

DIAMONDS IN SIERRA LEONE, A RESOURCE CURSE?

1 Introduction

An endowment of oil/mineral resources should foster socio-economic development yet there are instances in which it has stymied development. The association between resource endowment and negative socio-economic and political outcomes is referred to as a resource curse (Rosser, 2006; Sachs and Warner, 2001). The resource curse has been manifested in a number of Sub-Saharan African (SSA) countries where resource endowment has resulted in conflict-ridden underdevelopment. The Democratic Republic of Congo (DRC), Angola, Sudan, Nigeria, Liberia, and Sierra Leone are amongst those countries that are endowed with oil/mineral resources amidst social inequality, high prevalence of poverty and conflict (Omeje, 2008; Watts, 2004). Mineral resources like diamonds and columbite tantalite (coltan) in the DRC are partly responsible for the ongoing civil war in the eastern part of the country while oil in Sudan is fuelling the Darfur crisis. In Angola (oil and diamonds), in Liberia (diamonds and timber), and in Sierra Leone diamond exploitation not only exacerbated poverty and inequality but also fuelled civil wars (Cilliers and Dietrich, 2000; Hirsch, 2001; Sayndee, 2008). Armed conflict is prevalent in the Niger Delta Region of Nigeria where militant groups are battling with government troops and oil companies (Ukiwo, 2008; Watts, 2008).

While armed conflict is a major manifestation of the resource curse, SSA countries that are endowed with alluvial deposits of minerals like gold, coltan, and diamonds are also faced with the problem of illicit mining and smuggling (Banchirigah, 2007; Hilson 2002). Illicit mineral exploitation has resulted in lower mineral revenues for governments. This can have serious development implications for SSA countries heavily reliant on proceeds from alluvial mineral exploitation. Reduced mineral revenue of an already cash trapped government can

forestall the implementation of national development projects. Efforts to control the illicit extraction and smuggling of coltan, gold and diamonds in alluvial mining areas in most places in SSA are hindered by a large influx of miners, the presence of foreign mining agents, and porous borders (Cilliers and Dietrich, 2000; Global Witness, 2004). A large inflow of miners in extensive mining locales monitored by few mines monitoring officials has impeded government's effort to thwart illicit extraction. Some foreign diamond-mining agents capitalize on this weakness by sponsoring illicit mining, buying diamonds, and smuggling them. Regional trading platform in West Africa and in the Great Lakes Region of Central Africa also facilitate smuggling of precious minerals especially diamonds (Dietrich, 2004). The problem of illicit exploitation of alluvial deposits is mainly attributed to the activities of artisanal miners and their network of social actors in the mining industry. Even though strides have been made to formalize artisanal mining, illicit exploitation is still a major issue of concern (Banchirigah, 2007). Governments of several countries have therefore liberalized mining in order to attract foreign investments through which reliable and perhaps more revenue can be generated from mineral extraction and trade (Bebbington et al., 2008; Hilson, 2002).

The liberalization of oil/mineral exploitation in SSA countries is strongly supported by the World Bank and the International Monetary Fund (IMF) as they consider the extractive sector a trajectory for development in resource rich countries. In recent years, there has been an upsurge of transnational mining companies in several SSA countries. National governments in need of mineral revenues provide attractive incentives for these companies (Schwartz, 2006). While growth in corporate mining can lead to increasing revenues for national governments, it has resulted in disputes between transnational companies and mining communities (Bebbington et al., 2008; Fisher et al., 2009; Hilson, 2002). Exploitation of oil/mineral resources have

therefore resulted in contemporary conflicts in mining regions in a number of African countries with security and development implications. These include the Niger Delta Region of Nigeria, the Kasai and Katanga Provinces of the DRC, and the Tarkwa and Ashanti regions of Ghana (Omeje, 2008; Hilson, 2002).

As in other SSA countries, illicit mining and marketing of alluvial diamonds have been major problems of the government of Sierra Leone (GOSL) from a social as well as an economic standpoint (PAC, 2005). Illicit diamond exploitation may have reduced official mining revenue at the national and local levels. The government of Sierra Leone prefers corporate mining, as it is easier to monitor and tax. The growth of corporate mining within a neo-liberal market mechanism is considered a trajectory to socio-economic development. While it provides appreciable and reliable revenue for the GOSL, it has resulted in socio-economic transformation in mining locales with positive and negative outcomes. One of the impacts of the growth in corporate mining is the escalation of social conflicts over diamond exploitation.

This study examines two of the challenges that the Sierra Leone diamond industry faces: illicit diamond exploitation; and contemporary conflicts between corporate mining and mining communities. It investigates: 1) the causes of illicit mining and smuggling of diamonds, trends in illicit mining and smuggling, and possible solutions to illicit diamond mining and smuggling; and 2) the principal causes of conflicts between mining companies and communities, how conflicts are manifested in mining communities, and how conflicts can be resolved in mining communities.

Surveys of 240 households in four diamondiferous chiefdoms in Kono District, Eastern Sierra Leone, key informant interviews, focus groups, and secondary data sources provided data for this study. Utilizing the actor-oriented political ecology framework, the paper contends that

the ineffectiveness of national mining laws/policies has created conditions that are exploited by local and international actors in the diamond industry.

The study infers that while better mining regulation could reduce illicit exploitation and thus enhance mineral revenue collection, bringing buyers closer to miners and offering better prices to miners will minimize smuggling and thus increase government mineral revenue base. Active community participation in decisions regarding mining would serve as oversight so that revenues can be utilized not only for national development but also enhance community development. Mining communities bear the social and environmental consequences of unsustainable mining and therefore need to benefit immensely from the proceeds. Investment of mineral revenues in human capacity building especially for youths will foster development in a stable environment. The study also underscores that mining companies should implement corporate social responsibility as stipulated in the memoranda of understanding.

The rest of the paper is organized in the following manner. Section two focuses on the actor-oriented political ecology framework, section three presents the study area, while section four is on methods. Section five addresses illicit diamond mining and smuggling. Section six focuses on community perspectives and structural factors fuelling conflicts, section seven highlights conflict manifestation, while section eight is on conflict resolution mechanism for community-corporate conflicts. Section nine comprises a brief discussion and conclusions.

2 Actor-Oriented Political Ecology

Political ecology investigates society and environment interactions across temporal and spatial scales (Blaikie and Brookfield, 1987; Brenner and Job, 2006; Robbins, 2004). This perspective pinpoints that political and economic power affect resource allocation and utilization (Bryant, 1998). Beginning with local dynamics and histories, it situates society-environment

discussions within the context of the wider political economy (Blaikie and Brookfield, 1987). Within political ecology, issues like local land use, land cover change, and environmental problems are linked to state policies, interstate relations, and global capitalism (Bryant and Bailey, 1997).

This paper adopts an actor-oriented political ecology (Bryant and Bailey, 1997). The significance of the actor-oriented approach here is that it illuminates how the power relations amongst the various social actors (that include the state, mining companies, local leaders) operating at a variety of scales are manifested mainly at the local level. It underscores how social actors with multiple and sometimes conflicting agendas, use their operational scales to satisfy their goals. For instance, while there are structural factors that should enhance legal diamond mining and trading, some actors engage in illicit diamond activities. The actor-oriented approach is also relevant to examine how the wider political and economic structures influence diamond exploitation in Kono District (Bury, 2008).

An actor-oriented approach maps out theoretical, empirical and practical explanatory trajectories that affect social and environmental change (Giddens, 1984; Long and Long, 1992). First, it can be used to evaluate outcomes of conflict and cooperation amongst social actors that at times pursue different interest and concerns. Second, it is explicitly recognized that outcomes are mutually determined by elements of structure and agency across multiple analytical scales (Burry 2008). Third, though the power relations that affect interactions between social actors are reciprocal they are often not symmetrical (Bohle and Fünfgeld, 2007).

Actor- oriented approach has been utilized by observers that examine local organizations and institutions beyond the household and have shown its relevance in managing and accessing local resources in addition to linking with larger scale actors and processes (Sheridan, 2001;

Brenner and Job, 2006). Actor-oriented political ecology has also been adopted in examining transnational mining corporations and livelihood transformation in Peru and in examining resource conflicts in Jharkland, India (Burry, 2008; Jewitt, 2008).

3 Study Area

While this study generally examines two of the challenges faced by post-civil war Sierra Leone in managing diamonds to enhance economic growth and development (Figure 1a); it utilizes a case study of the diamondiferous Kono District (figure 1b). Located in the Eastern Province of Sierra Leone, this district has a spatial extent of 5,641 square kilometers. Of its fourteen chiefdoms, six are diamondiferous while eight are agricultural-based chiefdoms¹. As of 2004, the population of Kono District was 335,401 (Statistics Sierra Leone, 2006). Its population density of 60 persons per square kilometer is the highest in the diamondiferous districts. The average annual population growth rate between 1985 and 2004 was 7.4 percent of which more than half of this increase was due to in-migration (Statistics Sierra Leone, 2006).² Diamond mining is primarily responsible for the high influx of people to the district. It should be noted that while some residents adhere to the legal process of diamond exploitation, other flout the rules by engaging in illicit practices. Kono district has the highest concentration of diamond deposits in Sierra Leone (Figure 2). Since the end of the civil war, it has witnessed the growth of corporate mining. The district also has the most incidences of diamond-driven conflicts and has a high prevalence of poverty (DDI, 2008; Zack-Williams, 1995).

