

Lifting the lid on Ghana's illegal small-scale mining problem

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Small-scale gold mining in what is modern day Ghana can be traced as far back as the 15th century. It continues to be an important means of livelihood for many relatively low-income Ghanaians and is highly significant for the economy as a whole. In fact, its economic importance has increased dramatically in recent years.



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Under Ghanaian law mining is “reserved for Ghanaians”. Despite this, over the last decade there’s been a [notable development](#) – the arrival of large numbers of foreign miners, particularly from China.

In 2006 small numbers of Chinese and other foreign miners came to Ghana to engage in gold mining. Then a hike in gold prices from 2008 onwards led to a veritable gold rush and the arrival of significant numbers of foreign miners. Most were working on an illicit and illegal basis. Foreign miners came from countries in West Africa, as well as Armenia and Russia. But the largest concentration was from China.

By 2013, the scale of Chinese citizens’ involvement in informal gold mining in Ghana was inviting increasingly hostile media coverage as well as outbreaks of violence. The government was finally forced to act. Then President John Mahama established an inter-ministerial task force to [combat](#) illegal small scale mining. The President was careful to include both by Ghanaians and non-Ghanaians. But the subtext was clear – this measure was primarily aimed at foreign miners.

By mid 2013 significant numbers of foreign nationals, the majority of whom were Chinese, had been arrested or deported. Many more left voluntarily. As a result the visible presence of foreign miners in small scale gold mining declined. But, as research we've been involved in over the past 15 years shows, there have been enduring legacies of this short, intensive period of foreign involvement.

Our research ranged from looking at [conflict, collusion and corruption](#) in small-scale gold mining, specifically in relation to Chinese miners and the state in Ghana. We also looked at [the impact](#) of China's informal gold rush in Ghana as well as the militarisation and criminalisation of artisanal and small-scale gold mining.

Our findings revealed that the sector is rife with corruption. We also conclude that closing off foreign involvement in small-scale mining in the face of extremely low local investment and high unemployment is unlikely to work. Our view is that the government may have to shift its focus. Instead of trying to ban the activity, it should allow it, and accompany this with better regulation.

The mining sector

Last year [Ghana](#) overtook South Africa as the largest producer of gold in Africa. Artisanal and small scale mining accounts for 35% of Ghana's [total](#) gold production.

For many years, small-scale mining suffered benign neglect from the state which focused on large-scale mining. Local financial institutions also remained uninterested, and very little was done to advance production technology.

Small-scale mining was illegal until 1989 when a new [law](#) was passed to legalise and regularise the sector by introducing a licensing process. This was then consolidated in the Minerals and Mining [Act](#) in 2006 which enabled artisanal miners to apply for a concession of 25 acres maximum in designated areas through the Minerals Commission.

But it's estimated that less than 30% of small-scale miners are formally registered. Most remain informal and illicit, known as "galamsey".

Big changes happened at the beginning of the new millennium. Ghana's small-scale mining got caught in the vortex of globalisation which led to increased movement of people across continents, easier movement of finance, technological migration and intensification of mining. A sector that had been deprived of investment for so long suddenly discovered new suitors.

Among them were miners and business people from [Shanglin County](#) in Guangxi Province of China, who were already familiar with small-scale gold mining in their home country. They had developed more advanced technology to increase gold production, and were able to obtain loans from Chinese banks to invest in the activity.

Conflict, collusion and corruption

In our [research](#) on conflict, collusion and corruption, we looked at how Ghanaian artisanal miners quickly seized the opportunity and entered into informal partnerships with the Chinese investors. Most partnerships were illegal because Ghana's laws reserve small-scale mining for Ghanaians.

But there was one exception: foreign companies were [allowed](#) to act as "support service providers" to small-scale concession holders.

After the spike in the gold price in 2008, an astonishing illicit, free-for-all ensued. Both Ghanaian and Chinese miners engaged in both conflict and collaboration over access to gold. The situation was described as "out of control" and characterised by ["a culture of impunity"](#) at its height in 2012 and 2013.

Chinese miners, in particular, numbering tens of thousands, introduced mechanisation and new technology.

Looking at [the impact](#) of this period, we found that irregular migration into an informal sector had long-lasting effects. Irrevocable changes happened in a short space of time.

One consequence of the developments was that the economic rewards became greater. Another was that inequality among Ghanaians involved in small-scale mining also increased substantially. This included a gendered dimension, as women, children, and many young people were left to extract the “scraps” left after mechanised alluvial gold mining.

Another affect of the rise in small-scale mining has been that many acres of [cocoa](#) farms have been lost. This has led to a significant [drop](#) in cocoa production.

Another consequence was incalculable environmental damage to land and water bodies. Streams and rivers being diverted for mining purposes, and surface and ground water was polluted with hazardous chemicals, notably cyanide and mercury for gold processing.

The Ghana water company [reported](#) that between 2008 and 2018 there was a 50% loss of water available for treatment. It warned that if illegal mining was left unchecked, Ghana could be importing water in the next 10 years.

Already in some villages in the western and central regions of Ghana, residents have to travel to urban areas to buy sachet water for drinking and basic staples such as cassava to feed themselves due to mercury and diesel pollution of land and water resources.

The government’s taskforce has done little to stop the activity. Recent [evidence](#) of worsening water quality shows this. Ghana’s [media](#) also continues to report recurring arrests of illegal miners, both foreign and locals.

In our view, small-scale mining with foreign involvement is unlikely to stop. The state would do better by creating legislation for this mid-level group, which has claimed space for itself, and to regulate it.

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