

Ghana's Green Minerals Policy- Constructing the Ewoyaa Lithium mine

Introduction:

In October 2023, the Ghanaian government ratified the Green Minerals Policy (GMP) to facilitate the construction of the Ewoyaa dam. The policy inaugurated a collaboration with the US mining company Atlantic as a move towards supporting global decarbonization (Ibukun, Clowes 2023; Ministry of Lands and Natural Resources,2023). A massive contingency of the upcoming collaboration is that lithium will not be exported in its raw form. This essay will evaluate whether this non-raw export caveat of the deal is an act reversing relationships of unequal exchange in large scale mining deals, shifting Ghana away from a position as a non-productive periphery. As global attention turns towards green energy and electrified transport, the Green Minerals Policy may have strong implications for Ghana's position in the world's system by nurturing neo-extractivism and the prosperity of a singular industry. Since the end of colonial rule and the institution of Ghana's freedom, its inclusion in the world economy has been contingent on the provision of natural resources. Since the introduction of structural adjustment policies in the 80s which advocated that Ghana liberalize its mining industry by providing extraction concessions to mining corporations in exchange for development project funding. The global division of labor has relegated Ghana to raw material provision, leading to a chasm between the Global South and North, in which the latter has a technological monopoly that the South must acquiesce to. These fundamentally skewed relations are best understood as Dependency Theory (Dos Santos 1970, Frank 1966). Limited capitalist expansion through mining relegates Ghana to a peripheral space within the global division of labor, as Wallerstein's concept of World Systems Theory (WST) expounds. Although Dependency theory and WST have been critiqued for being overly fatalistic, implying the periphery's inherently antagonistic relationship with capitalism (Kapoor,2002), the lack of technological expertise and limited investment into mineral processing factories will be argued as weakening bargaining position in its dealings with Atlantic Limited.

This essay will begin with the argument that Ghana has positioned the construction of the lithium mine as a groundbreaking moment in its developmental history because of its potential to be at the helm of decarbonization technology whilst bolstering its economy for the purposes of infrastructural investment. Secondly, I will outline how adherence to extractive models of development, only modified by its proximity to 'sustainability', rearticulates Frank's concept of diffusive relationships to the effect of discursively and materially binding Ghana to Western developmental trends, all the while excluding the nation from the very technologies it aids in developing. This essay will engage with Dos Santos' (1970) argument that geopolitical relationships are structured by the production of economic surplus in the Global South for consumption and appropriation in the North, leading to a system of fundamentally unequal exchange. Strong parallels between the consumption of surplus, which will be interpreted as resource extraction via the mining sector, and Frank's (1966) argument that underdevelopment is a sustained and systemic effort will be made. To conceptualize economic development in Ghana, I will explore intersections between Dependency Theory and World Systems theory to overall explore the extent to which the lithium policy mirrors these analytical models. Thirdly, as the policy is presently being developed and lithium extraction is proposed to start in May 2025, I will outline potential policy interventions that reframe development as multifaceted, instead of dealing with an exclusive concern for GDP. The project proposes mining intensification over a 15-year period, yet we must evaluate whether Ghana will be able to leverage the deal to amend extractive policies leaving the nation bereft of industry benefits of its minerals and precious metals.

The resource curse:

Ghana 'resource curse' in which as a constructed member of the Global South relegates it to primitive accumulation, without the ability to scale up production (Jensen,Johnson 2011), is an entry point for WST and Dependency Theory . Dos Santos (1970) argues that the relations in the two opposed corners of the world are structured by an export of profits which removes surplus from the sovereign state. However, primarily 'essential' exports, Wallerstein identifies, are traded between the positions of Core and

Periphery, which can be identified as raw materials. Indeed, Ghana's reserves of lithium and bauxite hold pecuniary potential but only once they have been converted into manufactured goods for consumption, which the global market economy holds to high esteem. The objectified form of raw materials and its production is alienated away from its indigenous site, which is central to the periphery's position.

Estranged from the process of commodity price setting and swayed by the World Bank's debt diplomacy to curtail the nationalizing of mines (REF), the mining industry has failed to promote the vertiginous economic growth Ghana expected. Consequently, the notion that economic development is linear seems unconvincing. Katz (2022) argues that through unequal exchange and the undervaluation of production has produced a state of perpetual underdevelopment and dependency on foreign intervention, to the effect of reifying a subordinate position in a global hierarchy. By 2017 mined resources accounted for 37% of total exports (OCED 2017), indicative of a lack of economic diversification and outputs that fortify a resource dependent position. Capital investments in Ghana are strategically aligned with the extractive sector yet fail to produce internal markets for localized consumption, which Shivji (2009) terms Structural Disarticulation. Disarticulated economies are monolithic in nature because there is a lack of market diversification to promote market interconnectivity between economic sectors and consumer purchasing power.

