

# THE 'INFORMALISATION' OF GHANA'S SMALL-SCALE GOLD MINING ECONOMY: DRIVERS AND POLICY IMPLICATIONS



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## IN BRIEF

- » Small-scale mining, though largely informal in Ghana, is a significant contributor to livelihoods and economic growth
- » Negative environmental impacts mean the sector's contribution is heavily restricted and driven further into informality
- » This study found that informality and negative impacts in the sector are a result of current policies by state institutions

Small-scale mining has experienced meteoric growth in Ghana. The sector's ability to provide impoverished people with direct employment and create additional jobs in downstream industries has earned it the label 'poverty-driven activity'. Most people in the small-scale mining sector, however, operate without the requisite permits to mine legally due to a shortage of untitled land, as well as a bureaucratic and costly registration processes.

This study provides fresh insights on the implications of the current approach taken to formalise Artisanal and Small-scale Mining (ASM) in sub-Saharan Africa. Whilst there has been considerable speculation over the years that, despite the donor rhetoric, formalisation of the region's ASM economy has not received the attention in policymaking it deserves, few scholars have explored the consequences of this neglect.

The findings show there is a sizable gap between what the government believes ASM is (namely, a sector populated by rogue, opportunistic entrepreneurs), and what it actually is (a largely poverty-driven livelihood strategy). This misdiagnosis has spawned a regulatory apparatus that has proved to be a formidable barrier for ASM operators attempting to transition to the formal economy. The negative effects of the sector are due to the informality and, by extension, the inability of operators to access the suite of support services only available to permit holders. The sector needs more operator-friendly policy frameworks without which, informal ASM activity will continue to expand in Ghana and other sub-Saharan African Countries.

The findings from this project have been discussed with the Minerals Commission of Ghana and the Ministry of Lands and Natural Resources.