

**INDUSTRIAL SOCIAL WELFARE  
GUYANA  
FINAL REPORT TO IDRC**

**INTRODUCTION**

Phase II of the ISWB project, a collaborative research programme between the University of Guyana and Dalhousie University in Canada, was developed as logical second step to a two-year joint study by the two Universities of Industrial Social Welfare Benefits in the Guyanese sugar and bauxite industries. Phase I of the ISWB project entailed the examination of the effects of privatization of the Sugar and Bauxite industries upon the workers in the industry and effects upon the communities in which the those industrial operations were situated. Research activities identified for Phase II included the extension of that data collection to the "open pit" sector of the gold mining industry.

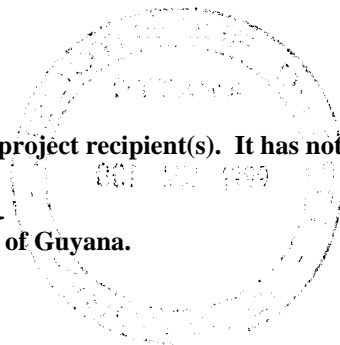
Phase II also represented the introduction of new subject matter into the research, this new subject matter concerned the perception by workers and community members of the environmental effects of all three industries.

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## THE ANTECEDENT PHASE I

The design of Phase I included the following forms of data gathering. A review of the policy of the company , and of the collective agreements to determine which industrial social welfare benefits were offered in the workplace. A survey of a stratified sample of workers to determine the extent to which workers made use of the benefits. A community study process in which small non-governmental organizations were identified and involved in community meetings which considered the importance of the Industrial Social Welfare Benefits in the life of the community.

## PHASE II METHODS

Phase II of the ISWB study followed and adapted the same procedures, and protocols in the execution of a company policy study in the Guyanese gold industry, particularly at OMAI Gold Mines Ltd. The instrument used in the Phase one survey of employee ISWB usage was adapted in the survey of gold employees.

The community study approach took on a different form in the instance of the Gold Industry, since the relevant effected communities were Amerindian communities. The methods of discussion in the Amerindian communities were designed anew by the Amerindian

Research Unit at the University of Guyana to examine the impacts of sugar, bauxite and gold industries on indigenous people.

Interviews in sugar and bauxite communities were conducted to ascertain the perceptions of villagers concerning the environmental effects of those industries. This required the design of an entirely new data collection instrument

#### INDUSTRIAL SOCIAL WELFARE BENEFITS AND COMPANY POLICY SUB-STUDY

##### GOLD

Dr Perry Mars researched social policy in the gold industry and its roots in labour relations using company and union sources.

#### INTERVIEWS OF EMPLOYEES IN THE GOLD INDUSTRY -ISWB USAGE

For consistency in research methodology the interview instrument used in Phase I in the bauxite industry was modified by the research team to meet conditions in the gold industry taking into account differences in benefits and job categories and the racial composition of the work force. After a number of visits to the gold mines and negotiations with company management, a list of all employees at OMAI by name, address, employment number, department and job category was obtained. This list was used to

select a stratified random sample by gender, race, job category and department. Six interviewers were employed and trained with the interview instrument, to conduct the interviews at OMAI. Interviews were conducted at three locations - the gold mines in Essequibo, the Linden yard, and the Georgetown office. These are all the locations at which OMAI's activities are carried out in Guyana. The interviewing process was supervised by the project director. Data collected from these interviews were entered into the computer. A preliminary computer print-out of responses to questions asked during the interviews was also done. Further computer manipulations and analysis of the data are currently being undertaken.

#### **ENVIRONMENTAL AND HEALTH IMPACTS SUB-STUDY**

An interview instrument was developed in consultation through correspondence, tested and executed in the sugar, bauxite, and gold communities in order to help researchers to analyze the perceptions of people about the environmental and health impacts of sugar, bauxite and gold production. A random sample of households in these communities was selected based on enumeration districts developed nationally. Interviewers with some previous survey research experience were trained with the interview instrument.

Household interviews were subsequently conducted. The data entry and analysis processes of the environmental and health impacts sub-study are currently being done.

In the study of perceptions of the environmental impacts in the gold industry, we were overtaken by events. *We know that the magnitude of the August cyanide spillage at OMAI must be accounted for* in addition to our previous work in connection with this sub-study. The Guyana government has established a commission of inquiry into the OMAI crisis and the report of that commission, yet to be published, is also going to be crucial in our own analysis in connection with this sub-study.

#### IMPACTS ON INDIGENOUS PEOPLES

This study was conducted in aboriginal communities affected by bauxite and gold operations. Interviews were conducted on a house to house basis and at community meetings in Amerindian villages. The interviewers were selected based on the experiences of the Amerindian Research Unit at the University of Guyana. The report on this sub-study was completed.

