welfare officers do not have child labor in their brief, even though the Child Act makes clear that they do.<sup>241</sup> Officials also considered inspections in illegal mines “very dangerous,” fearing violent reactions from the miners, since the government crackdown on illegal mining started in 2013.<sup>242</sup>

To improve data collection, the Ministry of Employment and Labour Relations, with ILO support, started the Ghana Child Labor Monitoring System in the cocoa sector and then expanded it to other sectors. While the system seems to have helped get better information on the cocoa sector, it seems to work far less well for mining, and is non-existent in some areas.<sup>243</sup> The Child Labor Unit is currently working on a child labor survey, which is scheduled to be made public in 2015. In its letter to Human Rights Watch, the ministry announced that it is also planning to improve the community surveillance system for the referral of children in the worst forms of child labor.<sup>244</sup>

The child protection system at district and community levels is also not fully functional. About 70 (of 216) districts have a district child protection committee, and about 1,000

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<sup>240</sup> Human Rights Watch interview with municipal labor officer, Tarkwa-Nsuaem municipality, Tarkwa, April 2, 2014; Human Rights Watch interview with representatives of National Miners' Association, Tarkwa, April 2, 2014. A representative of the miners' association claimed that they had succeeded in reducing child labor, though Human Rights Watch was unable to verify this.

<sup>241</sup> Human Rights Watch interview with director and assistant director of child protection and welfare, Department of Social Welfare, Accra, March 31, 2014.

<sup>242</sup> Human Rights Watch interview with Elizabeth Akanbonbire, director of the Child Labor Unit, and Charles Ofoe Kugblenu, assistant labour officer, Labour Department, Accra, April 7, 2014; Human Rights Watch interview with district officials, Obuasi, April 4, 2014.

<sup>243</sup> Human Rights Watch interview with Elizabeth Akanbonbire, director of the Child Labor Unit and Charles Ofoe Kugblenu, assistant labour officer, Labour Department, Accra, April 7, 2014; Human Rights Watch interview with staff of the Ministry of Employment and Labour Relations, Accra, June 24, 2014; Human Rights Watch interview with municipal labor officer, Tarkwa-Nsuaem municipality, April 2, 2014; Human Rights Watch interview with municipal labor officer, Obuasi municipality, Obuasi, June 27, 2014.

<sup>244</sup> Letter from the Ministry of Employment and Labour Relations to Human Rights Watch, May 14, 2015.

communities have them.<sup>245</sup> While some community-based child protection committees monitor child labor in mining and pass on this information to the district, others do not.<sup>246</sup>

As a result, child labor inspections in mining are spotty at best, and employers use child labor with virtually no negative consequences.<sup>247</sup> Ghanaian authorities did not provide Human Rights Watch with any examples of sanctions against employers for the use of child labor in mining. According to staff of the Ministry of Employment and Labour Relations, “supply [of child labor information] from the districts to the CLU [Child Labor Unit] is not regular”<sup>248</sup>; it is therefore difficult to get a national picture. Government officers identifying child labor can refer the matter to the police, but Human Rights Watch did not learn of a single case where this had happened.

While systems to address child labor and child abuse are weak, the government has recognized the problem of children working in mining in the Hazardous Activity Framework and through the work of its National Steering Committee on Child Labor, which visited a mining region once in 2014 to gather information and held a session devoted to the issue.<sup>249</sup>

## Challenges in Ensuring Access to Education

Although Ghana has initiated important measures to improve access to education, it has fallen short of fulfilling the right to education under international or its national law.

The Convention on the Rights of the Child (CRC) and the International Covenant on Economic, Social and Cultural Rights (ICESCR)—to which Ghana is a party—require primary education to be compulsory and free without discrimination.<sup>250</sup> Secondary education,

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<sup>245</sup> ECOWAS, “ECOWAS Peer review of Child Labour Elimination Activities in Ghana,” April 2014, <http://labourdepartment.gov.gh/welcome/wp-content/uploads/2014/11/Report-Peer-Review-Ghana-Final-.pdf> (accessed December 10, 2014).

<sup>246</sup> Human Rights Watch interview with UNICEF staff members, Accra, April 7, 2014; Human Rights Watch interview with staff of NGO, Tarkwa, April 1, 2014; UNICEF, “Report of the Mapping and Analysis of Ghana’s Child Protection System,” 2012, [http://www.unicef.org/wcaro/english/Ghana\\_Mapping\\_Analysis\\_Child\\_Protection.pdf](http://www.unicef.org/wcaro/english/Ghana_Mapping_Analysis_Child_Protection.pdf) (accessed May 20, 2015).

<sup>247</sup> Human Rights Watch interview with staff of NGO, Accra, June 24, 2014.

<sup>248</sup> Human Rights Watch interview with staff of the Ministry of Employment and Labour Relations, Accra, June 24, 2014.

<sup>249</sup> Human Rights Watch interview with official, Ghana Education Service, Accra, April 8, 2014; Human Rights Watch interview with technical director, Ministry of Lands and Natural Resources, March 31, 2014.

<sup>250</sup> CRC, art. 28(1)a; International Covenant on Economic, Social and Cultural Rights (ICESCR), adopted December 16, 1966, G.A. Res. 2200A (XXI), entered into force January 3, 1976, art. 13(2)a. The Worst Forms of Child Labor Convention, art. 7, also stipulates that States shall take measures to “ensure access to free basic education.”

including vocational training, must be made available and accessible.<sup>251</sup> Under Ghanaian law, basic education is free and compulsory.<sup>252</sup> Basic education in Ghana spans two years of kindergarten, six years of primary school, and three years of junior high school. Ghana has been making significant progress in ensuring equal access to education for boys and girls, and in increasing primary school attendance.<sup>253</sup>

Overall, net enrollment rates in Ghana have risen significantly since 1990, from 45 percent in 1990 to 89 percent in 2010.<sup>254</sup> The government has initiated a number of measures to reach its goal of universal primary education, including government funding for schools through the capitation grant, a government subsidy to ensure free schooling, and school feeding programs.<sup>255</sup> Children who have dropped out of schools for longer periods can get support from a nine-month complementary basic education program, which helps them get back into regular school or, for older ones, find an apprenticeship.<sup>256</sup>

In addition, the government has initiated a social protection (cash transfer) program called the Livelihood Empowerment against Poverty (LEAP), providing poor and vulnerable families with cash and health insurance to alleviate poverty. The program has helped increase secondary school attendance by 7 percent, and reduced the likelihood of repeating a grade by 10 percent.<sup>257</sup>

Still, Ghana may not be able to reach the UN Millennium Development Goal of universal primary education by 2015. According to UNICEF, the actual attendance rate in primary

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<sup>251</sup> CRC, art. 28; ICESCR, art. 13.