¹ Recent prospecting has shown that diamond deposits exist in some agricultural-based chiefdoms.

² The national annual population growth rate is 2.3% (Statistics Sierra Leone, 2006).



Figure 1a: Map of Sierra Leone showing diamond deposits

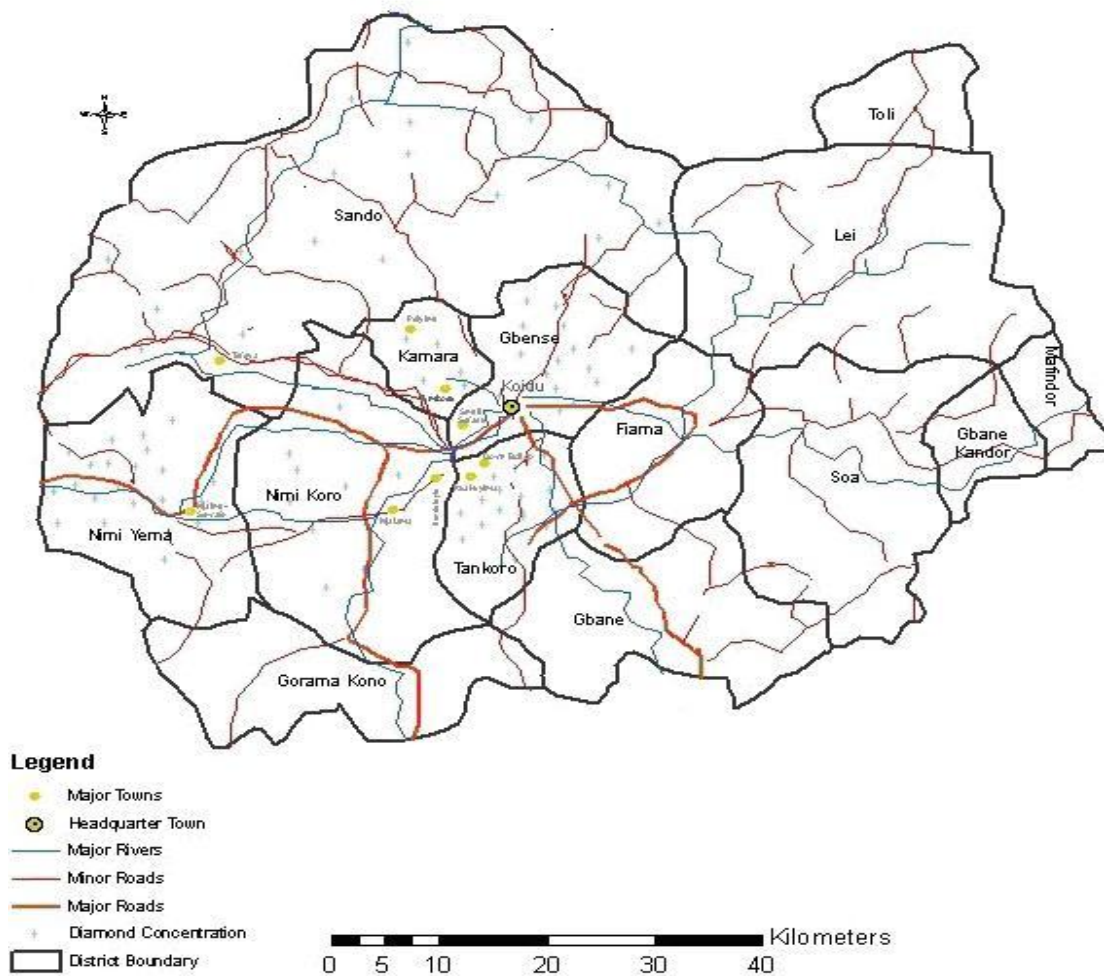


Figure 1b: Map of Kono District showing diamond deposits

4 Methods

Fieldwork was executed in Kono District Sierra Leone in spring 2008. A structured questionnaire survey was administered to 240 households in four diamondiferous chiefdoms. A multi stage sampling technique was utilized (Henry, 1990). The primary motive was to obtain responses from various social actors about issues related to illicit diamond exploitation, and company-community conflicts, and suggestions to curb illegal diamond exploitation, resolve conflicts, and enhance community and national development.

The sample procedure was as follows: four of the six diamondiferous chiefdoms were randomly selected³. Next, two towns/villages were randomly selected from each of the four diamondiferous chiefdoms. Furthermore, thirty households from each town/village were selected by systematic random sampling. As most diamondiferous towns/villages have heavy concentration of people, every 7th household was selected for household interview. This was done to obtain a true representation of the population of the study area. Semi-structured interviews of social actors involved in diamond exploitation were also carried out in Freetown and Kono District in order to gather information about illicit diamond exploitation and corporate-community conflicts. In addition, focus group discussions were conducted to amplify some of the statements garnered from household surveys and key informant interviews relating to illicit diamond mining and trade, and corporate-community conflicts. Secondary data sources for this paper included government reports and NGO documentation. Frequencies and percentages are utilized to present some of the survey findings. Bar charts and pie charts (pictorial representations) are also used in data analysis.

5. Challenges to the management of diamonds for development: illicit mining and smuggling

One of the major challenges faced by SSA countries endowed with alluvial deposits of minerals such as gold and diamonds (and to the lesser extent coltan, sapphire, and tanzanite) is how to curb illicit exploitation and enhance official mineral revenue base of national governments and mining communities⁴. A report by Partnership Africa Canada PAC (2008)

³ Nimikoro, Nimiya, Tankoro, and Sandor were the four diamondiferous chiefdoms randomly selected for this research.

⁴ Diamonds and Columbite-tantalite (coltan) are mined illicitly in DRC, illicit exploitation of gold and/or diamonds occur in several SSA countries including Ghana, Zimbabwe, Guinea, Liberia, and Sierra Leone Tanzania and

indicates that most artisanal mining and small-scale dealers in DRC are not registered or regulated by government. As a result contraband diamonds are being laundered through the legal diamond channel of the DRC. It also maintains that diamonds are being smuggled out of the country. The report also mention illicit exploitation of diamonds in Zimbabwe and Angola, and the smuggling of conflict diamonds from rebel-controlled areas of Ivory Coast through neighboring countries and onward shipment to Europe and the Middle East. Though Sierra Leone is relatively peaceful, its alluvial diamond deposits face similar challenges. Illicit mining and smuggling are amongst the myriad problems that the country's diamond industry faces.

Illicit diamond mining has been a perennial problem in Sierra Leone following the inception of diamond mining in the 1930s (Reno, 1995). Its continued growth in the 1950s led to the formalization of artisanal alluvial mining thus relinquishing the exclusive right of corporate mining (Greenhalgh, 1983; Vander Laan, 1965). Regulatory measures like air and land patrolling of Sierra Leone Selection Trust (SLST) mining areas, an entry permit for a non-native into diamond areas, frequent border patrols, and heavy penalties for illicit miners resulted in the reduction of illicit mining in the 1950s and 1960s (Greenhalgh, 1983; Reno, 1995). In other words, implementation of effective regulatory measures by the central government in collaboration with a corporate mining entity, the SLST, minimized illicit diamond mining and smuggling. Further, an economic structure was initiated by the national government in which the Gold and Diamond Office offered attractive prices for the purchase of diamonds (compared to those offered in Liberia). This economic initiative also helped in minimizing smuggling to neighboring countries (Reno, 1995). As a consequence, official diamond production was about 2 million carats annually. Illicit diamond mining was exacerbated in the 1970s and 1980s as

Madagascar are faced with illicit exploitation of tanzanite and sapphire respectively. See PAC, 2008 report; Omeje eds. 2008.

diamond exploitation became a political strategy employed by the Stevens' led All Peoples' Congress Party (APC) government to reward party cronies (Davies, 2000; Reno, 1995; Smillie et al., 2000). This resulted in increasingly ineffective regulation and enforcement of mining policies and the growth of informal diamond mining. Rather than upholding government authority to regulate diamond exploitation, some government functionaries aided by Lebanese and a few national business elites utilized the informal system to rob the state (Smillie et al. 2000). Diamond smuggling to neighboring West African countries was rampant. Most of these smuggling was aided by foreign descent (Lebanese in particular, and other West African Nationals) that had informal social networks in the West African sub-region, the Middle East and Belgium (Fithen, 1999; Gberie, 2005; Smillie et al., 2000). Thus, formal mining was sabotaged and by 1984, the National Diamond Mining Company (formerly SLST) was winding down its mining operation. Official diamond production dropped precipitously from an annual production of 2 million carats in 1970 to less than 200,000 carats in 1984 (Davies, 2000). In fact, official export as of 1984 was only 190,000 carats amounting to US\$30 million.

