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# A rocky road ahead? Critical reflections on the futures of small-scale mining in sub-Saharan Africa



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## ABSTRACT

This paper introduces a special issue which explores the dynamics and various development trajectories of artisanal and small-scale mining (ASM) – low-tech mineral processing and extraction – in sub-Saharan Africa. The papers in this special issue reflect critically on the efforts made over the past two decades to formalize the sector, which has fast become one of the most important economic activities in many rural sections of the region, as well as what lies ahead, given the progress made to date with legalizing and supporting operators. The present paper not only summarizes each contribution but also frames the debates on formalization, industry impacts and perceptions of participants which this special issue touches on, with specific reference to sub-Saharan Africa. Host governments and donors are now at a crossroads: on the one hand, faced with the reality that across the region, ASM is now an integral component of the rural economy, but on the other hand, having in place rigid regulatory and policy frameworks which do not necessarily reflect this reality.

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## 1. Introduction and background: setting the stage

In 2002, *Futures* published a paper, ‘The Future of Small-Scale Mining: Environmental and Socioeconomic Perspectives’ (Hilson, 2002a), written by the editor of this special issue. The piece highlighted the major impacts of artisanal and small-scale mining (ASM), the low-tech mineral extraction and processing activity now found scattered across the developing world. It also reflected on where this industry seemed to be situated in development policy, and the level of priority it was receiving from donors. Although not particularly engaging by today’s standards, the paper – very importantly – drew attention to ASM’s emergence and growing economic importance in many developing countries, presenting very different ideas to those tabled at the time. Up until the late-1990s, ASM was barely acknowledged in discussions on poverty alleviation and economic development. This was a curious oversight, in light of what research (Banchirigah, 2006; Hilson & Potter, 2005; Maconachie, 2011) has since uncovered: that the growth of ASM is linked heavily to poverty and/or a lack of economic opportunities, the sector is populated by a wide range of people in search of supplementary incomes, and that its activities are well-integrated into many rural economies.

For more than a decade after ‘small-scale mining’ was first used in a development context in the landmark UN publication, *Small-Scale Mining in the Developing Countries*, experts rallied tirelessly to ‘define what it is they were talking about’

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(Hollaway, 1991, p. 35). At first, international conferences were organized, attracting participants from across the world. One of the more influential gatherings, and an event which would heavily shape the development agenda for ASM in the 1980s, was the Regional Workshop, *Strategies for Small-Scale Mining and Mineral Industries* in Mombasa, Kenya, 14–25 April 1980. Here, presentations were delivered on the state of ASM in a number of countries, including Ghana, Swaziland, Nigeria, Uganda and Zambia. Most described the technical aspects of the sector.

It was the introductory presenter (Berger, 1982), however, who was by far the workshop's most opinionated and engaging. Although acknowledging that small-scale mining was an important source of employment, the presenter, for the most part, painted the sector in an extremely negative light. Revisiting earlier views voiced by Carman (1979), Brower (1979) and others, the presenter (Berger, 1982) described small-scale mining as 'a brutalizing business'; argued that it 'frequently leads to a "fractionation" of ore bodies, where a single large deposit of say 10 million tons is owned and worked by as many as 40 different operations, each working in their own fashion to maximize profits at the expense of a rational exploitation of the whole ore body'; and deduced, prematurely, that the 'problems of controlling and regulating small mining industries are immense' (p. 7). Believing the sector to be driven by businessmen – still a popular view in donor and policymaking circles – the presenter concluded that 'there are vicious cycles at work where the inability of Government to control small mining, or the reluctance of the local private sector to invest in small operations may result from the lack (or perceived lack) of substantial benefits to the investor and the nation' (p. 8).