<sup>252</sup> Education Act, No. 778 of 2008, art.2; Constitution of the Republic of Ghana, 1992, art. 25 (1) a, [http://www.judicial.gov.gh/constitution/chapter/chap\\_5.htm](http://www.judicial.gov.gh/constitution/chapter/chap_5.htm) (accessed October 28, 2014).

<sup>253</sup> United Nations Development Programme (UNDP), “Ghana: Millennium Development Goal 2 - Achieve universal primary education,” undated, <http://www.gh.undp.org/content/ghana/en/home/mdgoverview/overview/mdg2/> (accessed October 28, 2014).

<sup>254</sup> UNDP, “2010 Ghana Millennium Development Goals Report,” July 2012, [http://www.gh.undp.org/content/dam/ghana/docs/Doc/Inclgro/UNDP\\_GH\\_IG\\_2010MDGreport\\_18102013.pdf](http://www.gh.undp.org/content/dam/ghana/docs/Doc/Inclgro/UNDP_GH_IG_2010MDGreport_18102013.pdf), (accessed November 20, 2014), p. 24. The net enrollment rate given by UNICEF for 2008-2012 is lower, at 84 for boys and 85 for girls. UNICEF, “At a glance: Ghana – Statistics,” [http://www.unicef.org/infobycountry/ghana\\_statistics.html](http://www.unicef.org/infobycountry/ghana_statistics.html) (accessed September 12, 2014).

<sup>255</sup> Ministry of Education, “Education Strategic Plan 2010 to 2020,” February 2012; UNICEF, “Achieving Universal Primary Education in Ghana by 2015: A Reality or Dream,” working paper, 2007, [http://www.unicef.org/french/videoaudio/PDFs/Achieving\\_Universal\\_Primary\\_Education\\_in\\_Ghana\\_by\\_2015.pdf](http://www.unicef.org/french/videoaudio/PDFs/Achieving_Universal_Primary_Education_in_Ghana_by_2015.pdf) (accessed October 28, 2014).

<sup>256</sup> Human Rights Watch interview with Richard Ayitey, Ghana Education Service, Accra, April 8, 2014.

<sup>257</sup> Carolina Population Center, “Livelihood Empowerment Against Poverty Program: Impact Evaluation,” February 2014, [http://www.cpc.unc.edu/projects/transfer/countries/ghana/LEAPImpactEvaluation\\_FINAL2014march17.pdf](http://www.cpc.unc.edu/projects/transfer/countries/ghana/LEAPImpactEvaluation_FINAL2014march17.pdf) (accessed December 11, 2014), p. ii, pp. 25-27.

school is only at 72 percent.<sup>258</sup> Secondary school has far lower rates of attendance, with only 48 percent of boys and 44 percent of girls enrolled.<sup>259</sup> Access to education in mining areas—as well as other parts of Ghana—is plagued by a government failure to provide adequate school funding, the continued existence of unofficial school fees, limited support for vulnerable children, and long distances to schools. According to a head teacher in the Tarkwa area:

The capitation grant does not always come. This academic year, we have only received it once. Other schools have had the same problem. So we asked parents for money for printing [exams].<sup>260</sup>

Another head teacher from a school in the same area reported that his school received the capitation grant for the school year 2012-2013 only in September 2013.<sup>261</sup> Schools require parents to pay a number of fees, including the dues for parent-teacher associations and fees for printing exams. Furthermore, families usually have to pay for books, school uniforms, and food during the school day.<sup>262</sup> Paying these fees can be a significant challenge for poorer families.

In some mining areas visited by Human Rights Watch, there were no primary schools near the mining community where children were living.<sup>263</sup> Geographic distance is an important determinant of geographical access.<sup>264</sup>

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<sup>258</sup> UNICEF, “At a glance: Ghana – Statistics,” [http://www.unicef.org/infobycountry/ghana\\_statistics.html](http://www.unicef.org/infobycountry/ghana_statistics.html) (accessed September 12, 2014).

<sup>259</sup> UNICEF, “Achieving Universal Primary Education in Ghana,” [http://www.unicef.org/french/videoaudio/PDFs/Achieving\\_Universal\\_Primary\\_Education\\_in\\_Ghana\\_by\\_2015.pdf](http://www.unicef.org/french/videoaudio/PDFs/Achieving_Universal_Primary_Education_in_Ghana_by_2015.pdf) (accessed October 28, 2014).

<sup>260</sup> Human Rights Watch interview with head teacher, Dompim Methodist Basic School, Dompim, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>261</sup> Human Rights Watch interview with head teacher, Kedadwen MA Basic School, Kedadwen, April 2, 2014; Charles Othniel Abbey, “Worrying signals on social protection in Ghana,” *Ghana Web*, August 11, 2013, <http://www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=282093> (accessed October 28, 2014).

<sup>262</sup> Human Rights Watch interview with head teacher, Dompim Methodist Basic School, Dompim, Tarkwa-Nsuaem Municipal district, April 2, 2014; Human Rights Watch interview with head teacher, Kedadwen MA Basic School, Kedadwen, April 2, 2014.

<sup>263</sup> This was the case in Homase, Amansie Central district (Ashanti Region) and in Dompim, Tarkwa-Nsuaem Municipal district (Western Region).

<sup>264</sup> CREATE, “Dropping Out of School in Southern Ghana: The Push-out and Pull-out Factors,” Research Monograph No. 55, 2011, [http://www.create-rpc.org/pdf\\_documents/PTA55.pdf](http://www.create-rpc.org/pdf_documents/PTA55.pdf) (accessed October 29, 2014).

Human Rights Watch found no systematic follow-up on cases of absenteeism and drop-out. When children drop out of school, teachers do not always contact the family to ask why this is happening, and to ensure the child comes back.<sup>265</sup> In other cases, teachers have tried to reach out to parents, for example, by holding community meetings, and ease financial pressures by making uniform wearing voluntary. Political leaders and spoke about their efforts to reach out to the parents over this problem, with little impact.<sup>266</sup> One teacher complained that, “the district director of education came to talk to parents” but there was “no change.”<sup>267</sup> Teachers and head teachers expressed frustration about this and lacked guidance on what to do in such cases.

