

Ebola and Extractive Industry

The economic effects of the Ebola health crisis are slowly unfolding as the virus continues to affect Sierra Leone, Liberia and Guinea. The most important sector is mining as these three countries share a rich iron ore geological beltway. The macroeconomic impacts of the crisis came into sharp focus when London Mining, Sierra Leone's second largest iron ore producer, suspended its activities. Ebola is also having a devastating impact on the informal mining sector, which provides a livelihood to some of the country's poorest people. However, how the effects of mining have left countries vulnerable to the Ebola crisis also deserves attention. Large-scale mining creates social and ecological disruptions that could encourage the emergence and spread of disease. External mining interventions have also fuelled suspicion by local populations of foreign and government interventions, as they have received so few benefits from the mining resource boom. This has encouraged rumours about Ebola response health teams and made it difficult for them to be trusted in the region.

The international business community just recently rediscovered a new 'El Dorado' of investment opportunities in West Africa (Dowden 2014). West Africa, and in particular the three countries concerned with Ebola, has recently been linked to a wave of optimism with important growth rates and a resource boom. Guinea, Liberia and Sierra Leone share a rich geological beltway that could account for an estimated 40 per cent of global iron ore exports within a decade. In eastern Guinea, Rio Tinto PLC and Vale own shares in the Simandou project (Box 1); Sierra Rutile, African Minerals and London Mining operate in Sierra Leone; while ArcelorMittal operates in Liberia. Artisanal mining is also central to the region and an important livelihood. The Ebola crisis reveals the extent to which the benefits of this resource boom were limited for local communities and did not have the hoped-for transformative impacts.

Most of the debates around mining and Ebola have centred on the economic effects, both for the international business community and to a lesser extent, for artisanal mining. The macroeconomic impacts of the crisis came into sharp focus on 10 October 2014 when London Mining, Sierra Leone's second largest iron ore producer, suspended trading in its shares after warning that it did not have enough cash to continue to run the mine. The company was one of the country's largest employers, providing jobs for 1,400 local people at its mine in Marampa, and contributing an estimated 10 per cent to gross domestic product. In Liberia, the steel giant ArcelorMittal SA has delayed a US\$1.7bn expansion at its iron ore mine

Box 1 Iron ore mining in Guinea

In Guinea, the major site is Simandou, which could become the largest integrated iron ore mine and infrastructure project in Africa. The Pic de Fon and Ouéléba iron deposits are located approximately 4km from one another at the southern end of the Simandou Range. The potential yield of the two deposits is estimated at 2.25 billion tonnes of high-grade iron ore. The biggest shareholder of Rio Tinto PLC, Aluminum Corporation of China Limited (Chinalco), and BSG Resources, a company controlled by the Israeli diamond investor Beny Steinmetz, are heavily involved in the mining operations, which are expected to start before the end of 2015. Rio Tinto PLC plans to build a 650km railway to transport iron ore from the mine to the coast, near Matakong, for export. Much of the Simandou iron ore is expected to be shipped to China for steel production. However, this deal has been under intense scrutiny by the United States government and Beny Steinmetz's company is under an FBI investigation that began in January 2013 to establish whether potential illegal payments were made to obtain these mining concessions.

while Rio Tinto PLC in Guinea has stopped work on a US\$20bn iron ore mine deep in territory hit hard by the virus. Ebola is also having a devastating impact on the informal mining sector in the three countries. Informal mining generates disposable income for hundreds of thousands of families in an employment-constrained economy. In Sierra Leone, it is the second largest employer after agriculture and provides a livelihood for an estimated 200,000 to 300,000 individuals and their families (Maconachie 2012). This will have an important impact on farming in the rainy season as the income generated from mining is frequently reinvested into farming, or into the expansion of cash crops, such as coffee, cocoa and kola nuts.

Ebola and mining: Going beyond economic impacts

These impacts are slowly entering development policy discussions, but the debates up to now ignore the more fundamental questions in terms of the relationship between Ebola and mining. These are firstly, the social and economic disruption that can encourage emergence and spread of disease; and secondly, the suspicion by local communities of external interventions given the few benefits they receive in exchange considering the long history of exploitation.