## PHASE II RESEARCH PRODUCTS

- Training workshops for University and Community researchers in areas of questionnaire design, sampling methods, interviewing techniques and participatory research methodologies.
  - In Amerindian and in community sub-studies respondents were treated as participants in the research process.
  - Consultation by correspondence on survey instrument construction
  - A preliminary workshop on research findings, at the University of Guyana.
  - Public information interviews on Guyanese radio of Guyanese and Canadian researchers.
  - Community outreach program.
- A number of workshops were held with NGOs in the sugar and bauxite communities. Results of Phase I and preliminary findings of Phase II were reported to participants and discussed at these workshops.
- The project team from both Canada and Guyana presented two panel discussions on ISWBs at the Canadian Association for

the Study of International Development meeting in Montreal July 1995.

- The Guyanese project director has proceeded to Saint Mary's/ Dalhousie Universities to undertake further graduate studies in international development studies and international political economy, beginning September 1995

#### **REPORTS IN PROCESS**

- Data analysis on Industrial Social Welfare Benefits in gold industry, survey of employees sub-study. Marginal statistics presently available.
- Data collection in Environmental and Health Impacts upon communities and employees in the health and environmental Sugar, Bauxite and Gold industries sub-study.

#### **DRAFT REPORTS COMPLETED**

- Study and report on macroeconomic aspects in gold completed.  
"OMAI'S GOLD PRODUCTION IN GUYANA" By Clive Y. Thomas

##### **Brief Summary:**

The Omai Gold Mines Ltd is the third Canadian firm to succeed to the lands and leases at Omai Guyana. There they have found gold reserves of 2 million Oz. Enough for a 14 year life for the open pit mine. Gold production began again in 1993, producing 206,537oz

of gold that year. Dr Thomas' paper explicates Omai's corporate structure - with Cambior and Gold Star Resources and the Guyanese Government as owners. The structure of stock ownership turns out to be a crucial factor in control of the firm. The highly leveraged nature of the firm, puts debt repayment ahead of value added results for the nation of Guyana. Never the less the economic effects of this open pit mine have been important to Guyana. Gold production declarations to the national Gold Board have increased 10 times since the Burnham Administered Years of the 80's. Employment at Omai has stabilized at 901 persons, including 113 expatriates; future employment may increase by no more than 10% at this mine, though many more mines could be opened. The Value to Guyana of the industry involves royalties, Taxes, equipment purchase, infrastructure (Roads etc.) and employment and training. The role of Industrial Social Welfare Benefits supplied to Workers and communities is in the development process and presently includes air ambulance service to nearby communities as one of it's innovations.

Dr. Thomas examines "The Mineral Agreement" and other policies. He points out weaknesses and incoherence.

- Study on political and labour aspects, in gold industry



completed.

"SOCIO-POLITICAL IMPACT OF LARGE SCALE-GOLD MINING  
IN GUYANA: RESOLVING TENSIONS BETWEEN CAPITAL AND LABOUR

By P. Mars

**Brief Summary**

In addition to his concern for the unfolding of ISWB's at Omai Dr. Mars asks the question "Under conditions of structural adjustment what can be role of the state in involving itself in mediating between labour and capital. How can public policy help resolve tensions between *domestic labour and foreign capital*. At Omai, most labour is not organized by a trade union though it would seem this condition cannot be long lasting as more than one union is in the process of organizing. Though Omai is young it appears to be following the pattern of labour and labour/government relations set at Mahdia by "British Guinea Gold Ltd." from 1910 to 1958 and ,more recently Gold Star Resources, B.G.G.'s successor at Mahdia .

Dr. Mars describes these mining communities as "a state within a state". with a large list of ISWB's and a reputation for paternalism. The State in structural adjustment has concerned itself first and foremost in protecting it's unequivocal authority

and control over the ownership of subsurface materials. It has, at the same time conferred surface possession of timber, and rights to build roads and railways upon prospecting licensees. Structural adjustment conditionalities point the state away from regulation of the owners of capital such as to create a contradiction between the state's duties to its citizens and its attitudes toward business practices. The state has thusfar limited itself in its supervision of labour relations, to such prescription as concern Health and Safety. Report on impacts upon the indigenous people of Guyana of the Sugar, Bauxite and Gold industries.

"SUGAR, BAUXITE AND GOLD - THE IMPACT OF THE INDUSTRIES  
ON THE INDIGENOUS PEOPLES OF GUYANA" J. Forte

**BRIEF SUMMARY**

Each of the industries studied have, in their own way created a history of displacement of the Amerindian peoples of Guyana. The displacement has occurred by dispossession, disturbance and by attraction. The sugar industry dispossessed the native peoples from a swath of coastal land and from intermittent riverine estates as far as 100 miles inland. The practices of slavery and indenture swamped the indigenous population. The use, by sugar estate owners, of Amerindians as catchers of slaves introduced an enmity between indigenous and black Guyanese that has not entirely

disappeared. Pollution of water supplies from the widespread use of agricultural chemicals concerns those amerindians who remain near coastal areas.

