

# Towards a Contribution on Socio-Economics in Siguiri ; How Role Play SAG Mining Company ?

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**Abstract:-** After colonization, some countries Africa economics are focusing on natural resources which led to their dependence on the world markets. This is the main reasons why Africa's economics still fragile and low. Also, the political social economics and epidemics diseases let down countries economics. The main purpose to this article is to access the contribution of AngloGold Ashanti Company at Siguiri (SAG) Guinea socio economic development. As we known, since independence day to nowadays, due to the intense activities of artisanal mining sectors in that areas has been source of income for living peoples. Ambition to reduce poverty line in one hand and in the other hand use mining revenue to contribute and invest to a important economics sectors. Mining extraction is the first source of income of siguiri living populations, like Guinea Governments focused on mining extractions, exportations to cooperating partner countries, the things that our head of state should do, is to diversity economic sectors towards mining contributions, is from extraction to industrializations that could maximize countries benefit in mining exploitations to country development.

**Keywords:-** Mining Contributions; Socio-Economics Sectors; SAG Company; Siguiri Areas, Infrastructure.

## I. INTRODUCTION

Guinea basement contains huge sources of minerals, Gold, Iron, Ore, Uranium, Manganese. So on..., despite the wealth of the basement, country remained one of the poorest in the world, Cheney et al (2007). According to human development of United States (2006), the poverty level was 40 percent, 2007, 53 % and reduce from 44 % in 2019 that mean the populations still living in the perpetual poverty line.

The strong demand for mining extraction in Siguiri contribute to increases economic activities and grow intensively population's implementation to develop mining sectors; E. Segerstedt et al (2017) mentioned that, it emphasizes the advantages of the industrial revolution that could know and develop new forms: As revenues from mining are key to putting in place long-term development strategies in developing countries. Certain countries like Guinea and Congo DRC, ACHPR (2010), are so dependent

on mines. Guinea Government revenue is mainly mining sectors, Nigeria has fuel, Ghana and South Africa both has mining as sources of revenues and Algeria has Gaz. André Joyal (2002,). That a small drop in commodity prices could lead to fiscal problems, unemployment and to create the need to review countries spending or increase on borrowing. (ROMINE -2016); mining contributes in creating jobs for local communities but far lesser than the Agricultural sector. However, in Siguiri more hundred people's lives in mining areas finding the well-being, in Guinea 80% of the population are farmers.

F. Okry et al (2015) Mining created in last five years around 10 000 jobs but with commodity price falling, more workers could lose their jobs.

Recently, mining report in west Africa (2019), the mining companies helped grow the colony's economy by increasing productions. After independence the country's GDP growing rate was unsustainable from 1965 to 1980 the GDP was 3.5% and fallen down to - 9% between 1980 to 1986 due to the poor management and bad governance and then grew up again to 4,1% by 1990, Germain G. Van (2020). In 2012 the GDP was down again to around 3.9%. Adding the contributions of mining sector to macroeconomic sectors in Guinea, the contribution to public treasury by mining companies vary from 20% to 25% which amount to \$210 million (World Bank 2012). Guinea's government also gets some revenues from taxes on diamond exports and renting infrastructures, nearly \$8 million was paid to public treasury in 2012, Diallo et al. (2013), A. Diallo, et al (2017) real growth 6,7%, inflation rate 8,5%, Nominal GDP 8. 48 billion of dollars and 683,50 dollars GDP/capital.

In 2016 the foreign exchange reserves was 594 million dollars, which in 2019 grew to 1. 341 billion report of Minister of plan (2019). SAG company may know different forms that develop important benefit in the Siguiri. The study aims to assess the role that Play SAG company in Siguiri development. And mining industry implications on the objectives of sustainable development and reducing the poverty on the environment. Mining has various contributions as well, companies have the potentials to become Partner in achieving goals mining fields in upper Guinea.

**Table 1. Majors minerals resources in Guinea**

Number	Resources	Quantity
1	Bauxite	40,000,000,000 tones
2	Gold	350,000,000 tones
3	Diamond	40,000,000 carats
4	Iron	10,000,000 tones
5	Copper	No Quantify

**Somuah; Thesis on mining sector and taxes 2010) Encyclopedia, page 117 history of raw materials**

The table showed the Majors minerals resources in Guinea, Mining sector in Guinea was the ancient traditional in the period before middles ages ,Guinea economy review in 2017).

From the same period gold and salt was a potential commodities trading goods between Ghana and Guinea since independence day to nowadays. Despite political trouble in 2011, before the country economic was largely depend on mining industry.