The problem of illicit diamond mining reached its climax during Sierra Leone's civil war (1991 to 2002) when the government of Sierra Leone (GOSL) totally lost its regulatory power over the diamondiferous areas. Consequently, various factions, especially the Revolutionary United Front (RUF) rebels, were engaged in illicit mining and trading of diamonds to fulfill their various agendas. Liberia's (then warlord) Charles Taylor facilitated RUF's diamond transactions. Proceeds from diamonds were used to purchase arms and ammunition, and narcotic drugs, thus sustaining their war machinery (Hirsh, 2001; Keen, 2005; Richards, 2001).⁵ The inception of the global regulatory mechanism contributed in stemming the flow of conflict

⁵ Evidence suggests that other factors were involved in illicit diamond mining during the civil war. This includes Civil Defense Force, renegade soldiers, and the West African Monitoring Group ECOMOG (See Richards 2001).

diamonds⁶ (all of which were exploited illicitly) from Sierra Leone; yet there are evidences of illicit diamond mining and trading in post-civil war Sierra Leone (Davies, 2006; Even- Zohar, 2003; PAC, 2005; Levin, 2006). Davies (2006) maintains that illicit mining is mainly due to spatially dispersed deposits, and the use of rudimentary tools in mineral extraction. However, Levin (2006) pinpoints that miners engaged in illicit mining due to lack of money to pay for licenses, or they are related to traditional authorities and do have indemnity. She asserts that illegal mining is a logical choice for those with strong social connections as it offers higher profit and independence. What then are the principal causes of illicit diamond mining and smuggling, what are their trends in recent years, how can illicit diamond mining and trading be considerably minimized? This section addresses these questions with reference to Kono District in particular, and Sierra Leone in general.

While the national government has the power and authority to control diamond mining and generate mineral revenue through licenses and other fees, some social actors face economic constraints and therefore circumscribe official regulation. Findings revealed that economic constraint is the primary trigger of illicit diamond mining. The modal survey response (68.4 % of respondents) demonstrated that license fees were expensive and therefore not affordable by many. Various interviewees reechoed the issue of high license fees. A town chief had this to say,

“There is too much money involved in obtaining a mining license. You not only pay official license fees, surface rent and development fund, but you have to give numerous ‘handshakes’. You end up spending twice the official amount so how can those who cannot afford obtain license?”

⁶ The UN (2000) defines conflict diamonds as ‘diamonds that originate from areas controlled by forces or factions opposed to legitimate and internationally recognized governments, and are used to fund military action in opposition to those governments, or in contravention of the decisions of the Security Council.

Similar views were expressed by other interviewees — teachers, religious leaders, and female license holders. Some respondents (12 %) believed that some people resort to illicit mining because the mining process was unfair, as those who lack political and social connections do not obtain license. A female license holder posit that social connections are useful in obtaining licenses as people that have connections are allocated several mining plots while those without find it very difficult to obtain even a single plot. A religious leader opined that preferential treatment to foreign nationals who exploit the land with very little benefit plough back into the community have caused some indigenous people to mine illegally.

While government has the power and authority to enforce polices geared towards monitoring of diamond mining, its capacity to effectively enforce mining regulations seem far-fetched. Interviewees (6.8 %) disclosed that paucity of mines monitors and wardens have led to illicit mining while 4.3 percent of them said that the lack of financier (supporter) who invariably accrues mining expenses triggers illicit mining. The problem of lack of capacity to monitor mines is also underscored by a number of interviewees from different sectors of society. Two paramount chiefs, a senior mines official, a junior mines official, and an elderly person all maintain that incapacity to monitor mines is the principal reason why illicit mining is prevalent in Kono District in particular and Sierra Leone in general.

Other respondents believed that the spatial dispersal of diamonds, unfair treatment of diggers by supporters, inability to renew license due to no ‘winnings’, the belief that land belongs to community therefore no license should be required, and lack of job opportunity facilitate the continuation of illicit diamond mining (Table 1). A number of key informants

underscored lack of finance, high unemployment, and high poverty levels as drivers of illicit mining.⁷

Table 1: Triggers of Illicit Diamond Mining

| Triggers | Frequency | Percentage |
|---------------------------------|-----------|------------|
| Dearth of mines monitors | 16 | 6.8 |
| Unfair mining process | 28 | 12 |
| Spatially disperse resource | 6 | 2.6 |
| Expensive license fees | 160 | 68.4 |
| Unfair treatment of supporter | 4 | 1.7 |
| Lack of financier | 10 | 4.3 |
| No winnings no license renewal | 6 | 2.6 |
| Belief that no license for land | 2 | 0.8 |
| Lack of job opportunity | 2 | 0.8 |
| Total | 234 | 100 |

Government's capacity to monitor mines may be trammled by the remoteness of diamond mines. In their discussion of illicit resource exploitation (especially in the context of armed conflicts), Auty (2001) and Le Billion (2005, 2008) maintain that distant resources (i.e. those located in remote areas) are more prone to illicit exploitation rather than proximate resources. In response to a possible association between remote location and illicit mining in Kono District, 71.1 percent of the study population stated that illicit mining is greater in remote

⁷Rural Kono has a poverty level of 79.6% compared to rural Pujehun' 59.6%. Pujehun is predominantly an agricultural area (PAC 2006) - The Diamond Industry Annual Review Sierra Leone.

areas than those closer to towns. This association to a reasonable extent conforms to Auty and Le Billion's conceptualization of the geographic location of a natural resource and its illicit exploitation. In other words, effective implementation of regulatory measures to curtail illicit diamond mining is thwarted by the remoteness of mining areas from government's control. However, 28.9 percent of respondents opined that there is no direct association between the two. For them, illicit mining is the result of ineffective monitoring of mines. A town chief maintained that the spatial extent of Sierra Leone is too small to warrant remoteness as a major precipitant for illicit mining operations.

As to why remoteness of the resource can result in illicit mining, various reasons were advanced. The modal response (62.5 %) of the sampled population was that lack of logistics for distance monitoring was the major reason. A senior mines official, two mines monitoring officers, three town chiefs, and a paramount chief expressed similar concern about the unavailability of logistics for mines monitors and wardens. A related response (21.2 %) was dearth of mines monitors to cover the geographic extent of alluvial diamond mines. It should be noted that diamonds are spatially dispersed over 19,943 square kilometers, which is about a quarter of the country's total land area (Davies, 2006). With only 92 ill-equipped mines monitors, patrolling this area (part of which is covered with thick forest) becomes an arduous task (MMR, 2008). In fact, 10.3 percent of respondents maintained that remote areas are not monitored at all. Other responses of lower magnitudes were: illicit miners have traditional leader's support, some licit diamond miners do not mine remote areas, and illicit miners bribe mines monitors and wardens (Figure 2). A focus group of diamond diggers that are engaged in illicit mining said when mines monitors/ wardens come around occasionally and caught them mining, their equipment are confiscated. They then contribute money as a handshake for the

official. Their leader hands it over to the official and their equipment is released resulting to a continuation of illicit mining the next day.

