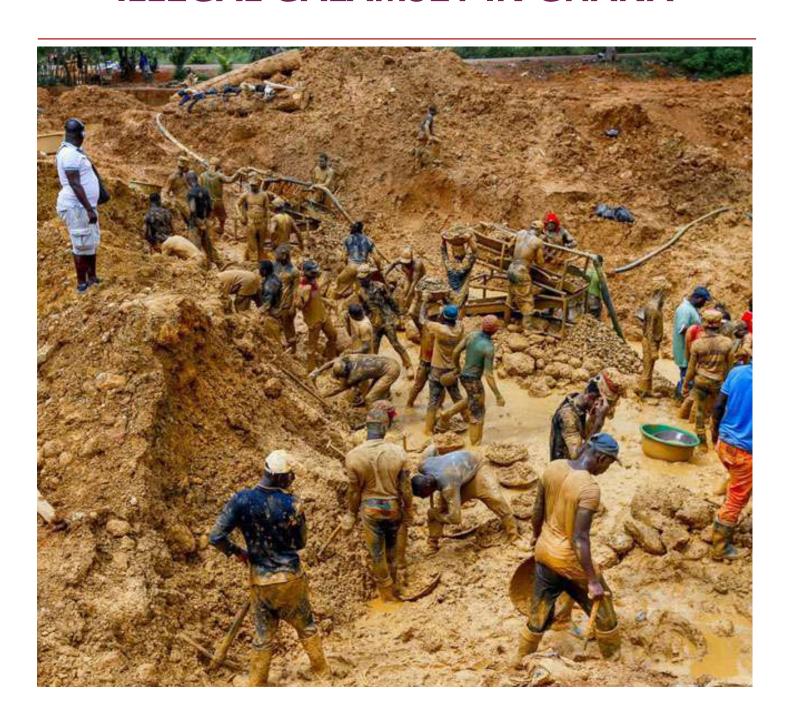


## POLICY BRIEF

# CHANGING THE PARADIGM OF ILLEGAL GALAMSEY IN GHANA



GOOD GOVERNANCE AFRICA







## INTRODUCTION

Small-scale mining activities in Ghana date back more than 2000 years, with evidence of gold mining as far back as the seventh and eighth centuries. It also accounts for the colonial name of the country "The Gold Coast". Ghana is presently the second largest producer of gold in sub- Saharan Africa, only behind South Africa. However, this enviable position is bolstered by the returns from small-scale mining or galamsey. It is estimated that about 30% of Ghana's total gold output is derived from the activities of an estimated one million small-scale miners, with most of them galamsey operators without any mining permits.

In Ghana, small-scale miners need a license before they can operate. However, majority of small-scale miners are operating in Ghana without any legal license. The activity, which has kept on attracting several thousands of local Ghanaians, particularly the youth, promises a quicker means of earning an income. However, in recent years and particularly in the last few months, the discourse of illegal small-scale miners in Ghana can be portrayed generally as highly negative and combative, focusing on the galamsey operators as lawless, irresponsibly destroying the environment and a security risk to the country.

The overall objective of GGA-WA's research was to collect information on the socio-economic impact of galamsey operations, the current regulatory frameworks and the operations of small-scale miners in Ghana and processes and ideas needed to formalize the operations of galamsey in Ghana. Information for this research was

collected through a combination of literature reviews and primary data collection utilizing a range of qualitative methods. Fieldwork for the research project was undertaken in three districts (Amansiie West, Atwima Mponua and Denkyembour Districts) of Ghana with records of small-scale mining. This process included informal interviews with miners, mining officials, government officials, and local community members.

Ghana has since 1985 formulated and implemented several laws and policies aimed at creating an effective regulatory framework for the mining industry. Up until this time, mining in the gold sector was not regulated, though diamond mining activities had been regulated through the Minerals Act since 1962. The primary laws were:

- •The Additional Profile Tax Law (PNDCL 122; 1985);
- •The Minerals and Mining Law (PNDCL 153; 1986);
- •The Minerals (Royalties) Regulations (LI 1349; 1985,1987);
- •The Small-Scale Mining Law (PNDCL 218; 1989) amended in 2006; and
- •The Precious Marketing Corporation Law (PNDCL 219; 1989).

#### Galamsev

Means "gather and sell" in Twi, and is used for describing an illegal small-scale miner or the activity of mining illegally

In addition, the Minerals Commission in 1986 as the primary institution to oversee domestic and international operations in the Ghanaian mining sector. Thus, in effect, small-scale mining had a regulatory framework from 1989. However, it is estimated that over 70% of those engaged in this enterprise are unregulated without permits and operate outside the framework set by the minerals laws. Small-scale miners' inability to register has been attributed to the long delays associated with the licensing regime. On the other side, operating outside the law implies that they are not meeting the minimum standards for legally mining in Ghana and this has pitched them against the State in recent years.

## SUMMARY FINDINGS

The research showed that galamsey is seen as a source of livelihood for the majority of the communities and the operators. With close to one million participants, this constitutes about 10% of the workforce of the country. The communities visited all affirmed the benefits of galamsey and the development potential of the business. Community members recounted the progress their communities had made because of the presence of galamsey. They also reported the opportunity it creates in providing and catering for their families. Galamsey operators seemed to be involved in the development agenda of communities; supporting school construction and providing other amenities while the value chain spread to other trades in the communities.