Despite the frequently promulgated image of the Ebola virus mysteriously and randomly emerging from the forest in isolated regions, the sites of attack are far from random. Large haemorrhagic fever virus outbreaks almost invariably occur in places where the economy and public health system have been devastated and disrupted by years of civil conflict and unequal, extractive styles of development.

Indeed although it is commonly described as 'marginalised' and 'backwards', the Guinea/Sierra Leone/Liberia border region has a rich history of trade and exchange, a dynamic rural economy, and was a hive of cross-border trade long before global capital arrived in a region that was a vital pre-colonial trading empire. Yet in these periods (pre-, colonial and post-colonial), local populations frequently suffered exploitation at the hands of elites. During the wars in both Liberia (1989–1996; 1999–2003) and Sierra Leone (1991–2002), these so-called 'isolated' rural enclaves were the centre of illegal logging and diamond mining linking these regions to regional and international economies. These so-called isolated and remote regions in Guinea, Liberia and Sierra Leone are now being profoundly transformed again with new resource extraction development, especially iron ore. Large-scale mining and its associated infrastructural development have a disruptive effect in terms of social and economic development in the region (migration, road and railway development, increased cost of living, and stress on social sectors – education, health). This also affects the ecological system (for instance, through flooding and changes in wildlife habitat) in ways that may encourage the emergence and spread of zoonotic disease.

Box 2 Iron ore mining in Sierra Leone

In recent years Sierra Leone has attracted substantial foreign investment in the extractive resources sector, leading its economy to grow more than 21 per cent in 2013. The iron ore in the Tonkolili district, an area in Northern Province, is very much like that at Simandou. It is also seen as one of the biggest iron ore projects in Africa and is leading to the development of a similar infrastructure project with a proposed new railway line between the mine and Port Pelel. In 2012, violent protests rocked the region, centring on Bumbuna, the site of a government-owned hydropower dam as well as mines. Tensions began when miners downed tools in protest over poor pay and working conditions in the mines. Local residents joined the miners in demonstrations, which led to one person being killed and several others being severely injured. Despite Bumbuna's natural resource wealth, many community members complained of underdevelopment, including lack of paved roads, running water and electricity in homes. Levels of unemployment in the area are reported to be high, due to a large influx of migrants in search of employment.

Exploitation and mistrust

Moreover, large-scale mining is frequently experienced as the latest form of exploitation, epitomising the structural inequalities of deep-seated unequal global and society–state relations. This helps contextualise the rumours and mistrust that have jeopardised the Ebola response. In Guinea, Liberia and Sierra Leone, there is an increasing frustration among the unemployed and the underemployed as continuing poverty and income inequality are coupled with unmet and unrealistic expectations of improved quality of living as a result of the extractives boom (see Box 2). Through enclave set-ups, these companies have failed to engage with community and health system issues in the region. As a result, infrastructure, power

and services have all been specifically developed and targeted at the extractive operation almost to the exclusion of the surrounding communities and populations. Additionally, large foreign private investors generate foreign direct investment but in the process often displace people's livelihoods and undermine rural institutions. These expectations and policies have resulted in mistrust and suspicion of the government, including traditional chiefs and external companies, which are seen as manipulated by great foreign powers. As a result, local communities have become

suspicious of external interventions given the few benefits they receive in counterpart, repeating a long history of exploitation. Ebola interventions have been perceived in this light, and have been subject to negative rumours and resistance. As put by Helen Epstein (2014), 'in their desperation, [people] may have lost their grip on reality and begun to see plots and conspiracies everywhere'. Yet the supposed sorcery of today's Ebola outbreak control teams finds a logic in memories and discourses of the slave trade and before, and of recent foreign extractive mining relations – grounded not in traditional myths or timeless culture but history and political economy.

Implications and future directions

The Ebola outbreak has tested many global institutions and lessons will have to be learned. Many of these lessons relate to the detection and control and effects of the outbreak but it would be unfortunate if underlying causes linked to global inequality and structural violence were overlooked. While there has been much excitement about the recent mining resource boom and its possible impacts on transforming Africa's economies, the Ebola crisis has exposed its limits – the resource boom was not having wider transformative impacts for communities, which experienced few of the benefits while bearing the brunt of the impacts. Rethinking the styles, relations and politics of mining developments will be an essential part of rebuilding societies that are not just less vulnerable to outbreaks, but able to respond effectively to them.

Further reading

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