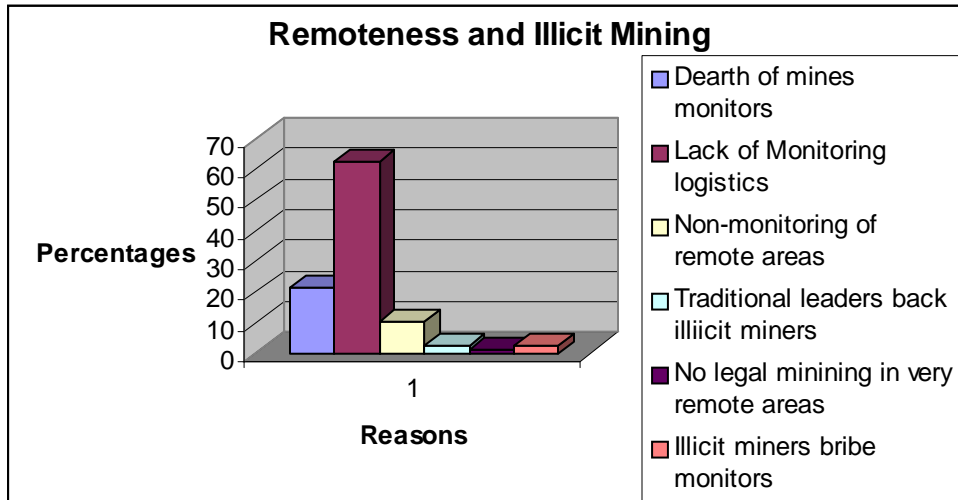


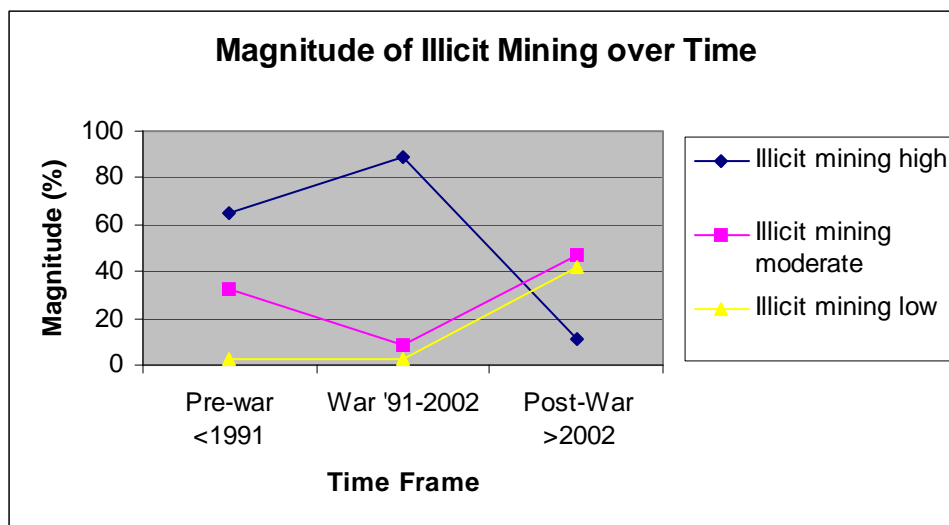
Figure 2: Why remoteness facilitates illicit diamond mining

What is quite clear from these responses is that government lacks the capacity to monitor mines and enforce mining regulations. The remoteness of the resource becomes a major issue of concern due to the inability of government to monitor mines. Illicit miners and their associates therefore capitalize on ineffective government’s monitoring to satisfy their economic agenda — maximizing proceeds from winnings by evading official mining fees.

With regards the association between spatially diffused diamonds and illicit mining, majority of respondents (59.7 %) said that there are some linkages between the two, while 40.3 percent said the spatial dispersal of diamonds does not influence illicit mining. Le Billion (2005, 2008) emphasizes point resources as more susceptible to illicit exploitation; yet in the case of alluvial diamonds, the diffuse nature of the resource is more problematic than point resources –

Kimberlite diamonds – that are concentrated in a small geographic location and are easily monitored⁸.

While there is a general consensus that illicit mining is prevalent, there are temporal variations in the level of illicit diamond mining with socio-economic implications. Majority of respondents (65.3 %) said that illicit mining was high prior to the civil war, 32.5 percent believed it was moderate while only 2.2 percent said that it was low. During the civil war period, most respondents (88.7 %) suggested that illicit mining was high, 8.7 percent said it was moderate, while 2.6 percent believed it was low. Compared to the civil war period, most respondents said that as of 2008 illicit mining has reduced. Of these, 10.7 percent believed it is high, 47.4 percent said it is moderate while 41.9 percent said it is now low (Figure 3). While illicit mining is still a major problem, the level of illicit mining has reduced compared to the pre-war and war period as demonstrated in the number of mining licenses issued⁹. In short, illicit mining was generally considered high in pre-war period and escalated during the civil war. This was followed by a reduced level of illicit mining as of 2008 as evident by respondents' perspectives.



⁸ Point resources are concentrated in a small area (e.g. oil wells, or kimberlite pipes) while diffused resources are disperse over a wide area (See Auty, 2001; Le Billion, 2008),

⁹ About 2,000 artisanal mining licenses are issued annually generating a total revenue of US\$135,600 (MMR, 2008).

Figure 3: Temporal Perception of Illicit Mining

Majority (86.3 %) maintained that illicit mining has generally decreased over the past five years while 10.7 percent believed that illicit mining has increased. The general opinion of most key informant interviewees is that illicit mining has reduced. A senior mines official believed that the ratio of legal to illicit mining is 80:20, a mines monitor said it is 65:45, while a senior mines warden said it is 70:30. The reduction in illicit mining over the past five years can be attributed to growth in mining companies (34.8 %), better mines monitoring (27.4 %), equity in acquiring mining license (23.4 %), the emergence of the plot system¹⁰ (11.4 %), and failure to obtain diamonds (3 %). Large-scale mining companies who carry out prospecting, exploration and mining activities have been issued extensive land concession areas. A case in point is the African Minerals (formerly Sierra Leone Diamond Company) whose mining concession area is 162.3 square kilometer in Nimiyama Chiefdom, Kono District. Further, the company's exclusive prospecting license covers 12,462.4 square kilometers spanning Kono, Koinadugu and Tonkolili districts while its exploration license has a spatial extent of 892.1 square kilometers. The latter covers Sandor, Nimikoro, Nimiyama, Soa, Kamara, Faiama, and Lei chiefdoms (MMR, 2008b). Other companies that have mining concessions in Kono District and other diamondiferous areas in Sierra Leone include Basama Diamonds Limited, Koidu Holdings Limited and Milestone Trading Limited. It is imperative to note that these companies undergo prospecting and exploration in order to ascertain whether diamonds are available and to estimate the quantity of diamonds. Invariably, these companies mine areas that are commercially viable. Thus artisanal miners are left with reduced mining land that in most instances have marginal deposits of diamonds.

¹⁰ The plot system is the division of land for artisanal mining into plots measuring 200 feet by 200 feet. This is different from earlier period when a large area of about 800 by 800 feet was given to an individual artisanal miner.

Reduction in illicit mining is also attributed to difficulty in finding diamonds. This is the result of a number of factors. The availability of marginal land (land that potentially contained low diamond deposits), the long-term mining of diamond deposits, and scarcity of diamonds have resulted in reduced ‘winnings’. As a consequence, some people have given up illicit mining and have sought company employment¹¹ or alternative forms of livelihood especially farming and forestry activities.

Better mines monitoring has also contributed in reducing illicit mining in recent years. The development of a cadastre system (the registration of land indicating precise location, boundaries, dimension, and tenure) in Kono District based on the use of GIS and GPS applications may have aided official land allocation and monitoring (DDI, 2008). Though there is dearth of government mines monitors to cover the spatial extent of mining areas, the joint monitoring effort between government mines monitors and chiefdom monitors may have produced better results. Financial returns to diamondiferous chiefdoms, following the establishment of the Diamond Area Community Development Fund (DACDF), are based on the number of licenses issued, the quantity of legal exports, and added reward for special stones (Maconachie 2007, 2009; MMR, 2008a). Twice yearly, diamondiferous chiefdoms receive a quarter of the 3% diamond export tax. As a consequence, chiefdom monitors (selected by traditional authorities) are vigilant in ensuring that mining is done through legal channels in order to increase financial returns to their chiefdoms.

While the general perception of locals in mining communities is that illicit mining has reduced, about a fourth of the sampled population maintained that illicit mining has increased compared to pre-war years. Of these, majority (76 %) pointed out that formal diamond mining is

¹¹ Unlike artisanal miners, companies use advanced technology and are able to mine rich, deep deposits that have been identified through prospecting and exploration

very expensive and that discourages those who cannot afford it. As a result, the poor engage in illicit mining as a means of livelihood.

In pursuing their economic goals, illicit miners have capitalized on government's incapacity to forestall their operations. It is therefore an economic and social concern for mining communities in general and the national government in particular as it reduces revenues obtained through alluvial mining. It is therefore necessary to implement measures aimed at substantially curtailing illicit mining, thereby augmenting official mineral revenue base.

One of the major objectives of the central government and local authorities is to improve formal diamond mining. Respondents highlighted the major ways of increasing legal diamond mining. The modal response (47.9 %) was that government should lower license fees. A number of interviewees (teachers, religious heads, mines monitors, town chiefs) believed that affordable mining fees (license, and charges for surface rent and development fund) would encourage more people to mine legally. It is essential to note that it is not just the license fees but also the additional 'handshake' resulting in a higher total expenditure. Others (20.4 %) opined that fair practices in securing mining licenses would minimize illicit operations. In fact, miners' focus groups pointed out that mining authorities should stop the preferential allocation of licenses to those with foreign descent (other West Africans, and Lebanese) but are citizens by birth/marriage. Relatedly, 17.5 percent of respondents suggest that there should be equity in land allocation for mining. Other responses include reducing patron-client connections; provide better financial support for diggers, increase chiefs' monitoring power in mining areas and reducing foreign involvement in diamond mining (Figure 4). A town chief highlighted that if they are empowered to monitor mines in concert with the government mines monitors, they will effectively work towards zero tolerance of illicit mining.