Reclaiming authority over mineral exports:

The Green Minerals Policy has been positioned as a pivot away from Ghana's crisis of Structural Disarticulation (Shivji, 2009). The discovery of Ghanaian lithium reserves in 2018 may be the nation's inauguration into a model of 'Green Extraction', whereby there is a proliferation in mineral extraction for the purposes of global decarbonization (Chemat et al, 2019). The World Bank has identified that lithium production is likely to increase by 500% by 2050 (World Bank,2017). Whilst the World Bank recognizes increased dependence on mineral extraction, hardly any mention is made of the beneficiaries of this expansion- more specifically how it may exacerbate geospatial disparities as the Global South are positioned as low-end facilitators rather than developers of green energy. Nonetheless, In October 2023,

Ghana granted the Australia based mining company Atlantic Limited a license to construct a lithium mine in Ghana's Central Region (Dzawu&Dontoh,2023) with the intention of manufacturing electric vehicle batteries. During his speech at the 5th Ghana Mining and Energy Summit in Accra, the Minister of Lands and Natural Resources, Samuel Jinapor, stated that the deal would enable Ghana to capitalize on the new cultural zeitgeist based on sustainable development and renewable energy. However, a major caveat would be that lithium would not be exported in its raw form; processing it would be integral to generating substantial revenue (ibid,2023). Participation at the lowest end of the production chain is anathema to Ghana's development prospects. Now that it has discovered a niche in the global sustainability paradigm of clean energy. In line with the no-raw exports clause, the Minister announced that an assembly plant for electric vehicles was in the pipeline of development. A domestically located industry could potentially lift Ghana higher in the capitalist value chain by providing an export commodity for both Western and African consumption. Atlantic Limited's major stakeholder Piedmont conversely stated that the project would alleviate US supply constraints in the construction of electric vehicles (Ibukun, Clowes 2023). Failure to mention the transformative potential of the mines within the Ghanaian developmental context discursively estranges Ghana from more complex forms of production, therefore reifying its position as a primary level producer in the world economy. However, if electric vehicle production is to occur within the nation, the existence of an export-oriented sector serves as a geopolitical leveraging point that breaches the boundaries of a peripheral position.

Green extractivism: Does this paradigm work in Ghana's favor?

The 'green extractivism' paradigm positions lithium as the springboard for rapid industrialization. Refined lithium production in collaboration with Atlantic Limited may be an act of claiming sovereign control over the valuation of resources. The impulse towards extraction in pursuit of global decarbonization prerogatives must be understood in the wider context of a triadic relationship between development, modernity and coloniality. World Bank and IMF sponsored Structural Adjustment policies in Ghana, championing extensive mining sector liberalization in pursuit of Foreign Direct Investment, has

entrenched a discursive legacy that through the monopolization of these resources for the global market, the nation will lift itself out of economic ‘underdevelopment’ (Bush,2009). The pathologizing of poverty globally post World War 2 (Escobar 1992) seems to have had strong implications on Ghana’s national post-independence self-conception. Western prognosis for poverty has yet to be contested and it is structured around the exporting of unprocessed resources, as has been established. Discourse surrounding underdevelopment, for which poverty is a proxy, now centers green sustainable development. However, no fundamental progress has been made towards alternate paths to development that do not echo historical patterns of comparative disadvantage. The state’s framing of the lithium discovery as a cause for celebration obscures the unequal distribution of power that may be concealed in the deal. Lithium automatically becomes surplus ready to be appropriated by companies like Atlantic Limited, overlooking the potential to develop localized markets (Dos Santos,1970) or use the raw material for national infrastructural projects.

Nevertheless, it is important to be attendant of a wider narrative of a geopolitical race; the rabid scrambling for lithium production leadership discursively transfigures a nation’s landscape from one of minimal productive contribution to a valuable contributor and innovator, spearheading neoliberal climate solutions (Voskoboynik 2022). Participation in the lithium refinement process is ostensibly an inauguration into modernity, with a sustainable façade. The Eyowaa deal is hardly attendant to the environmental consequences of mass excavation. Green extractivism is premised on the notion that extracting minerals used in decarbonization technologies is direct climate action. As a result, governments abundant in minerals to facilitate the green revolution become fecund sites of foreign direct investment. However, with government opposition to the wholesale export of raw materials instead of processed, the state demonstrates intentions to establish a manufacturing economy of scale and scope (Ayelazuno, 2014. More cynical perspectives find that another mining deal is nothing but ‘extractive imperialism’ (Veltmeyer,2013). In the case of Ewoyaa, foreign interest and investment in Ghana is contingent on discovering and subsequently appropriating resources. Although China operates as one of