## Government’s Approach to Artisanal and Small-Scale Gold Mining

The government’s approach to illegal artisanal and small-scale gold mining oscillates between laissez faire—and even direct involvement—to aggressive efforts to shut down the operations. In any event, existing labor, environment, and other regulations remain unenforced in the illegal mining sector.

### *Licensed Mines*

The Minerals Commission is tasked with processing and approving licenses for small-scale gold mining and with inspections of mines.<sup>268</sup> Acquiring a license is a lengthy and costly process.<sup>269</sup> In November 2014, Ghana had about 1,300 active licenses for small-scale mining under the mining law, of which at least 90 percent were for gold mining.<sup>270</sup>

The Minerals Commission conducts inspections in licensed sites. Inspections focus on adherence to technical, environmental, health, and safety regulations, including a

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<sup>265</sup> Human Rights Watch interview with official, Ghana Education Service, Accra, April 8, 2014; Human Rights Watch interview with Kwame, 12, Homase, Amansie Central district, April 5, 2014.

<sup>266</sup> Human Rights Watch interview with head teacher, Dompim Methodist Basic School, Dompim, Tarkwa-Nsuaem Municipal district, April 2, 2014; Human Rights Watch interview with head teacher, Kedadwen MA Basic School, Kedadwen, April 2, 2014; Human Rights Watch interview with Hon. Kwame Antwi Boasiako, Takorasi, June 27, 2014.

<sup>267</sup> Human Rights Watch interview with two primary school teachers, Mosikrom, Amansie West district, June 25, 2014.

<sup>268</sup> Minerals and Mining Act, arts. 81-102.

<sup>269</sup> Several actors are involved in reviewing the application: the Minerals Commission, the district assembly, the district chief executive officer, and the Environmental Protection Agency. The applicant has to employ a surveyor, which is costly. Human Rights Watch interview with an officer of the Ghana Minerals Commission, Tarkwa, April 3, 2014.

<sup>270</sup> Human Rights Watch telephone interview with officer of the Ghana Minerals Commission, November 3, 2014 .

minimum work age of 18.<sup>271</sup> In addition, the Environmental Protection Agency (EPA) has to approve mining licenses and ensure that mining operations respect environmental laws and regulations.<sup>272</sup>

Human Rights Watch did not visit licensed sites for this research. According to the government and NGOs, child labor is not a significant problem at licensed sites.<sup>273</sup> Yet, one mining commission official acknowledged that “on Saturdays, children help” at licensed sites, and wrongly stated that it is legal in Ghana to employ adolescents who are in senior high school at the mines.<sup>274</sup> The official said that age assessments are usually only based on a person’s appearance.<sup>275</sup> Child labor inspections by mining inspectors might therefore be superficial and allow adolescents to work.

### *Unlicensed Mines*

Most small-scale miners in Ghana work without a valid license and thus outside the framework of the mining law and regulations.<sup>276</sup> One government official estimated that approximately 90 percent of small-scale mining operations are unlicensed.<sup>277</sup>

One important reason for mining without a license is that large-scale mining companies already hold leases to the vast majority of gold-rich areas.<sup>278</sup> If miners do nevertheless find a plot, they are faced with a lengthy and costly process to acquire a license. Another reason for the widespread existence of unlicensed mining is that local government officials sometimes turn a blind eye to unlawful practices because they and traditional chiefs sometimes support the mines and benefit financially through payments of informal fees or bribes.<sup>279</sup>

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<sup>271</sup> Minerals and Miners (Health, Safety and Technical) Regulations, 2012, L.I.2182. Regulation 507 requires a minimum age of 18 for work in mining. A mining policy adopted in early 2015 reiterates the ban on child labor in mining. Letter from the Minerals Commission to Human Rights Watch, April 27, 2015.

<sup>272</sup> Environmental Assessment Regulations, L.I. 1652, 1999.

<sup>273</sup> Human Rights Watch interview with NGO, Accra, June 26, 2014. Letter from the Minerals Commission to Human Rights Watch, April 27, 2015.

<sup>274</sup> Human Rights Watch interview with an officer of the Ghana Minerals Commission, Tarkwa, April 3, 2014. It would only be legal to employ a senior high school student if he or she is 18 or older.

<sup>275</sup> Human Rights Watch interview with an officer of the Ghana Minerals Commission, Tarkwa, April 3, 2014.

<sup>276</sup> Government of Ghana and ILO, “Analytical Studies on Child Labour in Mining,” p. 1.

<sup>277</sup> Human Rights Watch interview with an officer of the Ghana Minerals Commission, Tarkwa, April 3, 2014.

<sup>278</sup> Human Rights Watch interview with technical director, Ministry of Lands and Natural Resources, March 31, 2014; Human Rights Watch interview with mining operator, Accra, June 25, 2014; Human Rights Watch interview with official of the Ghana Minerals Commission, Accra, April 8, 2014.

<sup>279</sup> “Chiefs sell lands for galamsey operations,” *Today*, October 23, 2014, <http://www.todaygh.com/2014/10/23/chiefs-sell-lands-galamsey-operations/> (accessed December 15, 2014); Human Rights Watch interview with an officer of the Ghana



The number of unlicensed mines—which are illegal—has expanded in recent years, following an influx of Chinese investors and miners who have contributed to the mechanization of the sector. They often imported heavy machinery such as bulldozers, causing severe environmental damage.<sup>280</sup> In April 2013, a mining accident killed 17 people at a Chinese-Ghanaian illegal open pit mine dug by bulldozers.<sup>281</sup> During the ensuing months, Ghanaian President John Dramani Mahama initiated a crackdown on illegal mining with the help of security forces and a task force specially created for this purpose.<sup>282</sup> The crackdown resulted in the expulsion of many Chinese miners and in a reduction of artisanal and small-scale gold mining activities in southwest Ghana, with fewer adults and children working.<sup>283</sup> Unfortunately, the government has sometimes failed to reach out to miners operating illegally in order to regulate and formalize unlicensed mines. As a result, relations between the government and unlicensed miners have deteriorated and turned violent in some instances, with illegal miners obtaining arms and attacking security forces.<sup>284</sup>

In parallel to the law enforcement activities, the Minerals Commission has inspected unlicensed sites, identified child labor, and conducted sensitization on Ghana's mining laws with mining communities.<sup>285</sup> This is an important starting point. The government needs a program to formalize unlicensed sites and to combine this with better enforcement of regulations. Recognizing the importance of formalization of mining

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Minerals Commission, Tarkwa, April 3, 2014; Human Rights Watch interview with staff of NGO, Amansie West district, June 2014; Human Rights Watch interview with Assistant Chairman and other members of Kedadwen Mine Committee, Kedadwen mine, Tarkwa-Nsuaem Municipal district, April 2, 2014.