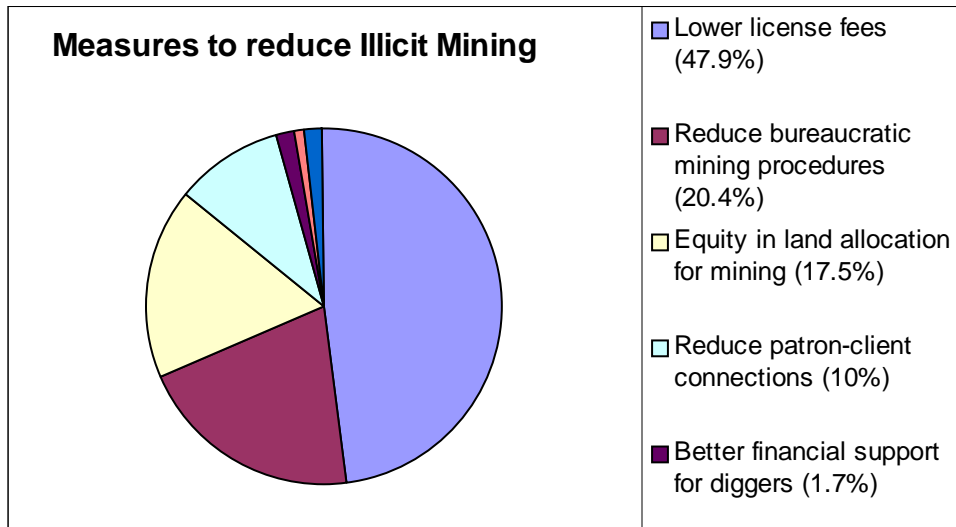


Figure 4: Measures to reduce Illicit Mining

In addition to illicit mining is the problem of illicit trade (smuggling) of diamonds. While illicit diamond trade occurs at local and national scale its major levels of operation are at the regional and international scales.¹² Illicit diamond trade and smuggling stem mainly from government's incapacity to manage diamonds from an administrative and legal standpoint as well as from an economic perspective. Smuggling of diamonds to neighboring countries and onward transshipment to the Middle East and Europe has been an on-going process since the colonial era (Reno, 1995). Majority of respondents (61.7 %) maintained that the main driving force behind diamond smuggling is better market prices in other countries. Few diamond magnates who prefer an uncompetitive system have dominated the economic structure of buying rough diamonds from artisanal miners and diggers. These structural forces have undermined the free market for buying and selling thus adversely affecting the standard value of rough diamonds. Even-Zohar's (2003) study indicated that only 15 % of the actual value of a diamond

¹² A number of middle-men locally known as Dyulas are engaged in illicit trade in diamonds within Sierra Leone. Some do not have enough money to purchase gems but serve as brokers.

remains in Sierra Leone while the remaining 85 % goes to international diamond actors. An elderly man maintained that only 1/7th of the actual value of diamonds go to the miners/diggers that do arduous work. A senior NGO official strongly believed that the major reason for smuggling of diamonds to neighboring countries is that diamonds are undervalued in Sierra Leone. He also asserted that most business magnates prefer to be paid in hard currency (US dollars in particular) for diamond transactions. Furthermore, government's incapacity to monitor the borders to Guinea and Liberia and the Lungi International Airport has created opportunities for diamond actors (illicit dealers and exporters) to engage in smuggling to maximize their economic gains at the expense of official mineral revenue. Some respondents (16.7 %) attested that the country's border is porous while 6.7 percent of the sampled population said that ease of transfer of diamonds was the major cause of illicit trade. The issue of the country's porous borders was cited by a number of key informants that included traditional authorities, female license holders, elderly persons, teachers, and religious heads. A paramount chief asserted that there are at least 39 entry points to Kono's 14 chiefdoms, and security officers do not police most of these entry/exit points. A female license holder stated that most of the big smuggling missions go through the national airport that lacks modern devices to detect gemstones. Corruption and informal social networks were also regarded as triggers of illicit trade accounting for 5 percent and 4.6 percent of responses respectively. An elderly person and a religious head believed that most of the smuggling is orchestrated by those with foreign descent that are sponsored by their relatives in neighboring countries such as Guinea, Gambia, Senegal, and Mali. Miners seem to be obligated to take 'winnings' to their financiers who invariably are their relatives. While it is understandable that Sierra Leone borders are porous, there are instances in which corrupt practices by security and customs officials at border checkpoints (including the Lungi

International Airport) may have aided and abetted smuggling. In fact, on April 13, 2009, NBC news reported that customs officials at JFK, New York seized 28 diamonds with a declared value of \$800,000 that originated from Sierra Leone without the Kimberley Process Certification. How they went through Sierra Leone's Lungi International Airport is a cause for concern.

Finding a panacea for diamond smuggling will increase the mineral revenue base for the GOSL and by implication mining communities. This is however an uphill task as smuggling has been entrenched in West Africa (Dietrich, 2004; Even-Zohar, 2003). An international regulatory mechanism the Kimberley Process Certification Scheme (KPCS) was created in 2003 to eliminate the flow of conflict diamonds. KPCS has contributed in reducing contemporary smuggling and therefore substantial increase in official diamond exports. Official diamond exports were \$31.3 million at the onset of the war in 1992 and dropped to \$1.78 million at its peak (1998-99). There has been considerable increase in official diamond export in the post-war period. Export amounted to \$41 million in 2002 following the inception of the certificate of origin controls in 2000 and increased to \$141 million in 2007¹³. Nevertheless, Sierra Leone diamonds are being smuggled. A conservative estimate suggests that at least 20 percent of alluvial diamonds extracted are smuggled out of the country while some put it at 40 percent (PAC, 2005). Total diamonds exported in 2006 amounted to US \$125 million and total government proceeds amounted to US\$5.27 million. If that is regarded as 80 percent of diamonds actually mined in Sierra Leone, then US \$31.25 million worth of diamonds may have been smuggled. This would have generated additional official mineral revenue of US\$ 1.32 million. It is essential that smuggling be further reduced so that diamonds can play a more fundamental role in stimulating economic growth and fostering development. The discussion that

¹³ Diamond export for 2008 dropped significantly to \$98 million due to the global credit crunch and the moratorium of kimberlite mining following the December 13, 2007 violent conflict.

follows is centered on strategies to improve official diamond trade while significantly reducing smuggling.

Most discussions on how to eliminate smuggling of precious minerals emphasize improving administrative and law enforcement ability. Generally, policies geared towards border control and stringent punishment for smugglers are underscored. In other words, effective structures can combat the illicit economic agenda of smugglers and their business associates in the West African sub-region and the global market. While national border control and legal measures to restrain illicit trade and curtail smuggling are necessary, they may not be sufficient to substantially reduce or perhaps eliminate smuggling. Further, effective implementation of those policies may be difficult in a country where logistics, human capacity and motivation of mining and security officials are sub-optimal. It may therefore be necessary to utilize various strategies to combat illegal diamond trade that include regulatory mechanisms (both national and international) and reformulation of economic incentives. In fact, the modal response (40 %) of household survey indicated that a system should be set up whereby international buyers should come and buy directly from miners/diggers. A paramount chief said that the purchase price for diamonds should be attractive to miners and should reflect the standard price per carat for rough diamonds in other SSA countries. He states ‘the current restrictive market system allows a few diamond magnates to buy at very low prices’ He notes that ‘a fair price will reduce the chances and risks of smuggling to neighboring countries’. Other interviewees expressed similar views. A town chief said that government should ensure that diamond experts come in and buy diamonds according to the actual price that is paid for rough diamonds elsewhere. Miners’ focus group indicated that undervaluing rough stones is a deliberate attempt by a cartel of diamond dealers to make astronomical profits. They mentioned that if the government can ensure fair prices for

diamonds at the mining communities, smuggling would be reduced. Relatedly, a number of respondents (22.5 %) said that in order to reduce smuggling, higher prices should be paid for local purchase. Household survey responses (15.8 %) pointed out that the national borders should be better policed in a bid to crack down on smuggling. A senior mines official posited that improved human capacity, and modern detection devices are essential requirements for curtailing smuggling. Other respondents (12.5 %) opined that mines monitors and wardens, customs and security officials should be given better incentives so that they can discharge their duties effectively. Others responses encompass reduce chain of middlemen, increase trade liberalization, and reduce export license fees (Table 2).

Table 2: Strategies to curtail illicit diamond trade

| Strategy | Frequency | Percentage |
|--------------------------------------|-----------|------------|
| Bring international buyers to miners | 96 | 40 |
| Higher prices for local purchase | 54 | 22.5 |
| Better protection of national border | 38 | 15.8 |
| Better incentives for mines monitors | 30 | 12.5 |
| Reduce 'chain of middle men' | 15 | 6.3 |
| Increase trade liberalization | 5 | 2.1 |
| Reduce export license fees | 2 | 0.8 |
| Total | 240 | 100 |

In sum, illicit diamond mining and smuggling are deterrent to economic growth and development. Yet, they can be substantially minimized if appropriate measures are implemented. More people can obtain license if license fees are reduced and 'handshakes' are eliminated.