On the other hand, there were countless complaints of the negative effects of galamsey. These include environmental degradation, health and safety concerns for the community, and security concerns among others.

These negative and destructive effects notwithstanding, most respondents were of the view that a blanket ban on galamsey was not the answer to the menace. Various respondents made recommendations on how the Government should deepen the formalization process and enforce regulations to ensure that the business is effective and efficient without compromising the health and safety of the country. The returns from and the number of people involved in small-scale mining in Ghana positions the sector as a potential to generate revenue and employment if the right approaches are adopted.

## RECOMMENDATIONS

Below are some recommendations based on the findings:

- The State should enforce all the regulations stipulated in the various mining codes with regards to environmental reclamation. For instance, firm rules should be adopted to ensure that miners cover their pits when they finished their operation.
- Promote development policies that stimulate environmentally sound mining practices in Ghana, such as maintaining chemical free mining practices.
- Improve coherence of laws and policies across the mining and forestry sector to enhance livelihoods and minimize environmental impacts. Special attention should be paid to mitigating conflicting interests between small-scale and large-scale mining activities; and for mining activities in protected areas such as forest reserves.
- Environmental and social impacts of small-scale mining operations should be studied thoroughly and disseminated transparently before exploitation licenses are granted. Mining companies can benefit from engaging with local communities to minimize conflict in their operations and enhance their corporate social responsibility.
- The Government must take the lead in environmental reclamation. A special tax for the environment need to be paid by the miners. Part of the revenue generated from mining should be used to clean up the environment around the mining sites.
- Inform and sensitize artisanal miners about their rights and responsibilities under the national mining laws, how to access mining titles and operate in a legal way. Meanwhile processing mining permits should be user-friendly and decentralized.
- Improve miners' livelihoods by:
  - » Transferring knowledge about sustainable mining techniques, tools, valuation and price.
  - » Facilitating miners to organize themselves by creating forums for information exchange and sharing experiences on production, processing, financial management and market skills.
  - » Supporting miners to diversify incomes with alternative activities such as more efficient farming and livestock rearing.
- Government should register the small-scale miners/ galamsey operators. The registration should lead to the establishment of cooperatives. A registered mining cooperative will be easier to manage and regulate as it

comes with known leadership structures and the members of the group will enforce group norms to protect their viability, while ensuring that effective and environmentally-friendly mining techniques are adopted.

- There is a need to have all stakeholders on board and on the same page with regards to the regulatory framework and the enforcement of regulations, including the Ministry of Lands and Natural Resources, the Minerals Commission, the Chamber of Mines, community chiefs, districts and any other stakeholders related to mining.
- The Minerals Commission should plot every square inch of the country and employ competent district level staff who will be conversant with the geology of their districts and oversee monitoring at a district level.
- The Government can subcontract monitoring and regulations to the mining university. The university can build a consulting firm to generate revenue. Their graduates and students can be recruited as monitoring officials. Graduates/ students from the mining universities should be employed to monitor the galamsey activities.

#### CONCLUSION

During the research, the majority of the community and district stakeholders asserted that abolishing galamsey was not the best option for the government. Abolishing galamsey, in the view of most community members will create mass unemployment and social vices like armed robbery. However, it was also apparent in all communities and from all respondents that there are so many people into small-scale mining without the proper licenses or permits to operate. The undocumented miners seem to be the worst culprits and the ones who failed to reclaim the land after their operations. In addition, they are the people destroying the river bodies. Most respondents recommended that the Government formalizes galamsey and weed all the bad companies out from it and ensure that the remaining ones follow proper mining techniques. Formalization will ensure that miners can be taxed to increase Government's revenue generation which in return could provide more developmental projects for the community.



Members of government's Operation Vanguard (Galamsey Taskforce) at an abandoned illegal mining site

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#### ABOUT GOOD GOVERNANCE AFRICA

ounded in 2012, the Good Governance Africa is a registered Not for Profit Organization (NPO) with centers in Accra, Ghana covering Anglophone West Africa except for Nigeria which has an independent center in Lagos. For Southern Africa, GGA has centers in Johannesburg, South Africa and Harare, Zimbabwe. New centers have been opened at Goree Institute in Dakar, Senegal to cover Francophone West Africa and Addis Ababa, Ethiopia called the AU Centre.

Good Governance Africa – West Africa Center aims to promote good governance in English Speaking West Africa through applied research and critical debate (advocacy). Our past research publications include "Slums and Informal Settlements Development towards making Ghana's Cities Resilient", "Deepening Fiscal Decentralization for Effective Local Service Delivery in Ghana", "Economic Development Pathways for Local Area Development"...(Find these reports and more on www.gga.org/West-Africa) . Research areas of the Center include local governance, land and natural resources, early childhood education and national security. GGA West Africa is also concerned with the promotion of local economic development, urban governance, right to information, justice and accountability, innovation, environmental sustainability (including climate change issues) and leadership.

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