<sup>280</sup> Afua Hirsch, "Influx of Chinese goldminers sparks tensions in Ghana," *Guardian*, April 23, 2013, <http://www.theguardian.com/global-development/2013/apr/23/influx-chinese-goldminers-tensions-ghana> (accessed October 16, 2014); "Ghana environment pays cost of illegal mining," video report, *Al Jazeera*, June 24, 2014, <http://www.aljazeera.com/video/africa/2014/06/ghana-environment-pays-cost-illegal-mining-20146246421633733.html> (accessed October 16, 2014).

<sup>281</sup> "Ghana: Mine Accident Highlights Risk to Children," Human Rights Watch news release, June 12, 2013, <http://www.hrw.org/news/2013/06/13/ghana-mine-accident-highlights-risk-children>.

<sup>282</sup> "President Mahama charges Inter-Ministerial Task Force To Tackle Illegal Mining In Ghana," *Ghana Broadcasting Corporation*, May 15, 2013, <http://www.gbcghana.com/1.1389360> (accessed December 15, 2014).

<sup>283</sup> Human Rights Watch interview with George Abradu Otoo, managing director, PMMC, June 26, 2014; Human Rights Watch interview with head of community development, district assembly office, Manso Nkwanta, June 26, 2014; Human Rights Watch interview with trader, Homase, Amansie Central district, April 5, 2014; Human Rights Watch phone interview with director of NGO, Obuasi, December 17, 2014.

<sup>284</sup> "Chinese Illegal Miner Shoots Three Intruders," *Ghana Nation*, February 11, 2013, <http://news1.ghananation.com/news/296195-chinese-illegal-miner-shoots-three-intruders.html> (accessed December 12, 2014).

<sup>285</sup> Letter from the Minerals Commission to Human Rights Watch, April 27, 2015.

<sup>285</sup> Letter from the Minerals Commission to Human Rights Watch, April 27, 2015.

operations, the government has sought to increase opportunities for licensed mining. The Ministry of Lands and Natural Resources has appealed to large-scale mining companies in Ghana to cede land for use by artisanal and small-scale miners, in order to free up land that could be acquired legally.<sup>286</sup>

## Addressing the Threat of Mercury

The government has largely failed to protect communities from mercury and reduce mercury use through trade controls, alternative technologies, or health measures.

Under international law, Ghana is obligated to protect the right to the highest attainable standard of health, to ensure safe and healthy work conditions, and to protect workers—in particular children—from harmful substances.<sup>287</sup> Ghana’s labor law also guarantees the worker’s right to a safe and healthy environment of work.<sup>288</sup> In a positive move, the Ghanaian government signed the new Minamata Convention on Mercury in September 2014.<sup>289</sup> These international and national protections are undermined by the mining law, which is lax with regards to mercury use, allowing small-scale miners to “purchase from an authorized mercury dealer the quantities of mercury that may be reasonably necessary for the mining operations.”<sup>290</sup>

### *Mercury Trade*

Mercury reaches Ghana through several routes. An investigation by the EPA found that Chinese miners—many of whom operate illegally—have brought significant quantities of mercury into the country. According to the EPA, some mercury comes to Ghana from neighboring countries. Prior to the influx of many Chinese miners, mercury was officially

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<sup>286</sup> Human Rights Watch interview with technical director, Ministry of Lands and Natural Resources, March 31, 2014. The government actually holds a 10 percent minority share in the mining companies. The Ghana Chamber of Mines, “Frequently Asked Questions on the Mining Industry,” undated, [http://ghanachamberofmines.org/media/publications/Frequently\\_Asked\\_Questions\\_-\\_August\\_2014.pdf](http://ghanachamberofmines.org/media/publications/Frequently_Asked_Questions_-_August_2014.pdf) (accessed September 11, 2014).

<sup>287</sup> ICESCR, arts. 7, 12; African [Banjul] Charter on Human and Peoples' Rights, adopted June 27, 1981, OAU Doc. CAB/LEG/67/3 rev. 5, 21 I.L.M. 58 (1982), entered into force October 21, 1986, art. 16; CRC, art. 24. See also, African Charter on the Rights and the Welfare of the Child, art. 14. With regard to children: CRC, arts. 32(1), 24; Worst Forms of Child Labor Convention, art. 3(d). See also, African Charter on the Rights and the Welfare of the Child, art. 15(1).

<sup>288</sup> Labour Act, arts. 118-121.

<sup>289</sup> “5 Countries Ratify and 16 Sign the Minamata Convention at 2014 Treaty Event,” UN Environmental Programme (UNEP) press release, September 24, 2014, <http://www.mercuryconvention.org/News/2014Treatyevent/tabid/4126/Default.aspx> (accessed October 29, 2014).

<sup>290</sup> Minerals and Mining Act, art.96.

imported from Kyrgyzstan, which operates the world's largest mercury mine, and cleared for import by the EPA. In 2013, Ghana officially imported 2.5 tons of mercury, but the real amount is believed to be higher.<sup>291</sup>

Mercury is readily available in many gold trading shops and offices.<sup>292</sup> Human Rights Watch visited one shop in Tarkwa that sold mercury in cylinders of 34.5 kilograms and in smaller quantities in bottles or plastic cling film, by a unit called *poho*. Many child miners told Human Rights Watch they obtained mercury directly from the traders who buy gold from them.<sup>293</sup>

### *Failure to Introduce Alternative Technologies*

The Ghanaian government has done little to introduce low-mercury and mercury-free gold processing methods. More than a decade ago, several donor-funded initiatives introduced “retorts”—devices designed to capture the toxic mercury vapor during the burning of the amalgam.<sup>294</sup> The Minerals Commission helped disseminate retorts to miners at the time. One official who used to sell retorts to miners concluded: “So now, we have nothing.”<sup>295</sup>

More recently, Ghanaian scientists have managed to develop new technologies, such as a more robust retort and a direct smelting kit for mercury-free processing, and the government continues to promote retorts and mercury-free methods.<sup>296</sup> However, these methods are rarely used in Ghana at present, in large part because the government has not prioritized a dedicated outreach and training program to promote them. Ghana could start such a program as part of the national action plan mandated by the Minamata Convention on Mercury, which specifically obligates governments to take action to eliminate the open burning of amalgam and promote mercury-free methods.<sup>297</sup>

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<sup>291</sup> Human Rights Watch interview with official of the Environmental Protection Agency (EPA), Accra, April 8, 2014.

