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## Guinea Finds Hope in Alumina Refinery

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In the dry season, a pervasive red dust wafts from the crushers at the bauxite operations that have dominated economic activity for over three decades in Guinea – home to a third of the world's known supply of the raw material for aluminum. The late afternoon light that gilds the north-western mining town of Sangaredi lends a rosy hue to the dust hanging in the still air, coating surfaces, being inhaled, leaving a metallic taste on the tongue.



With a population of 40,000, Sangaredi is a product of the mining industry, but it is not a prosperous commercial center, and it has not spawned a stable middle class. Despite the endless movement of bauxite-loaded boxcars to the port of Kamsar 140 kilometers away, and despite the gold, iron ore, diamonds and uranium in its soil, Guinea is one of the world's ten poorest countries. The United Nations Development Index notes that "forty-seven years of authoritarian rule have left the country with social indicators similar to those of countries emerging from prolonged wars". UN humanitarian coordinator for Guinea, Mbaranga Gasarabwe, says the situation has been worsening – with a life expectancy of under 50 years, an infant mortality rate of around 13 percent, often due to malaria, a maternal mortality rate that in the past seven years has risen from 529 to 847 per 100,000 live births and an HIV prevalence rate that has recently doubled. Only one in eight people has access to health care.

The residents of Lamarana Diop are among those who do not. Less than an hour's drive from Sangaredi, the villagers live much like their ancestors of a century ago. Even before the four-month rains make most roads impassable, the trip requires an all-wheel drive vehicle, plus a walk through overgrown paths that emerge in a small clearing of mud and grass structures, iron cooking pots over open fires and scrawny chickens pecking dirt. After a day trying to scratch a crop from fields cleared with archaic slash-and-burn techniques, women braid hair and nurse babies, while men lounge against the walls.

All that is about to change. The village is in the 700-square-kilometer concession area of Global Alumina, a Canadian-registered company – and recent signatory to the Global Compact – which is building a refinery to process bauxite into alumina. To do so economically, as well as to export the alumina for smelting into finished aluminum, the company is also constructing a water-supply dam and power plant and upgrading railroad and port infrastructure. From the beginning, company officials say, they have aimed to be a business that sets a new standard for social responsibility, both for the water, land and air that have suffered from the caustic by-products of mining – and for the people who live near the operations.

For the past two years, the people of Lamarana Diop and 19 other villages that will be relocated have worked with Global Alumina to define the terms of their move to new homes the company is building among adjacent hills. Local residents collaborate with company teams to site the settlements and to outline the need for services, including skills training for future jobs. The company is committed to building well-functioning communities, as well as to paying fair compensation to each person resettled.

Tens of thousands of people will be employed for the initial construction stage, with thousands of new cash-producing jobs for Guineans. Although educational enrollment in primary school is one area of significant improvement in the past five years – thanks partly to a vibrant “Education for All” initiative spurred by the United Nations Millennium Development Goals campaign to reduce global poverty – an estimated 87 percent of women and the majority of men remain illiterate.

Martina Fabri-Forget, a Canadian sociologist the company hired to direct environmental and population programmes, is a passionate proponent of the company's social engagement. After working a decade ago for mining operations in Latin America, which she found exploitive of local economies and people, she says she refused Global's first approach. Only after being convinced of the company's seriousness as a partner in development did she agree to a three-week visit to Guinea. Two years later, her words tumble over themselves in her enthusiasm to describe the changes she already sees in attitude and demeanor.

Traditionally, she says, ordinary people – women especially – had little voice. Through the meetings and seminars with Global staff, she says, women and men alike have become accustomed to articulating their hopes for the future and are becoming adept at negotiating for what they want from the company. As a generalization, women emphasize schools and health centers, she says, while men ask for roads, bridges and mosques, and both talk of the urgent need for clean water.

In Lamarana Diop, where the mention of “Martina” brings instant smiles, everybody talks about school first. “The most important difference between you and me is that you are educated, and I am not, because I have never been to school. I want my children to be like you, to have your knowledge”, says Alpha Oumar Ba. “That is why I pray for Global”.

Like Fabri-Forget, Jonathan Lachnit, who helps formulate compensation strategies for families who give up their land and homes, joined Global Alumina because it differentiated itself from previous mine-related ventures in Guinea. He liked the company's pledge to develop local capabilities and facilities and its business model based on building refining capacity in a country where almost all the bauxite is exported unrefined. Now, he says, “the ‘value-added’ is going to be captured in Guinea”.