➤ *Study Case*

How role play SAG mining company to contributes on socio-economics in Siguiri? Through their activities, mining companies can contribute to strengthening the social dimension by developing jobs. Raufflet, et al, (2014). At the same time, they can generate profits, develop partnerships with the government and society and contribute to the development of a better life. Séguin (2008, 2013).Therefore, the mining industry can have a positive impact on the environment and the economy, but also on climate change. A.A. Khan et al (2015), N.A. Zaigham et al (2010). However, authors investigation in Siguiri, the reality founded the fields was practically, artisanal miners extractions for living populations well -being. Hilson (2011) ; mentioned that independent artisanal miners and large-scale multinational mining companies do not necessarily compete for the same gold, while mining companies extract the ore from deep reefs in large quantities Hilson and Yakovleva (2007), In addition to the economic and political contexts that have changed, attrens of migrations have evolved, which demands to situate the current experiences of mobile mine

workers in these specific settings of travels and encounters Klute and Hahn, ( 2007) .Mining has been the biggest source of revenue earner for Guineans since the colonial era; and also the main source of revenue for the Guinean government since independence in 1958 Kojo Busia (2020); Mainly due to mining socio economic contribution in siguiri kintinia fields the social contributions to mining company SAG life ; Andrianirina N., (2015) was diseases about 75,33percent of residents have respiratory infections, the dusty nature of the villages and from the mining activities is the major cause of respiratory infection, like tuberculous while 17% complain of digestive infections like hemorrhoids poor quality of water in the villages. Also to (higher) indicate alcoholism; more category of delinquency so on . According to world bank ; since 1990s, mining activities have been increased in the region due to good political and social climate and mutual understanding between communities and investors and how does mining impact the economy of Guinea? Guinea's mining industry plays an important role in the national economy, contributing about 25 percent of the country's gross domestic products .

Siba Kolin Koivogui (2017); this politics is supported by international institutions like united nations. Today, due to the destruction of natural process which become worse, a lot of people are not conscious about the future MPRA (2019);. The activities of extraction, exploration of miners (artisanal or industrial), oil and others are mainly responsible of the rapid disappearing of many species of plants and savage animals.

**Table 2 Contribution of mining sector on country economy**

Years	Montant US	GDP%	GDP Contribution secteur mine	GDP Contribution du secteur mine in %
			Dollar (US) Million	Pourcentage
2013	<b>8 376 613 843</b>	<b>3.4</b>	300 Millions	16,2
2014	<b>8 778 473 615</b>	<b>7.2</b>	280 Millions	14,9
2015	8 794 202 444	<b>7.2</b>	290 Millions	3,5
2016	8 595 955 581	<b>6.5</b>	280 Millions	8
2017	10 324 668 267	<b>6,7</b>	500 Millions	10%
2018	11 857 030 337	8,6	522,27 Millions	11,85%
2019	13 513 809 258	10,4	20 Millions	5,6%
2020		+6,4 %	22 Millions	7,1%

**Source :** INS Report Direction General public tresor 2018 -2022 r(ITIE Report Guinea 2013-2017) Initiative pour la Transparence dans les Industries Extractives de la République de Guinée Consulting |Page 11 du Rapport ITIE 2018 Rapport ITIE 2018 3Rapport ITIE 2017 (Mai 2019) Page.1

**II. METHODOLOGY**

The methodology adopted in this study was quantitative data gathered in areas which kintinia is the much appropriate place that interview information has been collected, also the quantitative method was used to compare the revenues from mining sectors and that other sectors. The GDP in terms of percentage as provided by the graphic collected from World Bank data economic review (2017) and data from the Guinea’s ministry of plan (2017) and Fields investigations data in Siguiri SAG Company has been used .

➤ *Data Collection,*

survey instrument or questionnaire have been used and Randomly technical was practiced, in which I have made aleatory choice among the residents 150 questionnaires were totally or partially treated that represent 0,12% Siguiri population Description of sample .The target sample was 150, and in percentage terms 74,66% males and 25,33% females participated. The reason of this big difference is that females get less interested in such investigations and leave

their husbands to answer, despite the interviews were confidentially. The level of education 80% Illiterate and 97% are Muslims.

➤ *Data Analysis*

Method of analysis, focused on gathering and incorporate information about SAG contribution on provincial economy, such as, Contribution by year from SAG like local taxes for communities concept local development about social access to social infrastructures. These indicators Can be observed like instrument measurable. In my views, to tackle that abusive destruction, it will be important to build a strategy program focused on education, review and to draw the ways in which human could stopped doing negative activities on environment, and develop sustainable solution by avoiding further destruction, rebuilt better relationship between Human and nature. Software used to treat, analysis, are: SPSS, Excel and word, this research is focusing on what SAG and local government are doing in terms of community developments in term of investment for local community development programs.

**Table 3 Logical Model of analysis**

Concept	Dimension	Indicator				
		2013	2014	2015	2016	2017
Contribution by year from SAG (like local taxes for communities)	Amount paid by year in 2016,SAG paid \$ 8 547000 millions					

Design is the structure of a scientific work, which gives direction and systematizes the research. Define by Kerlinger «as the plan, structure, and strategy of investigation conceived so as to obtain answers to research questions and to control variance

This is a logical model analysis that needs to be applied and to build around it the survey instrument to gather data. If we refer to ITIEG annual report it is appeared that mining sector working in Guinea paid all taxes . The dimension determines the contributions per annum on infrastructures the indicators describe the amount paid by year on number of infrastructures built, rivers dredges. SAG AngloGold Ashanti, Amount The ten (10) top gold mining companies in the world, Takes the third top gold mining companies list, it produced 106.1 tons of gold in 2018, it is the first big mining company in Guinea. That represents a small decrease from the 116.8 tons it produced in 2017. SAG (Anglo Gold Ashanti Goldfields of Guinea) among the third in the ten (10) top of gold mining companies in the

world operating now with the new technology.