<sup>292</sup> UNEP, “Second Global Forum on Artisanal and Small-Scale Gold Mining,” p. 17.

<sup>293</sup> See above, Section III.

<sup>294</sup> The donor-funded programs are described in Section V.

<sup>295</sup> Human Rights Watch interview with an officer of the Ghana Minerals Commission, Tarkwa, April 3, 2014.

<sup>296</sup> Richard Kwasi Amankwah and Grace Ofori-Sarpong, “A Lantern Retort for Small-scale Gold Extraction,” *International Journal of Environmental Protection and Policy*, vol. 2 (2014): 161-167, accessed December 15, 2014, doi: 10.11648/j.ijep.20140205.13; UNEP, “Reducing Mercury Use in Artisanal and Small-scale Gold Mining: A Practical Guide,” 2011, [http://www.unep.org/hazardoussubstances/Portals/9/Mercury/Documents/ASGM/Techdoc/LAST%20VERSION%20UNEP\\_Technical\\_Document\\_\\_DEC\\_31\\_E%5B1%5D.pdf](http://www.unep.org/hazardoussubstances/Portals/9/Mercury/Documents/ASGM/Techdoc/LAST%20VERSION%20UNEP_Technical_Document__DEC_31_E%5B1%5D.pdf) (accessed December 15, 2014), pp. 56-57; Letter from the Minerals Commission to Human Rights Watch, April 27, 2015.

<sup>297</sup> Minamata Convention on Mercury, adopted January 19, 2013, UNEP(DTIE)/Hg/INC.5/7, Annex C, art. 1 (b), (e).

### *Weak Health System Response*

The Ghanaian health system has little capacity to diagnose and treat the health effects of mercury. There is one laboratory in Ghana that can assess mercury levels in the body,<sup>298</sup> but that laboratory has not been used to test mercury exposure yet, likely due to a lack of training among health care workers at the local level, in mining areas.<sup>299</sup>

Health workers also lack training on mercury-related health effects. It is therefore encouraging that Ghana is planning to train health care workers on mercury-related conditions as part of a pilot program on public health strategies for mining communities under the Minamata Convention.<sup>300</sup>

### **Regulating the Gold Trade**

The UN Committee on the Rights of the Child, which monitors state compliance with the CRC, has stated in a general comment that governments should require businesses to undertake child rights due diligence, including in the context of the informal economy and of activities involving businesses from abroad.<sup>301</sup>

The Ghanaian government does not have mandatory child rights or human rights due diligence requirements for the gold trade, and does not even have such requirements for its own company, the PMMC. The government has even assured two international refiners that the gold they were buying was child-labor free, in the absence of any systematic child labor inspections regime in artisanal and small-scale gold mining.<sup>302</sup>

In its letter to Human Rights Watch, the Minerals Commission stated that it is currently considering introducing human rights due diligence requirements for export companies.<sup>303</sup>

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<sup>298</sup> Human Rights Watch interview with Edith Clark, Occupational and Environmental Health Department, Ghana Health Service, Geneva, October 2, 2014; Jamila Akweley Okertchiri, “Health Effects Of Mercury; On Ghana’s Small Scale Miners,” *Modern Ghana*, August 17, 2013, <http://www.modernghana.com/news/482820/1/health-effects-of-mercury-on-ghanas-small-scale-mi.html> (accessed December 15, 2014).

<sup>299</sup> Human Rights Watch interview with director of Occupational and Environmental Health Department, Ghana Health Service, Geneva, October 2, 2014.

<sup>300</sup> Human Rights Watch interview with director of Occupational and Environmental Health Department, Ghana Health Service, Geneva, October 2, 2014; Minamata Convention on Mercury, Annex C, art.1 (h).

<sup>301</sup> UN Committee on the Rights of the Child, General Comment No. 16, State Obligations regarding the impact of the Business Sector on Children’s Rights, UN doc. CRC/C/GC/16 (2013), paras. 62-65.

<sup>302</sup> See above, Section III.

<sup>303</sup> Letter from the Minerals Commission to Human Rights Watch, April 27, 2015.

## V. Donors, UN Agencies, and NGOs

International donors, including the United States and United Nations agencies, as well as international and Ghanaian nongovernmental organizations (NGOs) have initiated various programs to tackle child labor and its root causes, and address the social and environmental impacts of artisanal and small-scale gold mining in Ghana. But without concerted support by the government, such initiatives are limited in their reach and are unlikely to result in long-term change.

### Child Labor in Mining

International donors have placed significant resources into combating child labor in Ghana's cocoa farming sector, but less so in other sectors, such as mining.<sup>304</sup>

International donors have addressed child labor in artisanal and small-scale gold mining through two programs. One of them was funded with about US\$450,000 by the US Department of Labor and carried out by the International Labour Organization (ILO) with a national NGO, the Network for Community Planning and Development (NECPAD), between 2011 and 2013. The project withdrew about 1,330 children who were working in mining and placed them in school or vocational training. It also trained community-based child protection committees and conducted intense advocacy with relevant district authorities and district assemblies to give priority to the issue of child labor.<sup>305</sup>

In addition, the international NGO, Free the Slaves, and two Ghanaian NGO partners, Participatory Development Associates and Social Support Foundation, have an ongoing program addressing child labor and exploitation in mining, funded partly by the United Nations International Children's Emergency Fund (UNICEF). It focuses on awareness-raising and strengthening community efforts to end child labor in mining as well as sexual

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<sup>304</sup> For example, the US Department of Labor supported a US\$10 million project on child labor in cocoa farming in Ghana and Côte d'Ivoire for four years; it has funded smaller programs on child labor in several sectors in more countries. US Department of Labor, "2013 Findings on the Worst Forms of Child Labor."