A veteran of Africare, the development agency, Lachnit had not worked for private companies, but he says his expectations of being able to use his expertise in poverty alleviation have been met. “One of the ways to look at this is as a huge development project”, he says. “This project is going to have thousands of people doing construction and hundreds doing operations, putting money into their pockets that will buy medicines, school fees, motor pumps, agricultural implements. We're creating a city that is going to need butchers, people to make bread, drive taxis, run stores – economic opportunities that far exceed the direct effects”.

Company co-founder and CEO Bruce Wrobel, in an interview in New York, described social responsibility as good business, as well as good practice. “A project of this scale in a country with undeveloped infrastructure requires a great deal of cooperation from the local communities”, he says, citing an ambitious alumina refinery project in India that has been stalled for several years

by popular opposition. He also argues that a fast-track education and jobs training effort can save the company money in the future, when expensive expatriates can be replaced by local labor, and that investment in health services is cost-effective. "Healthy workers, healthy employees, healthy families are key to productivity", he says, "beyond the moral imperative to have social benefits".

Another bottom-line consideration, he says, is that good managers are attracted to a project that aims to advantage local people. Many of the company's senior management, he says, "have left very attractive positions. A big part of their motivation – because we're not overpaying people, that's for sure, and there's a hardship of continually traveling – the reason many of them have undertaken this is because of the potential social impact to the country".

One of those people is Haskell Ward, senior vice-president for governmental affairs, a former Ford Foundation officer, U.S. State Department policy planner and deputy mayor of New York City. The paradox of Guinea, he says, is that "the country now appears poised to get the benefit of its rich natural resources at a time when international pessimism about the country's political future is also peaking".

Recent nationwide strikes protesting the rising cost of food and fuel, uncertainty about the succession to ailing President Lansana Conte and Conte's sudden firing of a reform-minded prime minister have not slowed renewed investor interest, Ward says, and he is determined that Global's actions will put peer pressure on other businesses to be more responsible. He proudly cites Global's collaboration with Guinea's National Committee to Fight HIV/Aids and the five-year, USD \$10 million strategic partnership with the U.S. African Development Foundation to maximize the social and economic benefits of the company's operations through local enterprise development.

Wrobel sees sensitivity to the environment, direct services to the communities in the concession area and job creation as only the beginning of Global's influence. He says – and government officials agree – that the company's long-term commitment helped to spur the new investments and explorations by several multinationals, along with other plans to build refineries in the area. "The image people had two or three years ago that Guinea was not a place where you could develop a project like this has completely changed", he says. He forecasts that "the biggest impact of our refinery will be the fact that it will create a template for multiple additional refineries over the next 10, 15, 20 years".

Ibrahima Soumah, former minister of mines and minister of technical training, endorses that view. Global's involvement has changed the equation between Guinea and its investors, he says, pointing to the 1968 agreement under which international aluminum companies held unlimited rights to 300,000 largely unexploited square kilometers in the Sangaredi area and failed to invest in refining. "Back then", he says, "we didn't have mining laws, or competent national personnel. We had just gained our independence, and basically what happened was that someone just showed up with a document to be signed. At that time we had no way of studying it".

Asked about Guinea's history of a small political class profiting from the country's natural resources, Soumah says a refinery will be different. "What really matters with these projects", he says, "is the spillover effect. This is because direct revenue goes to the treasury and – depending on certain parameters such as transparency and the like – it may or may not have an impact". But if, he says, one hundred small and medium-size businesses arise, "the revenue collected by these businesses will go directly to individuals and their families, who constitute the economic foundation of the country".

Mamady Youla, Director General of Guinea Alumina Corporation, Global's in-country operation, says local people are well aware that replacing an extraction-and-export model with a plan for on-site processing creates opportunities. "It's true that it's a double-edged sword to undertake this project among a population with such high expectations", he says, but he expresses confidence that the efforts to make a positive social and environmental impact will prove effective.

While similarly optimistic, Fabri-Forget recognizes the pain of dislocation for local people, such as watching heavy equipment cut roads through their ancestral lands – in one case, necessitating the transfer of a burial ground with its remains. "It's very hard for them. We know it. And they know that we know it. And we respect their feelings. And we respect the people too. The respect is not coming from the head, it's coming from the heart. Maybe this is why we have a good relationship".

In the end, she says, her work is about hope – her own, as well as that of the Guineans with whom she works. "When you see small changes coming", she says, "the hope to make something better, to participate, when you have the opportunity to work with people and to see their energy and their hope, this is the best thing"!

Back in Lamarana Diop, Mamadou Seck Ba is among the hopeful. "We are praying", he says, "that the Global Alumina project develops smoothly, because if that's the case, we are assured of benefiting from it".

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