However, equity in the allocation of licenses is also necessary. In addition, better mines monitoring and better incentives for mines and customs officials will be helpful. With regards smuggling, both the improvement of administrative and legal enforcement ability are essential. Yet, economic incentives that include bringing international buyers direct to miners, and paying a standard price for rough diamonds commensurate to other SSA countries and other parts of the world can contribute to minimize illicit diamond exploitation.

6. Diamond management challenges: corporate mining and community conflicts

While there are strides to transform illicit diamond exploitation to formal mining, the artisanal alluvial mining sector which accounts for about 80 percent of current production is still plagued with socially entrenched tactics to circumscribed government's effort in monitoring diamond mining and trade with negative economic implications. Yet, a country undergoing post-war recovery needs a growing revenue base that is not totally dependent on foreign aids and grants (Grant, 2005). In line with the Core and Mineral Policy of 2003, and the support of the World Bank, IMF, and Multilateral Investment Guarantee Agency (MIGA), the government of Sierra Leone believes that expanding corporate mining is a viable option as it is easier to monitor and tax, and can generate substantial revenue. Since 2002, the government has encouraged the investment of multinational mining corporations in prospecting, exploring and mining minerals. The expansion of multinational mining companies has resulted in increase in the government's mineral revenue. For instance, Koidu Holding Limited (KHL) pays US\$ 200,000 as annual lease rent, 30 percent profit tax, and US\$32, 258 as surface rent to Tankoro Chiefdom in Kono¹⁴. Growth in corporate mining has also led to socio-economic transformation in mining

¹⁴ Other payments include 5% of revenue on each diamond sale to the National Revenue Authority, and a valuation fee of 0.5% of the export value of each sale is paid to the Government Gold and Diamond Office

communities, which include employment opportunities, demand for basic commodities, and some infrastructure.¹⁵ Nonetheless, there is a negative impact of serious concern, and that is conflict between corporate mining and mining communities.

One of the objectives of this study was to investigate the causes of conflicts between communities and mining companies. The major responses were as follows: 32.2 percent said access to land was the major issue; 31.1 percent maintained that companies fail to comply with lease agreement; 12 percent opined that the non-involvement of communities in mining agreements is the major contention while 7.1 percent underscored land grabbing by companies as the major problem (Table 3).

Table 3: Mining-related precipitants of community/company conflicts

| Triggers | Frequency | Percentage |
|--|-----------|------------|
| Access to land for diamonds | 59 | 32.2 |
| Reneged resettlement agreement | 57 | 31.1 |
| Communities not party to mining agreements | 22 | 12 |
| Land grabbing by companies | 13 | 7.1 |
| Inadequate land compensation | 12 | 6.6 |
| Kimberlite blast mining | 12 | 6.6 |
| Disruption of local livelihoods | 4 | 2.2 |
| Natives not employed | 2 | 1.1 |
| Lack of infrastructure development | 2 | 1.1 |
| Total | 183 | 100 |

¹⁵ Koidu Holdings Limited (a kimberlite mining company) employs about 600 Sierra Leoneans.

Access to land and the power relations surrounding it have created tensions that have resulted in social conflicts in mining areas. There is asymmetry in power relations surrounding access and control of land for diamond mining. While land is communally owned and traditional leaders are custodians of land, their power is limited as GOSL has the ultimate power in land allocation for developmental purposes. In fact, as in most countries, GOSL retain the rights to sub-surface minerals, and has increasingly granted mining concession to large-scale predominantly foreign owned mining companies (Hilson, 2002; Hilson and Yakovleva, 2007). There are instances in which the Ministry of Mineral Resources may issue artisanal licenses for the same locations where leases have been granted to companies for prospecting and exploration (DDI 2008)¹⁶. This shows the degree of incompetence of mines official in land allocation. Even though the chiefdom mines committee chaired by the paramount chief should allocate land for mining, their power is limited as GOSL through the minister of mineral resources (based on the recommendation of the Mineral Advisory Board) give directives to traditional leaders to issue lease land for corporate mining¹⁷. Mines authorities maintain that GOSL receives appreciable revenue from corporate mining, which can enhance economic development therefore traditional authorities should work in the interest of national development. This clearly illuminates prejudicial implementation of policy and conflicting local and national interests. In fact, mining companies execute most mining documentation with the central government - the ministry of mineral resources and other related ministries- after which they meet the local leaders who invariably append their signature to such documents.

¹⁶ During semi-formal interviews, several respondents maintain that their land have been allocated to companies even though they have current mining licenses. This was more evident in Sandor chiefdom.

¹⁷ Interviews with traditional leaders in Kono District, Spring 2008

In addition to the problem of access to land, is the issue of local versus national priorities of central government as evident in the non-compliance of Koidu Holdings Limited (KHL) to resettlement agreement. KHL started blast mining prior to the implementation of resettlement program.¹⁸ In fact it has not fully implemented the resettlement program as agreed in the lease agreement yet GOSL allowed KHL to start blast mining (NMJD2007). GOSL seems to have given carte blanche authority to KHL to execute mining operations. GOSL gives premium to the steady flow of much-needed revenue from KHL while local issues like the effects of blasting mining and resettlement programs is of less priority¹⁹ Thus socio-economic conditions of people in mining communities are deteriorating.

Another major issue of concern is that the various groups in the community are not involved in corporate mining agreement. Respondents maintained that only the traditional head and the mines engineer are consulted at the local level. Women, youths, the elderly amongst others, are not involved in negotiations for the issue of leases to companies.²⁰ As shown in figures 5 and 6, it is clearly evident that traditional authorities are the central authority for land allocation and in expropriation of land while central government is the second major authority. While this is the official position, directives from mining officials and top political figures reduce the power of traditional authorities to exercise their duties independently. The conflicting interests and lack of autonomy can create misunderstanding and tensions in local communities.

Since land compensation is one of the causes of conflicts, respondents were asked about the authority responsible for land compensation. As indicated in figure 7, the modal

¹⁸ It is imperative to note that mining concession was granted to Branch Energy in 1996 by the military junta National Provisional Ruling Council (NPRC) and this company metamorphosed to KHL, which resurfaced in 2003 after the civil war. Branch Energy was giving mining concession as part of a deal with a related company executive outcomes who served as a security company that chase out the RUF from Freetown in 1995 and from the diamondiferous district of Kono that same year.

¹⁹ Interview with elderly person that has been displaced by mining. Diamond diggers focus group

²⁰ Interview of Elderly persons and Focus group discussion with youths, Spring 2008

response was mining companies (51.8%) while mining communities accounted for 30 percent. Even though most landholders are normally consulted they only play passive role in the determination of compensation. Invariably, mining companies determine compensation based on the interpretation of mining policies and laws. According to the Mines and Mineral Act (1994: Article 26.3), fair and reasonable compensation should be given to the landowner by the mining enterprise. Compensation thus seems to be arbitrary, as companies have to determine what is considered fair and reasonable. Most landholders are of the conviction that compensation includes the potential value of subsurface materials and perceive compensation as unreasonable as evident in survey responses. Majority of respondents (81.3 %) stated that land compensation was unfair, 7.1 percent said it was average while only 11.6 percent believed that fair compensation was given. The mineral law apparently puts the landholder/ landowner in a weaker position as the power to compensate lies on mining companies. In most instances, the landholder is worse off with compensation received.

In sum, unequal power relations and the different and sometimes conflicting interests of the various actors have created tensions at the mining locale. The central government, traditional leaders, groups in mining communities have different motivations, goals and action. The interplay of these disparate goals has resulted in conflicts that have been manifested in various ways.

7 Manifestations of Diamond-Driven Conflicts

Unequal power relations epitomized by domination and resistance triggered diamond-driven conflicts. Groups in mining communities are faced with structural forces that have affected their livelihoods and social conditions. They reciprocate by engaging in various forms

of resistance some of which can be violent. The major ones are mass meetings, notice to authorities for demonstration, demonstrations, occupation of mining areas, confrontation between community people and security officials, and violent conflict.

Generally, central and traditional leaders do not consult communities in the preparation of corporate lease agreements. In the case of kimberlite mining in Koidu, local leaders and central government representatives meet with the Koidu community just to inform them about the intending kimberlite mining project (Jenkins Johnston Commission Report, 2008). It was reported that some community members that included two junior chiefs strongly opposed the granting of mining concession to Koidu Holdings Limited (KHL) because the potential social and environmental impacts were considered inimical to the Tankoro community in particular and Koidu town in general. They were arrested and detained for considerable period of time and later released. The fact that the government of Sierra Leone (GOSL) exercised power by detaining these people and issued mining concession to KHL is an indication of power asymmetry and abuse that is prevalent between ordinary citizens and GOSL.

