

# Ghana needs to rethink its small scale mining strategy. Here's how

By [Richard Kwaku Kumah](#)

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Ghana is among the [top two gold producers](#) in Africa. What has caught little attention, however, is the fact that more than [35% of total gold output](#) in Ghana comes from artisanal and small-scale miners. Artisanal and small-scale mining is estimated to support the livelihoods of some [4.5-million Ghanaians](#), about 12% of the population. They account for more than [60% of the country's mining sector labour force](#).



Gold is key to the economic survival of millions of Ghanaians. Knut-Erik Helle/Flickr, CC BY-NC

Artisanal and small-scale mining is a low-tech, indigenous and often informal. It occurs in over 80 mineral-rich developing countries. Up to [100-million people](#) globally work in this sector.

Artisanal and small-scale mining has a long history in Ghana. It was only in 1989, however, that [government recognised](#) its legitimacy through the Small-scale Mining Act (PNDCL 218), later integrated into the current [Mining Act 703 \(2006\)](#). The act provides a blueprint for its formalisation. It also reserves small-scale mining for Ghanaians. The law requires prospective local miners to apply for a licence to mine up to 25 acres of land in designated areas.

Government's intention to formalise the sector has had very little success. [More than 85%](#) of all small-scale mining operations in Ghana are carried out by unlicensed operators.

Due to the sector's evolving nature, the distinction between artisanal and small-scale mining has become contentious and blurred. To avoid any complications, most scholars now use them interchangeably. Some use the level of sophistication employed to make a distinction. But in Ghana today one sees rudimentary tools (traditional artisanal mining) and modern tools (small-scale mining) being used on a single mining site.

## Jackboot approach

Government's response to illegal mining has been to use the military to raid small-scale miners. There is a long history to such a combative approach in Ghana. It dates as far back as the British colonial administration which enacted the [Mercury Ordinance of 1933](#) to ban and criminalise native miners.

In 2013, the then president John Mahama formed the Inter-Ministerial Taskforce to “flush out” illegal miners, which led to many arrests and the expulsion of illegal Chinese miners. The use of force intensified under the current president, Nana Akufo-Addo, who [vowed in 2017](#) to put his presidency on the line to fight illegal mining in Ghana. This culminated in the setting up of [Operation Vanguard](#), the largest centralised military-police joint taskforce to combat illegal mining in Ghana.

The real problem, however, is government’s failure to implement its legislative framework for the formalisation of small-scale miners.

## Barriers to formalisation

Government first introduced a framework for the formalisation of small-scale miners more than 30 years ago. But it has very little to show for it. Less than 15% of small-scale mining operators have been able to acquire the requisite mining licences. Many don’t bother to apply due to the tedious and cumbersome nature of the regulatory process.

To gain a better understanding of why the formalisation process has not achieved much, an aspect of my [PhD research](#) sought to unearth local perspectives on the underlying conditions for the creation of these informal local mines. It examines how these underpin persistent informality.

There are two problems. The first is that the current formalisation blueprints fail to adapt to the conditions of the majority of local miners. The second is that the blueprints make it very difficult or too costly for small-scale miners to comply. They are therefore a disincentive to formalise.

Only a small segment of small-scale miners can raise the amount of money required to become [formal operators](#). The costs include application fees as well as the money required for the preparation and processing of the application. Then there are costs for environmental permits, the hiring of surveyors and for the acquisition of business documents. A prospective small-scale mining licensee could spend at least US\$4,000 to secure the requisite legal status.

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When unofficial payments (bribes) are included, according to small-scale miners, the costs of getting a licence to mine 25 acres can balloon to as much as \$7,000. A burgeoning body of [research](#) has shown that artisanal and small-scale miners in Ghana are driven to mining by poverty.

The second challenge revolves around a centralised bureaucracy and lack of effective engagement with all stakeholders. Despite the administration of small-scale mining being decentralised into nine mining districts across the country, only the national head office can issue a small-scale mining licence. Key local stakeholders like municipal and district assemblies

with better understanding of the complexities play no effective role in the licensing process.

Again, the creation of a centralised taskforce to address a localised problem runs parallel to existing local structures. This undermines effective policing, monitoring and accountability.

## Finding solutions

President Akufo-Addo's call for a dialogue on illegal mining in his January 2021 [state of the nation address](#) portends a potential shift.

To create the enabling policy environment for a blooming artisanal and small-scale mining industry that is environmentally sustainable and economically beneficial to the state and citizens, greater engagement with local actors is the path to chart.

The solution is the devolution of small-scale mining decisions to municipal and district assemblies working in collaboration with traditional authorities.

This will facilitate greater recognition and inclusion of local actors in the licensing process. It will also open dialogue with local miners since municipal and district assemblies are the local development agents. This will bring decision making processes closer to small-scale miners and enhance the effective policing and monitoring of the sector.

The reform of the licence regime for small-scale mining should be driven by the need to match the costs of formalisation with the complex socio-economic dynamics of the majority of operators. This is attainable when policy treats small-scale mining as a survivalist sector rather than a platform for wealth creation. Artisanal and small-scale mining has also suffered because of its portrayal by the media and public misrepresentation as a vehicle for "quick money".

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