By 1914 the bauxite industry was taking possession of lands near mineral deposits, and by the 20s large towns had grown up around the mines. The rivers were greatly effected from the point of mining to the sea. Those Amerindians who hung on to lands and farms near the mines found it increasingly difficult to do so and their right by land title to live near the mines have been obscured. Unlike the Sugar industry some amerindians have made a career in the bauxite mines this has led to assimilation, and seldom moved the participants beyond marginalization.

The smaller gold operations, dredging and small mines have been conducted in the rain forrest, on the rivers near the centre of Amerindian lands. Miners from the coastal and urban populations, along with Brazilian garimpeiros are the persons most likely to intrude directly upon Amerindian settlements. The gold industry lobby estimates the number of Guyanese employed in the extractive industry to be as high as 40 to 60 thousand persons. This can be compared with the number of Amerindians in Guyana, a population said to be 50

thousand persons.

Author Janet Forte details the issues involved in social and economic contact between Amerindians and non-amerindians for each of the industries and for each of the 10 administrative regions and for the major eco-systems of Guyanese topography. Health effects such as the spread of Malaria and STD's are indicated as well as the assimilationist effects which are changing or submerging Amerindian culture. The creation of male absent dormitory communities are examined. The findings of her survey of 61 households are revealed including the counterintuitive favourable responses of wives to the family enhancing value of mine wages.

## **FINAL PRODUCT**

All the above studies will be edited as chapters in a work on the gold industry and perceptions of environmental effects in all the major industries. This work to be published as a special issue of University of Guyana Journal - Transition , IDS, Spring 1996. A draft Table of Contents of this issue of the journal is appended to

this report.

### ACKNOWLEDGEMENTS

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This work would not have been possible without the kind cooperation and assistance of many persons. The research team would like to thank the following persons and institutions in Guyana for helping to facilitate our research - the Department of International Economic Cooperation; the managements of the Guyana Mining Enterprise (GUYMINE) especially Mr. Maurice Drakes, Industrial Relations Director, and the Guyana Sugar Corporation (GUYSUCO); Mr. Lincon Lewis, leader of the Guyana Bauxite and General Workers Union and President of the Guyana Trades Union Congress for putting us in contact with the GUYMINE management and introducing us into the bauxite community; and to other members of the Executive of GBGWU; Mr. Desmond Moffatt, former President of the Guyana Mine Workers Union (GMWU); Mr. Fitzpatrick Lewis, the late Bro. Richardson, the late Kenrick Noble former President of the GMWU and other members of his Executive and union; Mr. Keith Sandiford and Maurice Noble of the Linden community; the Red Thread

Women's group at Linden and others too numerous to mention in the Linden community.

Our thanks also go to Mr. Komal Chand, General Secretary of the Guyana Agricultural and General Workers' Union (GAWU) and other members of his Executive and union especially Field Secretary Ramtahal, for providing us with invaluable assistance with our work in the sugar industry. Mr. Albert Persaud, President of the National Association of Agricultural and Commercial (NAACIE) and Mr. Kishree Takchandra General Secretary of NAACIE also provided invaluable assistance with our work in the sugar industry. Thanks also go to the field researchers, Sharon Campbell, Edris George, Greta Lammy, Hubert Hyman, Seiwnarine Balraj, Christene King, Patrice La Fleur, and Sybil Patterson; and to the Administrative Assistant Mrs. Marlene Thomas. We would also like to express our gratitude to the staff at the ID including Miss Mischella Cumberbatch, Mrs. Nebert Paul, Mr. Asger Esoof and Mr. Lalta Sheiwgobind.

