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Shifting sand, shifting livelihoods? Reflections on a coastal gold rush in Ghana

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ABSTRACT

Artisanal and small-scale mining (ASM) is often characterised as rush-type activity undertaken by people looking to 'get-rich quick'. An alternative view posits ASM as poverty-driven activity which provides a valuable source of employment to a rural population where agriculture has failed to provide an adequate income. Against this dichotomy, this article critically reviews the short-lived, but high profile, gold rush which occurred on the beaches of Elmina, a fishing town in Ghana's Central Region. At its peak, more than 1000 people, including local fishermen and career miners from the Western Region and Eastern Region of the country, were mining on the beaches. Drawing on interviews with miners and local business owners, the analysis explores the dynamics of the rush and its implications for understanding the ASM sector in Ghana. The discussion highlights the challenges associated with managing resources in dynamic and heterogeneous contexts, reconciling separate and conflicting sectoral priorities and the need to go beyond simplified and dualistic representations of the sector.

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Introduction

Artisanal and small-scale mining (ASM) – the labour intensive extraction of minerals using little or no mechanisation – employs more than 100 million people worldwide, mainly in developing countries (International Labour Organisation (ILO), 1999; Global Mercury Project, 2006). In addition to the valuable role it plays in livelihoods, it is a contentious activity due to its association with land degradation, mercury pollution, poverty and related social issues, and poor safety record (e.g. Hentschel et al., 2002; Dondeyne et al., 2009; Bose-O'Reilly et al., 2010; Hilson, 2012a, 2012b). Despite the benefits that could potentially accrue to individuals and communities, and the reductions in environmental and social costs, associated with a well managed ASM sector, governments have consistently failed to formalise and regulate the sector effectively (Hilson and Potter, 2003; Hilson, 2007; Tschakert, 2009). Artisanal and small-scale mining has received proportionally less attention by national governments, development practitioners and academics than its importance in rural economies might suggest, and undoubtedly the resultant

knowledge deficit has contributed to the sector's poor management (Hilson and Maponga, 2004; Clifford, 2012).

This paper aims to contribute towards an increased understanding of the sector by examining an episode where miners flocked onto the beaches at Elmina, a fishing town in Ghana's Central Region. The analysis draws on 20 interviews with miners and local business people and ethnographic observations undertaken on two field trips, one in December 2011 and another in August 2012. The case study is presented predominantly from the perspective of the miners, but the subsequent reflections and discussion unpack the prevalent issues against a broader background.

The first section contextualises ASM in Ghana, outlining how the sector has developed and introduces key contemporary debates regarding livelihood diversification and the importance of perceptions in policy-making. The case of Elmina is presented against this background, outlining how the rush developed, was addressed by government and local authorities through security services, and the situation which followed. The subsequent discussion reflects on what the Elmina episode means for ASM in Ghana, examining in particular issues regarding the management of resources in dynamic and heterogeneous contexts, reconciling separate and conflicting sectoral priorities and the need to go

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beyond dualistic representations of the sector. The discussion also highlights the challenges with co-ordinating a coherent and broad response from the variety of authorities who influence resource exploitation.

Artisanal and small-scale mining in Ghana: Development and discourses

Contrary to popular depictions of the sector, ASM in Ghana is both a deeply rooted activity, and characterised by dramatic, often chaotic, growth. Over the preceding century, ASM activities in the country have been influenced by colonial and post-colonial interventions in the minerals sector and economy more broadly. This section briefly outlines the historical development of the sector and the current state of ASM in Ghana, reviewing in particular the debates on livelihood diversification and unpacking the importance of how the sector is perceived by policy-makers.

Extraction, processing and trading of mineral wealth has been a feature of rural economies in Ghana and throughout sub-Saharan Africa for more than 1000 years (Hilson, 2002; Grant et al., 2011). For the majority of this time, mining has been characterised by the rudimentary techniques which continue to dominate contemporary ASM. The most profound shift in the dynamics of the minerals sector in the region occurred during the 19th century when, facilitated by rapid colonial expansion, European mining companies increased their attempts to establish operations in the area known then as the Gold Coast. These ventures unanimously failed to become productive companies (Silver, 1981; Ofosu-Mensah, 2011), but their presence precipitated the establishment of an informal and disorderly market in mining concessions.¹ The effect of this still resonates in contemporary debates on resource management; the concession covering the resource-conflict riddled town of Obuasi in the Ashanti Region, for example, was first instituted in early 1897 (Ayensu, 1997).