<sup>305</sup> International Labour Organization (ILO), "Elimination of the Worst Forms of Child Labour in Illegal Mining (Galamsey) and Quarrying: Activities in Six Districts in Ghana," August 2013; Human Rights Watch interview with NECPAD staff, Tarkwa, April 1, 2014; Letter from Ministry of Employment and Labour Relations to Human Rights Watch, May 14, 2015. The program was part of a broader child labor initiative in several ECOWAS countries, named "ECOWAS I."

exploitation near mines.<sup>306</sup> The program started in Ashanti Region and is currently expanding into other parts of Ghana.

The government's relationship with these and similar programs has been ambivalent. Some government officials working on labor issues were quick to claim the ILO project as their own,<sup>307</sup> yet the government provided no assistance and some district assemblies were even reluctant to include activities on child labor explicitly in their budget.<sup>308</sup> As illustrated above, district officials sometimes have to rely on donor-funded projects to carry out trainings, and visit mining sites with NGO vehicles, due to budget constraints.<sup>309</sup> District chief executive officers have required NGOs to seek their explicit permission and to regularly report to them, undercutting NGO efforts.<sup>310</sup>

## Mining and Mercury Use

Several international donors have funded programs on artisanal and small-scale mining and mercury reduction in Ghana. More than a decade ago, Germany and the United Nations Industrial Development Organization (UNIDO) focused on introducing retorts to reduce mercury exposure. Unfortunately, these initiatives were unsuccessful, in large part because communities were not sufficiently involved in the process and retorts were not adapted to local needs—for example, a glass retort broke easily and was too expensive to replace.<sup>311</sup> As a result, retorts are hardly used at all.<sup>312</sup>

More recently, the international NGO, Solidaridad, started a program to raise awareness about the risks of mercury use, as part of a larger program to support artisanal miners.<sup>313</sup>

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<sup>306</sup> Free the Slaves, “Child Rights in Mining.”

<sup>307</sup> Human Rights Watch interview with staff of the Ministry of Employment and Labour Relations, Accra, June 24, 2014; Human Rights Watch interview with municipal labor officer, Tarkwa-Nsuaem municipality, April 2, 2014.

<sup>308</sup> ILO, “Elimination of the Worst Forms of Child Labour in Illegal Mining,” p. 9.

<sup>309</sup> See above, Section IV.

<sup>310</sup> Human Rights Watch interview with municipal chief executive officer for Dunkwa-on-Offin, June 1, 2013; Human Rights Watch interview with municipal chief executive officer for Obuasi, April 4, 2014.

<sup>311</sup> Gavin Hilson, Christopher J. Hilson and Sandra Pardiee, “Improving awareness of mercury pollution in small-scale gold mining communities: Challenges and ways forward in rural Ghana,” *Environmental Research* (2006), <http://faculty.mu.edu.sa/public/uploads/1338152355.5584air-20.pdf> (accessed October 28, 2014).

<sup>312</sup> Human Rights Watch interview with technical director, Ministry of Lands and Natural Resources, March 31, 2014; Human Rights Watch interview with official of the EPA, Accra, April 8, 2014; Human Rights Watch interview with NGO staff, Accra, April 7, 2014.

<sup>313</sup> Solidaridad, “Gold,” undated, <http://www.solidaridadnetwork.org/supply-chains/gold> (accessed December 15, 2014).

Since Ghana has signed the Minamata Convention, it is eligible for funds from the Global Environment Facility.<sup>314</sup> These should be used to design and implement more programs to reduce mercury exposure in mining.

## Supply Chain Due Diligence

The international NGO, Solidaridad, is in the process of creating a separate, certified supply chain involving a small number of mines in Ghana under the Fairmined Standard for Gold.<sup>315</sup> This is an important program that can set an example for the gold sector in Ghana. Unfortunately, there is currently no broader program seeking to reform the gold supply chain in Ghana and engaging gold traders in the country or internationally.

In contrast, there has been a significant effort to introduce child labor due diligence in the supply chain for cocoa in Ghana and neighboring Côte d'Ivoire, the world's leading cocoa producers. In 2001, US lawmakers initiated the Harkin-Engel Protocol, a voluntary, non-binding agreement signed by global chocolate and cocoa industry representatives aimed at eliminating the worst forms of child labor in cocoa farming in Ghana and Côte d'Ivoire.<sup>316</sup>

Since then, the US, other donors, and the industry have conducted numerous programs with that aim. While the focus of interventions has been mostly on conditions at the farm level itself, some have also engaged cocoa growers and traders in Ghana, including the body organizing the sector and holding the trade monopoly.<sup>317</sup> In addition, the high-level involvement by chocolate companies has highlighted the responsibility of large international brands.

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<sup>314</sup> Global Environment Facility, "Mission to Minamata: How the GEF is helping reduce and eliminate mercury from the global environment," <http://www.thegef.org/gef/sites/thegef.org/files/publication/INC-6%20brochure%20Final.pdf> (accessed December 15, 2014).

<sup>315</sup> This is part of Solidaridad's program mentioned in the previous subsection. Alliance for Responsible Mining, "Fairmined Standard," undated, <http://www.communitymining.org/en/fairmined-standard> (accessed May 20, 2015).

<sup>316</sup> Chocolate Manufacturers Association, "Protocol for the Growing and Processing of Cocoa Beans and their Derivative Products in a Manner that Complies with the ILO Convention 182 Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor," undated, <http://www.harkin.senate.gov/documents/pdf/HarkinEngelProtocol.pdf> (accessed December 17, 2014).

<sup>317</sup> Sahel and West Africa Club Secretariat and Organisation for Economic Co-operation and Development (OECD), "Emerging good practice in combating the worst forms of child labor in West African cocoa growing communities," 2011, <http://www.oecd.org/swac/publications/49069653.pdf> (accessed December 17, 2014), pp. 69-78.