**TITLE AND TABLE OF CONTENTS FOR SPECIAL ISSUE Of THE JOURNAL  
'TRANSITION' ON ISWB PHASE 11 RESULTS**

**TITLE:**

**NON-WAGE BENEFITS, INDIGENOUS PEOPLES, ENVIRONMENT AND HEALTH IN  
GUYANA**

**EDITORS: DENNIS CANTERBURY, PERRY MARS & TIMOTHY M. SHAW.**

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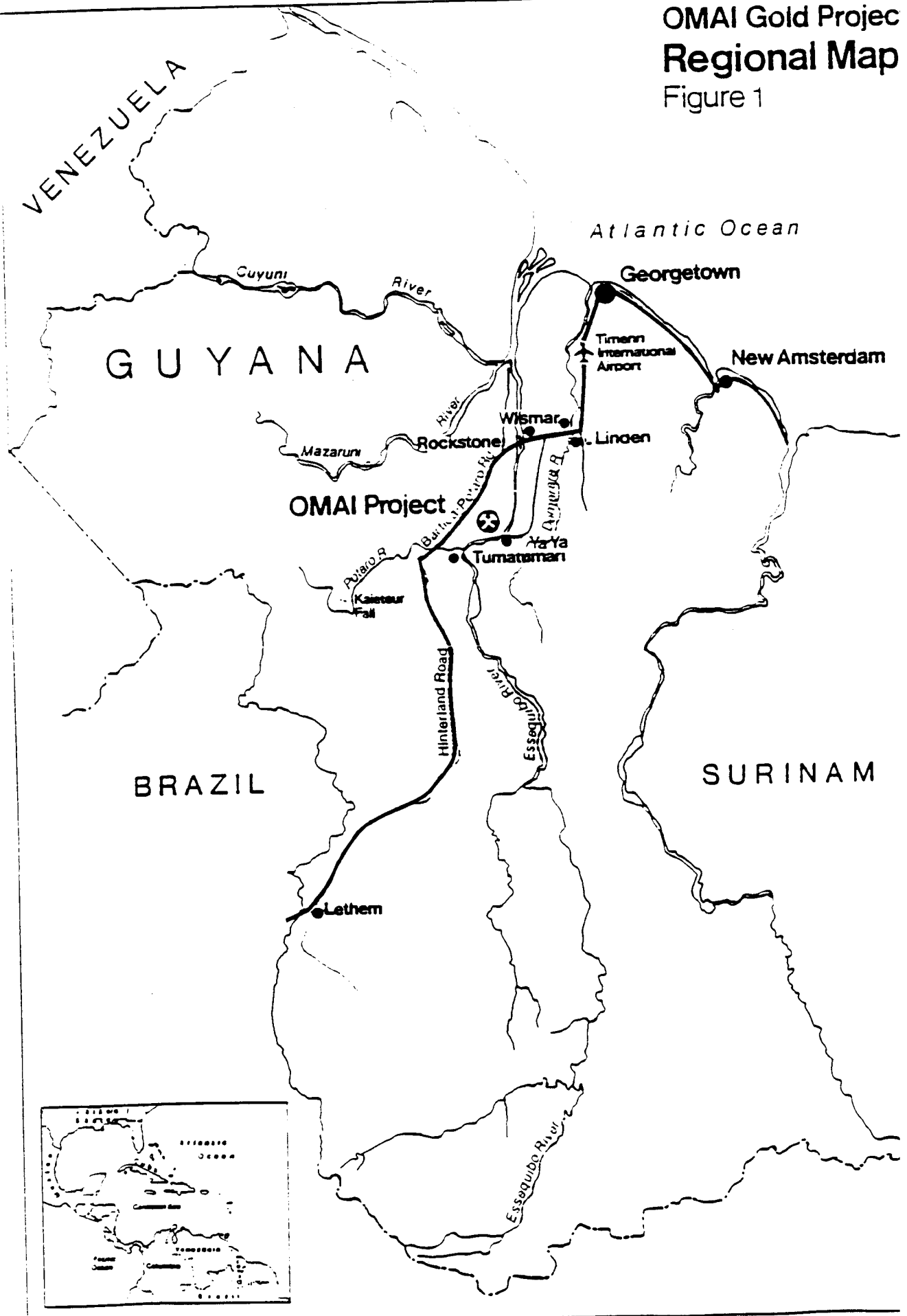
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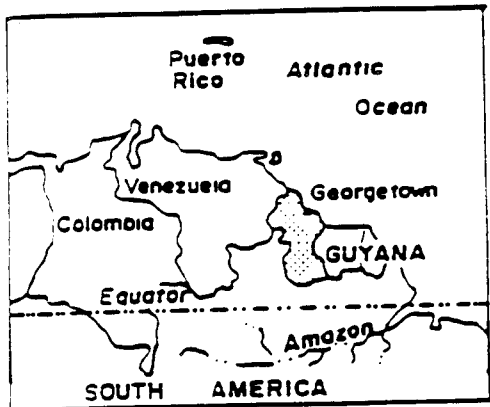
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OMAI Gold Project  
Regional Map  
Figure 1





ATLANTIC  
OCEAN



GEORGETOWN

TIMEHRI INTERNATIONAL  
AIRPORT

Soesdyke-Linden Highway

BARTICA

RIVER

DEMERARA

ROCKSTONE

LINDEN

GUYANA

0 20 40 kilometres

RIVER

ESSEQUIBO

Moduro Hill Road

OMAI



TUMATUMARI

YAYA

CUYUNI  
RIVER

MAZARUNI  
RIVER

Bartica-Polara road