The papers and reports published on ASM in the 1980s failed to dispel these unfounded ideas. Most did little more than describe the sector's features, and/or called for increased technical and financial support to be made available to operators. Wels (1983), for example, provided a descriptive overview of activities in several countries at the time, and detailed what he believed to be the 'optimal' conditions for small-scale mining to flourish. These, in the author's view, were settings where sophisticated exploration can take place; advanced mining techniques can be adopted; high-grade ore is present to counteract increased costs; minerals which require no further treatment occur; there are few transport challenges; there are minimal infrastructural costs; there is government support; and there is a recognizable marketing presence.

Subsequent analyses were instrumental in reinforcing perceptions that ASM was, indeed, populated by entrepreneurs. Alpan (1986) offered one of the earliest critiques, arguing, *inter alia*, that 'in contrast with many other rural development schemes, small-scale miners generally are self-motivated and start their enterprise without government encouragement and assistance' (p. 95). But the most influential document to emerge in the 1980s was Noetstaller's (1987) *Small-Scale Mining: A Review of the Issues*. Perhaps not realizing at the time of writing how much influence he would have on donor strategy, the author galvanized the policymaking community, cementing the view that ASM was, with few exceptions, driven by entrepreneurship (Hilson & McQuilken, 2014).

Throughout the 1980s and 1990s, the ASM sector was, therefore, examined and supported for the most part in isolation, treated by donors and policymakers as a separate entity and seen as disconnected almost entirely from the rural economies in which it was rapidly expanding. This oversight would prove significant, as these were periods of pronounced transformation in developing countries, particularly sub-Saharan Africa, where many governments, out of desperation, turned to the IMF and World Bank for financial assistance. The structural adjustment programmes awarded by the International Finance Institutions were laden with conditionalities, requiring borrowers to follow a specific blueprint in exchange for loans, including privatization of their industries, devaluation of their currencies to encourage investment, liberalization of markets and 'rolling back' their regulation. These changes would, indeed, stimulate macroeconomic growth in most cases but at the same time, had debilitating impacts at the grassroots level: causing tens of thousands of redundancies in scores of public sector institutions and privatized industries; removing support structures for, and devaluing the cash crops produced by, subsistence farmers; and paving the way for large-scale infrastructural development – roads, dams and large-scale industries – which have displaced subsistence settlements outright. During the extended period of structural adjustment that engulfed sub-Saharan Africa (Crisp & Kelly, 1999), little consideration was given to shielding rural inhabitants from rapidly-expanding large-scale infrastructural projects. This could – at least in part – explain why today, more than 90 percent of the region's rural population subsists on a daily wage of less than US\$2 (International Fund for Agriculture and Development, 2011).

This oversight extended to ASM, which, unlike today, was perceived at the time to be populated solely by rogue entrepreneurs and therefore, not believed to warrant much coverage on the region's rural economic development and poverty alleviation agenda. This policy 'mind-set' was certainly detectable in the literature published at the time (Alpan, 1986; Kumar & Amaratunga, 1994; Noetstaller, 1987), for the most part a rather disparate collection of descriptive pieces which painted the sector's operators as enterprising businesspeople looking to 'get rich quick'. Thus, when ambitious mining sector reforms were implemented across sub-Saharan Africa in the late-1980s and 1990s, ASM was, perhaps not surprisingly, treated as a subset of large-scale activity (Bugnosen, 1998), despite being a very different industry. Attention quickly turned to formalizing ASM, a move described by Chachage (1995, p. 47) as the 'officialization of hitherto illicit activities', and likely made by host governments, often under the direction of donors, to further strengthen their grip over lands, which they would secure for incoming multinationals and other foreign investors. Possibly not realizing that the very ASM activities they were seeking to formalize were becoming increasingly populated with people made redundant and/or struggling to survive following the sweeping changes made in order to qualify for structural adjustment lending, the region's policymakers would implement rigid regulatory procedures for individuals looking to secure the requisite permits. By the end of 1995, 36 African countries had implemented stringent policy frameworks and legislation, with the aim of legalizing ASM fully and/or had

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