Unfortunately, the Harkin-Engel Protocol is largely considered a failure because of its multiple postponed target deadlines, each failing to meet its goals. With regard to the chocolate industry, an in-depth study from 2011 on the program concluded that the industry had failed to deliver on several commitments, including an industry-wide certification model on the worst forms of child labor in cocoa, and its target of 50 percent coverage of cocoa growing areas.<sup>318</sup>

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<sup>318</sup> Payson Center for International Development and Technology Transfer, “Oversight of Public and Private Initiatives to Eliminate the Worst Forms of Child Labor in the Cocoa Sector in Côte d’Ivoire and Ghana”, March 31, 2011, <http://www.childlabor-payson.org/Tulane%20Final%20Report.pdf> (accessed December 17, 2014).



## VI. The Way Forward

Child labor in Ghana's artisanal and small-scale mines is a complex problem that requires action from the Ghanaian government, business, international donors, UN agencies, and civil society organizations.

Existing systems to address child labor and other child protection concerns should be improved, and laws properly enforced. Some of the underlying causes of child labor need to be addressed, for example, through social protection programs and efforts to make free education truly free of charge. In addition, the government should increase outreach to parents and offer appropriate youth employment options for adolescents between the ages of 15 and 17.

Child labor also occurs in artisanal and small-scale mining and trade because the sector is poorly regulated. The government should proactively engage with mining communities and seek to formalize and support, rather than criminalize, the sector. Together with donors, large-scale mining companies, and NGOs, the government should develop a comprehensive strategy for a clean, professional, and child labor-free artisanal and small-scale mining sector. The government should also enact legislation that would require large companies to undertake human rights due diligence.

Finally, global gold refiners sourcing from Ghana's artisanal gold mines, as well as Ghanaian companies, need to take action. Human Rights Watch does *not* recommend a boycott on gold from Ghana.

Rather, companies should establish effective due diligence procedures for the whole supply chain, including with respect to child labor. Supply chain due diligence for child labor should include full chain-of-custody documentation, contracts with suppliers, regular monitoring, on-site visits, and third-party audits by qualified experts, as well as the publication of all information relating to human rights, including child labor, in the company's supply chain, and publication of the names of mines a company sources from. Gold refiners should take a leading role in this process, befitting their central position in the global gold supply chain.

## Full Recommendations

### To the Government of Ghana

#### *Improve Access to Education in Mining Areas*

- Ensure that primary and junior high schools receive sufficient government funding on time and do not raise fees from families in accordance with Ghanaian law;
- Set up an outreach program to systematically follow-up on children who miss school;
- Ensure the free school meal program reaches those in need;
- Ensure that Ghana's cash transfer program, the Livelihood Empowerment against Poverty (LEAP), reaches vulnerable children.

#### *Protect Children from Abuse and Child Labor in Mining*

- Revive and expand the number of district and community-based child protection committees in mining areas;
- Ensure that district and community-based child protection committees actively address child abuse and child labor in mining issues as part of their mandate; in particular, ensure that district child protection committees systematically inspect licensed and unlicensed artisanal and small-scale gold mines for child abuse and child labor, and intervene in specific cases as necessary, for example, by regularly sending teams of social welfare, community development, and labor officers to mines;
- Ensure that district child protection committees have adequate budgetary allocations for transport and other costs of inspections;
- Ensure there are adequate numbers of labor officers and that they are members of district child protection committees;
- Ensure that labor officers sanction employers, mine managers, and machine owners who continue to use child labor;
- Implement the recommendations of the Economic Community of West African States (ECOWAS) Peer Review of Child Labour Elimination Activities in Ghana.

### *Prevent, Test, and Treat Mercury Exposure*

- Ratify the Minamata Convention and implement its provisions;
- In line with the Minamata Convention, develop a national action plan on mercury in artisanal and small-scale gold mining, with special attention to the protection of children, in consultation with other stakeholders;
- Increase control of the mercury trade, and sanction mercury smuggling;
- Introduce mercury-free gold processing methods to mining communities and provide training and capacity building for the transition to mercury-free methods;
- Raise awareness about the hazards of mercury among gold traders and mining communities;
- Provide training to health care workers in mining areas on conditions related to mercury exposure;
- Increase the capacity to diagnose mercury exposure;
- Develop a protocol for the clinical management of mercury-related conditions;
- Conduct a testing campaign on mercury exposure in mining areas, and provide information and treatment to those diagnosed with mercury-related conditions.

### *Regulate and Professionalize Artisanal and Small-scale Gold Mining*

- Enforce existing regulations on mining, in particular the ban on child labor. This should include training for mining inspectors on child labor and measures to ensure that mining inspectors inspect for child labor and share findings with district child protection committees, the Ministry of Employment and Labour Relations, and the Ministry of Gender, Children, and Social Protection;
- With the participation of small-scale mining associations, civil society, gold traders, and other actors, develop a comprehensive strategy on improving artisanal and small-scale mining in Ghana. As part of the strategy:
  - Engage in a dialogue with miners at unlicensed sites about obtaining licenses and abiding by the law;
  - Provide trainings to artisanal and small-scale gold mining communities that focus on the hazards of child labor;
  - Engage in a dialogue with traditional rulers about the dangers of child labor in mining and procedures around obtaining licenses;

- Provide technical support to artisanal and small-scale miners, with the goal of professionalizing the mining process and increasing household income;
- Conduct a survey on child labor in artisanal and small-scale mining in Ghana, with the involvement of research institutions and civil society organizations;
- Offer a simpler, quicker procedure to obtain a mining license;
- Work with large-scale mining operations to cede land for licensed artisanal and small-scale mines, including by using the government's leverage as a minority stakeholder;
- Set up model mines where human rights and environmental standards are met, and make Precious Minerals Marketing Company (PMMC) purchases from such mines.

### *Establish a Robust Due Diligence Procedure for the Gold Supply Chain*

- Make due diligence for human rights a legal requirement for registering gold traders at the PMMC and for licensing export companies at the Minerals Commission, and monitor compliance;
- Establish a due diligence procedure at the PMMC, including through third party audits by entities that have expertise on human rights and specifically child labor, to identify child labor and other human rights risks in their supply chain. (The elements of a strong due diligence procedure are spelled out below, under recommendations to Ghanaian export companies and international gold refiners.)
- Inform PMMC suppliers about PMMC's human rights due diligence and offer training on key issues such as child labor and mercury use;
- Refrain from issuing assurances about child-labor free gold until a system for inspecting child labor in licensed and unlicensed artisanal and small-scale gold mines is in place.