In 2016, SAG paid \$ 8 547000 million to the government of province. How that money has been used? In addition, what types of projects have been targeted? In referring to the international debate about research method on social science, this research fits with quantitative method.

**III. RESULT AND DISCUSSIONS**

On infrastructure like roads or bridges maybe repaired or built, water supply and sanitation, electricity or others community needs as sport facilities for younger, or market place for women.

On local Economic activities, Up to ten years back Agriculture was the first source of revenue followed by artisanal process, today, most rural people have left farming and are involved in artisanal mining of gold.

**Table 4 Amount paid by mining and minerals companies in Guinea**

Years	Number of companies	Amount in FG	Amount in USD	Contribution to GDP (in Percentage)
2013	33	700 MGNF	100 KUSD	28%
2014	45	700 MGNF	100 KUSD	23%
2015	45	700 MGNF	100 KUSD	24%
		21 MGNF	300 KUSD	

Source: Report ITIEG (Initiative-Transparency-Industries-Extractives- Guinea) 2013- 2014- 2015

This report of ITIEG shows that in the last decade the contribution of minerals companies to Country GDP. Table on an above confirm the huge contribution of minerals companies to Guinea economy makes it the dependence on minerals sector.

On Business, A surge in the population in the mining areas have had an increase in Trade between the area and other parts of the country. (assistance to small businesses), After interviewing the resident about the participation of SAG company to local economy program and community infrastructures as well as others, the result shows that From 2013 to 2018 SAG has spent on community infrastructures as well as other donations a total of 7, 174, 108,20\$.

The target samples are: schools, health services and Centre, roads, bridges, mosque, market, water wells, stadium, and youth recreation center. From 2013 to 2018, seven (7) schools were built with 24 classrooms in total, and five (5) were rebuilt. From 2013 to 2018 SAG has built two (7) health centers. Around 15km of roads were opened or rebuilt by SAG, and one bridge is built in Moyafara. From 2013 to 2018 three Mosques, and two markets were built in Kintinian and one mosque in Fatoya and one stadium in Kintinian from 2013 to 2018, 34 water wells were dug by SAG with,10 in Kintinian, 7 in Fatoya, 7 in Balato,5 in Boukaria, 2 in Dibi, 1 in Foulata 1 in Fenserokolen, 1 in Samani. Others social infrastructure were built by SAG, such as public toilets, Libraries, accommodations for teachers.etc. More than 7 million \$ were spent by SAG for community developments making the biggest mining contributor in Guinea.

Farming: From 2013 to 2018 SAG Supported women and men agricultural association, On infrastructure like roads or bridges maybe repaired or built, water supply and sanitation, electricity or others community needs as sport facilities for younger, or market place for women. On local Economic activities. Up to ten years back Agriculture was the first source of revenue followed by artisanal process, today, most rural people have left farming and are involved in artisanal mining of gold.

## **K CONCLUSIONS AND RECOMMENDATIONS**

In this study ,we tried to examine the contribution SAG company on socio economics role in siguiri. This research is focusing on what SAG and local government are doing in terms of community developments in term of investment for local community development program.

These economic, social and environmental issues facing many mining countries belong to Guinea mining code on 9th September (2011) that should be properly addressed to the companies should survive and if the communities should benefit from their natural resources. Decision makers should identify and take in to consideration what of nature is replaceable and what is not. The revenue from mining should also be invested in a way to benefit future generations. Research Output The major objective of this study was to explore the social and economic activities of to

SAG role of socioeconomic causes such as lack of access to credit, lower level of education as compared to those in the miming sector and government policies require more attention. At the environmental level, development is constrained by poor infra-structure in transportation and communication which restricts the expansion of enterprises that may prove locally profitable. Thus understanding their functioning and state will help define, develop and implement adequate government .From the present study and justified by, the neoclassical economics theory that mining use and economics changes are propelled by purely profit-driven perceptions have been confirmed.

## **RECOMMENDATIONS**

The sustainable management towards contribution of mining in Guinea is handicapped by numerous challenges linked either directly or indirectly to mine law enforcement and governance. More so, despite the inadequate resources, mineral monitoring activities are disrupted from the conceptual stage by corrupt mine, law enforcement, administrative, and indigenous management officials. From this perspective, this study will aid the government of Guinea in strengthening sustainable economics sector management and mineral resources protection through cost compensation and the internalization of external costs. It may also reinforce local standards through the legitimization and formulation of sustainable mine management strategies which will be helpful in realizing the social and minimum effectiveness of mining resources management.

This study will push the government to strengthen the development of human capital within the mining sector and reduce the insufficiency observed therein. In so doing, this will influence and support sustainable economics management policies particularly through the development of a win-win scenario. This will help curb the wave of corruption and complicity observed in a governance and will empower strong leadership at each level of implementation.

It will also ensure discipline, accountability, and transparency in resource mineral governance hence, enhancement and advancement of sustainable economics management in Guinea .

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