Mines — Rivers — Yields

Downstream Mining Impacts on Agriculture in Africa

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Mines — Curse or Blessing?

A Blessing?

- Demand for relevant **minerals** is projected to increase **fourfold** until 2050 (Hund et al., [2023\)](#page-21-0).
- **Extraction Benefits** include:
	- enabling the **green transition**,
	- increasing local **incomes** (Bazillier & Girard, [2020\)](#page-20-0),
	- and improving **wealth** and **asset ownership** (von der Goltz & Barnwal, [2019\)](#page-24-0).

A Curse?

- Resource extraction causes **negative externalities.**
- **Ecological effects** include:
	- Mines **use water** and produce **sediments and tailings** (Moura et al., [2022\)](#page-23-0).
	- Pollutants include **mercury** and **lead** (Schwarzenbach et al., [2010\)](#page-24-1).
	- Industrial pollution **harms plant growth** (Yang et al., [2021\)](#page-24-2).

How to Find Affected Areas

Using data on **river basins** (Lehner & Grill, [2013\)](#page-23-1), we know where water flows from a given location.

Water moves from **upstream** to **downstream** of a mine.

Using a **remotely-sensed vegetation index**, we find evidence for less healthy vegetation **downstream** .

[show schematic depiction](#page-26-0) S show more on basing

Research Question

What is the causal effect of water pollution from mining on agricultural productivity in Africa?

- **Africa** is a particularly interesting focus because
	- it has a **booming mining industry** (ICMM, [2022\)](#page-22-0),
	- with many **artisanal and small-scale mines** (ASM Inventory, [2022;](#page-20-1) Girard et al., [2022\)](#page-21-1)
	- and a **lack of containment facilities** (Kossoff et al., [2014;](#page-22-1) Macklin et al., [2023\)](#page-23-2).

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Intuition

The **four mines** depicted give an intuition for what we expect.

Following the river "flow" from left to right, we can see **discontinuities** at the **mine basin**.

[show distance](#page-32-0)

Mines

We use **mine locations** from Maus et al.'s [\(2022](#page-23-3)) dataset, which includes some ASM sites.

We then designate **mine basins** and determine 10 levels each of **upstream** and **downstream** basins.

Variables and Observations

Outcome

- • We use the **Enhanced Vegetation Index (EVI)** , which
	- is **remotely sensed**, and
	- ranges **between –1** (water) **and 1** (dense vegetation).
- We extract the **annual maximum** on the
	- **entire basin area** , and
	- **only on croplands** within the basin.

Observations and Covariates

- We observe **6,698 upstream** basins, **1,900 mine** basins, and **5,729 downstream** basins over T = 8 years. **[show order](#page-33-0)** [×] **status**
- We observe **covariates** on:
	- topography,
	- soil type,
	- climate, and
	- socioeconomic characteristics.

Empirical Strategy (Spatial RDD), Identification

$$
y_{ijt} = \beta_1 \left| d_{ij} \right| + \beta_2 \left| d_{ij} \right| \times \frac{\text{downstream}}{\text{downstream}_j} + \beta_3 \frac{\text{downstream}_j}{\text{downstream}_j} + \delta' x_{it} + \mu_j + \psi_t + \varepsilon_{ijt},
$$

- y_{ij} : **Outcome** of basin *i* near mine *j* in year t,
- \cdot μ_{j} , ψ_{t} : Mine and year **fixed effects**,
- **x**_{it}: Basin specific **covariates**,
- d_{ii}: **Distance** to nearest mine (as order or river stream length).
- Parameter $\bm{\beta}_3^{}$ is identified under the assumption that there are no **other discontinuous changes** at the mine basin.
	- We check balance, include controls, conduct placebo checks.

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Results Overview

- We find a **significant reduction** in vegetation health **downstream** of mines.
- The magnitude of this effect is **greater** on **croplands**.
- Impacts **dissipate slowly** the farther we move from a mine.
- These results are **robust** to varying the sample, the outcome measurement, and the level of fixed effects.

Order Specification Results (1)

Clustered (by mine-basin) standard errors in parentheses. Significance levels: ***: 0.01, **: 0.05, *: 0.1. **[show full results](#page-37-0) [show interpretation](#page-30-0)**

Order Specification Results (2)

Distance Specification Results

Clustered (by mine-basin) standard errors in parentheses. Significance levels: ***: 0.01, **: 0.05, *: 0.1. **[show full results](#page-38-0)**

Impact Decay

• We re-estimate the main specification using an **exponential distance decay** function, exp(-δd_{ii}), where d_{ii} is the distance along the river from a mine. *[details](#page-31-0)*

Heterogeneity

• We investigate heterogeneity re.: **mine characteristics**, **biome**, and **region**.

Robustness

• We check robustness by **varying the specification**, **estimation methods**, and checking **placebo** outcomes.

Discussion

Results

- We find **negative impacts** on vegetation health by about 1.4-2.1% at the sample mean.
- There is a need to
	- tackle the lack of **containment facilities** and improve environmental governance,
	- both for **industrial** and **informal** mines.

Limitations

- **Remotely sensed measures** only represent crop yields **indirectly**.
- Our **treatment indicator** relied only on mine location.
- Differences in **waste management** are not accounted for.
- **Adaptive behavior** by farmers is not covered.

Conclusion

We identified the causal effects of mining

- on agricultural productivity,
- mediated by water pollution.

Our results showed a **negative impact** on vegetation health.

Effects were particularly **strong** for larger mines, on grasslands, and in West Africa.

Results were **robust** to changes of treatment, outcome or sample definition.

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Appendix How Pollution Travels

If **water pollution** from mines affects vegetation, we should observe **reduced vegetation health downstream** of a mine.