### **To Ghanaian Export Companies, including the PMMC, and International Gold Refiners**

- Establish or strengthen due diligence procedures, including through third party audits by entities that have expertise on human rights and specifically child labor, to identify child labor and other human rights risks in their supply chain. Due diligence should include the following elements:

- Adoption and implementation of a strong company policy and procedure for human rights due diligence, with specific attention to child labor. The policy should specify that work in gold mining is hazardous and prohibited for anyone under the age of 18; that it is in effect throughout the supply chain in all countries irrespective of local laws that afford lesser protections; and ensure that all contracts with suppliers include specific language prohibiting child labor;
- Full chain-of-custody documentation. Where full chain-of-custody documentation is not possible, gold should not be purchased;
- Regular monitoring of human rights risks, including child labor, with regular announced and unannounced inspections by an adequate number of monitors who are qualified, experienced, and trained specifically in child labor and labor rights;
- Information and training to suppliers, miners' associations, and machine owners on the company's human rights policy and its implementation, including child labor, the health effects of mercury, and mercury-free alternatives;
- Contracts with suppliers should include specific language prohibiting the use of children in hazardous work under 18; there should be penalties for those in the supply chain who violate the policy;
- A process for remedial action, in case child labor or other human rights violations are found;
- Processes to end purchases from mines that repeatedly violate policies prohibiting child labor;
- Qualified third-party monitoring for child labor in supply chains in all countries;
- Regular publication of all information relating to human rights, including child labor, in the company's supply chain, including information from audit, monitoring, and investigation reports;
- Regular publication of the names of mines a company sources from.
- Initiate and actively support initiatives designed to address child labor in artisanal and small-scale gold mining, and responsible sourcing of minerals, including through:
  - Collaboration with local stakeholders, including organized labor, with the ILO's International Programme on the Elimination of Child Labour (IPEC), the United

Nations International Children's Emergency Fund (UNICEF), and nongovernmental organizations, to eliminate child labor in gold mining, by cooperating;

- An effort to create an industry-wide commitment to ending child labor in mining;
- Participation in multi-stakeholder initiatives on responsible sourcing and child labor in mining;
- Creating and assisting a global fund that supports programs to systematically monitor child labor in mining, improve access to education in mining areas, and reduce children's mercury exposure in artisanal and small-scale gold mining countries;
- Increase support to NGOs working to eliminate hazardous child labor in gold mining.

### **To Ghana's Association of Small-Scale Miners**

- Publicly commit to ending child labor in mining;
- Inform members about the prohibition of child labor, and start a program of outreach among machine owners and traders on measures to end child labor;
- Assist the government with the development and implementation of a simplified procedure for licensing artisanal and small-scale mines.

### **To Gold Traders in Mining Areas**

- Refuse to buy gold from mines that use child labor, and directly from children;
- Train local staff to inform mine managers, machine owners, and others in charge of mines about the prohibition on child labor;
- Regularly visit sites from where you source gold to gather information about child labor and other conditions.

### **To Mine Managers and Machine Owners**

- Do not employ anyone under the age of 18 on artisanal and small-scale gold mining sites;
- Sponsor the introduction of mercury-free gold processing methods.

## **To Large-Scale Gold Mining Companies in Ghana**

- Seek an agreement with the government to cede land for licenses of artisanal and small-scale miners.

## **To the ECOWAS Commissioner on Gender and Social Affairs**

- Urge Ghana to implement ECOWAS recommendations in its Peer Review of Child Labour Elimination Activities in Ghana.

## **To the Government of Switzerland**

- Make human rights due diligence a legal requirement for companies trading in and refining gold through the creation of a Swiss commodity market supervisory authority that requires human rights due diligence.

## **To the Government of the United Arab Emirates**

- Make human rights due diligence a legal requirement for all companies trading in and refining gold, including those covered by the Dubai Multi Commodities Chamber (DMCC) and those in the gold souk.

## **To Donor Governments and Implementing Agencies, and UN Agencies**

- Initiate, fund, and help implement programs to address child labor in gold mining in Ghana, such as the recommended government measures listed above;
- Coordinate programs on child labor in mining with relevant government agencies;
- Start a global initiative on child labor in gold mining to highlight the importance of the issue, identify strategies to end child labor, and give public recognition to positive government and company action;
- Put the issue of child labor in artisanal gold mining on the agenda of the next child labor conference in Argentina in 2017.

## **To the International Labour Organization**

- Conduct a study on the global scale of child labor in artisanal and small-scale gold mining, with detailed guidance to governments and companies on how to address the problem.

## **To the Organisation for Economic Co-operation and Development**

- Provide guidance on how to conduct child labor due diligence for mineral supply chains to companies.



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# PRECIOUS METAL, CHEAP LABOR

## Child Labor and Corporate Responsibility in Ghana's Artisanal Gold Mines

In recent years, Ghana has exported more than US\$1 billion of gold annually from artisanal and small-scale mines. Major international refiners from Switzerland, the United Arab Emirates, and other countries that source gold from such mines benefit from hazardous child labor, particularly if it comes from unlicensed sites where child labor is common. Thousands of children—many between the ages of 15 and 17, and some even younger—work in such mines in dangerous conditions, despite Ghanaian and international law prohibiting the practice.

*Precious Metal, Cheap Labor* documents how children process gold with toxic mercury, carry heavy loads, and risk injury or death in pit collapses. The report, based on over 160 interviews, also scrutinizes the role played by Ghanaian and international gold traders.

Several larger exporters and international refiners have taken important steps to eliminate child labor-related risks in their supply chain; yet, they often lack systematic child labor monitoring by third parties and other safeguards. Many local traders do nothing to determine whether the gold they buy is produced with child labor. The government-owned Precious Minerals Marketing Company and the government Minerals Commission provide trading and export licenses without requiring child labor due diligence.

Human Rights Watch calls upon gold traders and refiners to establish effective due diligence procedures. The Ghanaian government should formalize the artisanal and small-scale gold mining sector, enforce the ban on child labor in mining, and improve child labor monitoring. To address the causes of child labor, it should support vulnerable children through social protection programs and appropriate youth employment options.



(above) Residents look at the site of the mining accident that occurred near Kyekyewere, Central Region, on April 15, 2013, killing 16 people, including a 17-year-old boy.

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(front cover) A 13-year-old boy works in artisanal and small-scale gold mining in Obuasi. He dropped out of school at the age of 12 and would like to continue his education.

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