the biggest lithium producers in the world(cite), it's eminent geopolitical position as a quasi-core, as well as its sovereign control over production processes highlights a bifurcation in a new world system of Green Extractivism; Ghana may lack fundamental leveraging power to dictate the terms of production to ensure it is not solely the site of raw extraction rather than lithium refinement and commodity manufacturing. Therefore, its ability to catapult Ghana towards the industrialization is delimited by its historical position. Instead, critics (Ayelazuno 2014, Bruna 2022, Huang 1995) argue Africa's position is akin to historic Latin American dependency. A lack of non-resource dependent industries to serve as a buffer makes these economies more susceptible to the seismic shocks of resource boom and bust cycles (Veltmeyer,2013). Furthermore, nation states involved in deals to procure minerals are subject to the terms and conditions of multinational oligopolies. Although Ghana has managed to procure a deal to receive 10% of mining royalties, decades of development discourse inculcation provide these companies with heavy leveraging power. Ghana has been overly reliant on the intervention of private multinational intervention for market valuation and prospecting of its resources, as well as the institution of mines. Concerns that non-compliance with conglomerate mining corporations will lead to the loss of investment continuously provokes African states to concede to detrimental impacts on local communities. Issuing a statement regarding the lease to the Atlantic Mining company, the Ministry of Lands and Natural Resources insisted the deal would be committed to sustainable exploitation (Dzawu,Dontoh 2023) of Ghana's resources. Sustained contact with multinationals for 'developmental' extraction is indicative of relations of diffusion (Frank 1966), in which the peripheries adopt the capital, institutions and values of the core. World capitalism rooted in western hegemony has evidently naturalized exploitation as the only method of growth available to the South; a techno-discursive norm is rearticulated by the Ghanaian government that the path to modernization requires a mutually dependent relationship between North and South. Dependency theorists would likely argue that is a fallacy nurtured by the West to maintain a neo-colonial resource monopoly to nurture its tech intensive industries.

The 2006 Mining and Minerals Act proclaimed that every mineral in its natural state is the sole property of Ghana whilst the President is entrusted with its safe keeping. Whilst this may suggest full resource sovereignty, Dependence theory would argue that such Acts fall into categories of nationalistic political demagoguery because the mining industry forms part of a neo-extractivist enterprise, in which the promise of sustained investments and local employment provisions loom over the heads of politicians in exchange for resource domination and depletion (Tienhaara,2006). Foreign multinationals and mining oligopolies retain 60-80% of their export earnings in offshore accounts, therefore the gross value of exports is by no means indicative of contributions to the Ghanaian economy (Akabzaa,2009). Evidently, bequeathing Ghana's resources to foreign investors as a developmental strategy has overall been to little avail as profits are mostly offshored, thereby generating limited revenue to integrate into developmental planning frameworks as compared to the agricultural sector (ibid).

Extraction as Ghana's primary method of insertion into a global economy is concretized in the Ewoyaa deal which facilitates a Western hegemonic energy transition. Given the asymmetries in access to renewable energy technologies, especially regarding electromobility, between the north and south, pro-extraction states reproduce their own subaltern positionality within zero carbon economy, left to contend with the reality of land degradation and community displacement (Jerez,2021). Therefore, alienation from the products it creates becomes normative. A concerted push towards decarbonization and eco-friendly consumption is marketed as a global necessity, irrespective of 'core' or 'peripheral' positions. However, Ghana's Green Minerals Policy fails to advocate for access to green technology. Whilst it may be argued that Ghana lacks the infrastructural basis to accommodate or create these technologies (Goodenough et al,2021), this is indicative of continued technological dependence that exemplifies the structural disarticulation and alienation of the periphery. Establishing deals with multinationals that sponsor technological training facilities, as a pre-requisite to mining concessions to attenuate huge technical and structural gaps in production. A potential benefit of the Ewoyaa project is its community development fund, to which it will contribute 1% of profits (Owen via Piedmont,2023). The government must hold the

US mining firm to account on this promise because by funding education, technical training and overall local wellbeing are pre-requisites to sustainable development (Hilson, Murck 2000). However, it should be noted that Hilson and Murck's argument supports extractive mining as a viable developmental strategy that simply requires a degree of corporate intervention. They do not critically examine how the mining industry has limited developmental capacity, in terms of promoting the linear transition from mining to industrialization as Rostow's modernization theory (1971) would suggest. Although we can argue against the linearity of socio-economic development, it seems important to recognize that community funding could provide the technological training to spur innovation beyond primary level extraction and help to establish diversified markets. Post-dependency theory would likely argue that training is needed as a matter of self-determination. It would enable the deviation from Western conceptualizations of progress, poverty, and pathology. On the hand, a more cynical Dependency perspective may argue that the community development funds may favor a western pedagogical approach that reiterates the Green capitalism.