Despite the persistent resistance of small-scale miners to foreign mining companies in the early 20th century, which contributed to sustained low levels of output, colonial authorities continued to pursue the extraction of gold. This included another intensive push to increase production after World War I, but this only temporarily rejuvenated gold production. The deterioration of mining operations led to a post-World War II drop in output, and the eventual nationalisation of all but one of the country's mining companies (Hilson, 2002).

Chronic problems with the financial, institutional and legal frameworks associated with the sector, and the country as a whole, led to the inception of the International Monetary Fund (IMF) supported Economic Recovery Programme (ERP) in 1983. The ERP has had a profound impact on the character of the minerals sector in Ghana, not only rejuvenating the large-scale sector, but also inadvertently encouraging the growth of the small-scale sector, which resulted partly from the influx of retrenched civil servants (Banchirigah, 2006).

Reforms to the minerals sector have undoubtedly led to improvements in its economic productivity. Attempts to attract foreign investors through a series of tax breaks, exemptions and variable royalty rates were successful; in the period 1983–1998 US \$4 billion were invested in rehabilitation, exploration and establishing new mines. The country's mining sector now contributes about 40% of foreign exchange income, and around 5% of gross domestic product (GDP) (Aryee, 2001; Ghana Statistical Service, 2010). These successes are also reflected in other sectors, such as forestry and cocoa production.

The ERP and subsequent rounds of structural adjustment, however, have been criticised for the profoundly negative

economic effect on the wider population. Depreciating currencies, reduced government spending, and removal of subsidies and price supports for key food and energy commodities compounded issues raised by reduced employment, particularly in the public sector (Hutchful, 2002; Baah-Boateng, 2004; Hilson and Potter, 2005). Bofo-Arthur (2000), for example, estimates that unemployment as a result of the programmes led to the retrenchment of between 100,000 and 200,000 public service workers.

The concurrent failure and persistently tenuous nature of small-holder farming in Ghana, as well as elsewhere in sub-Saharan Africa, has led to widespread deagrarianisation (Bryceson, 1996; Barrett et al., 2001). Individuals and communities who are unable to adequately support themselves through rain-fed agriculture under increasingly globalised and liberal markets have augmented their incomes by engaging with ASM. The nascent literature on these phenomena suggest that it underlies much of the growth observed in the sector over the preceding decades (Banchirigah, 2006; Banchirigah and Hilson, 2009; Bryceson and Jønsson, 2010).

Conservative estimates suggest that ASM in Ghana now contributes more than 20% of all gold mining revenues in the country and employs more than one million people directly (Tetteh, 2012), although there is considerable uncertainty with all employment estimates in the sector. In addition to the direct benefits accruing from the sector, ASM also supports a host of downstream industries such as provision of food and accommodation, mechanical support and transport, making it a vital component of rural economies and a viable location for a range of 'small-time' investors (Kumar and Amaratunga, 1994; Nyame et al., 2009). Activities in the sector are not, however, generally antagonistic towards agriculture, and in many instances the activities are complementary with individuals mining seasonally to coincide with lulls in the agricultural season (Hilson and Garforth, 2012).

The discourse that posits ASM as a valuable source of income for poor individuals and communities who are seeking to diversify their livelihoods in the face of unviable agricultural operations has gained considerable currency in recent years. It has been promoted, however, largely in response to suggestions that the sector and its participants were viewed as agents looking to 'get-rich quick', without regard for social or environmental consequences. This position draws credence from the continuing degradation of mining areas and the growing use of excavators costing 8000 cedis² per day to hire. The neglect and marginalisation of the sector, resulting from this widely held perception in policy-making circles, has merely served to compound these issues which remain inadequately addressed (Tschakert and Singha, 2007; Hilson, 2009).

The formalisation process in Ghana, for example, has been widely criticised for being financially and bureaucratically burdensome such that only an estimated 10 per cent of ASM activities in Ghana are currently licensed under the 1989 *Small-Scale Gold Mining Law* and the revised *Minerals and Mining Act 2006* (Hiron, 2013). The formalisation process has been further undermined by an under-appreciation of the intertwined nature of formal and informal operators, political leniency and law enforcement corruption (Teschner, 2012). The contemporary informal dynamics in the sector, where decision-making processes are dominated by local land owners and chiefs (Nyame and Grant, 2012),³ give the impression of activities being beyond the control of government. This contention is also reflected in findings that alternative livelihood programmes, such as rearing grasscutters, bee-keeping or snail farming, have failed to encourage people to abandon ASM,

² About US\$4000.

³ As well as a recent influx of Chinese workers and operators.

¹ Formalised in 1900 in the concession ordinance.

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