



Promises and perceptions in the Guianas: The making of an artisanal and small-scale mining reserve



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ABSTRACT

In sparsely populated areas of the interior of the Guianas, artisanal and small-scale gold mining has become the primary economic activity for local and migrant populations over the last three decades. Because of the adverse environmental and social impacts often associated with artisanal and small-scale mining (ASM), these activities can be a source of unease for governments, and the question of how to confront the growing challenges of ASM has become a global concern. Formalization of the sector is increasingly being put forward as one strategy to mitigate the impacts associated with ASM, and there is a growing consensus that large-scale mining (LSM) companies have a role to play in this process. This article examines the perspectives of artisanal and small-scale miners on an initiative to formalize the ASM sector in a rural region in the interior of the Guianas. Through an analysis of a collaboration between a national government and a LSM company to create a reserve for artisanal and small-scale gold miners, we identify the major opportunities and limitations of this strategy. These opportunities and limitations demonstrate that although an artisanal and small-scale mining reserve could be one way to formalize the sector and support rural livelihoods, there are clear barriers to overcome to improve the interactions among governments, companies, artisanal and small-scale miners, and local communities.

1. Introduction

In sparsely populated areas of the interior of the Guianas in South America, artisanal and small-scale mining (ASM) has become the primary economic activity for local and migrant populations over the last three decades (Guedron et al., 2009; Heemskerk, 2011; Vieira, 2006).² Despite its largely informal ownership and operational frameworks, it has been estimated that over 80,000 people work as gold miners or provide auxiliary services to miners in the Guianas (Heemskerk et al., 2014; McRae, 2014), and the unregulated ASM sector in Suriname alone, is valued at an estimated \$1 billion annually (Gurmendi, 2012). While there are clear benefits of ASM for rural economies in developing countries, including a viable livelihood strategy and a way to help alleviate poverty, there are also hazards. Poor government regulation and support, a general lack of goods and services, and rudimentary equipment contribute to environmental contamination, occupational health and safety problems, and in many cases, deplorable socio-economic conditions (Hinton et al., 2003; Veiga et al., 2009). In addition, many ASM activities occur “extralegally,” where they align with local customs and land tenure traditions but

operate outside the bounds of the state's legal frameworks and mining laws (Siegel and Veiga, 2009: 52).

As a result, ASM is often a source of unease for governments and the multinational mining industry, and the question of how to confront the growing challenges of ASM has become a global concern. In many areas of the developing world, governments are increasingly viewing formalization as one strategy to mitigate the adverse environmental and social impacts associated with ASM activities, and there is a growing consensus that large-scale mining (LSM) companies have a role to play in formalizing the ASM sector (Basu et al., 2015; International Institute for Environment and Development 2001; International Council on Mining and Metals 2010; Mutagwaba et al., 2007).

In 2004, in a rural area of the interior of the Guianas, a multinational mining company began large-scale gold exploration where local artisanal and small-scale miners had been actively working since at least the early 1990s. In 2011, seven years after exploration began, the national government and the company evicted approximately 2000 artisanal and small-scale miners occupying a location identified as a viable area to build the company's mine. Three years later construction

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² The Guianas include the countries of Guyana, Suriname, and French Guiana, which is an overseas department of France.

began at the mine site, and in April 2015, a second eviction of approximately 200 artisanal and small-scale miners from a different area of the company's concession took place, again with the assistance of the national government. As a potential solution to artisanal and small-scale miners' alienation from the company's concession, the company, in collaboration with the government, proposed that an area (hereafter called the reserve) be set-aside for artisanal and small-scale miners to obtain legal rights to mine.

To accommodate the reserve, the company relinquished a section of their concession to the national government, and the government legally allocated a 5000-hectare ASM reserve in December 2012 for a 5-year period. The reserve is exclusively set-aside for miners belonging to the ethnic group who claim traditional authority over the land within and surrounding the company's concession. Although the government has not yet granted any official permits to mine in the reserve, a letter of intent between the company and community representatives expresses the company's commitment to supporting the small-scale miners. The letter states that the company will aid the miners in obtaining legal rights to mining concessions within the reserve and support their efforts to improve their mining and ore processing practices to be safer and less damaging to the environment. The creation of the reserve and the company's commitment to help facilitate the formalization of artisanal and small-scale miners mark a collaborative attempt by government institutions and a corporation to move the ASM sector into a more legitimate arena and to mitigate some of the negative health and environmental impacts that are commonly associated with ASM activities. Although this collaboration represents a positive step toward legitimizing ASM, the artisanal and small-scale miners who were removed from the company's concession and some of the communities near the concession are not satisfied with how the process of implementing the mining reserve has unfolded.