So far, it has been identified that the mining industry has failed in its poverty alleviation and developmental goals. Whilst Dependency Theory and WST provide frameworks to conceptualize socio-economic asymmetries between the North and South, they should not be totalizing rubrics to understand the specificity of the Ghanaian mining industry. Reform of the sector remains necessary. Patron-client electoral politics serves as a barrier to holistic development because it establishes an elitist economic enclave (Bebbington, 2018). Channeling royalties from mining projects to fund short term political campaigns and to reward party loyalists has failed to establish a long-term developmental plan beyond the scope of GDP growth (ibid), which obscures the lack of increased freedoms amongst the population. The disarticulation of the mining industry from the demands of diversified employment opportunities, education and healthcare circumscribes extraction as a poverty alleviation strategy; extraction under the guise of a just energy transition remains a zero-sum game in which the West maintains its technological

monopoly, failing to achieve tangible developmental impacts for citizens along the metrics of health, education, and employment.

Conclusion:

To conclude, the analytical frameworks of Development and World Systems Theory are operationalized in this essay to theorize the trajectory of Ghana's Green Minerals Policy and the construct of the Ewoyaa mine for lithium extraction. Since the policy was ratified in October 2023, it is too early to ascertain the long-term impacts on Ghanaian citizens. However, what is evident is Ghana's desire to shift the balance of power in the global division of labor; solely producing raw unprocessed materials has been identified as a barrier to holistic socio-economic development. An interesting takeaway is revealed in the GMP. The discovery of lithium has prompted the state to uptake a new discursive impulse towards green extractivism. In an era dominated by climate concerns, extraction is lauded as the pathway to carbon-free technologies which Ghana evidently perceives as a leveraging tool for wider developmental goals. However, based on a history of inopportune deals with foreign mining companies who harvest a disproportionate profit, green extractivist discourse could reify Ghana's peripheral position whilst Western states amass continued profits in the electric vehicle industry.

Bibliography

- Akabzaa, Thomas. 2009. Mining in Ghana: Implications for National Economic Development and Poverty Reduction. edited by B. Campbell. London Pluto Press.
- Bebbington, Anthony. 2018. Governing Extractive Industries : Politics, Histories, Ideas. Oxford: Oxford University Press.
- Bloomberg. 2023. "Emerging Lithium Producer Ghana Will Avoid Exporting Raw Mineral." Www.bloomberg.com. Retrieved (<https://www.bloomberg.com/news/videos/2023-06-14/lithium-producer-ghana-will-avoid-exporting-raw-mineral-video>).

- Bruna, Natacha. 2022. "A Climate-Smart World and the Rise of Green Extractivism." *The Journal of Peasant Studies* 49(4):839–64. doi: <https://doi.org/10.1080/03066150.2022.2070482>.
- Bush, Ray. 2009. "‘Soon There Will Be No-One Left to Take the Corpses to the Morgue’: Accumulation and Abjection in Ghana’s Mining Communities." *Resources Policy* 34(1-2):57–63. doi: <https://doi.org/10.1016/j.resourpol.2008.02.002>.
- Chemat, Farid, Maryline Abert-Vian, Anne Sylvie Fabiano-Tixier, Jochen Strube, Lukas Uhlenbrock, Veronika Gunjevic, and Giancarlo Cravotto. 2019. "Green Extraction of Natural Products. Origins, Current Status, and Future Challenges." *TrAC Trends in Analytical Chemistry* 118(118):248–63. doi: <https://doi.org/10.1016/j.trac.2019.05.037>.
- Danielle, Arrobas. 2017. "The Growing Role of Minerals and Metals for a Low Carbon Future." World Bank. Retrieved (<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/207371500386458722/the-growing-role-of-minerals-and-metals-for-a-low-carbon-future>).
- Dos Santos, Theotonio. 1970. "The Structure of Dependence." *The American Economic Review* 60(2):231–36.
- Dwazu, Moses, and Ekow Dontoh . 2023. "Ghana Gives 15-Year Lithium Mining License to Atlantic Lithium." *Bloomberg.com*, October 19.
- Escobar, Arturo. 1995. *Encountering Development: The Making and Unmaking of the Third World*. Princeton, N.J.: Princeton University Press.
- Frank, Andre Gunder. 1966. "The Development of Underdevelopment." *Monthly Review* 18(4):17–31. doi: https://doi.org/10.14452/mr-018-04-1966-08_3.
- Goodenough, Kathryn, Eimear Deady, and Richard Shaw. 2021. *Lithium Resources, and Their Potential to Support Battery Supply Chains, in Africa*.
- Hilson, Gavin, and Barbara Murck. 2000. "Sustainable Development in the Mining Industry: Clarifying the Corporate Perspective." *Resources Policy* 26(4):227–38. doi: [https://doi.org/10.1016/s0301-4207\(00\)00041-6](https://doi.org/10.1016/s0301-4207(00)00041-6).