Appendix Basins

Our **unit of observation** is the **river basin**.

Lehner and Grill [\(2013\)](#page-23-1) provide a nested basin collection, of which we use the **most granular level**.

If we spill a cup of water anywhere in a basin, it always ends up in the next basin

downstream .

Illustration from Lehner and Grill [\(2013\)](#page-23-1)

Appendix A Proxy for Agricultural Activity

- We get a **proxy** for **agricultural productivity** like this:
	- (1) Filter out **cloud cover**.
	- (2) Aggregate the **mean EVI** per basin.
	- (3) Take the **annual maximum** per basin per year. \rightarrow **Max. EVI**

(4) Apply a **cropland mask** (Digital Earth Africa, [2022\)](#page-21-2). → **Max. Cropland EVI**

• This **Peak Vegetation Index** has been shown to proxy well for crop yields

(Azzari et al., [2017;](#page-20-2) Becker-Reshef et al., [2010;](#page-20-3) Bolton & Friedl, [2013;](#page-20-4) Johnson, [2016\)](#page-22-2).

Appendix Summary Statistics

Appendix Order Specification Results

- • We can see that **upstream** basins are unaffected, while **downstream** basins experience a significant negative effect.
- At the sample mean, the effect for the
	- **Max. EVI** corresponds to an EVI reduction of **1.4%**.
	- **Max. Cropland EVI** corresponds to an EVI reduction of **2.1%**.
- The effect **persists** beyond the mine basin.
- At higher order basins, impacts become imprecise.

Appendix Impact Decay Assessment

- • We re-estimate our main specification using an **exponential decay** function exp $\{-\delta d_{ii}\}.$
- **Hydrological studies** on dispersion patterns suggest using an exponential decay function.
- Since the **decay parameter** is not known, we conduct a grid search for $\delta \in [0.001, 2]$.
- We then use a **Bayesian model averaging** approach with BIC as marginal likelihood approximation.
- Finally, we compute the **mean effect decay** at increasing distances.

Appendix Four Selected Mines, Distance

Appendix Basin Numbers

Appendix Basins by Order

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Appendix Summary Statistics for Upstream Basins

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[go back to covariate overview](#page-8-0) [go back to summary statistics](#page-29-0)

Appendix Full Order Specification Results

Clustered (Mine) standard-errors in parentheses Signif. Codes: ***: 0.01, **: 0.05, *: 0.1

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Appendix Full Distance Specification Results

Clustered (Mine) standard-errors in parentheses

Signif. Codes: ***: 0.01, **: 0.05, *: 0.1

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Appendix Varying Sample Definition

Clustered (Mine) standard-errors in parentheses Signif. Codes: ***: 0.01, **: 0.05, *: 0.1

Appendix Varying Outcome / Fixed Effects

Clustered (Mine) standard-errors in parentheses Signif. Codes: ***: 0.01, **: 0.05, *: 0.1

Appendix Placebo Outcomes

Clustered (Mine) standard-errors in parentheses Signif. Codes: ***: 0.01, **: 0.05, *: 0.1

Appendix Dist. Spec. w/ Aut. Bandwith Selection (No Controls)

Note: Table shows results for estimation of 10, with distance as measured in kilometer along the river network used as the running variable, using practices suggested in Cattaneo et al., [2019](#page-21-3) for automatic bandwidth selection using a triangular Kernel and the mean squared error distance as selection criterion, and bias correction. Models in the upper panel include no covariates, models in the lower panel include the full set of controls. Models in columns (1) and (2) report results using the overall EVI as outcome, models in columns (3) and (4) for the cropland-specific EVI. Models (1) and (3) fit a linear polynomial of the distance measure at each side of the cutoff, models in columns (2) and (4) a quadratic polynomial. All specifications include mine and year

fixed effects. Standard errors are clustered at the mine basin system level.

Significance Codes: *** p<0.01, ** p<0.05, * p<0.1 ⋅ Clustered (Mine) standard errors in parentheses.

Appendix Dist. Spec. w/ Aut. Bandwith Selection (Full Controls)

Note: Table shows results for estimation of 10, with distance as measured in kilometer along the river network used as the running variable, using practices suggested in Cattaneo et al., [2019](#page-21-3) for automatic bandwidth selection using a triangular Kernel and the mean squared error distance as selection criterion, and bias correction. Models in the upper panel include no covariates, models in the lower panel include the full set of controls. Models in columns (1) and (2) report results using the overall EVI as outcome, models in columns (3) and (4) for the cropland-specific EVI. Models (1) and (3) fit a linear polynomial of the distance measure at each side of the cutoff, models in columns (2) and (4) a quadratic polynomial. All specifications include mine and year

fixed effects. Standard errors are clustered at the mine basin system level.

Significance Codes: *** p<0.01, ** p<0.05, * p<0.1 ⋅ Clustered (Mine) standard errors in parentheses.

Appendix Ord. Spec. w/ Aut. Bandwith Selection (Full Controls)

Note: Table shows results for estimation of 10, with distance as measured by the ordering of basins with respect to the mine basin as the running variable, using practices suggested in Kolesár and Rothe, [2018](#page-22-3) for automatic bandwidth selection using a triangular Kernel and the mean squared error distance as selection criterion. Models in the upper panel include no covariates, models in the lower panel include the full set of controls. Models in columns (1) and (2) report results using the overall EVI as outcome, models in columns (3) and (4) for the cropland-specific EVI. Models (1) and (3) do no cluster standard errors, models in columns (2) and (4) cluster standard errors are at the mine basin system level. All specifications include mine and year fixed effects. **Significance Codes:** *** p<0.01, ** p<0.05, * p<0.1

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