In this article, we examine the perspectives of artisanal and small-scale miners on this initiative to formalize the ASM sector in a rural region in the interior of the Guianas. While the existing social science literature on ASM suggests that formalization is a crucial strategy for defining rural property rights and minimizing the adverse social and environmental impacts of ASM activities (Hilson and Vieira, 2007; Langston et al., 2015), it has yet to consider company-led creations of ASM mining reserves from the local ASM perspective. Through an analysis of a collaboration between a national government and a mining company to create a reserve for artisanal and small-scale gold miners, we identify the major opportunities of this strategy, including: 1) a way for LSM companies to aid countries in formalizing the ASM sector while supporting rural livelihoods; and 2) an approach to supporting social responsibility initiatives that help build and maintain a company's social license to operate. Yet, ethnographic research with artisanal and small-scale miners in this region suggests that there are key limitations to this strategy including: 1) a lack of trust among artisanal and small-scale miners of both government and the company rooted in the historical marginalization of communities in the interior of the Guianas and exacerbated by the recent evictions of ASM from LSM exploration and mining permit areas; 2) a general disagreement between artisanal and small-scale miners and the company about the appropriate roles to be played by the company and the government; and 3) a lack of communication between the company and the displaced artisanal and small-scale miners. The opportunities and limitations identified through this study demonstrate that although an ASM reserve could be one way to formalize the sector and support rural livelihoods, there are clear barriers to overcome to improve the interactions among governments, companies, artisanal and small-scale miners, and local communities.

2. Methods

Data for this study were collected over twelve days in May and June 2015 in various locales including: the LSM company's site; local

villages; the town center that services the local mining activities; and active small-scale mines. Twenty-nine semi-structured interviews with open- and closed-ended questions were conducted with various stakeholders including: artisanal and small-scale miners, equipment owners, community leaders and other community members living near the company's concession, shop owners, commercial sex workers, and company employees. In addition, several casual conversations were held during the study, and participant observation was carried out in the company's camps, in local villages, and in the aforementioned town center.

Two members of the LSM company's community relations team coordinated interviews with some of the members of the local population's organizing committee, as well as with a few of the leaders of the recently formed ASM group. Other interviewees were found independent of the company either opportunistically or through snow-ball sampling, where interviewees identify other potential candidates (Bernard, 2011). A local research assistant also aided in participant recruitment and translated during interviews. In all cases the interviews were conducted in the language preferred by the interviewee and if necessary, translated by the research assistant.

3. ASM and formalization

Because of the lack of formalization, health and safety risks, and adverse environmental impacts of ASM activities (Hilson and McQuilken, 2014; Labonne, 2014), many countries have enacted legislation aimed at formalizing ASM or are currently reviewing their mining laws to include provisions for regulating ASM. Formalizing this sector has not been an easy task, and despite efforts to govern the sector, ASM continues to operate primarily in the extralegal sector (Labonne, 2014; Siegel and Veiga, 2009: 52; Sinding, 2005).

It is widely agreed that effective formalization requires a holistic approach, which includes improving miners' access to new technologies and credit, issuing mining concessions, and enforcing environmental and occupational health regulations (Macanachie and Hilson, 2011; Teschner, 2012; Verbrugge, 2015). Yet, most countries struggle with formalization due to financial constraints and a lack of capacity for regulation and enforcement (Hentschel et al., 2002; Hilson and Potter, 2003; Smith et al., 2016; United Nations Economic Commission for Africa, 2011). In addition, governments are faced with the challenge of reconciling their ASM formalization objectives with prospects of foreign direct investment and tax benefits from LSM operations (Hilson and Potter, 2003). In the case of ASM in the Democratic Republic of Congo, Geenen (2011) explains that top-down decision-making, large gaps between law and practices, and weak regulatory frameworks hamper efforts towards formalization.

In rural areas where centralized states exercise limited control and provide minimal social services, it is not only artisanal and small-scale miners, their families, and their communities who rely on mining activities for sustenance. Government officials and rural institutions (both formal and informal) are increasingly invested in ASM, making formalization even more complex and problematic (Geenen, 2012; Van Bockstael, 2014). For example, after the March 2012 coup d'état in Mali, the Malian government stopped providing financial support to schools and medical clinics in rural areas. Officials and institutions were thus forced to rely on profits from ASM activities (Teschner, 2014). Poor management, corruption, and weak institutional frameworks often amplify these problems leaving regulations inadequately incentivized and largely ineffective (Teschner, 2012). Without strong institutional support, legislation intended to support and regulate ASM-based livelihoods may actually legitimize irresponsible mining practices and worsen the situation within ASM communities (United Nations Economic Commission for Africa, 2011).

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