- Ibukun, Yinka, and William Clowes. 2023. "African Lithium Project Boosts US Drive to Close EV Gap on China." Bloomberg.com, October 31.
- Jasper Abembia Ayelazuno, and Emmanuel Graham. 2021. "It Is Still Extractive Imperialism in Africa: Ghana's Oil Rush, Extractivist Exploitation, and the Unpromising Prospects of Resources-Led Industrialization." Springer EBooks S.O:345–66. doi: https://doi.org/10.1007/978-3-030-77481-3_17.
- Jensen, Nathan M., and Noel P. Johnston. 2011. "Political Risk, Reputation, and the Resource Curse" edited by N. Rudra and N. M. Jensen. *Comparative Political Studies* 44(6):662–88. doi: <https://doi.org/10.1177/0010414011401208>.
- Jerez, Bárbara, Ingrid Garcés, and Robinson Torres. 2021. "Lithium Extractivism and Water Injustices in the Salar de Atacama, Chile: The Colonial Shadow of Green Electromobility." *Political Geography* 87(1):102382. doi: <https://doi.org/10.1016/j.polgeo.2021.102382>.
- Kapoor, Ilan. 2002. "Capitalism, Culture, Agency: Dependency versus Postcolonial Theory." *Third World Quarterly* 23(4):647–64. doi: <https://doi.org/10.1080/0143659022000005319>.
- Li, Xing, and Shengjun Zhang. 2018. "Interdependent Hegemony: China's Rise under the Emerging New World Order." *China Quarterly of International Strategic Studies* 04(02):159–75. doi: <https://doi.org/10.1142/s237774001850015x>.
- Ministry of Lands and Natural Resources. 2023. "GHANA to HAVE ITS FIRST LITHIUM PROJECT with INCREASED ROYALTIES, STATE PARTICIPATION and VALUE ADDITION." Ministry of Lands and Natural Resources. Retrieved November 22, 2023 (<https://mlnr.gov.gh/index.php/ghana-to-have-its-first-lithium-project-with-increased-royalties-state-participation-and-value-addition/>).
- Owen, Chandler. 2023. "Ghana Sovereign Wealth Fund to Invest in Ewoyaa Project." *Piedmont Lithium*. Retrieved November 22, 2023 (<https://piedmontlithium.com/ghana-sovereign-wealth-fund-to-invest-in-ewoyaa-project/>).
- Sanchez-Lopez, Maria Daniela. 2023. "Geopolitics of the Li-Ion Battery Value Chain and the Lithium Triangle in South America." *Latin American Policy* 14(1). doi: <https://doi.org/10.1111/lamp.12285>.

- Tienhaara, Kyla. 2006. "Mineral Investment and the Regulation of the Environment in Developing Countries: Lessons from Ghana." *International Environmental Agreements: Politics, Law and Economics* 6(4):371–94. doi: <https://doi.org/10.1007/s10784-006-9010-6>.
- Veltmeyer, Henry. 2013. "The Political Economy of Natural Resource Extraction: A New Model or Extractive Imperialism?" *Canadian Journal of Development Studies/Revue Canadienne d'Études Du Développement* 34(1):79–95. doi: <https://doi.org/10.1080/02255189.2013.764850>.
- Voskoboynik, Daniel Macmillen, and Diego Andreucci. 2021. "Greening Extractivism: Environmental Discourses and Resource Governance in the 'Lithium Triangle.'" *Environment and Planning E: Nature and Space* 5(2):251484862110063. doi: <https://doi.org/10.1177/25148486211006345>.
- Wallerstein, Immanuel. 1974. "The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis." *Comparative Studies in Society and History* 16(4):387–415.
- Walt Whitman Rostow. 1971. *Politics and the Stages of Growth*. Cambridge: University Press.