Groups such as the Affected Property Owners Association (APOA) of Tankoro chiefdom, the Affected Land Owners Association (ALOA), and Kono Youth Coalition (KYC) meet regularly during which views are vehemently expressed and tensions mount between members who might have disparate opinions on ways of presenting their case to garner attention for urgent action (NMJD 2006). While some suggest radical and confrontation approach to their cause, others felt that dialogue and negotiation was preferable.²¹ As Bebbington et al. (2008) note, while group mobilization may center on a specific theme, there could be multiple interest some of which are conflicting and can weaken the desired goals of the group. A case in point is

²¹ Interview a member of the APOA in Koidu.

conflict amongst Kono Youth Coalition that resulted in the formation of Tankoro Youth Organization.²² It was revealed that some youths were manipulated by district and company authorities and became advocates for corporate mining while others opposed.

Groups like APOA and ALOA notify central government authorities, local authorities and the police for intending demonstrations. Such notices take the form of an ultimatum in which several demands are pinpointed. It is stated that if such demands were not met they would engage in peaceful demonstrations. A case in point was a notice sent by the APOA in November 2007 expressing dissatisfaction over KHL with respect to the resettlement program and blasting mining. The youths of Nimiyama Chiefdom also sent a 21 days notice for demonstration in April 2008 to the West African Minerals Company, the district mines engineer, traditional leaders and the police. They stated that the lease agreement for this company should be made available to them so that they can be abreast with the development package for their community and the spatial extent of the mining concession, failure to which they planned to occupy the company's mining area to prevent its mining operation²³.

There is also growing militarism amongst affected groups that is manifested through demonstration and confrontation. Youths of Nimiyama chiefdom demonstrated against Milestone Company while those in Nimikoro protested against Paterson Company at Bandafayee mining locale.²⁴ Angry youths of Nimikoro maintained that the company should stop mining, as they have not employed youths in the vicinity of extraction. Members of APOA demonstrated in Koidu town against blasting mining and the appalling attitude of KHL authorities towards their community. Affected groups in Sandor chiefdom periodically demonstrated against SLDC

²² Focus group discussion of youths groups in 2008

²³ Focus group with Nimiyama Youths, Interviews with traditional leaders of Nimiyama chiefdom

²⁴ Youth focus groups and key informant interviews in Kono, 2008

(now African Minerals) and Milestone Companies in relation to issues such as land compensation and land grabbing.

Youth and other affected groups also expressed their dissatisfaction by the occupation of corporate mining site. In February 2008, youths of Nimiyama chiefdom (some of whom are diamond diggers) embarked on an occupation of the mining site of A.V. Charge Company in Kagama, Nimiyama Chiefdom saying that they will preclude the company from mining activities, as they were oblivious of the arrangement between traditional authorities and the company in relation to community benefits. They asserted that local people used to mine these lands through which they sustained their livelihoods but this was no longer the case²⁵. Company authorities called in the police who tried to disperse the crowd through negotiation. Angry youths pelted the police with stones, and sticks. The police reacted by beating demonstrators with batons, fired canisters of teargas to disperse the crowd, and arrested some youth leaders.²⁶ In April 2008, diamond diggers in Koidu occupied the mining site (known as “number 11 sand”) of Kariba Mining Company (KMC) at Tankoro chiefdom at night and washed the gravels that have been piled waiting processing. They maintained that “number 11 sand” was a communal mining area for artisanal miners and as far as they were concerned it was not leased to KMC. The occupation went on for two days. Traditional authorities and company authorities called in the police. Confrontation ensued between the militant diggers and security forces. The security forces responded by firing teargas and fire live bullets to disperse the irate crowd²⁷.

Another example of community- company confrontation was that between Koidu residents and KHL, which culminated to violent conflict in December 2007. APOA sent a 14-point resolution to the Minister of Mineral Resources in November 15, 2007 in which they

²⁵ Focus group discussion with Nimiyama youths, 2008.

²⁶ Focus group discussion with Nimiyama Youths, Interview with traditional leader of Nimiyama chiefdom.

²⁷ Interview with residents of Koidu, Radio program aired on local FM station in April 2008, Personal Observation.

highlighted their demands in relation to relocation and resettlement as was agreed in the memorandum of understanding between GOSL and KHL. On November 23 2007, a notice to demonstrate was sent by the 13-man Working Committee of APOA to the local unit commander of Tankoro chiefdom in which they stated:

“... We have resolved to give 21 days notice to all authorities to see into our resolutions and to make sure that the 14 points stated by us are timely adhered to. ... if the stakeholders and government do not address the resettlement action plan between the affected property owners and the company [KHL] for plausible negotiations within the shortest possible period, then we will in no uncertain terms organize a peaceful demonstration in order for the nation and the international community to know our plight...”

On December 13, 2007 following a radio announcement a few days earlier that blasting will take place on that day, demonstrators came out in numbers outside the main entrance of KHL. These demonstrators carried placards protesting about the blasting that was about to take place. The police crowd control unit came to Koidu to remove residents for blasting and to control the demonstrators. The police were unsuccessful in convincing residents to vacate their houses considered at risk to imminent blasting exercise and to stop the demonstrators with placards and slogans like “No Blasting- kill us today”. In spite of the presence of demonstrators and the presence of people in residents within the blasting envelope, a siren was started and subsequently blast mining ensued (Jenkins Johnston Commission Report 2008).²⁸ The crowd became irate and pelted the police with stones. In response the police opened live bullets that resulted in the death of two people while nine others sustained gunshot wounds. After the shooting, the demonstrators became incensed and went on a rampage during which the police posts at Gbense and Konomanyi Park in Koidu Town were burnt. The police requested help from the Military Aid to Civil Power and order was restored.

²⁸ Interviews with elderly people of Koidu,

In sum, struggles over access and control of diamond exploitation are manifested in disparate ways with varying intensities. While some are of low intensity, for example, arguments in meetings and notices to demonstrate, occupation of mining sites can be regarded as moderate intensity conflict. The occupation of the mining sites of AV Charge and Kariba Mining Companies illustrates ways of resistance of aggrieved groups. The washing of gravels in KMC is an effective though short-lived way in which diamond diggers can use their operational scale for economic gains even though structural constraints are evident. The frequency of such conflicts and the growing militancy amongst social actors towards corporate mining needs to be resolved so that peace and development can prevail in mining communities (Andrew, 2003).

8 Conflict Resolution Mechanism to Mining Community Conflicts

Conflict over diamond exploitation in mining communities is mainly between communities and mining companies²⁹. Such conflicts have been manifested in numerous ways some of which can be violent and a threat to stability and development. It is therefore necessary to resolve conflicts between corporate bodies and communities.

In regard to conflict resolution mechanism between communities and companies (Table 4), a majority of the sampled population (53.3%) opined that communities should be involved in lease agreement, 15.2 percent underscore the need for companies to engage in meaningful infrastructure development while 10.9 percent opined that adequate compensation to landowners will mitigate conflicts.

²⁹ Corporate -community conflict over mineral resources is growing as evident in places like Tarkwa and Prestea Regions in Ghana, Kasai and Kantaga in the Democratic Republic of Congo, and the Peruvian Andes.

Table 4: Conflict Resolution: communities and companies

| Conflict Resolution Measures | Frequency | Percentage |
|---|-----------|------------|
| Involve communities in lease agreement | 98 | 53.3 |
| Construct meaningful infrastructure | 28 | 15.2 |
| Adequate compensation for landowners | 20 | 10.9 |
| Involve communities in EIA preparation | 12 | 6.5 |
| Construct standard houses for re-settlers | 11 | 6 |
| Provide more plots for artisanal miners | 6 | 3.2 |
| Employ those in mining communities | 5 | 2.7 |
| Give land to communities, sell if willing | 4 | 2.2 |
| Total | 184 | 100 |

Active community involvement in corporate mining arrangements is the most dominant mitigation mechanism. It is strongly believed that the active participation of various groups in mining communities will result in clear understanding of mining arrangements and the potential economic and social benefits.³⁰ As earlier mentioned, part of the export tax is ploughed back into diamondiferous chiefdoms yet meaningful development have not been achieved. As of 2006, US\$930, 000 was distributed to 54 chiefdoms (MMR, 2008). Community empowerment will also serve as oversight so that revenues can be used for community development. Current mining policies do not give serious consideration to community involvement as traditional leaders are

³⁰ Interviews with youth leaders, elderly person, religious leaders, and advocacy group officials

considered true representative of mining communities. Further, mining communities are not represented in the national Mineral Advisory Board.³¹

Members of mining communities also believe that companies should implement infrastructure development as agreed in mining concession agreements. While in principle most corporate mining agreements include infrastructure development, very little is implemented. Interviewees opined that the central government and traditional authorities give premium to rents and royalties at the expense of local infrastructure development. Members of mining locales are of the conviction that if their community is developed, as stated in corporate lease agreement, community-company conflict will be minimized since development is a primary concern of mining communities.³² The issue of fair land compensation was also cited as a mechanism to resolve conflict. This is a rather complicated issue though, as the Mines and Mineral Act (1994) does not take into consideration the value of subsurface elements but only the economic value of the land and what features are on the land at the specific date.

The issue of employment was raised by some respondents and re-echoed by key informants. Most opined that mining companies do not employ natives of diamondiferous chiefdoms. They maintained that youths in mining communities should be given priority as that will minimize the potential for conflicts. While mining companies can employ indigenes, most operations are capital intensive, with limited labor requirement. Improving human capacity through technical/vocational and formal education is an essential ingredient for development.

In sum, strategies to mitigate conflict in diamondiferous communities underscore active participation of various community groups in corporate lease agreement. Further, information dissemination amongst the various stakeholders can increase community knowledge,

³¹ Interview with a prominent diamond dealer and an elderly person in Koidu

³² Youth focus groups, women focus groups.

enhance transparency and trust amongst them. The availability of essential mining concession documents to community groups can also help to mitigate such conflicts.

9 Discussion and conclusions: transforming illicit exploitation and diamond-driven conflicts to development diamonds

Social actors involved in diamond exploitation have disparate interests, motivations, and actions. Multinational diamond mining companies that have invested considerable amount of corporate capital in Sierra Leone create employment opportunities, and aspire towards corporate social responsibility (Jenkins, 2004; Schwartz, 2006)³³. Their ultimate goal is to maximize profit (Jenkins 2004).³⁴ The World Bank is also supportive of the extractive sector in developing countries and considers it a propitious trajectory to development. There are also international diamond agents that buy diamonds (whether licit or illicit) with the ultimate aim of maximizing profit. The regional trading platform in West Africa facilitates illicit diamond transactions (Dietrich, 2004). At the national level, the government of Sierra Leone (GOSL), through the Ministry of Mineral Resources and related departments (for instance, Ministry of Finance and Development, and Office of National Security) are responsible for the enforcement of policies/law geared towards effective monitoring and proper management of diamond mining and trade within a peaceful and stable environment. While the government of Sierra Leone also facilitates the extractive activities of transnational mining companies, mineral revenue generation is its ultimate goal³⁵. This is in concert with national mining policies (e.g. the Core and Mineral Policy 2003) that prioritize corporate mining with increasingly less concentration on artisanal

³³ Koidu Holdings, for instance, has invested a total of \$34 million dollars in Kimberlite mining in Sierra Leone. Jenkins- Johnston Commission Report 2008

³⁴ Most of the shareholders are foreign-based, thus considerable amount of profit goes out of the country.

³⁵ GOSL receives lease fees, export taxes,

mining.³⁶ At the local scale, traditional leaders are custodians of the land and their primary duty is to seek the welfare of their community members. While mining policies indicate that traditional leaders should allocate land for both small and large scale mining, they often receive directives from the central government with regards the allocation of corporate leases. These allocations often affect the livelihoods of local communities and may trigger resentment and disputes. Within mining communities, people do have diverse interests that include licit and illicit artisanal mining, seeking corporate job, and continuous access to land for farming, and forest products. The interplay of these actors with multiple and at times distinct interests can result in illicit diamond extraction and trade, conflicts over diamond mining that can forestall mineral revenue generation, an essential ingredient for economic growth and development.

Using the actor oriented political ecology the study have shown that the ineffectiveness of national mining laws/policies has created conditions that are exploited by local and international actors in Sierra Leone's diamond industry. Illicit diamond mining and smuggling, and conflicts between transnational mining companies and communities are two of the challenges of mineral resource management in a fragile state. This ties in with works done in other alluvial mining areas in SSA. These include Fisher et al. (2009) on artisanal mining in Tanzania, Hilson (2002) on competition between large and small scale gold miners in Ghana, and Cartier's (2009) study on the ruby-sapphire trade in Malagasy.

While the government has authority and power to monitor mines and ensure that diamonds transactions follow official channels, weak regulatory and economic structures have resulted in other actors with diverse and at times conflicting interests, circumvent the extant structure of diamond management. Study findings indicate that high license fees are the primary

³⁶ Hilson and Yakovleva (2006) also observed this in the case of Prestea, Ghana where mining reform gives premium of foreign-owned large scale project to the neglect of indigenes' subsistence. Interview with a advocacy official emphasized the national economic objective outweighs local concern.

trigger of illicit diamond mining. Government incapacity to monitor mines and the geography of the resource (remoteness and spatially disperse) have also led to illicit mining. While strengthening administrative and legal measures can curtail illicit mining and smuggling, reconstituting economic structures that are attractive to dealers, miners, and exporters can be an immediate positive step towards minimizing smuggling. Similar views were expressed in an IMF (2004) country report on Sierra Leone. It called for a more holistic approach that will create an environment in which local communities and miners and diggers can benefit more from the country's mineral endowment. Findings indicate that bringing buyers to miners, diggers and dealers and ensuring a higher and fair price comparable to other countries can encourage official diamond transactions thus increasing government revenue collection. The international regulatory system has curtailed diamond smuggling yet, estimates of diamonds smuggle from Sierra Leone range from 20 to 40 percent of total annual production. Border patrol officers should not only be provided with logistics to combat smuggling but should receive better salaries and compensation for intercepting smuggled operations. There is therefore the need for a multi-lateral approach (regulatory and economic measures, and improving benefits for monitoring officials) to curb smuggling.

This paper has also shown that while the liberalization of diamond exploitation has increased corporate mining, the multiple interests, motivations and actions of social actors in diamond mining have created conditions for conflicts as manifested in Kono District, Eastern Sierra Leone. The power relations surrounding access and control over land for mining are asymmetrical and land ownership laws are ambiguous. Findings indicate that the preferential allocation of land for corporate mining, the non-involvement of the various community groups in lease agreement, and the non-compliance of resettlement programs by companies are the major

lubricant of conflict between communities and companies. Further, national structures as evident in mineral legislation and economic and political interests at the national and global levels have influenced conflicting motivations and actions at mineral extractive communities thus fueling conflicts.

The study has shown that conflicts are manifested in disparate ways and of variable intensity. The emergence of social groups and the growing militarism of some of them have led to various radical actions as a means of redressing the situation. Frequent demonstrations, occupation of corporate mining sites, and violent confrontation between demonstrators and security officials necessitate conflict resolution strategies.

Study findings calls for four major conflict resolution mechanisms. First, various community groups should actively participate in formulating, implementing and enforcing corporate mining policies. Second, companies should adhere to initial community development agenda that include the construction of meaningful social infrastructure such as resettlement complex, feeder roads, and community centers. Third, landowners should receive fair and adequate compensation for land relinquish to corporate mining. Fourth, high unemployment of youths in mining communities is a major concern; therefore companies should employ natives of mining communities.³⁷ The Ministry of Mineral Resources in collaboration with advocacy groups like NMJD and campaign for just mining should ensure that various social actors aspire towards peace, and community development that are essential in a country recovering from a decade long civil strife.

In conclusion, while better enforcement of mining regulation could minimize illicit diamond mining and trading, and increase mineral revenue generation, bringing international

³⁷ Most of these youths are artisanal miners and were either combatants or abductees during Sierra Leone's civil war.

diamond buyers directly to miners/diggers in mining locales and offering a fair price for rough diamonds commensurate to international rate for rough diamonds will minimize smuggling. Community empowerment in the management of mineral resources would serve as oversight so that mineral revenues can be judiciously utilized for national and community development. Active community participation in the design of projects and the use of the Diamond Area Community Development Fund for community development is essential. While mining communities bear most of the social and environmental costs of diamond extraction, community beneficiation has been minimal. It is therefore necessary for them to benefit immensely from the exploitation of a non-renewable resource. Corporate entities should ensure that they implement development projects as stipulated in the memoranda of understanding. In collaboration with communities, companies should develop social infrastructure (roads, schools, community centers).

In a country undergoing post-conflict reconstruction, youth unemployment is one of the major challenges that the government faces. Even if mining companies employ natives of mining communities unemployment is still at staggering proportion. It will therefore be absolutely necessary for government to ensure that some mineral revenue be invested for human capacity development of youths. Vocational and technical, business enterprise and agro-industrial training are amongst the myriad ways by which the unemployed in mining communities can enhance human development. The unemployed and underemployed can then be able to fit into diverse economic opportunities rather than relying on diamond mining that is progressively becoming more capital intensive. Increase human capacity and increase diverse economic opportunities will foster development and social stability in a community that is currently highly susceptible to social conflicts.

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